CONTENTS

CORPORATE STRUCTURE

AS AT 28 APRIL 2015

GUNUNG CAPITAL BERHAD
330171-P

100%

GUNUNG RESOURCES SDN BHD (71881-T)
Principal Activities:
Chartering of land-based transportation assets and specialty vehicles

100%

GPB CORPORATION SDN BHD (259683-P)
Principal Activities:
Chartering of land-based transportation assets and specialty vehicles

100%

BAS RAKYAT SDN BHD(911418-W)
Principal Activities:
Chartering of publc transportation assets

85%

PUSAKA HIJAU SDN BHD (874626-T)
Principal Activities:
Investment holding company

60%

PERAK HYDRO RENEWABLE ENERGY CORPORATION SDN BHD (908000-H)
Principal Activities:
Developing, maintaining and operating small hydro plants.

KERIAN ENERGY Sdn Bhd 30%

SELAMA HIDRO Sdn Bhd 30%

ZEQNA CORPORATION Sdn Bhd 30%

KORIDOR MENTARI Sdn Bhd 30%

SUMBER SEJAHTERA Sdn Bhd 30%

KUASA SEZAMAN Sdn Bhd 30%

70% GUNUNG HYDROPOWER SDN BHD 30%

GUNUNG HYDROPOWER SDN BHD (513154-T)
Principal Activities:
Building and operating hydropower plants

5% CONSO HYDRO RE Sdn Bhd

30% WGC PHREC HYDRO Sdn Bhd

30% MAJU RE Sdn Bhd

30% GELINTING HYDRO Sdn Bhd

30% AVA HYDRO Sdn Bhd

30% PELUS HIDRO Sdn Bhd

95% KUNDUR HYDRO Sdn Bhd

CORPORATE INFORMATION

Board of Directors

Dato' Syed Abu Hussin bin Hafiz Syed Abdul Fasal
Executive Chairman & Chief Executive Officer

Iskandar Ibrahim
Executive Director

Beroz Nikmal bin Mirdin
Executive Director

Peter Wong Hoy Kim
Senior Independent Non Executive Director

Shaiful Annuar bin Ahmad Shaffie
Independent Non Executive Director

Malik Parvez Ahmad bin Nazir Ahmad
Independent Non Executive Director

Audit Committee

Shaiful Annuar bin Ahmad Shaffie
(Chairman)
Peter Wong Hoy Kim
Malik Parvez Ahmad bin Nazir Ahmad

Nomination Committee

Shaiful Annuar bin Ahmad Shaffie
(Chairman)
Peter Wong Hoy Kim

Remuneration Committee

Shaiful Annuar bin Ahmad Shaffie
(Chairman)
Peter Wong Hoy Kim
Iskandar Ibrahim

Company Secretaries

Eric Toh Chee Seong (MAICSA 7016178)
Jesslyn Ong Bee Fang (MAICSA 7020672)

Share Registrar

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor
Tel : 03 -7841 8000
Fax : 03 -7841 8151

Principal Banker

Malayan Banking Berhad
SME Bank
OCBC Al-Amin Bank Berhad

Registered Office

No 11B, Level 2
Greentown Business Centre
Persiaran Greentown 9
30450 Ipoh, Perak
Tel : 05-253 8318
Fax : 05-243 8318
Website: www.gunung.com.my

Auditors

STYL Associates (AF 001929)
Chartered Accountants
107B, Jalan Aminuddin Baki
Taman Tun Dr. Ismail
60000 Kuala Lumpur, Malaysia

Stock Exchange Listing

Bursa Malaysia Securities Berhad

EVENT HIGHLIGHTS AND CORPORATE SOCIAL RESPONSIBILITY

2014

Throughout the year 2014, Gunung Capital Berhad (GCB) has continued its commitment to support social development of the community through its 'targeted' corporate social responsibility (CSR) events.

CSR for GCB, is focused on the welfare of Orang Asli, as our small hydropower projects throughout Perak Darul Ridzuan, are located in areas with Orang Asli communities. With the combined efforts of our selected small hydro developers, Jabatan Kemajuan Orang Asli Negeri Perak (JAKOA Perak), and our effective 51%-owned subsidiary Perak Hydro Renewable Energy Corporation Sdn Bhd, we have continued to improve on our programmes from the previous year.

This involves education, the development of basic infrastructures as well as the supply of clean water to the villages. We also organised celebrations with the villagers during festivities such as Hari Raya Aidilfitri, Merdeka Day,Malaysia Day and Hari Raya Aidiladha. These occasions were shared between the developers and the local Orang Asli community to nurture the spirit of togetherness, as well as to strengthen the unity of the community.

As our small hydropower projects will be operating in these local communities for a significant period of time, we believe that strong ties that are based on mutual respect and understanding will go a long way in ensuring the success of the projects. As a small hydro developer, we believe in involving the local community in our projects, providing social and economic benefits, and ensuring that the existing environment is protected and enhanced.

CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

During the year under review, Gunung Capital Bhd ("Gunung") continued to underpin consolidated earnings from its current core business of chartering land-based passenger transportation assets and specialty vehicles. In addition, Gunung, via its effective 51% equity stake in Perak Hydro Renewable Energy Corporation Sdn Bhd ("PHREC") and its effective 85% equity interest in Gunung Hydropower Sdn Bhd, has continued to expand its mini-hydropower division during FY2014, as additional hydropower sites secured Feed-in-Tariff ("FiT") approvals from SEDA, and have executed a Renewable Energy Power Purchase Agreements("RePPA") with Tenaga Nasional Bhd ("TNB").

To date, Gunung via Perak Hydro Renewable Energy Corporation Sdn Bhd ("PHREC") has established fifteen (15) Special Purpose Vehicles ("SPV") to develop nineteen (19) sites with an installed capacity of 195 MW. Of the fifteen (15) SPV's, eight (8) SPV's have already secured FiT approval and executed RePPA's with TNB, amounting to a total estimated installed capacity of 140 MW. In addition, Gunung has undertaken preliminary feasibility studies on the remaining twelve (12) green-field sites with an estimated installed capacity of 57 MW.

The continued expansion of the hydropower division is part of the management's strategy to reduce the dependency of incomes solely from chartering land based transportation assets & specialty vehicles, and to secure a long term stable income stream. In view of this strategy, during the year under review, Gunung disposed of non-core assets and subsidiaries, a 100% equity interest in both, Gunung Land Sdn Bhd and EV Bus Sdn Bhd. This netted proceeds of approximately RM9.7 million, which was added to Gunung's 'war chest' for further development of the hydropower division. Gunung' s cash & cash equivalents stood at RM39.1 million as at 31 December 2014, with an additional net current assets of RM14.7 million.

In view of this background, I present to you the Annual Report and Audited Financial Statements of the Group for the financial year ended 31 December 2014.

FINANCIAL PERFORMANCE

In financial year ended 31 December 2014, Group revenue of RM84.8 million was 6.1% higher than that of the previous financial year. This was achieved on securing additional short term charters, and an extra one (1) month charter under the Ministry of Defence contract in FY2014. These short term charters have allowed the Group in FY2014 to fully utilize its existing fleet of vehicles.

Group profit before tax at RM18.7 mil was 1.0% higher than that of the previous financial year, which reflected lower finance lease costs and our managements' efforts to curb increases in operating costs. However, a better result at the pre-tax profit level was hindered by higher direct costs, staff costs and other operating expenses in FY2014, directly attributable to the hydropower division via effective 51%-owned subsidiary PHREC. PHREC's financial results were consolidated with the Group's financial results for a full twelve (12) months in FY2014, while in FY2013 only three (3) months were consolidated.

Total comprehensive income attributable to shareholders also increased slightly by 1.4% to RM14.1mil, from RM13.9mil in the previous financial year, in view of a 16% higher income tax expense in FY2014 (due to lower capital allowances in FY2014).

FINANCIAL PERFORMANCE (cont'd)

As a result of strengthening earnings for the financial year under review, Net Asset Value per share increased to RM0.75 from RM0.66 in the previous financial year.

DIVIDEND

In respect of the financial year ended 31 December 2014, Gunung declared a first interim tax exempt single tier dividend of 2.5% on 21 May 2014, which was paid on 12 June 2014.

CHARTERING OF LAND-BASED TRANSPORTATION ASSETS

Chartering of land-based transportation assets, together with drivers, fuel, maintenance & repair costs, at a fixed monthly cost allows our customers to better manage their budgets, resulting in stable and predictable costs. Gunung is continuing to explore the opportunities in expanding its services to cover additional Government agencies, large corporations, and GLC's, where there is a requirement for a large fleet of vehicles. On 29 December 2014, Gunung announced that it received a 'Letter of Award and Acceptance' from the Ministry of Defence for a Service-Contract with the value of RM164,951,885.70 for the provision of transportation (bus) service for the National Service Program. The tenure of the Service-Contract awarded is from 26 December 2014 to 25 December 2017. This Service-Contract commenced in December 2014.

RENEWABLE ENERGY

In the financial year under review, Gunung via effective 85%-owned subsidiary Gunung Hydropower Sdn Bhd, secured FiT approval from SEDA and signed two (2) RePPA's with TNB for two (2) sites with an estimated installed capacity of 10 MW each, pursuant to its Joint Venture Agreement with PHREC on a Build Operate and Own ("BOO") concept (and under the Sustainable Energy Development Authority ("SEDA") Feed-in-Tariff Programme).

As mentioned above, this brings the total hydropower SPV's under the Gunung Group, with FiT Approval from SEDA, and RePPA's with TNB to eight (8), amounting to a total estimated installed capacity of 140 MW.

The growing hydropower division, in the medium term, will allow Gunung to develop into a significant contributor to the renewable energy production sector in view of the Energy, Water & Green Technology Ministry's push for the development of renewable energy as 'fifth national fuel' with the implementation of the FiT system. The FiT system supports the developers of renewable energy by fixing a premium tariff for electricity generated from non fossil fuel sources, such as mini-hydro schemes, biomass, and solar. Furthermore, the introduction of the Renewable Energy Act 2011 provides a mandatory requirement for the National Utility to buy Renewable Energy power.

CHAIRMAN'S STATEMENT (cont'd)

GOVERNANCE

The Gunung Group continues to strive to build a sustainable business and work culture that upholds the values of integrity, transparency and accountability. To enhance the skills and knowledge base of our employees, we continue to send them to training programs that promotes awareness of national policies, safeguarding the environment, work ethics, and social responsibilities for the enhancement of local communities. This has contributed to us to meeting our corporate mission. Further to this mission, as most hydropower sites under the Gunung Group are located within the vicinity of Orang Asli settlements, we envisage that these projects will provide a positive impact on their communities. To date, Gunung via PHREC, has involved the Orang Asli communities in the exploration and construction of our site, and have also provided basic infrastructure such as water pipes, roads and bridges.

PROSPECTS

Looking forward, the Gunung Group's new contract to supply services to the National Service Program will continue to underpin earnings. Strong earnings in financial year ending 2014, has enabled our management to continue to explore the opportunities in expanding its services to new customers, both on a short and longer term charter. However, in the immediate term, for financial year ending 2015, Gunung will face substantially lower contract incomes in view the Governments' announcement to defer the National Service Program for year 2015.

Gunung, had on 26th December 2014, received a 'Letter of Award and Acceptance' from the Ministry of Defence for a Service-Contract with the value of RM164,951,885.70 for the provision of transportation (bus) service for the National Service Program The tenure of the Service-Contract awarded is from 26 December 2014 to 25 December 2017. This contract has commenced.

The general scope of services provided under the above-mentioned Service-Contract, is passenger transportation for National Service trainees and trainers, by bus/coach for eighty two (82) National Service camps, over nine (9) months per calendar year. This comprises of three (3) different batches of National Service Trainees for a three (3) month stint each. The 2015 National Service Program scheduled Batch 1 to take place during December 2014 to February 2015, Batch 2 from 14th March 2015 to 6th June 2015, and Batch 3 from August 2015 to Oct 2015.

Subsequently, the Government announced the deferment of the National Service for year 2015 will affect incomes from the Service-Contract for both Batch 2, and Batch 3 of the National Service Program as Batch 1 of the National Service Program was completed on February 2015.

As for the remaining tenure of the ongoing Service-Contract, year 2016 and 2017, the Government has informed that the National Service Program will commence again in year 2016. As such we expect incomes from this service-contract to underpin Gunung's prospective earnings in year 2016 and 2017.

PROSPECTS (cont'd)

In the longer term, we are excited by the successful implementation of the mini-hydro Projects in Perak, which will contribute to Gunung's long term revenue and earnings, and enhance Gunung's growth potential. In addition, the long term stable income stream derived from the mini-hydro Projects will reduce Gunung's dependency incomes solely from chartering land-based transportation assets & specialty vehicles.

THANK YOU NOTE

At the end of another successful year, I would like to express my sincere appreciation to all our staff for their continued commitment to drive our growth and to maintain our services standards that our customers deserve.

I would also like to thank our valued customers, suppliers, business associates, bankers, regulatory authorities, and other stakeholders for their continued support and trust.

My appreciation also goes to my fellow colleagues on the Board for their counsel and support throughout the year.

Finally to our shareholders, a special thanks for their continued support and confidence in Gunung. With this continued support, we will continue to strive to further enhance sustainable shareholder value. In recognition of this support, Gunung on 24 February 2015 announced its proposal to undertake a bonus issue of up to 111,225,550 new ordinary shares of RM0.40 each in Gunung, to be credited as fully paid-up, on the basis of two (2) bonus shares for every three (3) existing ordinary shares of RM0.40 each in Gunung held.

Dato' Syed Abu Hussin Bin Hafiz Syed Abdul Fasal
Executive Chairman

DIRECTOR'S PROFILE

	DATO' SYED ABU HUSSIN BIN HAFIZ SYED ABDUL FASAL 55, Malaysian Executive Chairman/ CEO
DATE APPOINTED TO THE BOARD :	• 8 December 2010
MEMBERSHIP OF BOARD COMMITTEES :	• None
QUALIFICATIONS :	• Bachelor of Computer Science, National University of Malaysia
MEMBERSHIP OF ASSOCIATIONS:	• None
WORK EXPERIENCE AND OCCUPATION :	• 1987-1993 : Served in the Government under the National Civic Bureau reaching the position of Director of National Civic Bureau (Perak), Prime Minister's Department • 1994-2005 : Politics and community service in various political Committees, Bureau's and Youth Movements, and between 2001-2005 was elected as the deputy head of Bukit Gantang (Perak) UMNO division. • 2006-present : Entrepreneur in business principally involved in the manufacture & supply of halal food products, transportation services (involving taxi's, express coaches, other land-based public transportation), and medical services/supplies, via various private limited companies. Presently is a director of several private limited companies. • 2010-present : Executive Director and CEO of Gunung Capital Berhad but re-designated as an Executive Chairman and CEO on 19 January 2012 and sits on the Board of several subsidiaries of Gunung Capital Bhd. • 2011-2013 : Director UTMSPACE
DIRECTORSHIP OF PUBLIC COMPANIES (IF ANY) :	• None
FAMILY RELATIONSHIPS (IF ANY) :	• No family relationship with any director and/or substantial shareholder of Gunung Capital Bhd.
NO. OF BOARD MEETINGS ATTENDED FOR THE FINANCIAL YEAR :	• 5/5

	ISKANDAR IBRAHIM 44, Australia Executive Director
DATE APPOINTED TO THE BOARD :	• 19 January 2012
MEMBERSHIP OF BOARD COMMITTEES :	• Remuneration Committee
QUALIFICATIONS :	• Bachelor of Commerce, Adelaide University, South Australia
MEMBERSHIP OF ASSOCIATIONS:	• None
WORK EXPERIENCE AND OCCUPATION :	• 1994-1997 : Investment Analyst in the Transport Sector for SJ Securities Sdn Bhd, a member of the Kuala Lumpur Stock Exchange (now known as Bursa Securities). In addition, a Shareholder and Finance Director of Webster & Associates (S.E.Asia) Sdn Bhd, predominately a biotechnology company. • 1997-2003 : Financial Controller and Chief Operations Officer of Destination Marine Services Sdn Bhd, a high speed composite patrol boat manufacturer. • 2004-present : Substantial shareholder and managing director of AAsia-East Capital Sdn Bhd, and AAsia Capital Partners Sdn Bhd, which invests mostly in food-related manufacturing operations, including Meal-Ready-to-Eat (MRE) manufacturing and rice milling. • 2012-present : Executive Director of Gunung Capital Berhad.
DIRECTORSHIP OF PUBLIC COMPANIES (IF ANY) :	• None
FAMILY RELATIONSHIPS (IF ANY) :	• No family relationship with any director and/or substantial shareholder of Gunung Capital Bhd.
NO. OF BOARD MEETINGS ATTENDED FOR THE FINANCIAL YEAR :	• 5/5

DIRECTOR'S PROFILE (cont'd)

	BEROZ NIKMAL BIN MIRDIN 38, Malaysian Executive Director
DATE APPOINTED TO THE BOARD :	• 13 November 2013
MEMBERSHIP OF BOARD COMMITTEES :	• None
QUALIFICATIONS : University, USA	• Master of Science (Management Information Systems), Pennsylvania State • Bachelor of Science (Electrical Engineering), Widener University, USA
MEMBERSHIP OF ASSOCIATIONS:	• None
WORK EXPERIENCE AND OCCUPATION :	• 2010 - present : Managing Director of Perak Hydro Renewable Energy Corporation(PHREC), a joint venture company between Menteri Besar Incorporated, Perak and Pusaka Hijau Sdn Bhd, mandated to develop viable small hydro plants in the state of Perak. • 2009 - 2010 : Vice President- Investments, of Khazanah Naional Berhad. Seconded to a special task force lead MYPOWER, to restructure and improve efficiencies in the Malaysian Electric Supply Industry, MESI. • 2007 - 2009 : Deputy Chief Engineer at System Operations Department of Tenaga Nasional Berhad, in charge of the Operation Studies Section. Responsible to advise the Chief Engineer and the National Load Dispatch Centre (NLDC) on system security matters. • 1999 - 2006 : Served at System Planning Department of PJM Interconnection LLC, USA, which is a regional transmission organisation (RTO) that coordinates the movements of wholesale electricity in some regions of the USA. Mainly was involved in high level decision making and external communications especially with IPP developers and Regulatory bodies such as NERC and FERC.
DIRECTORSHIP OF PUBLIC COMPANIES (IF ANY) :	• None
FAMILY RELATIONSHIPS (IF ANY) : Gunung Capital Bhd.	• No family relationship with any director and/or substantial shareholder of
NO. OF BOARD MEETINGS ATTENDED FOR THE FINANCIAL YEAR :	• 5/5

PETER WONG HOY KIM

74, Malaysian
Senior Independent Non-Executive Director

DATE APPOINTED TO THE BOARD :	• 7 November 2003
MEMBERSHIP OF BOARD COMMITTEES :	• Audit Committee, Nomination Committee and Remuneration Committee
QUALIFICATIONS :	• Institute of Bankers Banking Diploma I, UK • Management Courses at Ashridge, UK • The Pacific Rim Bankers Programme at The University of Washington, Seattle, USA
MEMBERSHIP OF ASSOCIATIONS:	• None
WORK EXPERIENCE AND OCCUPATION :	• 1961-1996 : Worked for HSBC Bank Malaysia Berhad. During the course of his career he has served as Deputy Manager Credit Control, Manager Regional Credit and as Manager for the Bank's branches at Bentong, Taiping and Ipoh. • 1997-2008 : Sits on the Boards of several private companies.
DIRECTORSHIP OF PUBLIC COMPANIES (IF ANY) :	• None
FAMILY RELATIONSHIPS (IF ANY) :	• No family relationship with any director and/or substantial shareholder of Gunung Capital Bhd.
NO. OF BOARD MEETINGS ATTENDED FOR THE FINANCIAL YEAR :	• 5/5

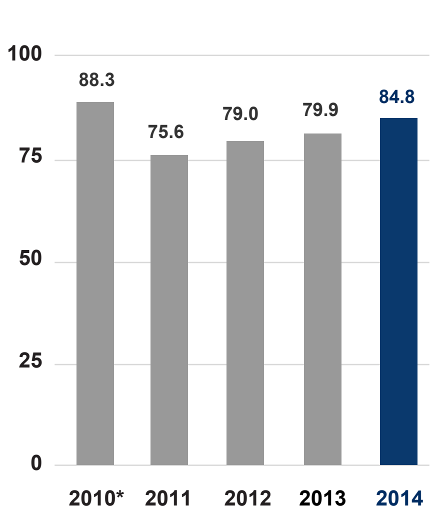
	SHAIFUL ANNUAR BIN AHMAD SHAFFIE 51, Malaysian Independent Non-Executive Director
DATE APPOINTED TO THE BOARD :	• 14 September 2011
MEMBERSHIP OF BOARD COMMITTEES :	• Chairman of the Audit Committee, Nomination Committee and Remuneration Committee
QUALIFICATIONS :	• Business Administration Degree from Barat College, Lake Forest Illinios, U.S.A
MEMBERSHIP OF ASSOCIATIONS:	• None
WORK EXPERIENCE AND OCCUPATION :	• 1986-1992 : He started his career in the U.S.A with Jescorp Inc. in Elk Grove, Illinois as an Operations Manager • 1994-2000 : he was appointed as a Local Consultant to a U.K based International Defense Company from 1994 till 2000 • 2000-2004 : he was again appointed as a Local Consultant to a French Multinational Defense Company. During his tenure in these two companies, he was involved in advisory and strategic operations for the Malaysian market. • 2004 – 2008 : General Manager-Group Operations for Goh Ban Huat Berhad • 2008-present : Managing Director of Bumiteknokrat Sdn. Bhd that does Investment and trading and Kinijuara Holdings Sdn Bhd, a property development company.
DIRECTORSHIP OF PUBLIC COMPANIES (IF ANY) :	• None
FAMILY RELATIONSHIPS (IF ANY) :	• No family relationship with any director and/or substantial shareholder of Gunung Capital Bhd.
NO. OF BOARD MEETINGS ATTENDED FOR THE FINANCIAL YEAR :	• 5/5

	MALIK PARVEZ AHMAD BIN NAZIR AHMAD 46, Malaysian Independent Non-Executive Director
DATE APPOINTED TO THE BOARD :	• 24 June 2008
MEMBERSHIP OF BOARD COMMITTEES :	• Audit Committee
QUALIFICATIONS :	• Bachelor of Accounting Degree from the International Islamic University
MEMBERSHIP OF ASSOCIATIONS:	• Malaysian Institute of Accountants (MIA)
WORK EXPERIENCE AND OCCUPATION :	• 1993-1997 : He worked in KPMG Peat Marwick and held the position of Senior Auditor • 1998-2002 : He joined Medtexx Partners Incorporated in the United States of America as an Accountant • 2002-2004 : He worked as Financial Controller of D.B.E. Gurney Resources Berhad • 2004-2008 : He became the Financial Controller of Latexx Partners Berhad • 2008-present : Attach with a Government Investment Link Company
DIRECTORSHIP OF PUBLIC COMPANIES (IF ANY) :	• None
FAMILY RELATIONSHIPS (IF ANY) :	• No family relationship with any director and/or substantial shareholder of Gunung Capital Bhd.
NO. OF BOARD MEETINGS ATTENDED FOR THE FINANCIAL YEAR :	• 4/5

PERFORMANCE REVIEW

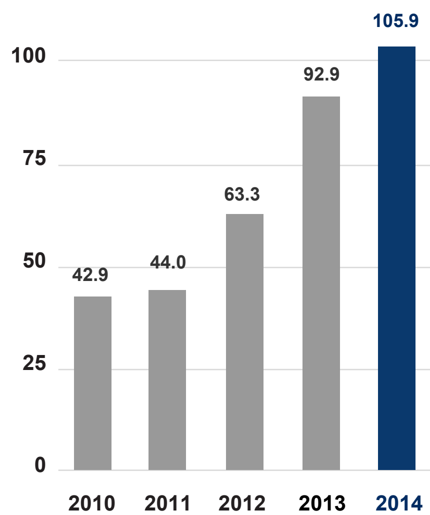
Financial Highlights

REVENUE
(RM Million)

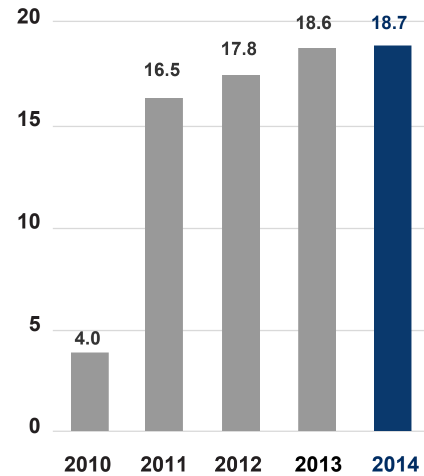


* including revenue from discontinued operations

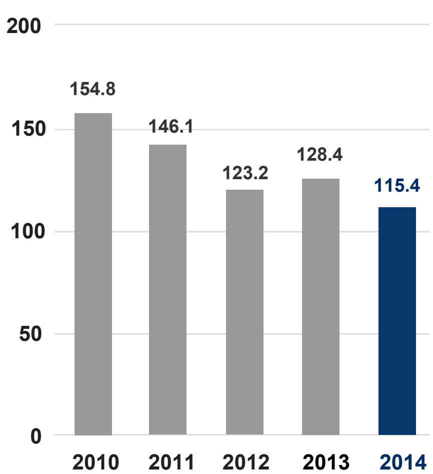
SHAREHOLDERS' FUNDS
(RM Million)



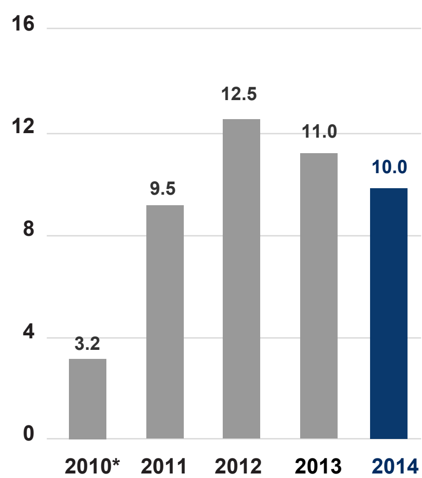
PROFIT BEFORE TAX
(RM Million)



TOTAL ASSETS
(RM Million)

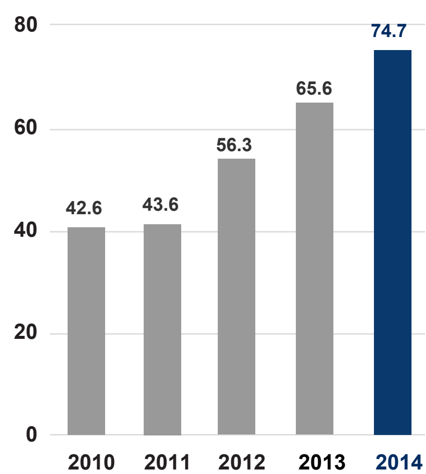


EARNINGS PER SHARE
(SEN)



* including earnings from discontinued operations

NET ASSET VALUE PER SHARE
(SEN)



Group Financial Calendar

10 January

Announcement on the six (6) months extension of lease agreement for the leasing of vehicles to Korakan Corporation Sdn Bhd.

17 February

Announcement on the acquisition of 25% equity stake in Bas Rakyat Sdn Bhd by a wholly owned subsidiary, GPB Corporation Sdn Bhd.

Announcement on the financial results for the fourth quarter and financial year ended 2013.

25 April

Announcement of the annual audited account for the financial year ended 2013.

Announcement of a First Interim single-tier dividend of 1 sen per ordinary share of RM0.40 each for the financial year ending 31 December 2014.

16 May

Announcement on the award of contracts to operate shuttle bus services within the campuses of International Islamic University Malaysia.

20 May

Announcement on the award of Feed-In-Tariff (FiT) Approval for two 10MW Small Hydropower Plants from Sustainable Energy Development Authority Malaysia (SEDA) for the 70%-owned subsidiary Gunung Hydropower Sdn Bhd.

29 May

Announcement on the financial results for the first quarter ended 31 March 2014.

Announcement on a proposed disposal of 100% equity interest in Gunung Land Sdn Bhd for total cash proceeds of RM660,000.

20 June

19th Annual General Meeting ("AGM") of Gunung Capital Berhad where all resolutions were unanimously approved.

30 June

Announcement that the proposed disposal of 100% equity interest in Gunung Land Sdn Bhd for total cash proceeds of RM660,000 has been completed. As such, Gunung Land Sdn Bhd has ceased to be a subsidiary of Gunung Capital Berhad.

14 July

Announcement on a proposed disposal of 100% equity interest in EV Bus Sdn Bhd for total cash proceeds of RM9,050,000.

27 August

Announcement on the financial results for the second quarter ended 30 June 2014.

17 September

Announcement that Gunung Hydropower Sdn Bhd, a 70%-owned subsidiary, has signed two (2) Renewable Energy Power Purchase Agreements (REPPA) with Tenaga Nasional Berhad.

17 November

Announcement on the financial results for the third quarter ended 30 September 2014.

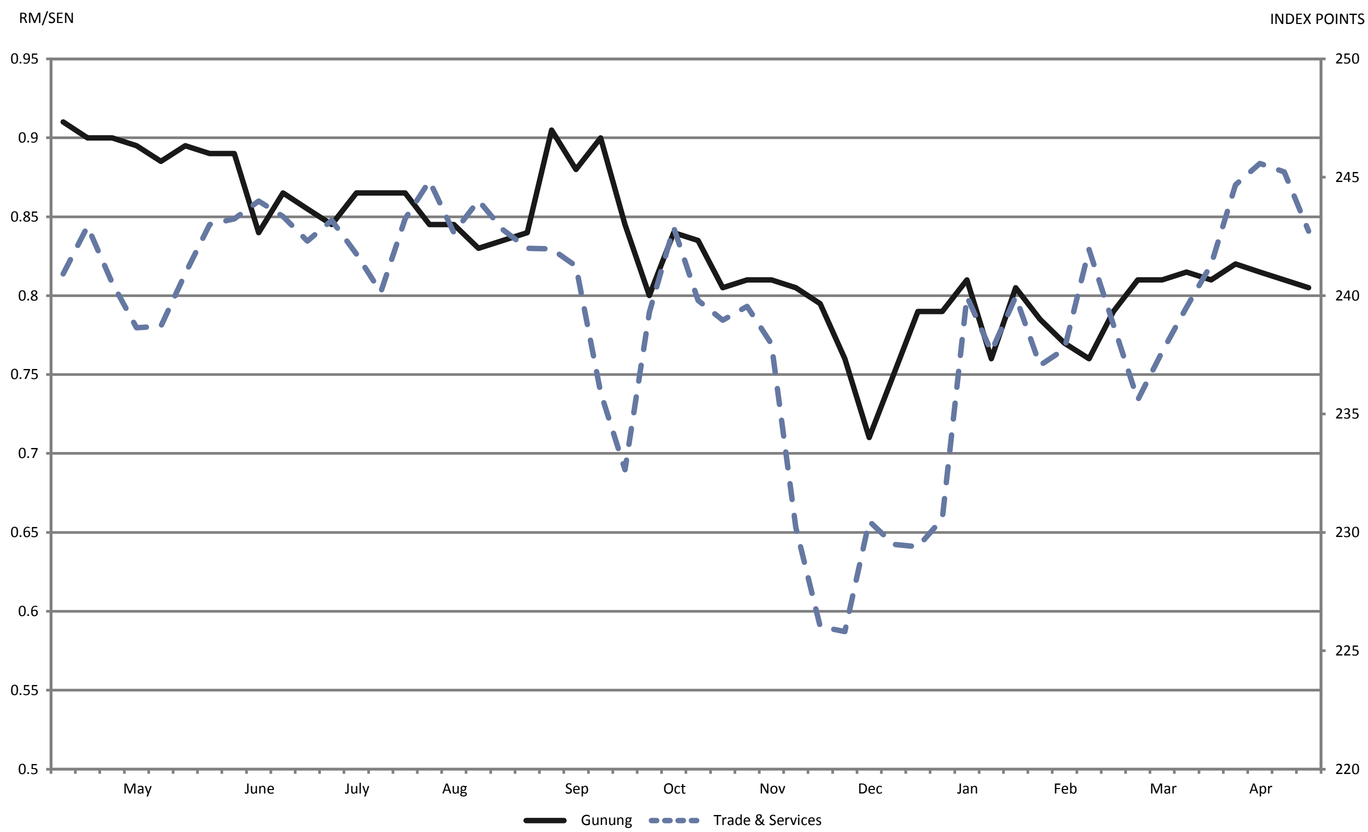
11 December

Announcement that the proposed disposal of 100% equity interest in EV Bus Sdn Bhd for total cash proceeds of RM9,050,000 has been completed. As such, EV Bus Sdn Bhd has ceased to be a subsidiary of Gunung Capital Berhad.

29 December

Announcement on the award of RM164 million service contract from the Ministry of Defence.

SHARE PRICE MOVEMENT
FOR THE PERIOD FROM 1 MAY 2014 TO 30 APRIL 2015



PRICE	RM	DATE
Highest	0.935	30 September 2014
Lowest	0.71	16 December 2014

Highest volume was 4,240,000 on 18 September 2014

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Gunung Capital Berhad ("Gunung") is committed to ensure that high standards of corporate governance are practiced throughout the Group and that integrity and fair dealing are paramount in all its activities with the objective of protecting the Group's assets and enhancing shareholders' value.

This Statement sets out the manner in which the Group has applied and the extent of compliance with the principles and recommendations as set out in the Malaysian Code on Corporate Governance 2012 (MCCG 2012) for the financial year ended 31 December 2014.

1. Establish Clear Roles and Responsibilities

The Board is responsible for ensuring that shareholders' value and interests are protected and enhanced. Various processes and systems are in place to assist the Board in carrying out their stewardship responsibility. The processes include the following:-

1.1 Clear Functions of the Board and Management

There is a clear separation of functions between the Board and Management. The Board adopts the concept of independence in tandem with the definition of "Independent Director" in Section 1.01 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). Although the position of Chairman and Chief Executive Officer are held by the same individual, it does not mean that independence is compromised. The Board is satisfied with the composition and good mix with three (3) Executive Directors and three (3) Independent Non-Executive Directors. The composition and number of Directors reflect the fair representation of all shareholders' interest and investment. The Independent Non-Executive Directors with their different background and professions collectively form an effective Board with a mix of industry-specific knowledge and broad business and commercial experience. This balance enables the Board to provide strong and effective leadership and form an independent judgement with regards to various aspects of the Company's business strategies and performance so as to ensure that the Group achieves the highest standards of performance, accountability and ethical behavior.

1.2 Board Duties and Responsibilities

The Board has the overall responsibility for controlling and overseeing the business affairs of the Group to ensure proper management. This includes adopting strategic plans, approving key business initiatives, major investments and fundin decisions, reviewing financial performance and developing corporate objectives. The Board's role is to provide leadership of the Group within a framework of prudent and effective controls whilst ensuring risks are consistently assessed and controlled. Generally, the Board must ensure that the Company is being managed and its business conducted in accordance with high standards of accountability and transparency. It also determines succession plans for senior management and ensures adequate internal controls to identify and manage risks.

The roles and functions of the Board including the executive and non-executive Directors are clearly defined in the Board Charter which regulates how business is to be conducted by the Board in accordance with the principles of good corporate governance.

The Board has delegated certain responsibilities to the Audit Committee, Nomination Committee and Remuneration Committee. All committees have clearly defined terms of reference. The Chairman of the various committees will report to the Board the outcome of the committee meetings.

1.3 Formalised Ethical Standards through Code of Conduct

The Company has formalized a Code of Conduct for the Group. The objective of the Code of Conduct is to set out the ethical standards to all employees in their dealings with fellow colleagues, customers, shareholders, suppliers, competitors, the wider community and the environment.

Every employee must display and behave in a manner which is consistent with the Group's philosophy and core values.

The following Code of Conduct must be adhered to at all times by all employees within the Group:-

- Demonstrating commitment
- Living the core values of the Group
- Avoiding conflict of interest
- Preventing bribery and corruption
- Practicing confidentiality and data protection
- Communicating externally and internally with ethics and within authority
- Protecting company assets and resources
- Giving equal opportunity, non-discrimination and fair employment
- Ensuring safety and protecting the environment
- Prohibiting insider trading

1.4 Strategies Promoting Sustainability

The Board promotes good corporate governance in the application of sustainability practices. The Board oversees the conduct of the Group's business to evaluate whether the business is being managed sustainably with regards to the economy, social and environment.

Employees are rewarded for productivity improvements and contribution towards the achievement of the Group's immediate and long-term objectives. The rewards encompass not only compensation and benefits but also performance recognition and professional development and career progression.

1.5 Access to Information and Advice

All scheduled meetings held during the year were preceded by a formal notice issued by the Company Secretary in consultation with the Chairman. The Chairman ensures that all Directors have full and timely access to information, with Board Papers distributed in advance of meetings. The notice for each of the meetings is accompanied by the minutes of preceding board meetings, together with relevant information and documents for matters on the agenda to enable the Directors to consider and deliberate knowledgeably on issues and facilitate informed decision making.

The Directors have access to all information within the Group in furtherance of their duty. All directors have unrestricted access to the advice and services of the Company Secretary and, whether as a full board or in their individual capacities, directors are also at liberty to take independent professional advice on any matter connected with the discharge of their responsibilities as they may deem necessary and appropriate, at the Company's expense.

1.6 Qualified and Competent Company Secretary

The Company Secretary provides a central source of guidance and advice to the Board, on matters of ethics and good corporate governance. The Company Secretary is required to provide the directors, collectively and individually, with detailed guidance on their duties and responsibilities. The Company Secretary assists in determining board agenda, formulating governance, coordinates board assessment process and other board-related matters.

The Company Secretary ensures that all Board meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are recorded and maintained in the statutory register of the Company. The Company Secretary also keeps abreast of the evolving capital market environment, regulatory changes and developments in Corporate Governance through continuous training.

1.7 Board Charter

A Board Charter had been established and approved by the Board on 15 May 2013. The objectives of the Board Charter are to ensure that all Board members are aware of their duties and responsibilities as Board members, the various legislations and regulations affecting their conduct and that the principles and practices of good Corporate Governance are applied in all dealings by Board members individually and/or on behalf of the Group.

The Board Charter focuses on:

- Boards' roles and responsibilities;
- Boards' composition and balance;
- Boards' performance;
- Boards' meetings;
- Remuneration policies;
- Access to information and independent advice;
- Financial reporting;
- Stakeholder communication;
- Company Secretary; and
- Conflict of interest.

2. Strengthen Composition

2.1 Appointments to the Board and Re-election

Procedures relating to the appointment and re-election of Directors are contained in the Company's Articles of Association. All Directors shall retire from office at least once every three (3) years but shall be eligible for re-election. Newly-appointed directors shall hold office until the next Annual General Meeting (AGM) and shall then be eligible for re-election.

The Directors who are due for re-election and/or re-appointment at the Annual General Meeting will first be assessed by the Nomination Committee, which will then submit its recommendation to the Board for deliberation and endorsement. Thereafter, shareholders' approval will be sought for the re-election and/or re-appointment.

The Board continuously reviews its size and composition with particular consideration on its impact on the effective functioning of the Board.

2.2 Recruitment Process and Annual Assessment

The MCCG 2012 endorses as good practice, a formal procedure for appointment to the Board, with a Nomination Committee ("NC") making recommendations to the Board. The NC carries out an annual review on the size and composition of the Board to ensure the selection of Board members with different mix of skills and core competencies necessary for the Board to discharge its duties effectively.

The responsibilities of the NC include:-

* Formulating the nomination, selection and succession policies for members of the Board
* Making recommendations to the Board on new candidates for appointment and the reappointment/re-election of Directors to the Board
* Reviewing the required mix of skills, experience and other qualities of the Board annually
* Reviewing and recommending to the Board the appointment of members of Board Committees established by the Board annually
* Establishing a set of performance criteria to evaluate the performance of each member of the Board, and reviewing the performance of the members of the Board
* Ensuring that relevant education programmes are provided for new members of the Board, and reviewing the Directors' continuing training programmes

The NC comprises two (2) Independent Non-Executive Directors.

2.3 Remuneration Policies and Procedures

The Directors are provided with appropriate directors' fees subject to the approval of shareholders at the Annual General Meeting ("AGM") and a meeting allowance for meetings attended.

The Remuneration Committee ("RC") is entrusted with the role of determining and recommending suitable policies in respect of remuneration packages for Non-Executive Directors and Executive Directors of the Group to ensure that rewards commensurate with their experience and individual performances. The RC consists of two (2) Independent Non-Executive Directors and an Executive Director.

The Board as a whole determines the remuneration of Executive Directors based on experience and level of responsibilities undertaken. Each individual Director shall abstain from discussion pertaining to his own remuneration.

The Board is of the view that the disclosure of remuneration by appropriate components and bands are sufficient to meet the objectives set out in the Listing Requirements of Bursa Securities.

2.3 Remuneration Policies and Procedures (cont'd)

The details of the remuneration of the Directors of the Company for services rendered to the Group for the financial year ended 31 December 2014 are as follows:-

	Executive Directors (RM)	Non-Executive Directors (RM)
Remuneration		
- Fees for the financial year ended 31.12.2013	63,750	90,000
- Salaries & Other Emoluments	1,009,909	17,500

The number of Directors whose remuneration falls under the following remuneration bands:

	Number of Directors	
Remuneration Bands	**Executive**	**Non-Executive**
Below RM50,000	1	3
RM500,001 – RM550,000	1	-
RM750,001 – RM800,000	1	-

3. Reinforce Independence

3.1 Assessment of Independence Annually

The Board adopts the concept of independence in tandem with the definition of Independent Director in Section 1.01 of the Listing Requirements of Bursa Securities through the assistance of the NC. The Board also carries out an annual assessment of the independence of its independent directors.

All Directors retire by rotation and their respective re-election is subject to the shareholders' approval at the AGM.

3.2 Tenure of Independent Directors

One of the recommendations of the MCCG 2012 states that the tenure of an independent director should not exceed a cumulative term of 9 years. However, the Nomination Committee has determined at the annual assessment carried out that Mr. Peter Wong Hoy Kim, who has served on the Board for more than 11 years, remain objective and independent in participating in the deliberations and decision making of the Board and Board Committees. The length of his service on the Board does not interfere with their exercise of independent judgment and act in the best interest of the Group notably in discharging his roles as the member of the Audit Committee, Nomination Committee and Remuneration Committee.

3.3 Shareholders' Approval for the Re-Appointment of Non-Executive Director

The Board has reviewed and satisfied with the professional skill, contribution and independent judgement and that Mr. Peter Wong Hoy Kim is continuing with his appointment in the Board. Therefore, the Board recommends and proposes to his re-appointment as Independent Non-executive Director of the Company, to be tabled for shareholders' approval at the forthcoming 20th AGM.

3.4 Composition of the Board

The Board has a balanced composition of Executive and Independent Non-Executive Directors such that no individual or group of individuals can dominate the Board's decision-making powers and processes.

The Directors of the Group do not hold more than 5 directorships in public listed companies as prescribed by Bursa Securities Listing Requirement.

The Board currently consists of six (6) members; comprising three (3) Executive Directors (including Executive Chairman) and three (3) Independent Non-Executive Directors.

4. Board Meetings and Time Commitment

Board meetings are held at quarterly intervals with additional meetings held whenever necessary. Five (5) Board meetings were held during financial year ended 31 December 2014.

At each quarterly meeting, the Board deliberated upon a variety of issues including the Group's financial results, corporate development, strategic decisions, business plan and directions of the Group, operational issues and compliance matters.

All the Directors have complied with the requirement to attend at least 50% of the Board meetings held in the financial year pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their duties and responsibilities as Directors of the Company. This is evidenced by their attendances at the Board and various Board Committees meetings held during the year.

In addition, all the Directors of the Company do not hold directorships of more than five (5) public listed companies and thus, able to commit sufficient time to the Company.

The attendance record of the Directors at Board meetings is as set out below: -

Directors	Meeting Attendance
Dato' Syed Abu Hussin bin Hafiz Syed Abdul Fasal	5/5
Iskandar Ibrahim	5/5
Peter Wong Hoy Kim	5/5
Shaiful Annuar bin Ahmad Shaffie	5/5
Malik Parvez Ahmad bin Nazir Ahmad	4/5
Beroz Nikmal bin Mirdin	5/5

4.1 Directors' Training

The Directors have participated in relevant training programmes to keep abreast with the relevant changes in laws, regulations and development in the business environment. The Directors will continue to attend other training courses to equip themselves effectively and discharge their duties as Director on a continuous basis in compliance with Paragraph 15.08 of Bursa Securities Listing Requirements.

During the financial year ended 31 December 2014, all the Directors of the Company attended the following training programme and seminars:-

Directors	Details of Training
Dato' Syed Abu Hussin bin Hafiz Syed Abdul Fasal	Overview of Goods & Services Tax (GST)
Iskandar Ibrahim	Overview of Goods & Services Tax (GST)
Peter Wong Hoy Kim	Overview of Goods & Services Tax (GST)
Shaiful Annuar bin Ahmad Shaffie	Environmental Law in Global Society
Malik Parvez Ahmad bin Nazir Ahmad	Managing Stakeholders' Expectations in The Fast Changing Business Trends towards Value Creation
	Overview of Goods & Services Tax (GST)
Beroz Nikmal bin Mirdin	Overview of Goods & Services Tax (GST)

5. Uphold Integrity in Financial Reporting

5.1 Compliance with Applicable Financial Reporting Standards

The Board ensures the integrity of the Group's financial reporting and fully recognises that accountability in financial disclosure forms an integral part of good corporate governance practices. The Board is responsible for ensuring that financial statements prepared for each financial year give a true and fair view of the Group's state of affairs. The Directors took due care and reasonable steps to ensure that the requirements of accounting standards were fully met. Quarterly financial statements were reviewed by the Audit Committee and approved by the Board of Directors prior to their release to Bursa Securities.

5.2 Assessment of Suitability and Independence of External Auditors

The Audit Committee undertakes an annual assessment of the suitability and independence of the external auditors. Having assessed their performance, the Audit Committee will recommend their decision to the Board, upon which the shareholders' approval will be sought at the AGM.

6. Recognise and Manage Risks

6.1 Framework to Manage Risks

The Board has established a sound framework to manage risks within the Group. The risk management and internal control system is regularly reviewed by Management and relevant recommendations is made to the Audit Committee and Board for approval. The Company continues to maintain and review its internal control procedures to ensure that its assets and its shareholders' investments are protected.

6.2 Internal Audit Function

The Board has established an internal audit function within the Company, which reports directly to the Audit Committee. Details of the Group's internal audit function are set out in the Audit Committee Report of this Annual Report.

The Statement on Risk Management and Internal Control of this Annual Report provides an overview of the state of internal control within the Group.

7. Ensure Timely and High Quality Disclosure

7.1 Corporate Disclosure Policy

The Group has in place a procedure for compliance with the Listing Requirements of Bursa Securities. The Company Secretary reviews all announcements to ensure accuracy and compliance. The Board reviews and approves all quarterly and other important announcements. The Board is mindful that information which is material is announced immediately.

Besides that, the Board believes that the Company's Annual Report is a vital source of essential information for shareholders and investors and other stakeholders. The Company strives to provide a high level of reporting and transparency as an added value for users.

7.2 Leverage on information technology

The Group maintains the following website that allows all shareholders and investors access to information about the Group:

www.gunung.com.my

8. Strengthen Relationship between Company and Shareholders

8.1 Shareholder Participation at General Meetings

The Board acknowledges the importance of effective communication with shareholders and the investment community, and adheres strictly to the disclosure requirements of Bursa Securities. The Board also recognises the importance of maintaining transparency and accountability to its shareholders and investors.

Quarterly reports on the Group's results and announcements can be accessed from Bursa Securities' website. In addition, the Group's Annual Report contains a review of its financial performance, supported by facts and statistics. The AGM is the principal forum for dialogue with shareholders.

8.1 Shareholder Participation at General Meetings (cont'd)

Shareholders are notified of the meeting and provided with a copy of the Annual Report at least 21 days before the meeting. At the AGM, the Board provides an opportunity for shareholders to raise questions pertaining to the business activities of the Group. All Directors are available to respond to questions from shareholders during these meetings. The external auditors are also present to provide professional and independent clarification on issues and concerns raised by the shareholders.

8.2 Poll Voting

The shareholders are given the opportunity to vote on the regular businesses of the AGM, viz. consideration of the financial statements, consideration and approval of directors' fees, re-election of directors, re-appointment/appointment of auditors and special business if any, by a show of hands. In specific cases where required, the result would be determined by a poll.

The Chairman will explain the voting procedure before the commencement of any general meeting. The Board is mindful on the new requirement of mandatory poll voting on the resolution approving related party transactions pursuant to Paragraph 10.08(7A) of Bursa Securities Listing Requirement.

8.3 Communication and Engagements with Shareholders

As there may be instances where investors and shareholders may prefer to express their concerns to the Legal & Corporate Services unit of the Company, the Board has appointed Encik Syed Amir Nidzamuddin, the Head of Legal & Corporate Services to handle the concerns may be directed. At all times, investors and shareholders may contact the Company Secretary for information on the Group.

Any queries or concerns relating to the Group may be conveyed to the following persons:

i. **Encik Syed Amir Nidzamuddin**
Legal & Corporate Services
Tel: 03-88618271
Fax: 03-88618274
Email : office@gunung.com.my

ii. **Mr Eric Toh/Ms Jesslyn Ong**
Company Secretaries
Tel : 04-2824605
Email : cosec@gunung.com.my

COMPLIANCE STATEMENT

The Company is committed to achieving high standards of corporate governance throughout the Group and to the highest level of integrity and ethical standards in all its business dealings.

In this regard, the Board considers that the Group has complied substantially with the principles and recommendations as stipulated in the MCCG 2012 throughout the financial year ended 31 December 2014.

This Statement was made in accordance with a resolution of the Board of Directors at a meeting held on 28 April 2015.

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

The Board is required by the Companies Act, 1965 to prepare financial statements for each financial year which have been made out in accordance with applicable approved accounting standards and give a true and fair view of the state of affairs of the Group and the Company at the financial year end and of the results and cash flows of the Group and Company for the financial year.

In preparing the financial statements, the Board has:-

- adopted suitable accounting policies and applied them consistently;
- made judgments and estimates that are prudent and reasonable;
- ensured applicable approved accounting standards, the Listing Requirements of Bursa Securities and other statutory requirements have been complied with; and
- confirmed that the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Group keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Company and that the underlying financial statements are prepared in compliance with the provisions of the Companies Act, 1965.

The Directors are also responsible for taking reasonable steps to prevent and detect fraud and other irregularities, in order to safeguard the assets of the Group.

This Statement was made in accordance with a resolution of the Board of Directors dated 28 April 2015

ADDITIONAL COMPLIANCE INFORMATION

The information set out below is disclosed in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

1. Utilisation of Proceeds

During the financial year ended 31 December 2014, the Company did not raise any funds through any corporate proposals/shareholders’ mandate under Section 132D of the Companies Act, 1965.

2. Options, Warrants and Convertible Securities

No options, warrants or convertible securities were exercised during the financial year.

3. Non-Audit Fees

There was no non-audit fees paid to the external auditors for the financial year ended 31 December 2014.

4. Material Contracts Involving Directors and Major Shareholders

There were no material contracts subsisting as at 31 December 2014 or entered into since the end of the previous financial year, by the Company and its subsidiaries involving Directors' and major shareholders' interest.

5. Contract Relating to Loans

During the financial year, there were no contracts relating to loans entered into by the Company involving the interests of directors and/or major shareholders.

6. Shares Buy-Back

The Company did not carry out any shares buy-back exercise during the financial year ended 31 December 2014.

7. Depository Receipt ("DR") Programme

The Company did not sponsor any DR programme during the financial year ended 31 December 2014.

8. Sanctions and/or Penalties

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

9. Profit Estimate, Forecast or Projection

The Company and its subsidiaries did not release any profit estimate, forecast or projection and there was no variation in results by 10% or more between the audited and the unaudited results announced during the financial year ended 31 December 2014.

10. Profit Guarantees

During the financial year, there were no profit guarantees given by the Company.

11. Recurrent Related Party Transactions ("RRPT") of a Revenue or Trading Nature

During the financial year ended 31December 2014, Gunung Resources Sdn Bhd ("GRSB") entered into recurrent transactions of a revenue or trading nature, which are necessary for its day to day operations and are in the ordinary course of business, with related party.

The aggregate value of the recurrent transactions of a revenue or trading nature conducted during the financial year under review between subsidiary company with related party are set out below:-

Nature of transaction	Related party	Interested party and the relationship	Aggregate value during the financial year ended 31 December 2014 (Transaction from January 2014 to June 2014)
Charter of vehicles by GRSB to KCSB	• Korakan Corporation Sdn Bhd ("KCSB")	• Dato' Syed Abu Husin bin Hafiz Syed Abdul Fasal, an Executive Chairman/ CEO and Major Shareholder of GCB and GRSB. He has an interest of 18.72% in GCB • Dato' Syed Abu Husin bin Hafiz Syed Abdul Fasal is also a Director and indirect Major Shareholder of KCSB. He has an indirect interest of 80.0% in KCSB	RM2,520,000

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RESPONSIBILITY OF THE BOARD

The Board of the Directors ("Board") is responsible for Gunung Capital Berhad ("GCB") and its subsidiary companies ("Gunung Group") system of internal control to safeguard stakeholders' interests and Gunung Group's assets as prescribed by the Malaysian Code on Corporate Governance.

The Board acknowledges that the system of internal controls is designed to help manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement, loss and fraud.

INTERNAL CONTROL ENVIRONMENT ELEMENTS

The Board recognizes the importance of key internal control environment elements that set the tone of Gunung Group. It is the foundation of all other components of internal control, providing the discipline and structure. It influences the control consciousness of the employees in Gunung Group. In recognising the importance of control environment in the overall governance process, the Board of GCB has instituted the following:

Board and Board Committees

- Appointment of 3 Independent Non-Executive Directors who are to ensure that strategies proposed are fully discussed an0d evaluated.

- Appointment of Board Committees, including Audit Committee to assist the Board in overseeing the overall management of principal areas of risk and evaluate the adequacy and effectiveness of the Risk Management and internal control systems. Whilst the Nomination and Remuneration Committee have been delegated with specific responsibilities with terms of reference, these Committees have the authority to examine all matters within their scope of responsibility and report back to the Board with their recommendations for the Board's decision.

Organisational Structure

- The organisational structure of Gunung Group is clear and detailed, defining the roles and responsibilities of the various Committees of the Board, Management of the Corporate Office and subsidiary companies.

- Appointment of Chief Executive Officer ("CEO") on the Board of the operating subsidiary companies within Gunung Group. The MD/CEO's appointment, roles and responsibilities, and authority limits are set by the respective Boards.

Risk Management

Risk Management is regarded as an integral part of the management process and the process of continual improvement. The key objectives of Gunung Group's risk management are as follows:

- Optimise return to shareholders and protect the interests of other stakeholders.
- Safeguard Gunung Group's assets.
- Improve Gunung Group's operating performance.
- Fulfill Gunung Group's strategic objectives.
- Ensure appropriate and timely responses to changes in the environment that affect Gunung Group's ability to achieve its objectives.
- Reduce risks of material misstatement in official announcements and financial statements.
- Comply with the Malaysian Code of Corporate Governance , the relevant laws and requirements

Strategic Planning and Performance Monitoring

- Establishment of a clear Gunung Group's vision, mission, short and long-term strategic and action plan.

- Establishment of performance monitoring as tool for Management to monitor performance and measure against the corporate objectives approved by the Board, covering all key financial, customer, operational, people, systems and organizational indicators.

Insurance on Assets

- Gunung Group purchase insurance on all its assets and liability coverage for accidents, bodily injury or property damage;

- Insurance coverage is reviewed regularly to ensure comprehensive coverage in view of the changing business environment or assets.

Business Continuity Management

- Gunung Group has identified the potential events that threaten its organization and established a framework for building resilience and the capability for effective response which safeguards the interests of its key stakeholders, reputation, brand and value creating activities in the event of disaster.

Internal Audit

- Reviews of the internal control system are carried out on a regular basis by the Internal Audit Department. The result of such reviews are reported once every quarter to the Audit Committee and then via the Chairman to the Board of Directors.

- Internal control weaknesses identified during the financial period under review have been or are being addressed by Management. None of the weakness has resulted in any material loss that would require disclosure in Gunung Group statements.

The Board remains committed towards the establishment of a sound system of internal control and therefore recognizes that the system must continuously evolve to support growth. In striving for continuous improvement, the Group will put in place appropriate action plans, when necessary, to enhance the Group's system of internal control.

AUDIT COMMITTEE REPORT

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee of the Company comprises the following members:

- Shaiful Annuar bin Ahmad Shaffie (Chairman)
  Independent Non-Executive Director

- Peter Wong Hoy Kim
  Senior Independent Non-Executive Director

- Malik Parvez Ahmad bin Nazir Ahmad
  Independent Non-Executive Director

ATTENDANCE OF AUDIT COMMITTEE MEETINGS

The details of attendance of each Audit Committee member in the Audit Committee meetings held during the financial year ended 31 December 2014 are as follows:-

Audit Committee Members	No of Meetings Attended	Percentage of Attendance
Shaiful Annuar bin Ahmad Shaffie	5/5	100
Peter Wong Hoy Kim	5/5	100
Malik Parvez Ahmad bin Nazir Ahmad	4/5	80

Functions of the Audit Committee

The duties and responsibilities of the Audit Committee shall include the followings:-

(i) To review and discuss with the external auditor, the audit plan and the scope of the audit;

(ii) To review and discuss with the external auditor, their evaluation of the system of internal controls and their audit report;

(iii) To review the assistance given by the employees of the Company to the external auditors;

(iv) To review the external auditor’s management letter and the management’s response.

(v) To report to the Board if there is reason (supported by grounds) to believe that the external auditor is not suitable for reappointment;

(vi) To review the quarterly and year-end financial statements, prior to the approval by the Board of Directors, focusing particularly on:
- Changes in or implementation of major accounting policies and practices;
- Significant adjustments arising from the audit;
- The going concern assumption;
- Significant and unusual events; and
- Compliance with accounting standards and other legal requirements.

(vii) To review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;

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

Functions of the Audit Committee (cont'd)

(ix) To review any related party transactions and conflict of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity;

(x) To consider the appointment, the audit fee and resignation or dismissal of the external auditors; and

(xi) To recommend the nomination of a person as external auditors.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The activities of the Audit Committee during the financial year ended 31 December 2014 include the followings:-

- Reviewed and recommended for Board's approval on the unaudited quarterly financial results and audited financial statements;
- Assessed the Group's financial performance;
- Reviewed the Audit Planning Memorandum and discussed with the External Auditors on their findings and issues arising from the audits;
- Made recommendations to the Board for re-appointment of External Auditors;
- Reviewed the procedures monitoring recurrent related party transactions within the Group and the renewal of shareholders' mandate;
- Reviewed the status of the internal control system of the Group;
- Reviewed the internal audit reports on findings and recommendations and ensuring that material findings are adequately addressed by the Management;
- Assessed the adequacy of competency of the internal auditing function;
- Reviewed the Audit Committee Report and Statement on Internal Control for inclusion into the Annual Report.

INTERNAL AUDIT FUNCTION

The Audit Committee, in particular, is assisted by the in-house Internal Audit Department who undertake the audit and compliance functions of the Group. Internal audit focuses on determining whether the controls provide reasonable assurance of effective and efficient operations, as to reliability and integrity of financial data and reports, and compliance with laws, regulations and contracts.

The internal auditor has progressively conducted independent and regular reviews to assess the adequacy and effectiveness of the Group's internal control systems and ensure that the Group's policies and operating procedures are complied with. Audits were carried out on key processes or strategic business units of the Group. The internal auditor also monitored the effectiveness of administration and financial controls applied and the reliability and integrity of data that was produced within the Group. Audit findings were presented to the Audit Committee and recommendations were highlighted for improvements on a quarterly basis.

The total cost incurred for the Group's internal audit function for the financial year ended 31 December 2014 amounted to approximately RM148,555.00

FINANCIAL STATEMENTS

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

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

PRINCIPAL ACTIVITIES

The Company is an investment holding company and the principal activities of its subsidiaries are as disclosed in Note 13 to the Financial Statements. There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

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

	GROUP RM	COMPANY RM
Profit before tax	18,711,449	35,428,285
Income tax expense	(5,257,061)	-
Profit for the financial year	13,454,388	35,428,285
Profit attributable to:		
Owners of the Company	14,109,891	35,428,285
Non-Controlling interests	(655,503)	-
	13,454,388	35,428,285

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

DIVIDENDS

The amounts of dividends declared and paid by the Company since the previous financial year were as follows:

In respect of the financial year ended 31st December 2014:	RM
First interim tax exempt single tier dividend of 1 sen per ordinary share of RM0.40, declared on 21st May 2014 and paid on 12th June 2014	1,416,613

The directors do not recommend any final dividend payment 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 other than those as disclosed in the Financial Statements.

ISSUE OF SHARES AND DEBENTURES

There were no changes in the authorised, issued and paid-up capital of the Company during the financial year. There were no debentures issued during the financial year.

WARRANTS 2010/2020

Pursuant to a deed poll dated 3rd September 2010, the Company issued 25,177,000 detachable warrants on 11th October 2010 in conjuction with a rights issue of 50,354,000 new ordinary shares of RM0.40 each in the Company. Each warrant entitles the registered holder at any time during the exercise period from 11th October 2010 to 11th October 2020 to subscribe for one (1) new ordinary share of RM0.40 each in the Company at an exercise price of RM0.50 per share. As at 31st December 2014, none of the aforesaid warrants have been exercised and there were 25,177,000 unexercised warrants at an exercise price of RM0.50 per share.

DIRECTORS

The following directors served on the Board of the Company since the date of the last report:

Dato' Syed Abu Hussin Bin Hafiz Syed Abdul Fasal
Peter Wong Hoy Kim
Malik Parvez Ahmad Bin Nazir Ahmad
Shaiful Annuar Bin Ahmad Shaffie
Iskandar Ibrahim
Beroz Nikmal Bin Mirdin

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 the benefit included in the aggregate amount of emoluments received or due and receivable by directors as disclosed in the financial statements or the fixed salary of full-time employees by ary ploy of the Company or its related corporation) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the transactions as disclosed in Note 29 to the Financial Statements.

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' INTERESTS

The shareholdings in the Company of those who were directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows:

	Number of ordinary shares of RM0.40 each			
	Balance as at 1.1.2014	**Bought**	**Sold**	**Balance as at 31.12.2014**
Shares in the Company				
Direct interest				
Dato' Syed Abu Hussin Bin Hafiz Syed Abdul Fasal	23,127,170	750,000	-	23,877,170
Beroz Nikmal Bin Mirdin	4,368,000	-	-	4,368,000
Indirect interest				
Iskandar Ibrahim	4,590,300	1,259,200	-	5,849,500

	Number of Warrant 2010/2020			
	Balance as at 1.1.2014	**Bought**	**Exercised/ Sold**	**Balance as at 31.12.2014**
Direct interest				
Dato' Syed Abu Hussin Bin Hafiz Syed Abdul Fasal	1,944,235	-	-	1,944,235
Indirect interest				
Iskandar Ibrahim	1,007,300	170,000	-	1,177,300

By virtue of the directors' interests in the shares of the Company, the directors are deemed to have an interest in the shares of the subsidiaries as disclosed in Note 13 to the Financial Statements.

None of the other directors in office at the end of the financial year held shares or have any beneficial interest in the shares of the Company during or at the beginning and end of the financial year.

OTHER STATUTORY INFORMATION

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

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

   (ii) to ensure that any current assets which were unlikely to realise in the ordinary course of business their values as shown in the financial statements of the Group and of the Company have been written down to an amount which they might be expected to realise.

OTHER STATUTORY INFORMATION (cont'd)

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

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

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

(iii) 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.

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

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

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

d) No contingent liability or other liability 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 substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

e) 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.

f) In the opinion of the directors, 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.

AUDITORS

The auditors, STYL Associates, have indicated their willingness to continue in office.

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

DATO' SYED ABU HUSSIN
BIN HAFIZ SYED ABDUL FASAL
Director

ISKANDAR IBRAHIM
Director

Petaling Jaya
Date: 28th April 2015

STATEMENT BY DIRECTORS

We, Dato' Syed Abu Hussin Bin Hafiz Syed Abdul Fasal and Iskandar Ibrahim, being two of the directors of Gunung Capital Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31st December 2014 and of the financial performance and cash flows of the Group and of the Company for the year ended on that date.

The supplementary information set out in Note 33 to the Financial Statements has been 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, and the directive of Bursa Malaysia Securities Berhad.

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

DATO' SYED ABU HUSSIN BIN HAFIZ SYED ABDUL FASAL
Director

ISKANDAR IBRAHIM
Director

Petaling Jaya
Date: 28th April 2015

STATUTORY DECLARATION

I, Iskandar Ibrahim, being the director primarily responsible for the financial management of Gunung Capital Berhad, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

ISKANDAR IBRAHIM

Subscribed and solemnly declared by the
abovenamed Iskandar Ibrahim,
at Petaling Jaya, on 28th April 2015

Before me,

S. Arokiadass A.M.N
No. B 460

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Gunung Capital Berhad, which comprise the statements of financial position as at 31st December 2014 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 43 to 89.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GUNUNG CAPITAL BERHAD (cont'd)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

(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 these purposes; and

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

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 33 to the Financial Statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

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

STYL ASSOCIATES
Firm No. AF 1929
Chartered Accountants

TAN CHIN HUAT
Approval No: 2037/06/16(J)
Chartered Accountant

Date: 28th April 2015
Petaling Jaya

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2014

		GROUP		COMPANY	
		2014	2013	2014	2013
	Note	RM	RM	RM	RM
Revenue	6	84,780,702	79,921,461	36,750,000	5,000,000
Other operating income	7	1,949,013	1,478,557	637,577	367,399
Other direct costs		(32,989,352)	(29,579,351)	-	-
Depreciation of property, plant and equipment		(18,757,694)	(19,749,345)	-	-
Directors' remuneration	8	(1,421,160)	(1,062,978)	(1,046,140)	(970,475)
Staff costs	9	(9,961,134)	(8,112,386)	-	-
Other operating expenses	7	(3,740,666)	(1,804,414)	(913,152)	(770,658)
Profit from operations		19,859,709	21,091,544	35,428,285	3,626,266
Finance cost - Interest on finance lease and hire purchase		(1,148,260)	(2,496,983)	-	-
Profit before tax		18,711,449	18,594,561	35,428,285	3,626,266
Income tax expense	10	(5,257,061)	(4,532,234)	-	-
Total comprehensive income for the financial year		13,454,388	14,062,327	35,428,285	3,626,266
Attributable to:					
Owners of the Company		14,109,891	13,862,471	35,428,285	3,626,266
Non-Controlling interests		(655,503)	199,856	-	-
Total comprehensive income for the financial year		13,454,388	14,062,327	35,428,285	3,626,266
Earnings per share attributable to Owners of the Company:					
Basic (RM)	11	0.10	0.11		
Diluted (RM)	11	0.09	0.10		

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Note	GROUP 2014 RM	GROUP 2013 RM (Restated)	COMPANY 2014 RM	COMPANY 2013 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	12	30,674,148	61,068,675	-	-
Investments in subsidiaries	13	-	-	56,393,166	58,078,899
Investments in associates	14	-	-	-	-
Other financial assets	15	15,924	15,924	-	-
Development expenditures	16	1,433,577	786,196	-	-
Goodwill on consolidation	17	20,883,170	21,540,656	-	-
Deferred tax assets	18	8,922	869,486	-	-
Total Non-Current Assets		53,015,741	84,280,937	56,393,166	58,078,899
Current Assets					
Inventories	19	740,734	711,181	-	-
Trade receivables	20	7,637,940	2,058,192	-	-
Other receivables and prepaid expenses	20	14,856,792	8,606,952	34,308,792	1,306,292
Amount owing by subsidiaries	13	-	-	3,212,825	649,900
Tax recoverable		-	830	-	-
Cash and cash equivalents	21	39,181,345	32,778,817	9,297,325	9,182,589
Total Current Assets		62,416,811	44,155,972	46,818,942	11,138,781
TOTAL ASSETS		115,432,552	128,436,909	103,212,108	69,217,680
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	22	56,664,530	56,664,530	56,664,530	56,664,530
Reserves	23	49,217,264	36,303,963	46,480,562	12,468,890
Equity Attributable to Owners of the Company		105,881,794	92,968,493	103,145,092	69,133,420
Non-Controlling interests		(743,662)	131,863	-	-
Total Equity		105,138,132	93,100,356	103,145,092	69,133,420
Non-Current Liabilities					
Finance lease and hire purchase creditors	24	643,838	3,435,031	-	-
Deferred tax liabilities	18	1,101,589	1,942,076	-	-
Total Non-Current Liabilities		1,745,427	5,377,107	-	-

		GROUP		COMPANY	
	Note	2014 RM	2013 RM (Restated)	2014 RM	2013 RM
Current Liabilities					
Trade payables	25	1,747,559	166,804	-	-
Other payables and accrued expenses	25	2,048,239	8,871,647	67,016	51,384
Amount owing to director	26	113,561	524,408		
Amount owing to subsidiaries	13	-	-	-	32,876
Tax liabilities		1,848,456	1,528,409	-	-
Finance lease and hire purchase creditors	24	2,791,178	18,868,178	-	-
Total Current Liabilities		8,548,993	29,959,446	67,016	84,260
Total Liabilities		10,294,420	35,336,553	67,016	84,260
TOTAL EQUITY AND LIABILITIES		115,432,552	128,436,909	103,212,108	69,217,680

The accompanying Notes form an integral part of the Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2014

	<-Attributable to Owners of the Company				->			
		<-Non distributable reserve		->	Distributable			
	Share capital RM	Share premium RM	Warrant reserve RM	Equity transaction reserve RM	reserve- Retained earnings RM	Total RM	Non-Controlling interests RM	Total RM
Balance as at 1st January 2013	45,016,559	2,200,412	1,007,080	(5,539,921)	20,645,726	63,329,856	266,868	63,596,724
Total comprehensive income for the financial year	-	-	-	-	13,862,471	13,862,471	199,856	14,062,327
Transactions with Owners of the Company:								
Issue of shares during the year	11,647,971	5,268,421	-	-	-	16,916,392	-	16,916,392
Acquisition of subsidiaries	-	-	-	-	-	-	(189,644)	(189,644)
Increase in equity interest in subsidiary	-	-	-	145,217	-	145,217	(145,217)	-
Dividends paid (Note 27)	-	-	-	-	(1,285,443)	(1,285,443)	-	(1,285,443)
Balance as at 31st December 2013	56,664,530	7,468,833	1,007,080	(5,394,704)	33,222,754	92,968,493	131,863	93,100,356
Total comprehensive income for the financial year	-	-	-	-	14,109,891	14,109,891	(655,503)	13,454,388
Transactions with Owners of the Company:								
Issuance of shares by subsidiary to non-controlling interests	-	-	-	-	-	-	1	1
Increase in equity interest in subsidiary	-	-	-	220,023	-	220,023	(220,023)	-
Dividends paid (Note 27)	-		-	-	(1,416,613)	(1,416,613)	-	(1,416,613)
Balance as at 31st December 2014	56,664,530	7,468,833	1,007,080	(5,174,681)	45,916,032	105,881,794	(743,662)	105,138,132

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

	Share capital RM	Share premium RM	Warrant reserve RM	Retained earnings RM	Total RM
Balance as at 1st January 2013	45,016,559	2,200,412	1,007,080	1,652,154	49,876,205
Total comprehensive income for the financial year	-	-	-	3,626,266	3,626,266
Issue of shares during the year	11,647,971	5,268,421	-	-	16,916,392
Transaction with Owners of the Company: Dividends paid (Note 27)	-	-	-	(1,285,443)	(1,285,443)
Balance as at 31st December 2013	56,664,530	7,468,833	1,007,080	3,992,977	69,133,420
Total comprehensive income for the financial yea	-	-	-	35,428,285	35,428,285
Transaction with Owners of the Company: Dividends paid (Note 27)	-	-	-	(1,416,613)	(1,416,613)
Balance as at 31st December 2014	56,664,530	7,468,833	1,007,080	38,004,649	103,145,092

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014

	GROUP		COMPANY	
	2014 RM	2013 RM (Restated)	2014 RM	2013 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	18,711,449	18,594,561	35,428,285	3,626,266
Adjustments for:				
Depreciation of property, plant and equipment	18,757,694	19,749,345	-	-
Impairment of goodwill on consolidation	657,486	-	-	-
Impairment loss on trade receivables	7,100	13,446	-	-
Property, plant and equipment written off	315,088	-	-	-
Dividend income	-	-	(36,750,000)	(5,000,000)
Gain on disposal of investment in subsidiary	(571,558)	-	(83,467)	-
Gain on disposal of other investment	(3,120)	-	-	-
(Gain)/Loss on disposal of property, plant and quipment	13,041	(91,899)	-	-
Interest expense	1,148,260	2,496,983	-	-
Interest income	(436,527)	(174,252)	(160,110)	(12,799)
Operating profit/(loss) before working capital changes	38,598,913	40,588,184	(1,565,292)	(1,386,533)
Changes in working capital:				
Increase in inventories	(29,553)	(168,922)	-	-
(Increase)/Decrease in trade receivables	(5,586,848)	690,201	-	-
Increase in other receivables and prepaid expenses	(6,249,840)	(50,540)	(33,002,500)	(55,292)
Increase in amount owing by subsidiaries	-	-	(2,562,925)	(649,900)
Increase/(Decrease) in trade payables	1,580,755	(1,401,206)	-	-
Increase/(Decrease) in other payables and accrued expenses	590,538	(1,974,046)	15,632	(2,326,564)
Decrease in amount owing to director	(410,847)	(2,306,000)	-	-
Increase/(Decrease) in amount owing to subsidiaries	-	-	(32,876)	32,876
Cash Generated From/(Used In) Operations	28,493,118	35,377,671	(37,147,961)	(4,385,413)
Interest received	436,527	171,200	160,110	12,799
Finance costs	(1,148,260)	(2,496,983)	-	-
Tax paid	(4,914,482)	(5,273,577)	-	-
Tax refund	830	378,870	-	-
Net Cash From/(Used In) Operating Activities	22,867,733	28,157,181	(36,987,851)	(4,372,614)

	GROUP		COMPANY	
	2014 RM	2013 RM (Restated)	2014 RM	2013 RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposal of investment in subsidiaries	-	-	1,769,200	-
Proceeds from disposal of other investment	3,120	-	-	-
Proceeds from disposal of property, plant and equipment	2,832,200	380,000	-	-
Dividend received	-	-	36,750,000	5,000,000
Addition in development expenditure	(691,441)	(647,692)	-	-
Acquisition of property, plant and equipment	(21,101)	(33,253)	-	-
Acquisition of investment in subsidiary, net of cash acquired (Note 13)	1	18,488	-	-
Disposal of subsidiary, net of cash disposed off (Note 13)	1,696,822	-	-	-
Net Cash From/(Used In) Investing Activities	3,819,601	(282,457)	38,519,200	5,000,000
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid Dividends paid	(1,416,613)	(1,285,443)	(1,416,613)	(1,285,443)
Issuance of shares	-	7,816,392	-	7,816,392
Repayment of finance lease and hire purchase creditors	(18,868,193)	(19,536,514)	-	-
Net Cash From/(Used In) Financing Activities	(20,284,806)	(13,005,565)	(1,416,613)	6,530,949
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,402,528	14,869,159	114,736	7,158,335
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	32,778,817	17,909,658	9,182,589	2,024,254
CASH AND CASH EQUIVALENTS CARRIED FORWARD (Note 21)	39,181,345	32,778,817	9,297,325	9,182,589

Note:

In 2013, significant non-cash transaction consists of acquisition of subsidiary through issuance of share capital amounting to RM9,100,000.

The accompanying Notes form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2014

1) GENERAL 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 Company is an investment holding company and the principal activities of its subsidiaries are as disclosed in Note 13 to the Financial Statements. There have been no significant changes in the nature of these activities during the financial year.

The registered office of the Company is located at 11B, Level 2, Persiaran Greentown 9, Pusat Perdagangan Greentown, 30450 Ipoh, Perak Darul Ridzuan.

The principal place of business of the Company is located at D-3-3, Ayer@8, Jalan P8G, Presint 8, 62250 Putrajaya.

The financial statements are presented in Ringgit Malaysia (RM).

The financial statements have been authorised by the Board of Directors for issuance on 28th April 2015.

2) BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

Adoption of Amendments to MFRSs and Issues Committee ("IC") Interpretations

The accounting policies adopted by the Group and by the Company are consistent with those adopted in the previous year, except as follows:

Amendments to MFRS 10	Consolidated Financial Statements: Investment Entities
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Investment Entities
Amendments to MFRS 127	Separate Financial Statements: Investment Entities
Amendments to MFRS 132	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 136	Impairment of Assets -Recoverable Amount Disclosures for Non-Financial Assets
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting Levies
IC Interpretation 21	

The adoption of the above pronouncements did not have any impact on the financial statements of the Group and of the Company.

Standards issued but not yet effective

As at the date of authorisation of these financial statements, the following Standards, Amendments and Annual Improvements have been issued by Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been adopted by the Group and the Company:

Effective for financial period beginning on or after 1st July 2014

Amendments to MFRS 119 Defined Benefit Plans: Employee Contributions
Annual Improvements to MFRSs 2010 - 2012 Cycle
Annual Improvements to MFRSs 2011 - 2013 Cycle

2) BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (cont'd)

Effective for financial period beginning on or after 1st January 2016

MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 11	Accounting for Acquisition of Interests in Joint Operations
Amendments to MFRS 127	Equity Method in Separate Financial Statements
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to MFRS 101	Disclosure Initiative
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plants
Annual improvements to MFRSs 2012 - 2014 Cycle	

Effective for financial period beginning on or after 1st January 2017

MFRS 15	Revenue from Contracts with Customers

Effective for financial period beginning on or after 1st January 2018

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

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

MFRS 9 Financial Instruments

In November 2014, MASB issued the complete version of MFRS 9 replacing MFRS 139. MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

There is now a new expected credit losses model on impairment for all financial assets that replaces the incurred loss impairment model used in MFRS 139. The expected credit losses model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The Group and the Company are currently assessing the impact of the adoption of this standards in relation to the new requirements for classification, measurement and impairment.

3) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The operations of the Group are subject to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk. The Group has formulated a financial risk management framework whose principal objective is to minimise the Group's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group. The Group also ensures that the above risks are managed in order to minimise the effects of the unpredictability of the financial markets on the performance of the Group.

Market risk

Market risk is the risk that changes in market prices, such as foreign currency exchange risk, and other prices will affect the Group's financial position and cash flows.

The Group has in place policies to manage its competitive risks from its competitors in providing better alternatives in terms of better services.

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.

Changes in interest rates are not expected to have a significant impact on the Group's profit or loss.

Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers. The Company's exposure to credit risk arises principally from loans and advances to subsidiary.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statements of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 120 days, which are deemed to have higher credit risk, are monitored individually.

The ageing analysis of trade receivables as at the end of the reporting period are as follows:

	GROUP	
	2014	**2013**
	RM	**RM**
Neither past due nor impaired	288,469	335,873
Past due 0 - 30 days not impaired	6,193,648	1,059,219
Past due 31 - 120 days not impaired	318,377	294,500
Past due more than 120 days not impaired	837,446	368,600
	7,349,471	1,722,319
Impaired	20,546	13,446
	7,658,486	2,071,638

3) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

i) Receivables that are neither past due nor impaired

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

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

ii) Receivables that are past due but not impaired

The Group has trade receivables amounting to RM7,349,471 (2013: RM1,722,319) that is past due at the reporting date but not impaired.

These receivables are unsecured. Management is confident that these receivables are recoverable as these accounts are still active.

iii) Receivables that are impaired

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

	GROUP	
	2014	**2013**
	RM	**RM**
Trade receivables		
- nominal amounts	20,546	13,446
Less: Allowance for impairment	(20,546)	(13,446)
	-	-

The movements in the allowance for impairment losses of receivables during the financial year were:

	GROUP	
	2014	**2013**
	RM	**RM**
As at beginning of year	13,446	-
Impairment loss recognised	7,100	13,446
As at end of year	20,546	13,446

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

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due.

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient funds for contingent funding requirement of working capital.

3) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Liquidity risk (cont'd)

	Carrying amount RM	Contractual undiscounted cash flows RM	On demand or within one year RM	Two to five years RM
GROUP				
2014				
Financial liabilities				
Trade payables	1,747,559	1,747,559	1,747,559	-
Other payables	2,048,239	2,048,239	2,048,239	-
Amount owing to director	113,561	113,561	113,561	-
Finance lease and hire purchase creditors	3,435,016	3,587,710	2,812,045	775,665
	7,344,375	7,497,069	6,721,404	775,665
2013				
Financial liabilities				
Trade payables	166,804	166,804	166,804	-
Other payables	8,871,647	8,871,647	8,871,647	-
Amount owing to director	524,408	524,408	524,408	-
Finance lease and hire purchase creditors	22,303,209	23,448,075	19,860,420	3,587,655
	31,866,068	33,010,934	29,423,279	3,587,655
COMPANY				
2014				
Financial liabilities				
Other payables	67,016	67,016	67,016	-
2013				
Financial liabilities				
Other payables	51,384	51,384	51,384	-
Amount owing to subsidiaries	32,876	32,876	32,876	-
	84,260	84,260	84,260	-

Capital Risk Management Policies and Procedures

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern, and to maintain an optimal capital structure so as to provide returns for shareholders.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. There were no changes made in the objectives, policies or processes compared to the previous financial year.

The Group is not subject to any externally imposed capital requirements.

4) SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements are prepared under the historical cost convention unless otherwise indicated in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristic into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

(i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

(ii) Level 2 are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

(iii) Level 3 inputs are unobservable inputs for the asset or liability.

b) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably. Revenue is measured at the fair value of consideration received or receivable, net of returns, allowances and trade discounts.

Revenue from services are recognised when services are rendered. Revenue represents the invoiced value of services rendered net of discounts and allowances. Interest income is recognised on accrual basis.

c) Employee Benefits

(i) Short term benefits

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

(ii) Defined contributions plans

As required by law, companies in Malaysia make contributions to the state pension scheme, Employees Provident Fund. Such contributions are recognised as an expense in profit or loss as incurred.

4) SIGNIFICANT ACCOUNTING POLICIES (cont'd)

d) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

All other borrowing costs are recognised in profit or loss in the year in which they are incurred.

e) Government Grants

Governments grants are recognised when there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. Government grants related to assets are recognised as deferred revenue that is recognised in profit or loss on a systematic basic over the useful lives of the assets. Government grants related to income are presented as a credit in the profit or loss separately.

f) Income Tax

(i) Current tax

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

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

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The tax effects of unutilised reinvestment allowances are only recognised upon actual realisation.

4) SIGNIFICANT ACCOUNTING POLICIES (cont'd)

f) Income Tax (cont'd)

(ii) Deferred tax (cont'd)

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group and the Company expect, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

g) Subsidiaries and Basis of Consolidation

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

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

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

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

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

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

Losses of subsidiaries are attributable to the non-controlling interests even if that results in a deficit balance.

4) SIGNIFICANT ACCOUNTING POLICIES (cont'd)

g) Subsidiaries and Basis of Consolidation (cont'd)

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

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

h) Business Combinations

Acquisition of subsidiaries are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of asset transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At acquisition date, the identifiable assets acquired and liabilities assumed are recognised at their fair values, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 Income Taxes and MFRS 119 Employee Benefits respectively;

- liabilities or equity instruments related to the share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with MFRS 2 Share-based Payment at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 Non-Current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

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

Non-Controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Standard.

4) SIGNIFICANT ACCOUNTING POLICIES (cont'd)

h) Business Combinations (cont'd)

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with MFRS 137 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

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

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised at that date.

i) Investment in Associates

An associate is an entity over which the Group has significant influence 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 investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with MFRS 5 Non-Current Assets Held for Sale and Discontinued Operations. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost and adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

4) SIGNIFICANT ACCOUNTING POLICIES (cont'd)

i) Investment in Associates (cont'd)

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

When a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

Investment in associated company is stated at cost less accumulated impairment losses.

j) Property, Plant and Equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when 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. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land and building are stated at valuation based on the valuation reports of independent professional valuers using the "fair market value" basis.

An increase in the carrying amount arising from revaluation of property, plant and equipment is credited to the revaluation reserve account as revaluation surplus. Any deficit arising from revaluation is charged against the revaluation reserve account to the extent of a previous surplus held in the revaluation reserve account for the same asset. In all other cases, a decrease in carrying amount is charged to profit or loss. An increase in revaluation directly related to a previous decrease in carrying amount for that same asset that was recognised as an expense, is credited to profit or loss to the extent that it offsets the previously recorded decrease.

Freehold land is not depreciated as it has an infinite life. Depreciation of property, plant and equipment is calculated to write off the cost of the property, plant and equipment on a straight-line basis over the expected useful lives of the property, plant and equipment concerned. The annual depreciation rates used are:

	%
Buildings	2
Long leasehold land	99 years
Plant and machinery	10
Motor vehicles	14 - 20
Furniture, fittings and equipment	10 - 15

4) SIGNIFICANT ACCOUNTING POLICIES (cont'd)

j) Property, Plant and Equipment (cont'd)

The carrying values of property, plant and equipment are reviewed for impairment when events or change in circumstances indicate that the carrying value may not be recoverable. The residual values, useful lives in circumstances indicate that the carrying value may not be recoverable. The residual values, useful lives and depreciation methods 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. Gain or loss arising from the disposal of an asset is determined as the difference between the estimated net disposal proceed and the carrying amount of the asset, and is recognised in profit or loss.

k) Intangible Assets

i) Goodwill on Consolidation

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

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

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

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

ii) Research and Development Costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

(i) the technical feasibility of completing the intangible asset so that it will be available for use or sale;

(ii) the intention to complete the intangible asset and use or sell it;

(iii) the ability to use or sell the intangible asset;

(iv) how the intangible asset will generate probable future economic benefits;

(v) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

(vi) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

4) SIGNIFICANT ACCOUNTING POLICIES (cont'd)

k) Intangible Assets (cont'd)

ii) Research and Development Costs (cont'd)

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses. The average expected life of the development projects is five (5) years.

iii) Other Intangible Assets

Intangible assets, which comprise intellectual property and licence rights, are measured on initial recognition at cost. The useful lives of the intangible assets are assessed to be finite or indefinite. Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. The useful lives of intangible assets with indefinite lives are also reviewed annually to determine whether the useful life assessment continues to be supportable.

l) Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

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

m) Inventories

Inventories are valued at the lower of cost (determined principally on the first-in, first-out method) and net realisable value. Cost of work-in-progress consists of raw materials, direct labour and an appropriate share of production overheads based on normal operating capacity.

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

n) Financial Instruments

i) Initial recognition and measurement

A financial instrument is recognised in the financial statements when, and only when, the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

4) SIGNIFICANT ACCOUNTING POLICIES (cont'd)

n) Financial Instruments (cont'd)

ii) Financial instrument categories and subsequent measurement

The Group categories financial instruments as follows:

Financial assets

The Group classifies its financial assets in the following categories: at fair value through profit or loss, held-to-maturity, loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification at purpose for which the financial assets were acquired. Management determines the classification at initial recognition.

a) *Financial assets at fair value through profit or loss*

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

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

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

Investment in quoted securities are designated as fair value through profit or loss on initial recognition.

b) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

c) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

4) SIGNIFICANT ACCOUNTING POLICIES (cont'd)

n) Financial Instruments (cont'd)

ii) Financial instrument categories and subsequent measurement (cont'd)

Financial assets (cont'd)

d) *Available-for-sale (AFS) financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. After initial recognition, available-for□ale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on available-for-sale equity instrument are recognised in profit or loss when the Company's right to receive payment is established.

Available-for-sale financial assets are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. 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.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

a) *Financial liabilities at fair value through profit or loss*

Financial liabilities are classified as financial liabilities at fair value through profit or loss when the financial liability is either held for trading or it is designated as financial liabilities at fair value through profit or loss.

A financial liability is classified as held for trading if:

a) it has been acquired principally for the purpose of repurchasing it in the near term; or

b) on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

c) it is a derivative that is not designated and effective as a hedging instrument.

4) SIGNIFICANT ACCOUNTING POLICIES (cont'd)

n) Financial Instruments (cont'd)

ii) Financial instrument categories and subsequent measurement (cont'd)

Financial liabilities (cont'd)

a) *Financial liabilities at fair value through profit or loss* (cont'd)

A financial liability other than a financial liability held for trading may be designated as financial liabilities at fair value through profit or loss upon initial recognition if:

a) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

b) the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

c) it forms part of a contract containing one or more embedded derivatives, and MFRS 139 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as financial liabilities at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statements of comprehensive income.

b) *Other financial liabilities*

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

iii) Impairment of Financial Assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occured after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

4) SIGNIFICANT ACCOUNTING POLICIES (cont'd)

n) Financial Instruments (cont'd)

iii) Impairment of Financial Assets (cont'd)

For equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, including redeemable bonds classified as available-for-sale and finance lease receivables, objective evidence of impairment could include:

i) significant financial difficulty of the issuer or counterparty; or

ii) default or delinquency in interest or principal payments; or

iii) it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is 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 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 is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

With the exception of available-for-sale equity instruments, 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 through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

4) SIGNIFICANT ACCOUNTING POLICIES (cont'd)

o) Impairment of Non-Financial Assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of any unutilised previously recognised revaluation surplus for the same asset.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

p) Provisions

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

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

q) Cash and Cash Equivalents

Cash and cash equivalents comprise cash and bank balances, term deposits and other short term, highly liquid investments that are readily convertible into cash with insignificant risk of changes in value against which bank overdraft, if any, are deducted.

r) Equity Instruments

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.

4) SIGNIFICANT ACCOUNTING POLICIES (cont'd)

s) Contingencies

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

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

t) Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the chief operating decision maker, which in this case is the Chief Executive Officer of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

u) Warrant Reserve

Proceeds from the issuance of warrant, net of issue costs, are credited to warrant reserve which is non-distributable. Warrant reserve is transferred to the share premium account upon the exercise of warrant and the warrant reserve in relation to the unexercised warrant at the expiry of the warrant will be transferred to retained earnings.

5) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported results 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 director's best knowledge of current events and actions, actual results may differ.

Critical Judgements in Applying the Group's and the Company's Accounting Policies

In the process of applying the Group's and the Company's accounting policies, the directors are of the opinion that there are no instances of application of judgement which are expected to have significant effect on the amounts recognised in the financial statements.

Key Sources of Estimation Uncertainty

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

i) Impairment of Intangible Assets

The Group determines whether the intangible assets are impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the intangible assets are allocated. Estimating the value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

5) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

ii) Capitalisation of Development Expenditure

During the year, the directors reconsidered the recoverability of the Group's internally generated intangible assets arising from its software application solutions development, which is included in the consolidated statement of financial position.

The project continues to progress in a very satisfactory manner, and customer reaction has reconfirmed the directors' previous estimates of anticipated revenues from the project. However, increased competitor activity has caused the directors to reconsider their assumptions regarding future market share and anticipated margins on these products. Detailed sensitivity analysis has been carried out and the directors are confident that the carrying amount of the asset will be recovered in full, even if returns are reduced. This situation will be closely monitored, and adjustments made in future periods if future market activity indicates that such adjustments are appropriate.

iii) Impairment on Receivables

The Group makes impairment of receivables based on an assessment of the recoverability of receivables. Impairment is applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses historical bad debts, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of impairment of receivables. Where expectations differ from the original estimates, the difference will impact the carrying amount of receivables.

iv) Impairment of Investment in Subsidiaries

The Company reviews the carrying amount of investment in subsidiaries. The recoverable amount of the investment in subsidiaries has been determined on the basis of its value in use.

v) Depreciation 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 in accordance with the accounting policy stated in Note 4 j) to the Financial Statements. These are common life expectancies applied in this industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised.

6) REVENUE

	GROUP		COMPANY	
	2014	2013	2014	2013
	RM	RM	RM	RM
Transportation services and related activities	81,873,300	74,601,314	-	-
Lease rental income	2,880,000	5,040,000	-	-
Consultancy services	27,402	280,147	-	-
Dividend income	-	-	36,750,000	5,000,000
	84,780,702	79,921,461	36,750,000	5,000,000

7) OTHER OPERATING EXPENSES/(INCOME)

Included in other operating expenses/(income) are the following charges/(credits):

	GROUP		COMPANY	
	2014	2013	2014	2013
	RM	RM	RM	RM
Audit fee				
- current year	101,056	94,576	45,000	42,400
- under/(over) provision in prior year	3,712	(1,088)	2,800	-
(Gain)/Loss on disposal of property, plant and equipment	13,041	(91,899)	-	-
Impairment of goodwill on consolidation	657,486	-	-	-
Impairment loss on trade receivables	7,100	13,446	-	-
Property, plant and equipment written off	315,088	-	-	-
Rental of carpark	170	-	-	-
Rental of equipment	2,880	-	-	-
Rental of garage	14,400	-	-	-
Rental of motor vehicle	50,003	-	-	-
Rental of premises	118,650	117,390	-	-
Gain on disposal of investment in subsidiary	(571,558)	-	(83,467)	-
Gain on disposal of other investment	(3,120)	-	-	-
Government grant received	(892,626)	(1,165,218)	-	-
Interest income	(436,527)	(174,252)	(160,110)	(12,799)
Management fee	-	-	(394,000)	(354,600)

8) DIRECTORS' REMUNERATION

	GROUP		COMPANY	
	2014	2013	2014	2013
	RM	RM	RM	RM
Executive directors:				
Salaries, bonus, overtime and allowances	901,250	806,750	781,250	716,750
Fees	303,750	60,000	63,750	60,000
Defined contribution plan - EPF	106,800	87,600	92,400	85,200
SOCSO contribution	1,860	878	1,240	775
	1,313,660	955,228	938,640	862,725
Non-executive directors:				
Fees	90,000	90,000	90,000	90,000
Other emoluments	17,500	17,750	17,500	17,750
	107,500	107,750	107,500	107,750
	1,421,160	1,062,978	1,046,140	970,475

8) DIRECTORS' REMUNERATION (cont'd)

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

	Number of directors	
	2014	**2013**
Executive directors:		
Below RM50,000	1	1
RM100,001 - RM150,000	1	1
Above RM750,000	1	1
Non-executive directors:		
Below RM50,000	3	3

9) STAFF COSTS

	GROUP	
	2014	**2013**
	RM	**RM**
Salaries, bonus, overtime and allowances	8,814,143	6,988,813
Defined contribution plan - EPF	1,016,510	920,810
SOCSO contribution	130,481	202,763
	9,961,134	8,112,386

10) INCOME TAX EXPENSE

	GROUP		COMPANY	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Income tax payable				
- current year	5,193,796	4,609,357	-	-
- under/(over) provision in prior year	(11,472)	251,115	-	-
	5,182,324	4,860,472	-	-
Real property gain tax	54,660	-	-	-
Deferred tax in respect of:				
Tax assets (Note 18)				
- current year	860,564	(69,498)	-	-
- overprovision in prior years	-	7,075	-	-
	860,564	(62,423)	-	-
Tax liabilities (Note 18)				
- current year	(839,726)	(256,638)	-	-
- overprovision in prior years	(761)	(7,075)	-	-
- crystallisation on revaluation surplus	-	(2,102)	-	-
	(840,487)	(265,815)	-	-
	5,257,061	4,532,234	-	-

10) INCOME TAX EXPENSE (cont'd)

Malaysia income tax is calculated at the statutoty tax rate of 25% (2013: 25%) of the estimated taxable profit for the year. Taxation for other jurisdictions are calculated at the rates prevailing in the relevant jurisdictions. The Malaysian statutory tax rate will be reduced to 24% from the current year's statutory tax rate of 25%, effective year of assessment 2016.

A numerical reconciliation between the income tax expense and the product of accounting profit multiplied by the applicable statutory income tax rate, is as follows:

	GROUP		COMPANY	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Accounting profit	18,711,449	18,594,561	35,428,285	3,626,266
Tax at the applicable statutory income tax rate of 25%	4,677,862	4,648,641	8,857,071	906,567
Tax effects in respect of:				
Income not subject to tax	(141,262)	(293,805)	(9,248,394)	(1,250,000)
Expenses that are not deductible for tax purposes	937,521	657,798	161,820	343,433
Deferred tax assets not recognised	527,319	-	229,503	-
Utilisation of deferred tax assets not recognised previously	(786,806)	(729,413)	-	-
Under/(Over)provision of income tax in prior years	(11,472)	251,115	-	-
Overprovision of deferred taxation in prior years	(761)	-	-	-
Crystallisation of deferred tax liabilities	-	(2,102)	-	-
Real property gain on tax	54,660	-	-	-
Income tax expense	5,257,061	4,532,234	-	-

As at 31st December 2014, the Group and the Company have unrecognised deferred tax assets in respect of the following items:

	GROUP		COMPANY	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Unutilised business losses	1,500,000	5,166,938	594,000	593,829
Unabsorbed capital allowances	23,000	19,245	19,000	19,245
	1,523,000	5,186,183	613,000	613,074

11) EARNINGS PER SHARE

Basic

Basic earnings per share is calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	GROUP	
	2014	**2013**
Profit attributable to Owners of the Company (RM)	14,109,891	13,862,471
Weighted average number of ordinary shares in issue	141,661,32t5	123,395,267
Basic earnings per share (RM) Basic earnings per share (RM)	0.10	0.11

Diluted

Diluted earnings per share is calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of the unexercised warrants issued by the Company.

	GROUP	
	2014	**2013**
	RM	**RM**
Profit attributable to Owners of the Company (RM)	14,109,891	13,862,471
	2014	**2013**
	Units	**Units**
Weighted average number of ordinary shares in issue	141,661,325	123,395,267
Adjustment for potential conversion of warrants	10,367,000	10,367,000
Adjusted weighted average number of ordinary shares in issue	152,028,325	133,762,267
Diluted earnings per share (RM)	0.09	0.10

12) PROPERTY, PLANT AND EQUIPMENT

	Buildings RM	Long leasehold land RM	Plant and machinery RM	Motor vehicles RM	Furniture, fittings and equipment RM	Total RM
GROUP						
2014						
Cost/Valuation						
At cost:						
As at 1st January 2014	6,583,132	5,127,301	231,219	116,459,049	2,465,857	130,866,558
Additions	-	-	-	-	21,101	21,101
Disposals	-	-	-	(10,152,487)	-	(10,152,487)
Written off	-	-	(225,000)	(207,125)	(1,839,966)	(2,272,091)
Assets of subsidiary disposed	(6,583,132)	(5,127,301)	-	-	-	(11,710,433)
As at 31st December 2014	-	-	6,219	106,099,437	646,992	106,752,648

12) PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Buildings RM	Long leasehold land RM	Plant and machinery RM	Motor vehicles RM	Furniture, fittings and equipment RM	Total RM
GROUP						
Accumulated depreciation						
As at 1st January 2014	1,971,083	1,152,592	98,259	64,656,199	1,919,750	69,797,883
Charge for the year	65,330	23,823	7,122	18,537,871	123,548	18,757,694
Disposals	-	-	-	(7,307,246)	-	(7,307,246)
Written off	-	-	(102,792)	(207,122)	(1,647,089)	(1,957,003)
Assets of subsidiary disposed	(2,036,413)	(1,176,415)	-	-	-	(3,212,828)
As at 31st December 2014	-	-	2,589	75,679,702	396,209	76,078,500
Net carrying amount						
At cost						
As at 31st December 2014	-	-	3,630	30,419,735	250,783	30,674,148
2013						
Cost/Valuation						
As at 1st January 2013	6,583,132	5,127,301	231,219	117,134,400	2,243,056	131,319,108
Additions	-	-	-	-	33,253	33,253
Acquisition of subsidiary	-	-	-	384,996	189,548	574,544
Disposals	-	-	-	(1,060,347)	-	(1,060,347)
As at 31st December 2013	6,583,132	5,127,301	231,219	116,459,049	2,465,857	130,866,558
Accumulated depreciation						
As at 1st January 2013	1,840,422	1,104,946	84,638	45,964,518	1,703,286	50,697,810
Charge for the year	130,661	47,646	13,621	19,412,594	144,823	19,749,345
Acquisition of subsidiary	-	-	-	51,333	71,641	122,974
Disposals	-	-	-	(772,246)	-	(772,246)
As at 31st December 2013	1,971,083	1,152,592	98,259	64,656,199	1,919,750	69,797,883
Net carrying amount						
At cost	2,233,702	2,752,123	132,960	51,802,850	546,107	57,467,742
At valuation	2,378,347	1,222,586	-	-	-	3,600,933
As at 31st December 2013	4,612,049	3,974,709	132,960	51,802,850	546,107	61,068,675

12) PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Furniture, fittings and equipment RM	Total RM
COMPANY		
2014		
Cost		
As at 1st January 2014	26,129	26,129
Additions	-	-
As at 31st December 2014	26,129	26,129
Accumulated depreciation		
As at 1st January 2014	26,129	26,129
Charge for the year	-	-
As at 31st December 2014	26,129	26,129
Net book value as at 31st December 2014	-	-
2013		
Cost		
As at 1st January 2013	26,129	26,129
Additions	-	-
As at 31st December 2013	26,129	26,129
Accumulated depreciation		
As at 1st January 2013	26,129	26,129
Charge for the year	-	-
As at 31st December 2013	26,129	26,129
Net book value as at 31st December 2013	-	-

The revalued long leasehold land and buildings of the Group are stated at valuation based on their existing use basis valued by independent professional valuers on fair market value basis.

Group's long leasehold land and buildings which are carried at valuation been stated at cost, their carrying amounts as at the end of the reporting period would have been RM2,946,437 (2013: RM2,946,437).

Included in property, plant and equipment are motor vehicles with carrying amount of RM30,355,380 (2013: RM47,707,918) held under finance lease and hire purchase arrangements.

13) INVESTMENT IN SUBSIDIARIES

	COMPANY 2014 RM	COMPANY 2013 RM
Unquoted shares - At cost	56,393,166	58,078,899

13) INVESTMENT IN SUBSIDIARIES

The details of the subsidiaries are as follows:

Name of Company	Country of Incorporation	Effective Equity Interest 2014 %	2013 %	Principal Activities
Subsidiary of the Company				
Gunung Resources Sdn. Bhd.	Malaysia	100	100	Chartering of specialty vehicles
Gunung Land Sdn. Bhd.	Malaysia	-	100	Property investment
Gunung Hydropower Sdn. Bhd.	Malaysia	85	85	Dealing in hydropower and hydroelectric activities
EV Bus Sdn. Bhd.	Malaysia	-	100	Property investment
GPB Corporation Sdn. Bhd. ("GPB")	Malaysia	100	100	Chartering of land-based passenger transportation assets and specialty vehicles
Pusaka Hijau Sdn. Bhd. ("PHSB")	Malaysia	85	85	Investment holding company
Subsidiary of GPB				
Bas Rakyat Sdn. Bhd. *	Malaysia	100	75	Public transportation services
Subsidiary of PHSB				
Perak Hydro Renewable Energy Corporation Sdn. Bhd. ("PHREC")	Malaysia	51	51	Developing, maintaining and operating of hydropower and hydroelectric activities
Subsidiary of PHREC				
Kundur Hydro R E Sdn. Bhd. ("KHRE")	Malaysia	50	-	Dealing in hydropower and hydroelectric activities

* Audited by firms of auditors other than the auditors of the Company.

In 2013, the Company acquired 425,000 ordinary shares of RM1 each in PHSB representing 85% equity interest in the issued and paid up capital in PHSB, for a total consideration of RM9,100,000. Following the acquisition, PHSB became a 85% owned subsidiary of the Company.

By virtue of 30% equity interest in Gunung Hydropower Sdn. Bhd. ("GHSB") held by PHREC, a 60% subsidiary of PHSB, the Group's equity interest in GHSB has increased to 85%.

13) INVESTMENT IN SUBSIDIARIES (cont'd)

During the financial year, the Company disposed off its 100% equity interest in Gunung Land Sdn. Bhd. and EV Bus Sdn. Bhd. for a total cash consideration of RM609,200 and RM1,160,000 respectively.

The effects of the disposal of subsidiaries on the financial results of the Group during the financial year are as follows:

	RM
Other operating income	6,025
Other operating expenses	(45,255)
Loss before tax	(39,230)
Income tax expense	(2,500)
Decrease in Group's profit attributable to Owners	(41,730)

The effect of the disposal on the financial position of the Group as at the end of the financial year is as follows:

	RM
Net assets disposed off:	
Property, plant and equipment	8,497,605
Development expenditure	44,060
Fixed deposit	600,000
Cash and bank balances	8,827
Other payables and accrued expenses	(7,413,946)
Tax liabilities	(2,455)
Net assets	1,734,091
Gain on disposal to the Group	571,558
Net proceeds from disposal of subsidiary	2,305,649
Less: Cash and cash equivalents	(608,827)
Cash flow on disposal, net of cash and cash equivalents disposed off	1,696,822

During the financial year, the Group acquired 50% equity interest in Kundur Hydro R E Sdn. Bhd. (KHRE), a company incorporated in Malaysia, for a total consideration of RM1.

The effects of the acquisition on the financial results of the Group for the financial period are as follows:

Post-acquisition results of the subsidiary acquired:

	GROUP RM
Net loss	(3,792)
Non-Controlling interests	1,896
Decrease in Group's profit attributable to Owners	(1,896)

The effect of the acquisition on cash flows is as follows:

	GROUP RM
Cash and bank balances	2
Non-Controlling interests	(1)
Net assets acquired	1
Less: Cash and bank balances	(2)
Cash flow on acquisition, net of cash acquired	(1)

13) INVESTMENT IN SUBSIDIARIES (cont'd)

KHRE's financial results are consolidated with those of the Group as its subsidiary notwithstanding PHREC's shareholding of 50% in KHRE as the Group has control over KHRE by virtue of its ability to manage the financial and operating policies of KHRE.

The fair value of the identifiable assets and liabilities of PHSB as at the date of acquisition, and the goodwill arising there from, are as follows:

	Carrying amount RM	Fair value RM
Property, plant and equipment	451,570	451,570
Trade and other receivables	381,379	381,379
Cash and bank balances	18,488	18,488
Trade and other payables	(750,336)	(750,336)
Finance lease payables	(281,640)	(281,640)
Non-Controlling interests	191,252	191,252
Net identifiable assets	10,713	10,713
Less: Non-Controlling interests		(1,607)
Group's interest in fair value of net identifiable assets		9,106
Goodwill on acquisition		9,090,894
Purchase consideration		9,100,000
Less: Purchase consideration satisfied by issuance of new ordinary shares		(9,100,000)
Purchase consideration satisfied by cash		-
Add: Cash and cash equivalents acquired		18,488
Net cash inflow on acquisition		18,488

The amount owing by/(to) subsidiaries, which arose mainly from expenses paid on behalf and advance given, is unsecured, interest-free and repayable on demand.

14) INVESTMENT IN ASSOCIATES

	GROUP 2014 RM	GROUP 2013 RM
Unquoted shares, at cost	-	-

The details of the associates are as follows:

Name of Company	Country of Incorporation	Effective Equity Interest 2014 %	Effective Equity Interest 2013 %	Principal Activities
Kerian Energy Sdn. Bhd.	Malaysia	15	15	Dealing in hydropower and hydroelectric activities
Selama Hidro Sdn. Bhd.	Malaysia	15	15	Dealing in hydropower and hydroelectric activities

14) INVESTMENT IN ASSOCIATES (cont'd)

Name of Company	Country of Incorporation	Effective Equity Interest 2014 %		Effective Equity Interest 2013 %	Principal Activities
Zeqna Corporation Sdn. Bhd.	Malaysia	15		15	Dealing in hydropower and hydroelectric activities
Koridor Mentari Sdn. Bhd.	Malaysia	15		15	Dealing in hydropower and hydroelectric activities
Sumber Sejahteraan Sdn. Bhd. .	Malaysia	15		15	Dealing in hydropower and hydroelectric activities
Kuasa Sezaman Sdn. Bhd.	Malaysia	15		15	Dealing in hydropower and hydroelectric activities
Conso Hydro RE Sdn. Bhd.	Malaysia	3	*	15	Dealing in hydropower and hydroelectric activities
WGC PHREC Hydro Sdn. Bhd.	Malaysia	15		15	Dealing in hydropower and hydroelectric activities
Maju Renewable Energy Sdn. Bhd.	Malaysia	15		15	Dealing in hydropower and hydroelectric activities
Gelinting Hydro Sdn. Bhd.	Malaysia	15		-	Dealing in hydropower and hydroelectric activities
AVA Hidro Sdn. Bhd.	Malaysia	15		-	Dealing in hydropower and hydroelectric activities
Pelus Hidro Sdn. Bhd.	Malaysia	15		-	Dealing in hydropower and hydroelectric activities

* On 28th January 2014, PHREC entered into a separate supplementary agreement to reduce its existing equity interest in one of its associates, Conso Hydro RE Sdn. Bhd., from 30% to 5%. Hence, the investments are now shown as other financial assets as disclosed in Note 15 to the Financial Statements.

The investments in associates are held under PHREC, a subsidiary of the Company. On 17th December 2012, PHREC had signed a Water Rights Agreement ("WRA") with the State Government of Perak Darul Ridzuan. The WRA is an essential component in the associates' business activities in hydropower and hydroelectric activities in the state of Perak. Shares were allotted to PHREC by virtue of the WRA.

The costs associated with the acquisition of the WRA could not be specifically identified and all expenses if any, related to this acquisition, had been charged to profit and loss of PHREC during the previous financial years as they were incurred.

The results of the associates have not been equity accounted for in this set of financial statements due to the unavailability of audited financial statements of the associates. The directors are of the opinion that the omission of these results would have no impact to the overall results of the Group as all of the associates' business activities are still in the early development stages of constructing hydropower plants.

15) OTHER FINANCIAL ASSETS

	GROUP	
	2014	2013
	RM	RM
Available for sale financial assets		
Unquoted shares, at cost	357,678	357,678
Less: Impairment losses	(341,754)	(341,754)
Net carrying amount	15,924	15,924

As mentioned in Note 14 to the Financial Statements, during the financial year, the Group had reduced its equity interest in Conso Hydro RE Sdn. Bhd., a company incorporated in Malaysia, from 30% to 5%.

16) DEVELOPMENT EXPENDITURES

	GROUP	
	2014	2013
	RM	RM
Balance as at beginning of the year	786,196	-
Additions	691,441	647,692
Transfer from other receivables	-	138,504
Assets of subsidiary disposed off	(44,060)	-
Balance as at end of the year	1,433,577	786,196

17) GOODWILL ON CONSOLIDATION

	GROUP	
	2014	2013
	RM	RM
Balance as at beginning of the year	21,540,656	12,449,762
Arose from acquisition of subsidiary	-	9,090,894
Less: Impairment loss	(657,486)	-
Balance as at end of the year	20,883,170	21,540,656

Goodwill in respect of acquisition of the subsidiary by the Group has been allocated to its cash-generating unit (CGU) where the recoverable amount of CGU has been based on value-in-use calculations using five year financial projections. No revenue and expenses growth were projected from sixth year to perpetuity.

The discount rate based on the Group's weighted average cost of capital was applied in determining the recoverable amount of the respective CGU.

Sensitivity to changes in assumptions

Management believes that no reasonable possible changes in any of the key assumptions above would cause the carrying values of the CGUs to materially exceed their recoverable amounts.

18) DEFERRED TAXATION

	GROUP	
	2014	2013
	RM	RM
Deferred tax assets		
Balance as at beginning of the year	869,486	807,063
Recognised in profit or loss (Note 10)	(860,564)	69,498
Overprovision in prior years	-	(7,075)
Balance as at end of the year	8,922	869,486
Deferred tax liabilities		
Balance as at beginning of the year	1,942,076	2,207,891
Recognised in profit or loss (Note 10)	(839,726)	(256,638)
Overprovision in prior years	(761)	(7,075)
Crystallisation of deferred tax liabilities transferred to profit or loss	-	(2,102)
Balance as at end of the year	1,101,589	1,942,076

The recognised deferred taxation are made up of the following:

	GROUP	
	2014	2013
	RM	RM
Deferred tax assets		
Tax effects of:		
Unabsorbed capital allowances	8,922	291,556
Unutilised tax losses	-	577,930
	8,922	869,486
Deferred tax liabilities		
Tax effects of:		
Temporary differences between tax capital allowance and book depreciation of property, plant and equipment	1,101,589	1,818,559
Revaluation surplus	-	123,517
	1,101,589	1,942,076

19) INVENTORIES

	GROUP	
	2014	2013
	RM	RM
At cost:		
Spare parts for motor vehicles	740,734	711,181

20) TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES

	GROUP	
	2014	2013
	RM	RM
Trade receivables	7,658,486	2,071,638
Less: Allowance for doubtful debts	(20,546)	(13,446)
Net	7,637,940	2,058,192

Trade receivables comprise amounts receivable for sales of goods and services rendered. The normal credit period granted o n sales of goods and services rendered ranges from 45 to 60 days. Other credit terms are assessed and approved on a case by case basis.

Included in trade receivables of the Group are debts arising from government agency customer.

Other receivables and prepaid expenses consist of:

	GROUP		COMPANY	
	2014	2013	2014	2013
	RM	RM	RM	RM
Other receivables	10,227,449	4,566,197	2,500	-
Defundable deposits	130,945	1,000	1,000	1,000
Prepaid expenses	4,407,976	442,063	55,292	55,292
Dividend receivable	-	-	34,250,000	1,250,000
Deferred expenditure	90,422	30,591	-	-
Prepayment of finance lease	-	3,567,101	-	-
	14,856,792	8,606,952	34,308,792	1,306,292

The trade and other receivables are all denominated in Ringgit Malaysia.

21) CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2014	2013	2014	2013
	RM	RM	RM	RM
Cash and cash equivalents consist of:				
Deposits with licensed banks	8,850,715	4,972,931	-	-
Cash and bank balances	30,330,630	27,805,886	9,297,325	9,182,589
	39,181,345	32,778,817	9,297,325	9,182,589

The deposits of the Group earn effective interest rate ranging from 3.1% to 3.6% (2013: 2.8% to 3.2%) per annum and have maturity ranging from 1 to 12 (2013: 1 to 12) months.

22) SHARE CAPITAL

	GROUP AND COMPANY 2014 RM	GROUP AND COMPANY 2013 RM
Authorised		
250,000,000 ordinary shares of RM0.40 each	100,000,000	100,000,000

	GROUP AND COMPANY No. of ordinary shares of RM0.40 each		GROUP AND COMPANY Amount	
	2014	2013	2014 RM	2013 RM
Issued and fully paid				
Balance as at beginning of year	141,661,325	112,541,398	56,664,530	45,016,559
Issued during the year	-	9,578,947	-	3,831,579
Exercise of warrants	-	19,540,980	-	7,816,392
Balance as at end of the year	141,661,325	141,661,325	56,664,530	56,664,530

In 2013, 9,578,947 new ordinary shares of RM0.40 each were issued by the Company at an issue price of RM0.95 per share. In addition, 19,540,980 new ordinary shares of RM0.40 each were issued by the Company for cash consideration arising from the exercise of Warrants 2003/2013 at an exercise price or RM0.40 per share. The new ordinary shares issued ranked pari passu in all respects with the existing ordinary shares of the Company.

23) RESERVES

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Distributable reserve:				
Retained earnings	45,916,032	33,222,754	38,004,649	3,992,977
Non-Distributable reserves:				
Share premium	7,468,833	7,468,833	7,468,833	7,468,833
Warrant reserve	1,007,080	1,007,080	1,007,080	1,007,080
Equity transaction reserve	(5,174,681)	(5,394,704)	-	-
	3,301,232	3,081,209	8,475,913	8,475,913
	49,217,264	36,303,963	46,480,562	12,468,890

Retained earnings

The Company is able to distribute dividends out of its entire retained earnings under the single-tier system.

Share premium reserve

The share premium reserve comprises the premium paid on subscription of shares in the Company over and above the par value of the shares.

23) RESERVES (cont'd)

Warrant reserve

Warrants reserve represents the proceeds from the issuance of warrants which is non-distributable. The warrants reserve is transferred to the share premium account upon the exercise of warrants and the warrants reserve in relation to the unexercised warrants at the expiry of the warrants will be transferred to retained earnings.

Equity transaction reserve

The equity transaction reserve comprises the differences between the share of non-controlling interests in subsidiaries acquired, disposed and the consideration paid or received.

24) FINANCE LEASE AND HIRE PURCHASE CREDITORS

	GROUP	
	2014	**2013**
	RM	**RM**
Gross balance	3,587,710	23,448,075
Less:		
Finance lease and hire purchase interest in suspense	(152,694)	(1,144,866)
Principal outstanding	3,435,016	22,303,209
Portion payable within the next 12 months (included in current liabilities)	2,791,178	18,868,178
Portion payable after the next 12 months:		
Payable between 1 and 2 years	637,933	3,435,031
Payable between 2 and 5 years	5,905	-
	643,838	3,435,031
	3,435,016	22,303,209

The interest rates on finance lease range from 6.76% to 15% (2013: 6.76% to 15%) per annum and are secured by the following:

i) Joint and several guarantee by directors of the subsidiary;
ii) Leasing facility agreements;
iii) Deed of assignment on the project account;
iv) Pledge of fixed deposits; and
v) Corporate guarantee by the Company.

The interest rate on the hire purchase is at 3.3% (2013: 3.3%) per annum.

25) TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

Trade and other payables comprise amounts outstanding for trade and ongoing costs. The average credit period granted to the Group and the Company for trade purchases is 30 days.

Other payables and accrued expenses consist of:

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Other payables	1,801,475	80,088	13,382	252
Accrued expenses	246,764	161,560	53,634	51,132
Contractor performance bond received	-	8,629,999	-	-
	2,048,239	8,871,647	67,016	51,384

The trade and other payables are all denominated in Ringgit Malaysia.

26) AMOUNT OWING TO DIRECTOR

The amount owing to director, which arose mainly from expenses paid on behalf and advances given, is unsecured, interest-free and repayable on demand.

27) DIVIDENDS

	GROUP AND COMPANY	
	2014 RM	2013 RM
Interim dividend - 1 sen (2013: 1 sen) per ordinary share, under the single-tier system	1,416,613	1,285,443

During the financial year, the directors declared a first interim dividend under single-tier system of 1 sen per ordinary share of RM0.40 each for the financial year ended 31st December 2014 amounting to RM1,416,613.

In 2013, the directors declared a first interim dividend under the single-tier system of 1 sen per ordinary share of RM0.40 each for the financial year ended 31st December 2013 amounting to RM1,285,443.

28) SEGMENTAL INFORMATION

BUSINESS SEGMENTS

	Transportation services RM	Hydropower activities RM	Investment holding and others RM	Eliminations RM	Consolidated RM
2014					
REVENUE					
Sales	84,753,300	27,402	36,750,000	(36,750,000)	84,780,702

28) SEGMENTAL INFORMATION (cont'd)

BUSINESS SEGMENTS

	Transportation services RM	Hydropower activities RM	Investment holding and others RM	Eliminations RM	Consolidated RM
RESULTS					
Profit/(Loss) before tax	22,084,202	(1,345,194)	35,428,285	(37,455,844)	18,711,449
Income tax expense					(5,257,061)
Net profit after tax					13,454,388
OTHER INFORMATION					
Segment assets	85,683,709	2,303,149	103,212,108	(75,775,336)	115,423,630
Segment liabilities	46,429,583	2,959,057	67,016	(40,262,825)	9,192,831
Capital expenditure	10,099	702,443	-		712,542
Depreciation	18,644,367	113,327	-		18,757,694
Non cash expenses other than depreciation	335,229	-	-	657,486	992,715
2013					
REVENUE					
Sales	79,641,314	280,147	-		79,921,461
RESULTS					
Profit/(Loss) before tax	20,401,222	146,129	(1,952,790)		18,594,561
Income tax expense					(4,532,234)
Net profit after tax					14,062,327
OTHER INFORMATION					
Segment assets	85,101,291	2,082,843	42,315,235	(1,932,776)	127,566,593
Segment liabilities	32,290,526	1,393,558	114,760	(1,932,776)	31,866,068
Capital expenditure	21,568	11,685	-		33,253
Depreciation	19,431,483	27,776	290,086		19,749,345
Non cash expenses other than depreciation	-	-	-		-

GEOGRAPHICAL SEGMENTS

The Group's operations are entirely located in Malaysia. Therefore, information on geographical segments is not presented.

INFORMATION ABOUT A MAJOR CUSTOMER

Revenue from one major customer, being a group of government agencies, amounted to RM68,660,670 (2013: RM64,089,114) arising from transportation services.

29) SIGNIFICANT RELATED PARTY TRANSACTIONS

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

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the directors of the Group.

In the normal course of business, the Group and the Company undertake on agreed terms and prices, transactions with its related companies and other related parties.

a) In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions. The related party transactions listed below were carried out on terms and conditions obtainable in transactions with unrelated parties unless otherwise stated.

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
i) Professional fees paid to a related party, AAsia-East Capital Sdn.	390,000	286,000	390,000	286,000
ii) Management fees charged to a subsidiary, GPB Corporation Sdn. Bhd.	-	-	394,000	354,600
iii) Dividends received and receivable from subsidiaries				
- GPB Corporation Sdn. Bhd.	-	-	36,000,000	4,000,000
- Gunung Resources Sdn. Bhd.	-	-	750,000	1,000,000
iv) Leasing of motor vehicles to a related party, Korakan Corporation Sdn. Bhd. **	2,520,000	5,040,000	-	-
v) Chartering of vehicles to a related party, Korakan Corporation Sdn. Bhd.	410,004	-	-	-

** The lease of 252 units of motor vehicles by Gunung Resources Sdn. Bhd. to Korakan Corporation Sdn. Bhd. for period of 36 months from 1st January 2011 to 31st December 2013 at an annual sum of RM5,040,000, payable in instalments of RM420,000 per month. The monthly lease sum was derived on the prevailing market lease rentals. On 10th January 2014, the lease agreement was extended for another 6 months from 1st January 2014 to 30th June 2014 with the same terms and conditions.

29) SIGNIFICANT RELATED PARTY TRANSACTIONS (cont'd)

b) Government related entities

On 3rd November 2010, Bas Rakyat Sdn. Bhd., a wholly-owned subsidiary of GPB Corporation Sdn. Bhd. has entered into an agreement with Perak State Government (State Government) for the provision of public transportation services in Manjung district in the state of Perak Darul Ridzuan. In 2013, Bas Rakyat Sdn. Bhd. is a government related entity as its remaining 25% equity interest is related to the State Government. However, the 25% equity interest was transferred to GPB Corporation Sdn. Bhd. during the financial year.

The duration of the agreement is 84 months. Under the agreement, the State Government will reimburse Bas Rakyat Sdn. Bhd. for a period of 60 months and no subsequent payment will be made for the remaining period of 24 months.

	2014 RM	2013 RM
Income from public transportation services	864,000	864,000

30) CAPITAL COMMITMENTS

Future minimum rentals receivable under non-cancellable operating leases as at the end of the reporting period are as follows:

	GROUP	
	2014 RM	2013 RM
Not later than 1 year	-	2,520,000

31) CONTINGENT LIABILITIES

As at 31st December 2014, the Company has contingent liabilities in respect of corporate guarantees issued to financial institutions amounting to RM30,720,000 (2013: RM79,800,000) for banking and leasing facilities extended to certain subsidiaries.

32) SUBSEQUENT EVENT

GPB Corporation Sdn Bhd, a wholly-owned subsidiary of the Company, had on 26th December 2014, received a 'Letter of Award and Acceptance' from the Ministry of Defence for a Service-Contract with a value of RM164,951,886 for the provision of transportation service for the National Service Program. The tenure of the Service-Contract award is from 26th December 2014 to 25th December 2017.

Subsequently, the Government announced that the National Service Program will be deferred for year 2015, which will affect certain batches of the program. The deferment of the program will affect the revenue from the Service-Contract for these batches in 2015.

As for the remaining tenure of the ongoing Service-Contract, namely 2016 and 2017, the Government has indicated that the National Service Program will commence again in 2016. As such, the Group expects the revenue from this Service-Contract to underpin the Group's prospective earnings in 2016 and 2017.

32) SUBSEQUENT EVENT (cont'd)

The Department of National Service will be briefing the stakeholders of the National Service Program in due course in detail the implications of the deferment of the National Service Program to the respective stakeholders. This will allow the Group to more accurately determine the actual financial effects on the financial statements of the Group for the financial year ending 31st December 2015.

33) SUPPLEMENTARY INFORMATION

Supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad are as follow:

	GROUP		COMPANY	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Retained earnings carried forward are analysed as follows:				
- Realised	46,404,401	34,295,344	38,004,649	3,992,977
- Unrealised	(1,072,590)	(1,072,590)	-	-
	45,331,811	33,222,754	38,004,649	3,992,977
Add: Consolidation adjustments	584,221	-	-	-
Total retained earnings	45,916,032	33,222,754	38,004,649	3,992,977

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 20th Annual General Meeting of the Company will be held at Meeting Room, D-1-6, Ayer@8, Jalan P8G, Presint 8, 62250 Putrajaya on Tuesday, 16 June 2015 at 11.00 a.m. for the following purposes:-

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2014 together with the Directors' Reports and Auditors' Report thereon. **(Please refer to Explanatory Note on Ordinary Business)**

2. To approve the payment of Directors' Fees of RM180,000 for the financial year ended 31 December 2014. **(Resolution 1)**

3. To re-elect Encik Iskandar Ibrahim who retires by rotation pursuant to Article 101 of the Company's Articles of Association. **(Resolution 2)**

4. To re-appoint Mr. Peter Wong Hoy Kim who retires pursuant to Section 129 (6) of the Companies Act, 1965 to hold office until the conclusion of the next Annual General Meeting of the Company. **(Resolution 3)**

5. To re-appoint Messrs STYL Associates as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 4)**

As Special Business

To consider and if thought fit, to pass the following resolutions:-

Ordinary Resolutions

6. **Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965** **(Resolution 5)**

   "That subject always to the Companies Act, 1965, Articles of Association of the Company and the approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965 to issue new shares in the Company from time to time 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 new shares to be issued does not exceed 10% of the total issued share capital of the Company for the time being, and such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

7. **Retention as Independent Non-Executive Director** **(Resolution 6)**

"That Mr. Peter Wong Hoy Kim be retained as as Independent Non-Executive Director of the Company, in accordance with the Malaysian Code on Corporate Governance 2012 until the conclusion of the next Annual General Meeting."

By Order of the Board

Jesslyn Ong Bee Fang (MAICSA 7020672)
Eric Toh Chee Seong (MAICSA 7016178)
Company Secretaries

Perak Darul Ridzuan
25 May 2015

Notes:

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

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

3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act.

4. The Form of Proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.

5. All Forms of Proxy must be deposited at the Company's Registered Office at No. 11B, Level 2, Greentown Business Centre, Persiarn Greentown 9, 30450 Ipoh, Perak Darul Ridzuan not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.

6. Only members whose names appear on the Record of Depositors as at 9 June 2015 shall be entitled to attend the said AGM or appoint a proxy(ies) to attend, vote and speak on their behalf.

Explanatory Note on Ordinary Business

The Agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

Explanatory Notes on Special Business:

Ordinary Resolution 5 - Authority to Issue Shares Pursuant To Section 132D of the Companies Act, 1965

The existing general mandate for the authority to issue shares pursuant to Section 132D of the Companies Act, 1965 was approved by the shareholders of the Company at the 19th Annual General Meeting held on 20 June 2014. The Company did not issue any new shares pursuant to this general mandate as at the date of this notice.

The Company is continually looking for opportunities to broaden the operating base and earnings potential of the Company. This may require the issue of new shares not exceeding ten percent (10%) of the issued and paid-up share capital of the Company for the time being.

The proposed Ordinary Resolution 5 would enable the Directors to avoid delay and cost of convening further general meetings to approve the issue of such shares for such purposes. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company. The renewal of this mandate will provide flexibility to the Company for any potential fund raising activities, including but not limited to placement of shares, for purpose of funding future investments, working capital and/or any acquisition.

Ordinary Resolution 6 - Retention of Independent Non-Executive Director

Mr. Wong Hoy Kim was appointed as Senior Independent Non-Executive Director on 7 November 2003 and has served for more than eleven (11) years. However he has met the independence guidelines as set out in Chapter 1 of Bursa Securities Main Market Listing Requirements. Therefore, the Board considers him to be independent and believes that he should be retained as Senior Independent Non-Executive Director.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

Details of Director who is standing for election

No individual is seeking election as a Director at the forthcoming 20th Annual General Meeting of the Company.

ANALYSIS OF SHAREHOLDINGS
AS AT 28 APRIL 2015

Authorised Share Capital	:	RM100,000,000 divided into 250,000,000 Ordinary Shares of RM0.40 each
Issued and Paid-up Share Capital	:	RM56,664,530.00 divided into 141,661,325 Ordinary Shares of RM0.40 each
Class of Securities	:	Ordinary Shares of RM0.40 each
Voting Rights	:	One vote for every Ordinary Share
No. of Shareholders	:	2,856

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholding	No. of Shareholders	%	No. of Shares	%
Less than 100	326	11.42	10,341	0.01
100 to 1,000	569	19.92	523,609	0.37
1,001 to 10,000	1,317	46.11	6,722,575	4.75
10,001 to 100,000	542	18.98	17,614,990	12.43
100,001 to less than 5% of issued shares	100	3.50	82,346,982	58.13
5% and above of issued shares	2	0.07	33,442,828	24.31
Total	2,856	100.00	141,661,325	100.00

LIST OF THIRTY LARGEST SHAREHOLDERS

	Name of Shareholders	No. of Shares	%
1.	SYED ABU HUSSIN BIN HAFIZ SYED ABDUL FASAL	17,746,570	12.53
2.	ERAYEAR EQUITY SDN BHD	16,696,258	11.79
3.	OOI CHIN HEAN	5,500,000	3.88
4.	AMSEC NOMINEES (TEMPATAN) SDN BHD BENEFICIARY: PLEDGED SECURITIES ACCOUNT FOR AASIA-EAST CAPITAL SDN BHD	5,055,000	3.57
5.	SJ SEC NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR NASRI BINTI HASHIM	4,994,947	3.53
6.	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD BENEFICIARY: PLEDGED SECURITIES ACCOUNT FOR TEONG LIAN AIK	4,375,400	3.09
7.	CIMSEC NOMINEES (TEMPATAN) SDN BHD BENEFICIARY: PLEDGED SECURITIES ACCOUNT FOR SYED ABU HUSSIN BIN HAFIZ SYED ABDUL FASAL	4,372,700	3.09
8.	PUBLIC NOMINEES (TEMPATAN) SDN BHD BENEFICIARY: PLEDGED SECURITIES ACCOUNT FOR OOI HOCK LAI	4,190,500	2.96

ANALYSIS OF SHAREHOLDINGS
AS AT 28 APRIL 2015 (cont'd)

LIST OF THIRTY LARGEST SHAREHOLDERS (cont'd)

	Name of Shareholders	No. of Shares	%
9.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD BENEFICIARY: PLEDGED SECURITIES ACCOUNT FOR OOI HOCK LAI	4,000,000	2.82
10.	CIMSEC NOMINEES (TEMPATAN) SDN BHD BENEFICIARY: PLEDGED SECURITIES ACCOUNT FOR BEROZ NIKMAL BIN MIRDIN	4,000,000	2.82
11.	TAN CHAI CHEK	3,273,100	2.31
12.	RHB NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIESACCOUNT FOR OOI HOCK LAI	3,200,000	2.26
13.	MAYBANK NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR SYED ABU HUSSIN BIN HAFIZ SYED ABDUL FASAL	3,000,000	2.12
14.	ZAINORAZUA BINTI ZAINUN	2,205,732	1.56
15.	MAYBANK NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR LIEW KON SING @ LIEW KONG	2,202,700	1.41
16.	ROHAYU BINTI YAACOB	1,995,313	1.41
17.	HLIB NOMINEES (TEMPATAN) SDN BHD BENEFICIARY: PLEDGED SECURITIES ACCOUNT IBRAHIM BIN HAMZAH	1,831,800	1.29
18.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD BENEFICIARY: PLEDGED SECURITIES ACCOUNT FOR OOI CHIN HEAN	1,400,000	0.99
19.	SYED ABU HUSSIN BIN HAFIZ SYED ABDUL FASAL	1,380,600	0.97
20.	CIMSEC NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR NASRI BINTI HASHIM	1,200,000	0.85
21.	CATURAN GAMA SDN BHD	1,114,000	0.79
22.	HLIB NOMINEES (TEMPATAN) SDN BHD BENEFICIARY: PLEDGED SECURITIES ACCOUNT FOR WAN MOHAMMAD KHAIR-IL ANUAR (CCTS)	1,052,000	0.74
23.	AASIA-EAST CAPITAL SDN BHD	1,000,000	0.71
24.	MAYBANK NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR LOW BOK SANG	1,000,000	0.71
25.	GOH SEOW KHONG	866,000	0.67
26.	OOI HOCK LAI		
27.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD BENEFICIARY: PLEDGED SECURITIES ACCOUNT FOR OOI HOCK LAI	725,000	0.51
28.	CHIAM GUANG SOON	620,000	0.44
29.	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR TAN SIEW SIONG	615,000	0.43
30.	MAYBANK NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR NORSHAKIMA BINTI NANYAN	600,000	0.42

SUBSTANTIAL SHAREHOLDERS AS AT 28 APRIL 2015

Name of Shareholders	Direct No. of Shares	%	Indirect No. of Shares	%
Dato' Syed Abu Hussin bin Hafiz Syed Abdul Fasal	26,518,170	18.72	-	-
Erayear Equity Sdn Bhd	16,696,258	11.79	-	-
Low Bok Tek	-	-	16,696,258 *	11.79
Ooi Hock Lai	12,976,500	9.16		

** Deemed to have an interest in the shares by virtue of Section 6A of the Companies Act, 1965*

DIRECTORS' SHAREHOLDING AS AT 28 APRIL 2015

Name	Direct No. of Shares	%	Indirect No. of Shares	%
Dato' Syed Abu Hussin bin Hafiz Syed Abdul Fasal	26,518,170	18.72	-	-
Iskandar Ibrahim	-	-	6,057,000 #	4.28
Beroz Nikmal bin Mirdin	4,318,000	3.05	-	-
Peter Wong Hoy Kim	-	-	-	-
Shaiful Annuar bin Ahmad Shaffie	-	-	-	-
Malik Parvez Ahmad bin Nazir Ahmad	-	-	-	-

 # Deemed to have an interest in the shares by virtue of Section 6A of the Companies Act, 1965

By virtue of his interest in the shares of the Company, Dato' Syed Abu Hussin bin Hafiz Syed Abdul Fasal is deemed interested in the shares of all the subsidiaries of the Company to the extent that the Company has an interest.

ANALYSIS OF WARRANTHOLDINGS 2010/2020

AS AT 28 APRIL 2015

Class of Securities	:	Warrants 2010/2020
No. of Warrants	:	25,177,000
Exercise Price of Warrants	:	RM0.50
Exercise Period of Warrants	:	From 5 October 2010 to 4 October 2020
Expiry Date of Warrants	:	4 October 2020
Voting Rights	:	One vote for every Warrant in respect of a meeting of Warrantholders
No. of Warrantholders	:	535

DISTRIBUTION OF WARRANTHOLDINGS 2010/2020

Size of Warrant Holdings	No. of Warrant holders	%	No. of Warrant	%
Less than 100	28	5.23	1,152	0.00
100 to 1,000	82	15.33	58,263	0.23
1,001 to 10,000	233	43.55	1,195,100	4.75
10,001 to 100,000	163	30.47	5,955,935	23.66
100,001 to less than 5% of issued warrants	27	5.05	9,652,750	38.34
5% and above of issued warrants	2	0.37	8,313,800	33.02
Total	535	100.00	25,177,000	100.00

LIST OF THIRTY LARGEST REGISTERED WARRANTHOLDERS 2010/2020

	Name of Warrant Holders	No. of Warrants	%
1.	ERAYEAR EQUITY SDN. BHD.	6,799,565	27.01
2.	SYED ABU HUSSIN BIN HAFIZ SYED ABDUL FASAL	1,514,235	6.01
3.	ROHAYU BINTI YAACOB	1,051,050	4.17
4.	AASIA-EAST CAPITAL SDN BHD	1,027,300	4.08
5.	SJ SEC NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR NASRI BINTI HASHIM	952,800	3.78
6.	TAN CHAI CHEK	919,650	3.65
7.	OOI CHIN AIK	627,200	2.49
8.	GEORGE LEE SANG KIAN	514,600	2.04
9.	SJ SEC NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR SYED ABU HUSSIN BIN HAFIZ SYED ABDUL FASAL (SMT)	430,000	1.71
10.	GEORGE LEE SANG KIAN	393,000	1.56

LIST OF THIRTY LARGEST REGISTERED WARRANTHOLDERS 2010/2020 (cont"d)

	Name of Warrant Holders	No. of Warrants	%
11.	ROSLAN BIN HUSSIN	310,000	1.23
12.	CHOY CHAK HO	304,000	1.21
13.	LIM CHIN HO	266,600	1.06
14.	AMSEC NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR AASIA-EAST CAPITAL SDN BHD	263,500	1.05
15.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR OOI HOCK LAI	263,000	1.04
16.	WONG HEN SANG	230,000	0.91
17.	ONG WENG HOONG	221,300	0.88
18.	RHB NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR FONG JONG HAN	210,000	0.83
19.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR KONG KOK CHOY	200,000	0.79
20.	MAYBANK NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR NORSHAKIMA BINTI NANYAN	200,000	0.79
21.	TA NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR HARBAJAN KAUR A/P SADHU SINGH	170,000	0.68
22.	TAN CHUI TING	160,000	0.64
23.	CIMSEC NOMINEES (ASING) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR NOBLE PLAN SDN BHD	155,000	0.62
24.	CIMSEC NOMINEES (ASING) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR VAHID ESHTIAGH (TMN CHERAS)	150,000	0.60
25.	TOH LAY HONG	150,000	0.60
26.	OOI GENE HOCK	140,500	0.56
27.	PUBLIC NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR TOO PEI CHEN (E-SJA)	129,000	0.51
28.	TAN SEE EAN	112,000	0.44
29.	LAM SANG	102,250	0.41
30.	CHEW CHUON GHEE	100,000	0.40

ANALYSIS OF WARRANTHOLDINGS 2010/2020

AS AT 28 APRIL 2015 (cont'd)

DIRECTORS' WARRANTHOLDING 2010/2020 AS AT 28 APRIL 2015

Name	Direct No. of Shares	%	Indirect No. of Shares	%
Dato' Syed Abu Hussin bin Hafiz Syed Abdul Fasal	1,944,235	7.72	-	-
Iskandar Ibrahim	-	-	1,290,800 #	5.13
Beroz Nikmal bin Mirdin	-	-	-	-
Peter Wong Hoy Kim	-	-	-	-
Shaiful Annuar bin Ahmad Shaffie	-	-	-	-
Malik Parvez Ahmad bin Nazir Ahmad	-	-	-	-

 # Deemed to have an interest in the warrants by virtue of Section 6A of the Companies Act, 1965

FORM OF PROXY

GUNUNG CAPITAL BERHAD
330171-P

I/We, ____
(Full Name In Block Letters)

of ____
(Address)

being a member of **GUNUNG CAPITAL BERHAD** hereby appoint ______________________________

____
(Full Name In Block Letters)

of ____
(Address)

or failing him/her ____
(Full Name In Block Letters)

of ____
(Address)

or failing him/her, the Chairman of the meeting, as my/our proxy, to vote for me/us on my/our behalf at the 20th Annual General Meeting of the Company to be held at Meeting Room, D-1-6, Ayer@8, Jalan P8G, Presint 8, 62250 Putrajaya on Tuesday, 16 June 2015 at 11.00 a.m and at any adjournment thereof in the manner indicated below.

		For	Against
Resolution 1	To approve the payment of Directors' Fees of RM180,000 for the financial year ended 31 December 2014		
Resolution 2	To re-elect Encik Iskandar Ibrahim		
Resolution 3	To re-appoint Peter Wong Hoy Kim		
Resolution 4	To re-appoint Messrs STYL Associates as Auditors of the Company		
Resolution 5	Authority to issue shares pursuant to Section 132D of the Companies Act, 1965		
Resolution 6	To retain Peter Wong Hoy Kim as Independent Non-Executive Director		

(Please indicate with an 'X' in the spaces provided how you wish your vote to be cast. In the absence of specific directions, your proxy may vote or abstain from voting at his/her discretion)

Signed this______________day of________________2015

No. of Shares held	

____
Signature of Shareholder

Notes:-

1. A member of the Company, eligible to attend and vote at the meeting, is entitled to appoint a proxy or proxies to vote in his/her stead. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act 1965 shall not apply to the Company.
2. Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act.
4. The Form of Proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
5. All Forms of Proxy must be deposited at the Company's Registered Office at No. 11B, Level 2, Greentown Business Centre, Persiaran Greentown 9, 30450 Ipoh, Perak Darul Ridzuan not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.
6. Only members whose names appear on the Record of Depositors as at 9 June 2015 shall be entitled to attend the said AGM or appoint a proxy(ies) to attend, vote and speak on their behalf.

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Affix
Stamp
Here

The Company Secretary
GUNUNG CAPITAL BERHAD (330171-P)
No. 11B, Level 2, Greentown Business Centre
Persiaran Greentown 9, 30450 Ipoh
Perak Darul Ridzuan

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