THIS ABRIDGED PROSPECTUS ("AP") IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY. If you have sold or transferred all your shares in DPS Resources Berhad ("**DPS**" or the "**Company**"), you should immediately hand this AP together with the Notice of Provisional Allotment ("**NPA**") and Rights Subscription Form ("**RSF**") (collectively referred to as "**Documents**") to the purchaser or transferee or agent/broker through whom you have effected the sale or transfer for onward transmission to the purchaser or transferee. You should address all enquiries concerning the Rights Issue of Shares with Warrants (as defined herein) to our share registrar, Securities Services (Holdings) Sdn Bhd ("**Share Registrar**") at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights 50490 Kuala Lumpur.

The Documents are only despatched to our shareholders ("**Entitled Shareholders**") (other than an authorised nominee who has subscribed for Nominee Rights Subscription service ("**NRS**")) whose names appear in our Record of Depositors as at 5.00 p.m. on 23 December 2014 ("**Entitlement Date**") at their registered addresses in Malaysia. If you are an authorised nominee who has subscribed for NRS with Bursa Malaysia Depository Sdn Bhd ("**Bursa Depository**"), an electronic copy of this AP and the Rights Issue Entitlement File will be transmitted to you electronically by Bursa Depository through its existing network facility with the Authorised Nominee (as defined herein). The Documents are not intended to be (and will not be) issued, circulated or distributed in any countries or jurisdictions other than Malaysia. No action has been or will be taken to ensure that the Rights Issue of Shares with Warrants or the Documents comply with the laws of any countries or jurisdictions other than the laws of Malaysia. The Documents do not constitute an offer, solicitation or invitation to subscribe for the Rights Issue of Shares with Warrants in any jurisdiction other than Malaysia or to any person to whom it may be unlawful to make such an offer, solicitation or invitation. It shall be the sole responsibility of the Entitled Shareholders and/or their renouncees/transferees (if applicable) who are residents in countries or jurisdictions other than Malaysia to consult their legal and/or other professional adviser as to whether their acceptance or renunciation (as the case may be) of his/her entitlement to the Rights Issue of Shares with Warrants would result in the contravention of any laws of such countries or jurisdictions. Such Entitled Shareholders and/or their renouncees/transferees (if applicable) should note the additional terms and restrictions as set out in Section 3 of this AP. Neither our Company nor TA Securities Holdings Berhad ("**TA Securities**") shall accept any responsibility or liability whatsoever to any party in the event that any acceptance or sale/renunciation made by the Entitled Shareholders, and/or their renouncees/transferees (if applicable) is or shall become illegal, unenforceable, voidable or void in any countries or jurisdictions in which the Entitled Shareholder and/or his renouncee/transferee (if applicable) is a resident.

A copy of this AP has been registered with the Securities Commission Malaysia ("**SC**"). The registration of this AP should not be taken to indicate that the SC recommends the Rights Issue of Shares with Warrants or assumes responsibility for the correctness or any statement made or opinion or report expressed in this AP. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of this AP, together with the NPA and RSF, has also been lodged with the Registrar of Companies who takes no responsibility for the contents of these documents.

Our shareholders have approved the Rights Issue of Shares with Warrants at the Extraordinary General Meeting held on 25 June 2014. The approvals were obtained from Bursa Malaysia Securities Berhad ("**Bursa Securities**") vide its letter dated 12 December 2013 for the listing of and quotation for the Rights Shares (as defined herein), the Rights Warrants (as defined herein) and the new DPS Shares (as defined herein) to be issued upon the exercise of the Rights Warrants on the Main Market of Bursa Securities. However, this is not an indication that Bursa Securities recommends the Rights Issue of Shares with Warrants. The listing of and quotation for the Rights Shares, Rights Warrants and new DPS Shares to be issued upon exercise of the Rights Warrants on the Main Market of Bursa Securities are in no way reflective of the merits of the Rights Issue of Shares with Warrants. Neither Bursa Securities nor the SC takes any responsibility for the correctness of any statement made or opinions expressed in the Documents. The listing of and quotation for the Rights Shares and Rights Warrants will commence after, amongst others, receipt of confirmation from Bursa Depository that all the Central Depository System accounts of the Entitled Shareholders and/or their renouncees/transferees (if applicable) have been duly credited and notices of allotment have been despatched to the Entitled Shareholders and/or their renouncees/transferees (if applicable).

Our directors ("**Directors**") have seen and approved all the documentation relating to this Rights Issue of Shares with Warrants. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make any statement in these documents false or misleading.

TA Securities, being the Adviser for the Rights Issue of Shares with Warrants, acknowledges that, based on all available information and to the best of its knowledge and belief, this AP constitutes a full and true disclosure of all material facts concerning the Rights Issue of Shares with Warrants.

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, PLEASE REFER

DPS RESOURCES BERHAD

(Company No. 630878-X)
(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 659,838,788 NEW ORDINARY SHARES OF RM0.10 EACH IN DPS ("DPS SHARES") ("RIGHTS SHARES") ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) EXISTING DPS SHARE HELD AS AT 5.00 P.M. ON 23 DECEMBER 2014 AT AN ISSUE PRICE OF RM0.10 PER RIGHTS SHARE, TOGETHER WITH UP TO 395,903,272 FREE DETACHABLE WARRANTS ("RIGHTS WARRANTS") ON THE BASIS OF THREE (3) RIGHTS WARRANTS FOR EVERY FIVE (5) RIGHTS SHARES SUBSCRIBED FOR

Adviser

TA SECURITIES
A MEMBER OF THE TA GROUP

TA SECURITIES HOLDINGS BERHAD (14948-M)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIME		
Entitlement date	:	Tuesday, 23 December 2014 at 5.00 p.m.
Last date and time for:		
Sale of provisional allotment of rights	:	Wednesday, 31 December 2014 at 5.00 p.m.
Transfer of provisional allotment of rights	:	Tuesday, 6 January 2015 at 4.00 p.m.
Acceptance and payment	:	Friday, 9 January 2015 at 5.00 p.m.*
Excess application and payment	:	Friday, 9 January 2015 at 5.00 p.m.*

* or such later date and time as our Directors may decide in its absolute discretion and announce not less than two (2) market days before the stipulated date and time

This Abridged Prospectus is dated 23 December 2014

All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

BURSA SECURITIES HAS APPROVED THE LISTING OF AND QUOTATION FOR THE RIGHTS SHARES AND THE NEW DPS SHARES TO BE ISSUED PURSUANT TO THE EXERCISE OF THE RIGHTS WARRANTS AND ADMISSION OF THE RIGHTS WARRANTS TO THE OFFICIAL LIST OF BURSA SECURITIES AND LISTING OF AND QUOTATION FOR THE RIGHTS WARRANTS ON THE MAIN MARKET OF BURSA SECURITIES AND THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT BURSA SECURITIES RECOMMENDS THE RIGHTS ISSUE OF SHARES WITH WARRANTS.

THE SC AND BURSA SECURITIES ARE NOT LIABLE FOR ANY NON-DISCLOSURE ON OUR PART AND TAKE NO RESPONSIBILITY FOR THE CONTENTS OF THIS AP, MAKE NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIM ANY LIABILITY WHATSOEVER FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS AP.

THE INCLUSION OF THE VALUATION CERTIFICATE FOR THE JOINT VENTURES IN THIS AP SHOULD NOT BE CONSTRUED AS AN ENDORSEMENT BY THE SC ON THE VALUE OF THE LANDS.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS AP ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CAPITAL MARKETS AND SERVICES ACT, 2007 ("CMSA").

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE ISSUE FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

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DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this AP and the accompanying appendices:

"5D-VWAP"	:	Five (5)-day volume weighted average market price
"Act"	:	Companies Act, 1965
"AHM" or "Owner"	:	Azmi bin Haji Mohd
"Amendment"	:	The amendment to our Company's Memorandum of Association as a consequence of the Par Value Reduction which was approved by shareholders on 25 June 2014
"Announcement"	:	The announcement of the Corporate Exercises dated 13 September 2013
"AP"	:	This Abridged Prospectus issued by our Company dated 23 December 2014
"ATM"	:	Automated teller machine within Malaysia
"Authorised Nominee"	:	A person who is authorised to act as a nominee as defined under the Rules of Bursa Depository
"Bloomberg"	:	Bloomberg Finance L.P
"BNM"	:	Bank Negara Malaysia
"Board"	:	Our Board of Directors
"Bursa Depository"	:	Bursa Malaysia Depository Sdn Bhd
"Bursa Securities"	:	Bursa Malaysia Securities Berhad
"CAGR"	:	Compounded annual growth rate
"CDS"	:	Central Depository System
"Code"	:	Malaysian Code on Take-Overs and Mergers, 2010
"Corporate Exercises"	:	The Par Value Reduction, JVs, Diversification, Rights Issue of Shares with Warrants, Exemption, and Amendment, collectively
"CRS"	:	Cencosud Retail SA
"DCKG"	:	Datin Chu Kim Guek
"DDINS"	:	Distribuidora De Industrias Nacionales SA
"Deed Poll"	:	The document constituting the Rights Warrants dated 9 December 2014
"DIBS"	:	Developer interest bearing scheme
"DPSI"	:	DPS Industries Sdn Bhd
"Diversification"	:	Diversification of the principal activities of our Group to include property development
"DPS" or "Company"	:	DPS Resources Berhad
"DPS Group" or "Group"	:	DPS and our subsidiaries, collectively
"DPS Shares" or "Shares"	:	Ordinary shares of RM0.10 each in our Company
"DPSR"	:	DPS Realty Sdn Bhd

DEFINITIONS *(CONT'D)*

"DPSR-AHM JVA"	:	The JV agreement and supplemental agreement dated 26 January 2011 and 12 September 2013 respectively, entered into between DPSR and AHM, whereby AHM agreed to allow DPSR to undertake the development project on Lot 18565 and Lot 18566 of the Krubong Land
"DSCC"	:	Datuk (Dr) Sow Chin Chuan
"DPS Development"	:	DPS Development Venture Sdn Bhd, wholly-owned subsidiary of SSB
"EBITDA"	:	Earnings before interest, taxation, depreciation and amortisation
"ECSB"	:	ESYS Construction Sdn Bhd
"ECSB-AHM JVA"	:	The JV agreement and supplemental agreement dated 26 January 2011 and 12 September 2013 respectively, entered into between ECSB and AHM, whereby AHM agreed to allow ECSB to undertake the development project on Lot 18567 of the Krubong Land
"EGM"	:	Extraordinary general meeting of our Company held on 25 June 2014
"Electronic Application"	:	Application for the Rights Shares with Rights Warrants through the ATMs of Participating Financial Institutions
"Entitled Shareholders"	:	Our shareholders whose names appear in our Company's Record of Depositors on the Entitlement Date
"Entitlement Date"	:	23 December 2014 at 5.00 p.m. being the date and time on which our shareholders must be entered on the Record of Depositors of our Company in order to be entitled to the Rights Issue of Shares with Warrants
"EPS"	:	Earnings per DPS Share
"Eric"	:	Eric Sow Yong Shing
"Excmption"	:	The exemption for DSCC and his PACs from the obligation to undertake a mandatory take-over offer for all the remaining DPS Shares and convertible securities in our Company not already owned by them under Paragraph 16.1 of Practice Note 9 of the Code
"Existing Deed Poll"	:	The document constituting thc Warrants 2008/2018 dated 21 November 2007
"Fire Incidents"	:	Fire breakout on 10 July 2011, 13 July 2011 and 14 July 2011 in factories belonging to SSB
"First Pacific" or "Valuer"	:	First Pacific Valuers Property Consultants Sdn Bhd
"FPE"	:	Financial period cnded
"FYE"	:	Financial year ended / ending
"GDV"	:	Gross development value
"GP"	:	Gross profit
"Internct Application"	:	Application for the Rights Shares with Rights Warrants within Malaysia through an Internet Participating Financial Institution
"Internet Participating Financial Institution"	:	Participating financial institutions for the Internet Applications as referred to in Section 3.4 of this AP

DEFINITIONS *(CONT'D)*

"Issue Price"	:	The issue price pursuant to the Rights Issue of Shares with Warrants of RM0.10 per Rights Share
"JV"	:	Joint venture
"JV of Krubong Land"	:	JV between DPS Development, SSB and DPSR to jointly develop Krubong Land pursuant to the JVA of Krubong Land and the Supplemental JVA of Krubong Land
"JV of TM Land"	:	JV between DPS Development, SSB and DPSR to jointly develop TM Land pursuant to the JVA of TM Land and the Supplemental JVA of TM Land
"JVA of Krubong Land"	:	The JV agreement dated 13 September 2013 entered into between DPS Development and DPSR whereby DPSR shall grant DPS Development the rights to undertake the development of Krubong Land
"JVA of TM Land"	:	The JV agreement dated 13 September 2013 entered into between DPS Development and DPSR whereby DPSR shall grant DPS Development the rights to undertake the development of TM Land
"JVAs"	:	Collectively JVA of Krubong Land and JVA of TM Land
"JVs"	:	Collectively, JV of Krubong Land and JV of TM Land
"Krubong Land"	:	Lot Nos. PT 11436 to PT 11525 *(previously known as Lot Nos. 18565 & 18566)* and Lot No. 18567, Title Nos HMM 410 to HMM 499 *(previously known as Geran Mukim MCL 773 & 772)* and Geran Mukim MCL 771, Mukim of Krubong, District of Melaka Tengah, State of Melaka Bandaraya Bersejarah
"Krubong Project"	:	The development of eighty nine (89) units of single-storey terrace houses on the land known as Lot 18565 and Lot 18566, Mukim Krubong, State of Melaka Bandaraya Bersejarah held under Geran Mukim 773 and 772 respectively together with proposed development of single storey terrace houses on land known as Lot 1867, Mukim of Krubong, State of Melaka Bendaraya Bersejarah held under Geran Mukim MCL 771
"Krubong Valuation Report"	:	Valuation report dated 22 September 2014 on the Krubong Land prepared by First Pacific
"LAT"	:	Loss after taxation
"LBITDA"	:	Losses before interest, taxation, depreciation and amortisation
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities
"LPD"	:	24 November 2014, being the latest practicable date prior to the registration of this AP
"Market Day"	:	Any day from Mondays to Fridays (inclusive of both days) which is not a public holiday and on which Bursa Securities is open for the trading of securities
"Maximum Scenario"	:	A scenario assuming all of the outstanding Warrants 2008/2018 are exercised by the warrant holders (save for DSCC and his PACs) into new DPS shares prior to the Entitlement Date
"Minimum Scenario"	:	A scenario assuming none of the outstanding Warrants 2008/2018 are exercised by the warrant holders into new DPS shares prior to the Entitlement Date and Rights Issue of Shares with Warrants is subscribed based on the Minimum Subscription Level

DEFINITIONS *(CONT'D)*

"Minimum Subscription Level"	:	Minimum level of subscription of 182,300,000 Rights Shares together with 109,380,000 Warrants pursuant to the Undertakings
"MRP"	:	Manufacturing resources planning
"MSIG"	:	Hong Leong MSIG Takaful Berhad
"NA"	:	Net assets
"Novation Agreement"	:	Novation agreement dated 12 September 2013 entered into between ECSB, DPSR and AHM for the novation by ECSB of its rights and obligation under the ECSB-AHM JVA to DPSR
"NTA"	:	Net tangible assets
"NPA"	:	Notice of Provisional Allotment in relation to the Rights Issue of Shares with Warrants
"NRS"	:	Nominee Rights Subscription service offered by Bursa Depository, at the request of our Company, to Authorised Nominees for electronic subscription of Rights Shares with Rights Warrants through Bursa Depository's existing network facility with the Authorised Nominees
"Official List"	:	A list specifying all securities which have been admitted for listing on Bursa Securities and not removed
"PACs"	:	Person acting in concert with DSCC, namely DCKG and Eric
"Par Value Reduction"	:	Reduction of the issued and paid-up share capital of our Company via the cancellation of RM0.40 of the par value of each existing DPS Share of RM0.50 each to RM0.10 each pursuant to Section 64 of the Act, which was completed and took effect on 8 October 2014
"Participating Financial Institutions"	:	Participating financial institutions for Electronic Applications as referred to in Section 3.4 of this AP
"PAT"	:	Profit after taxation
"PBT"	:	Profit before taxation
"PPE"	:	Property, plant and equipment
"Principal Joint Venture Agreements"	:	Collectively, the DPSR-AHM JVA and ECSB-AHM JVA
"Price Fixing Date"	:	9 December 2014, being the date on which the Issue Price of the Rights Shares was determined and announced
"Rasah Land"	:	The land known as Lot No. 21784, Mukim of Rasah, District of Seremban, State of Negeri Sembilan Darul Khusus held under Geran Mukim 53354
"Record of Depositors"	:	A record of securities holders established by Bursa Depository under the Rules of Bursa Depository
"Rights Issue Entitlement File"	:	An electronic file forwarded by Bursa Depository to an Authorised Nominee who has subscribed for NRS, containing information of such Authorised Nominee's entitlements under the Rights Issue of Shares with Warrants as at the Entitlement Date
"Rights Issue of Shares with Warrants"	:	Renounceable rigbts issue of up to 659,838,788 Rights Shares on the basis of two (2) Rights Shares for every one (1) existing DPS Share held, together with up to 395,903,272 free Rights Warrants on the basis of three (3) Rights Warrants for every five (5) Rights Shares subscribed by the Entitlement Shareholders

DEFINITIONS *(CONT'D)*

"Rights Shares"	:	Up to 659,838,788 new DPS Shares to be issued pursuant to the Rights Issue of Shares with Warrants
"Rights Shares Subscription File"	:	An electronic file submitted by an Authorised Nominee who has subscribed for NRS, to Bursa Depository containing information pertaining to such Authorised Nominee's subscription of the Rights Shares with Rights Warrants
"Rights Warrants"	:	Up to 395,903,272 new free warrants 2015/2025 to be issued pursuant to the Rights Issue of Shares with Warrants
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"RPGT"	:	Real property gains tax
"RSF"	:	Rights Subscription Form in relation to the Rights Issue of Shares with Warrants
"Rules of Bursa Depository"	:	Rules of Bursa Depository including the rules in relation to a central depository as described in Section 2 of the SICDA
"SC"	:	Securities Commission Malaysia
"Share Registrar"	:	Securities Services (Holdings) Sdn Bhd
"SICDA"	:	Securities Industry (Central Depositories) Act, 1991
"sq ft"	:	Square foot/feet
"Supplemental JVA of Krubong Land"	:	The supplemental JV agreement dated 21 January 2014 entered into between DPSR, SSB and DPS Development in relation to the JV of Krubong Land
"Supplemental JVA of TM Land"	:	The supplemental JV agreement dated 21 January 2014 entered into between DPSR, SSB, and DPS Development in relation to the JV of TM Land
"Supplemental JVAs"	:	Collectively Supplemental JVA of Krubong Land and Supplemental JVA of TM Land
"SSB"	:	Shantawood Sdn Bhd *(formerly known as Shantawood Manufacturing Sdn Bhd)*, our wholly-owned subsidiary and a holding company of DPS Development
"TA Securities"	:	TA Securities Holdings Berhad
"TEAP"	:	Theoretical ex-all price of DPS Shares
"TERP"	:	Theoretical ex-rights price of DPS Shares
"TM Land"	:	Lot Nos. PT 15571 to PT 15625 *(previously known as Lot Nos. 3949, 3950 & 3951)*, Title Nos HSM 4708 to HSM 4762 *(previously known as PM 2297, PM 2298 and PM 2299)*, Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka Bandaraya Bersejarah
"TM Project"	:	The development which comprises forty four (44) units of single-storey houses and ten (10) units of two (2)-storey shop houses on the TM Land
"TM Valuation Report"	:	Valuation report dated 22 September 2014 on TM Land prepared by First Pacific

DEFINITIONS *(CONT'D)*

"Undertakings"	:	Irrevocable and unconditional written undertaking dated 13 September 2013 from the Undertaking Shareholders that they will not dispose any of their DPS Shares following the Announcement up to the completion of the Rights Issue of Shares with Warrants and they will subscribe in full for their entitlements of 134,260,852 Rights Shares with 80,556,511 Rights Warrants pursuant to the Rights Issue of Shares with Warrants. In addition, DSCC has undertaken that he will subscribe for 48,039,148 excess Rights Shares with Rights Warrants, which are not subscribed by other shareholders of our Company pursuant to the Minimum Subscription Level
"Undertaking Shareholders"	:	Collectively, DSCC, DCKG and Erie
"UK"	:	United Kingdom
"US"	:	United States
"Warrants 2008/2018"	:	Warrants 2008/2018 as constituted by the Existing Deed Poll, which will expire on 3 January 2018
"Warrants*"	:	Collectively, the Warrants 2008/2018 and Rights Warrants

All references to "**our Company**" and/or "**DPS**" in this AP are to DPS Resources Berhad. Rcferences to "**our Group**" and/or "**DPS Group**" are to DPS and our subsidiaries and references to "**we**", "**us**" "**our**" and "**ourselves**" are to DPS and where the context does require, shall include our subsidiaries.

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any referenee to persons shall include a corporation, unless otherwise speeified.

Any reference in this AP to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this AP shall be referenee to Malaysian time, unless otherwise specified.

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CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name	Address	Age	Nationality	Profession
Datuk (Dr) Sow Chin Chuan *(Executive Chairman and Managing Director)*	No. 3, Jalan BJ 25 Taman Bertam Jaya 75250 Cheng Melaka	54	Malaysian	Company Director
Datin Chu Kim Guek *(Executive Director)*	No. 3, Jalan BJ 25 Taman Bertam Jaya 75250 Cheng Melaka	56	Malaysian	Company Director
Eric Sow Yong Shing *(Executive Director)*	No. 3, Jalan BJ 25 Taman Bertam Jaya 75250 Cheng Melaka	33	Malaysian	Company Director
Emily Sow Mei Chet *(Executive Director)*	No. 3, Jalan BJ 25 Taman Bertam Jaya 75250 Cheng Melaka	30	Malaysian	Company Director
Datuk Wira Haji Jaafar Bin Haji Lajis *(Independent Non-Executive Director)*	JA 7000 Seri Mustika 77200 Bemban Melaka	62	Malaysian	Company Director
Datuk Vong Woon Chin *(Independent Non-Executive Director)*	11-A, Jalan OZ-32 Ozana Villas, Bukit Katil Ayer Keroh 75450 Melaka	60	Malaysian	Company Director
Yee Yit Yang *(Independent Non-Executive Director)*	15, Jalan Damai Rasa Alam Damai, Cheras 55100 Kuala Lumpur	47	Malaysian	Company Director

AUDIT COMMITTEE

Name	Designation	Directorship
Yee Yit Yang	Chairman	Independent Non-Executive Director
Datuk Wira Haji Jaafar Bin Haji Lajis	Member	Independent Non-Executive Director
Datuk Vong Woon Chin	Member	Independent Non-Executive Director

COMPANY SECRETARY : Lim Li Fang (MAICSA 7012923)
50-1, 52-1 54-1
Jalan BPM 2
Taman Bukit Piatu Mutiara
75150 Melaka
Tel : 06 – 283 2398

CORPORATE DIRECTORY *(CONT'D)*

REGISTERED OFFICE	:	50-1, 52-1, & 54-1 Jalan BPM 2 Taman Bukit Piatu Mutiara 75150 Melaka Tel : 06 – 283 2398 Fax : 06 – 283 0202
HEAD/MANAGEMENT OFFICE/ PRINCIPAL PLACE OF BUSINESS	:	Lot 76 & 77, Kawasan Perindustrian Bukit Rambai Bukit Rambai 75250 Melaka Tel : 06 – 351 4915 Fax : 06 – 351 2587 Email : info@shantawood.com.my Website : www.shantawood.com.my
SHARE REGISTRAR	:	Securities Services (Holdings) Sdn Bhd Level 7, Menara Milenium Jalan Damanlela Pusat Bandar Damansara Damansara Heights 50490 Kuala Lumpur Tel : 03 – 2084 9000
AUDITORS	:	UHY Suite 11.05, Level 11 The Gardens South Tower Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Tel : 03 – 2279 3088
REPORTING ACCOUNTANTS	:	McMillan Woods Mea 305, (Suite 2) Bloek E Phileo Damansara 1 9 Jalan 16/11 Off Jalan Damansara 46350 Petaling Jaya Selangor Tel : 03 - 7665 1872
SOLICITORS FOR THE RIGHTS ISSUE OF SHARES WITH WARRANTS	:	Wong, Beh & Toh Level 19, West Block Wisma Selangor Dredging 142-C, Jalan Ampang 50450 Kuala Lumpur Tel : 03 – 2713 6050
PRINCIPAL BANKERS	:	AmBank (M) Berhad No. 1 Jalan Melaka Raya 13 Taman Melaka Raya 75000 Melaka Tel : 06 – 288 1729 / 288 1731 / 282 5911 RHB Bank Berhad No. 57 & 59, Prime Square Taman Melaka Raya 75000 Melaka Tel : 06 – 288 3522 / 288 2719 / 288 3921

CORPORATE DIRECTORY *(CONT'D)*

ADVISER FOR THE RIGHTS ISSUE OF SHARES WITH WARRANTS	:	TA Securities Holdings Berhad 32nd Floor, Menara TA One 22, Jalan P.Ramlee 50250 Kuala Lumpur Tel : 03 - 2072 1277
INDEPENDENT REGISTERED VALUER	:	First Pacific Valuers Property Consultants Sdn Bhd Level 3A, Wisma Rapid No. 32-36, Jalan 30/70A Desa Sri Hartamas 50480 Kuala Lumpur Tel : 03 – 6203 1188
STOCK EXCHANGE LISTING	:	Main Market of Bursa Securities

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DPS RESOURCES BERHAD
(Company No. 630878-X)
(Incorporated in Malaysia under the Act)

Registered Office:

50-1, 50-2, & 50-4
Jalan BPM 2
Taman Bukit Piatu Mutiara
75150 Melaka

23 December 2014

Our Board of Directors:

Datuk (Dr) Sow Chin Chuan *(Executive Chairman and Managing Director)*
Datin Chu Kim Guek *(Executive Director)*
Eric Sow Yong Shing *(Executive Director)*
Emily Sow Mei Chet *(Executive Director)*
Datuk Wira Haji Jaafar Bin Haji Lajis *(Independent Non-Executive Director)*
Datuk Vong Woon Chin *(Independent Non-Executive Director)*
Yee Yit Yang *(Independent Non-Executive Director)*

To: Our Entitled Shareholders

Dear Sir/Madam,

RIGHTS ISSUE OF SHARES WITH WARRANTS

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1. INTRODUCTION

Our shareholders had, at the EGM held on 25 June 2014, approved amongst others, the Rights Issue of Shares with Warrants.

A certified true extraet of the resolutions in relation to the Corporate Exereises passed at the EGM is set out in the Appendix I of this AP.

Bursa Seeurities has vide its letter dated 12 December 2013 approved the following:

(i) listing of and quotation for up to 659,838,788 Rights Shares and the new DPS Shares to be issued pursuant to the exercise of Rights Warrants; and

(ii) admission of the Rights Warrants to the Official List of Bursa Securities and listing of and quotation for the Rights Warrants.

on the Main Market of Bursa Securities.

The approval of Bursa Securities is subject to the following conditions:

	Conditions imposed	Status of compliance
(a)	Our Company and TA Securities must fully comply with the relevant provisions under the Main Market Listing Requirements of Bursa Securities pertaining to the implementation of the Rights Issue of Shares with Warrants;	To be complied
(b)	Our Company and TA Securities to inform Bursa Securities upon the completion of the Rights Issue of Shares with Warrants;	To be complied
(c)	Our Company to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue of Shares with Warrants is completed;	To be complied
(d)	Our Company to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Rights Warrants as at the end of each quarter together with a detailed computation of listing fees payable;	To be complied
(e)	TA Securities to furnish a copy of SC's approval for the Exemption;	Complied
(f)	TA Securities to furnish a copy of the court order sanctioning the Par Value Reduction; and	Complied
(g)	To incorporate the comment made in the draft circular to shareholders.	Complied

The SC had on 16 October 2014 approved the Exemption.

On 9 December 2014, TA Securities had on our behalf announced that our Board has fixed the Issue Price and the exercise price of the Rights Warrants of RM0.10 per Rights Warrant.

On 9 December 2014, TA Securities had on our behalf announced that the Entitlement Date has been fixed on 23 December 2014 at 5.00 p.m. and the other relevant dates pertaining to the Rights Issue of Shares with Warrants.

No person is authorised to give any information or to make any representation not contained in this AP in connection with the Rights Issue of Shares with Warrants and if given or made, such information or representation must not be relied upon as having been authorised by us or by TA Securities in connection with the Rights Issue of Shares with Warrants.

If you are in any doubt as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

2. DETAILS OF THE RIGHTS ISSUE OF SHARES WITH WARRANTS

2.1 Details of the Rights Issue of Shares with Warrants

The Rights Issue of Shares with Warrants entails the issuance of up to 659,838,788 Rights Shares on the basis of two (2) Rights Shares for every one (1) existing DPS Share held, together with up to 395,903,272 free Rights Warrants on the basis of three (3) Rights Warrants for every five (5) Rights Shares subscribed by the Entitled Shareholders at an issue price of RM0.10 per Rights Share.

The Rights Shares with Rights Warrants which are not taken up or validly taken up shall be made available for exeess applications by the Entitled Shareholders and/or their renouncees/transferees (if applicable). It is the intention of our Board to allocate the excess Rights Shares in a fair and equitable basis specified under Section 3.8 herein. The entitlements for the Rights Shares with Rights Warrants are renounceable in full or in part. The Rights Warrants will be immediately detaehed from the Rights Shares upon issuance and will be separately traded. The renunciation of Rights Shares by the Entitled Shareholders will accordingly entail the renunciation of the Rights Warrants to be issued together with the Rights Shares pursuant to the Rights Issue of Shares with Warrants. However, if the Entitled Shareholders decide to aceept only part of their Rights Shares entitlements, they shall be entitled to the Rights Warrants in the proportion of their Rights Shares entitlements. Any unsubscribed Rights Shares with the attached Rights Warrants shall be offered to other Entitled Shareholders and/or their renouneees/transferees (if applicable) under the excess Rights Shares with Rights Warrants application.

In determining the entitlements of the Entitled Shareholders, any fractional entitlement to the Rights Shares with Rights Warrants will be disregarded and shall be dealt with in such a manner as our Board in their absolute discretion deems fit, expedient and in the best interest of our Company.

As you are an Entitled Shareholder, your CDS Account will be duly credited with the number of provisionally allotted Rights Shares with Rights Warrants, which you are entitled to subscribe for in full or in part under the terms of the Rights Issue of Shares with Warrants. You (other than an Authorised Nominee who has subscribed for NRS) will find enclosed with this AP, the NPA notifying you of the crediting of such provisional Rights Shares with Rights Warrants into your CDS Account and the RSF to enable you to subscribe for the provisional Rights Shares with Rights Warrants, as well as to apply for the excess Rights Shares with Rights Warrants if you choose to.

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository, an electronic copy of this AP and the Rights Issue Entitlement File will be transmitted to you electronically by Bursa Depository through its existing network facility with the Authorised Nominees. Please refer to Sections 3.5.4 and 3.8.4 of this AP for the procedures for acceptance as well as to apply for excess Rights Shares with Rights Warrants, if you choose to do so.

Any dealing in our securities will be subject to the SICDA and the Rules of Bursa Depository. Accordingly, the Rights Shares with Rights Warrants and new Shares to be issued arising from the exercise of the Rights Warrants will be credited directly to the respective CDS Aecounts of the successful applicants and exereising Rights Warrant holders (as the case may be). No physical share certificates and warrant certificates will be issued to the Entitled Shareholders and/or their renouncees/transferees, if applicable. A notice of allotment will be despatched to the successful applicants within eight (8) Market Days from the last date of aeceptance and payment for the Rights Issue of Shares with Warrants and a notiee of allotment will be despatched to the exercising Rights Warrant holders within eight (8) Market Days after the date of receipt of the subscription form together with the requisite payment (for exercise of Warrants) from the date of exereise of the Rights Warrants.

2.2 Basis of determining the Issue Price of the Rights Shares and exercise price of the Rights Warrants

(i) Rights Shares

Our Board had on 9 December 2014 fixed the Issue Price after taking into consideration the following:

(a) the TEAP of DPS Shares of RM0.1059, based on the 5D-VWAP of DPS Shares up to and including 8 December 2014 (being the last trading date immediately preceding the Price Fixing Date) of RM0.1248 and the exercise price of Rights Warrants of RM0.10;

(b) the prevailing market sentiments at the point of price fixing;

(c) the par value of DPS Shares of RM0.10 each; and

(d) the funding requirements of our Group, details of which are set out in Section 5 of this AP.

The Issue Price represents a discount of approximately RM0.0059 or 5.57% to the TEAP of DPS Shares up to and including 8 December 2014 (being the last trading date immediately preceding the Price Fixing Date) of RM0.1059.

(ii) Rights Warrants

The Rights Warrants will be issued at no cost to the Entitled Shareholders who successfully subscribed for the Rights Shares, and are exercisable into new DPS Shares. Each Rights Warrant will entitle its holder to subscribe for one (1) DPS Share at the exercise price of RM0.10 per Rights Warrant.

The exercise price of the Rights Warrants of RM0.10 was determined and fixed by our Board on 9 December 2014 after taking into consideration the following:

(a) the TERP of DPS Shares of RM0.1083 based on the 5D-VWAP of DPS Shares up to and inclusive of 8 December 2014 of RM0.1248; and

(b) the par value of DPS Shares of RM0.10 each.

The exercise price of the Rights Warrants at RM0.10 per Rights Warrant represents a discount of approximately RM0.0083 or 7.66% to the TERP of DPS Shares of RM0.1083 up to 8 December 2014 of RM0.1248.

2.3 Ranking of the Rights Shares, the new Shares arising from the exercise of the Rights Warrants

The holders of the Rights Warrants will not be entitled to any voting right or participation in any form of distribution and/or offer of further securities in our Company until and unless such holders of the Rights Warrants exercise their Rights Warrants into new DPS Shares.

The Rights Shares and the new DPS Shares to be issued arising from the exercise of the Rights Warrants shall, upon issuance and allotment, rank *pari passu* in all respects with the then existing DPS Shares, save and except that the Rights Shares and the new DPS Shares arising from the exercise of the Rights Warrants shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid for which the entitlement date for the distribution precedes the date of issuance and allotment of the Rights Shares and the new DPS Shares arising from the exercise of the Rights Warrants.

2.4 Salient terms of the Rights Warrants

The salient terms of the Rights Warrants are as follows:

Terms		**Details**
Issue size	:	Up to 395,903,272 Rights Warrants.
Board lot	:	For the purpose of trading on Bursa Securities, a board lot of Rights Warrants shall be 100 units of the Rights Warrants.
Expiry date	:	A date being ten (10) years from and including the date of issuance of the Rights Warrants, provided that if such day falls on a day which is not a market day, then on the preceding market day.

Exercise period	:	The Rights Warrants may be exercised at any time commencing on and including the date of issuance of the Rights Warrants until 5.00 p.m. on the expiry date.
Exercise price	:	The exercise price of the Rights Warrant has been fixed at RM0.10 each, subject to the adjustments in accordance with thc provision of the Decd Poll.
Exercise rights	:	Each Rights Warrant carries the entitlement, at any time during the exercised period, to subscribe for one (1) new DPS Share at the exercise price, subject to adjustments in accordance with the provisions of the Deed Poll.
Forms and denomination	:	The Rights Warrants will be issued in the registered form and will be constituted by the Deed Poll.
Rights of Rights Warrants	:	The holder of the Rights Warrants are not entitled to any voting rights dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of issuance and allotment of the new DPS Shares arising from the exercise of the Rights Warrants.
Listing	:	The Rights Warrants will be listed and traded on the Main Market of Bursa Securities. Approval has been obtained from Bursa Securities for the admission of the Rights Warrants to the Official List of Bursa Securities as well as the listing of and quotation for the Rights Warrants and the new DPS Shares to be issued pursuant to the exercise of Rights Warrants on the Main Market of Bursa Securities.
Adjustments in the exercise price and/or number of the Rights Warrants	:	The exereise price and/or number of unexercised Rights Warrants shall be adjusted in accordanee with the provisions of the Deed Poll.
Mode of exercise	:	The registered holder of the Rights Warrants is required to lodge an exercise form, as set out in the Deed Poll, with our Company's registrar, duly completed, signed and stamped together with payment of the exercise priee of the new DPS Sharcs subscribed for by banker's draft or cashier's order or money order or postal order in RM drawn on a bank or post office operating in Malaysia.
Rights in the event of winding-up, liquidation, compromise and/or arrangement	:	Where a resolution has bccn passed by our Company for a membcrs' voluntary winding-up or there is compromise or arrangement, whether or not for thc purpose of or in connection with seheme for the reconstruction of our Company with one or more companies: (a) for the purposes of such winding-up, compromise or arrangemcnt (othcr than consolidation, amalgamation or mcrgcr in which our Company is the continuing corporation) to which the holdcrs of the Rights Warrants or some persons designated by them for such purposes by special resolution, shall be party, the terms of such winding-up, compromise or arrangcment shall be binding on all the holders of the Rights Warrants; and

Rights in the event of winding-up, liquidation, compromise and/or arrangemcnt *(Cont'd)*	(b)	in any other case, every holder of the Rights Warrants shall be entitled at any time within six (6) weeks after the passing of such resolution or the granting of the court order, by irrevocable surrender of his Rights Warrants together with payment of the relevant subscription monies to elect to be treated as if he had immediately prior to the commencement of such winding-up, compromise or arrangement exercised the subscription rights represented by such Rights Warrants and be entitled to receive out of the assets which would be available in liquidation if he had on such date been the holder of the new DPS Shares to which he would have bceome entitled pursuant to such exercise and the liquidator of our Company shall give effect to such election accordingly.
Rights of Rights Warrants holders	:	The Rights Warrants holders are not entitled to any dividend, rights, allotments and/or other distributions, the cntitlcment date of which is prior to the date of allotment and issuance of the new DPS Shares upon the exercise of Rights Warrants. The Rights Warrants holders are not entitled to any voting rights or participation in any form of distribution and/or offer of securities in our Company until and unless such Rights Warrants holders exercise thcir Rights Warrants into new DPS Shares.
Governing law	:	Laws of Malaysia.

2.5 Minimum Subscription Level and Undertakings

The Rights Issue of Shares with Warrants will be implemented on a minimum level of subscription of 182,300,000 Rights Shares together with 109,380,000 Rights Warrants. Based on the Issue Price, we will raise minimum gross proceeds of approximately RM18.23 million from the Rights Issue of Shares with Warrants.

The minimum gross proceeds of RM18.23 million to be raised was determined by our Board after taking into consideration, amongst others, the funding requirements of our Group and the ability of our Company to raise financing.

To meet the Minimum Subscription Level, we have obtained a written unconditional and irrevocable undertaking from the Undertaking Shareholders, namely DSCC, DCKG and Eric that they will not dispose any of their DPS Shares following the Announcement up to the completion of the Rights Issue of Shares with Warrants and that they will subscribe in full for their entitlements of the Rights Shares with Rights Warrants in respect of their direct shareholdings in our Company. In addition, DSCC has undertaken that he will subscribe for 48,039,148 excess Rights Shares with Rights Warrants which are not subscribed for by the other shareholders of our Company pursuant to the Minimum Subscription Level.

Details of the Undertakings are as follows:

	Shareholdings as at the LPD		Rights Shares Entitlement		Excess Rights Sharcs	
	No of DPS Shares	%	No of Rights Shares	% of the Rights Shares [(1)]	No of Rights Shares	% of the Rights Shares[(1)]
DSCC	62,784,829	23.78	125,569,658	68.88	48, 039,148	26.35
DCKG	4,275,597	1.62	8,551,194	4.69	-	-
Eric	70,000	0.03	140,000	0.08	-	-

Note:

(1) Based on the Minimum Subscription Level.

	No. of Undertaking Shares	% of total Undertaking Shares(1) (%)	No. of Rights Warrants	% of Rights Warrants(1) (%)	Total value (RM)
DSCC	173,608,806	95.23	104,165,284	95.23	17,360,880.60
DCKG	8,551,194	4.69	5,130,716	4.69	855,119.40
Eric	140,000	0.08	84,000	0.08	14,000.00
Total	**182,300,000**	**100.00**	**109,380,000**	**100.00**	**18,230,000.00**

Note:

(1) *Based on the Minimum Subscription Level.*

In view that part of the proceeds to be raised from the Rights Issue of Shares with Warrants will be utilised to fund the entitlements of DPSR pursuant to the JVs via the direct set-off against the subscription monies due from DSCC and DCKG as set out in Note (2) of Section 5 of this AP and the inter-conditionality of the Rights Issue of Shares with Warrants and the JVs, DSCC has confirmed that he bas sufficient financial resources to subscribe for his balance of entitlement under the Minimum Subscription Level and Eric has confirmed that he has sufficient financial resources to subscribed for his entitlement, as shown below:

	RM
Total subscription monies due from DSCC, DCKG and Eric pursuant to the Undertakings based on the Minimum Subscription Level	18,230,000
Less:	
Entitlement of DPSR pursuant to the JVs which will be set-off against the subscription monies due from DSCC and DCKG	(3,974,292)
Balance of the subscription monies to be supported by DSCC and Eric	**14,255,708**

As the adviser for the Rights Issue of Shares with Warrants, TA Securities has verified that DSCC and Eric have sufficient financial resources to fulfil the balance of Undertakings under the Minimum Scenario.

As the Rights Issue of Shares with Warrants will be implemented based on the Minimum Subscription Level, no underwriting arrangement will be made for the Rights Shares with Rights Warrants under the Rights Issue of Shares with Warrants.

Premised on the above, the collective shareholdings of DSCC and his PACs namely, DCKG and Eric in our Company could potentially increase from approximately 25.43% to 55.89% of the enlarged issued and paid-up share capital of our Company after the Rights Issue of Shares with Warrants based on the Minimum Subscription Level. Further, their collective shareholdings could potentially increase by more than two per centum (2%) in any six (6) months period due to the issuance of new DPS Shares arising from the exercise of the Warrants*. As such, DSCC and his PACs namely, DCKG and Eric, would be obligated to extend a mandatory take-over offer to acquire the remaining DPS Shares and convertible securities in our Company not already owned by them upon the completion of the Rights Issue of Shares with Warrants and upon the exercise of the Warrants* into new DPS Shares during their respective tenures.

As DSCC and his PACs do not intend to undertake a take-over offer for all the remaining DPS Shares and convertible securities not already owned by them upon completion of the Rights Issue of Shares with Warrants and/or upon exercise of the Warrants*, approval for the Exemption had been sought from our non-interested shareholders and the SC. Such approvals were obtained on 25 June 2014 and 16 October 2014 respectively.

2.6 Details of other corporate exercises

Save for the Corporate Exercises, our Board is not aware of any outstanding corporate proposal which has been announced but pending completion as at the LPD.

3. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE/TRANSFER AND EXCESS APPLICATION FOR THE RIGHTS ISSUE OF SHARES WITH WARRANTS

3.1 General

As you are an Entitled Shareholder, your CDS Account will be duly credited with the number of provisional Rights Shares with Rights Warrants which you are entitled to subscribe for in full or in part, under the terms of the Rights Issue of Shares with Warrants. You (other than an Authorised Nominee who has subscribed for NRS) will find enclosed with this AP, the NPA notifying you of the crediting of such provisional Rights Shares with Rights Warrants into your CDS Account and the RSF to enable you to subscribe for the provisional Rights Shares with Rights Warrants, as well as to apply for excess Rights Shares with Rights Warrants if you choose to do so.

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository, an electronic copy of this AP and the Rights Issue Entitlement File will be transmitted to you electronically by Bursa Depository through its existing network facility with the Authorised Nominees. Please refer to Sections 3.5.4 and 3.8.4 of this AP for the procedures for acceptance as well as to apply for excess Rights Shares with Rights Warrants, if you choose to do so.

3.2 NPA

The provisionally allotted Rights Shares with Rights Warrants are prescribed securities pursuant to Section 14(5) of the SICDA and therefore, all dealings in the provisional Rights Shares with Rights Warrants will be by book entries through the CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. You and/or your renouncees/transferees (if applicable) are required to have valid and subsisting CDS Accounts when making your applications.

3.3 Last date and time for acceptance and payment

The last date and time for acceptance and payment for the provisional Rights Shares with Rights Warrants is at **5.00 p.m. on 9 January 2015**, or such extended date and time as our Board may decide at its absolute discretion. Where the closing date of the acceptance is extended from the original closing date, the announcement of such extension will be made not less than two (2) Market Days before the original closing date.

3.4 Methods of application

You may subscribe for such number of Rights Shares with Rights Warrants that you have been provisionally allotted as well as to apply for excess Rights Shares with Rights Warrants, if you so choose, using either of the following methods:

Method of application	Category of Entitled Shareholders
RSF[(1)]	All Entitled Shareholders
Electronic Application[(2)] or Internet Application[(3)]	All Entitled Shareholders
NRS	Authorised Nominee who has subscribed for NRS

Notes:

(1) A copy of the RSF will be enclosed together with this AP. The RSF is also available on the website of Bursa Securities (http://www.bursamalaysia.com).

(2) The following surcharge per Electronic Application will be charged by the Participating Financial Institution:

- *Public Bank Berhad – RM4.00.*

(3) The following processing fee per Internet Application will be charged by the respective Internet Participating Financial Institution:

- *Public Bank Berhad (http://www.pbebank.com) – RM4.00.*

3.5 Procedure for full acceptance and payment by Entitled Shareholders and acceptance by renouncees/transferees

3.5.1 By way of RSF

If you wish to aeeept your entitlement to the provisional Rights Shares with Rights Warrants, the acceptanee of and payment for the provisional Rights Shares with Rights Warrants must be made on the respective RSF enelosed with this AP and must be completed in accordance with the notes and instructions contained in the RSF. Aceeptances which do not conform to the terms of this AP, the NPA or the RSF or the notes and instructions contained in these documents or which are illegible may not be acccptcd at the absolute discretion of our Board.

Renouncces/transferecs who wish to acccpt the provisional Rights Shares with Warrants must obtain a copy of the RSF from their stockbrokers or our Sharc Registrar or at our Registered Office or from the Bursa Securities' websitc at http://www.bursamalaysia.com and complete the RSF and submit the same together with the remittance to our Share Registrar in accordance with the notcs and instructions printed therein.

The procedure for acceptance and payment applicable to the Entitled Shareholders also applies to rcnouncees/transferees who wish to accept the provisional Rights Shares with Warrants.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL RIGHTS SHARES WITH RIGHTS WARRANTS, EXCESS APPLICATION FOR THE RIGHTS SHARES WITH RIGHTS WARRANTS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU WISH TO SELL/TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENT ARE SET OUT IN THIS AP AND THE ACCOMPANYING RSF.

YOU AND/OR YOUR RENOUNCEES/TRANSFEREES (IF APPLICABLE) ARE ADVISED TO READ THIS AP, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY.

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If you wish to accept your entitlement/acceptance, please complete parts I(A) and II of the RSF in accordance with the notes and instructions provided in the RSF. Thereafter, please send each completed and signed RSF together with the relevant payment by using the envelope provided (at your own risk) to our Share Registrar by **ORDINARY POST** or **DELIVERED BY HAND** at the following address:

Securities Services (Holdings) Sdn Bhd
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

Tel. no.: 03-2084 9000
Fax no.: 03-2094 9940 / 20950292

so as to arrive **not later than 5.00 p.m. on 9 January 2015**, being the last time and date for acceptance of and payment, or such extended time and date as may be determined and announced by our Board.

Only one (1) RSF can be used for acceptance of provisional Rights Shares with Rights Warrants standing to the credit of one (1) CDS Account. Separate RSF(s) must be used for separate CDS Account(s). If successful, the Rights Shares with Rights Warrants subscribed for will be credited into your CDS Account(s) as stated in the completed RSF(s).

A reply envelope is enclosed in this AP. In order to facilitate the processing of the RSF by our Share Registrar for the Rights Shares with Rights Warrants, you are advised to use one (1) reply envelope for each completed RSF.

You and/or your renouncee/transferee (if applicable) should take note that a trading board lot for the Rights Shares and Rights Warrants comprises one hundred (100) Rights Shares and one hundred (100) Rights Warrants, respectively. Successful applicants of the Rights Shares will be given the Rights Warrants on the basis of three (3) Rights Warrants for every five (5) Rights Shares successfully subscribed for. The minimum number of security that can be subscribed for or accepted is two (2) Rights Shares for every one (1) existing DPS Share held. Fractions of a Rights Share and Rights Warrant arising from the Rights Issue of Shares with Warrants will be disregarded and shall be dealt with by our Board as it may deem fit, expedient and in the best interest of our Company.

If acceptance of and payment for the provisional Rights Shares with Rights Warrants is not received by our Share Registrar by **5.00 p.m. on 9 January 2015**, being the last time and date for acceptance of and payment for the provisional Rights Shares with Rights Warrants, or any other extended date and time as may be determined and announced by our Board, you will be deemed to have declined the provisional entitlement made to you and it will be cancelled. In the event that the Rights Shares with Rights Warrants are not fully taken up by such applicants, our Board will then have the right to allot such Rights Shares with Rights Warrants to the applicants who have applied for the excess Rights Shares with Rights Warrants in the manner as set out in Section 3.8 of this AP. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar. Our Board reserves the right not to accept any application or to accept any application in part only without providing any reason.

If you lose, misplace or for any other reasons require another copy of the RSF, you may obtain additional copies from your stockbrokers, Bursa Securities' website at http://www.bursamalaysia.com, our Share Registrar at the address stated above or our Registered Office.

EACH COMPLETED RSF MUST BE ACCOMPANIED BY REMITTANCE IN RM FOR THE FULL AMOUNT IN THE FORM OF BANKER'S DRAFT(S)/ CASHIER'S ORDER(S)/ MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY" AND MADE PAYABLE TO "DPS RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME AND CDS ACCOUNT NUMBER IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR.

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE OF SHARES WITH WARRANTS. HOWEVER, SUCCESSFUL APPLICANTS WILL BE ALLOTTED THEIR RIGHTS SHARES WITH RIGHTS WARRANTS, AND NOTICES OF ALLOTMENT WILL BE ISSUED AND DESPATCHED BY ORDINARY POST TO THEM OR THEIR RENOUNCEES/TRANSFEREES (IF APPLICABLE) AT THEIR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS ISSUE OF SHARES WITH WARRANTS.

APPLICANTS SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

WHERE AN APPLICATION IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANT WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS ISSUE OF SHARES WITH WARRANTS BY ORDINARY POST TO THE ADDRESS SHOWN ON BURSA DEPOSITORY'S RECORD OF DEPOSITORS AT THE APPLICANTS' OWN RISK.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

3.5.2 By way of Electronic Application

Please read carefully and follow the terms of this AP, the procedures, terms and conditions for Electronic Application and the procedures set out at the ATMs of the Participating Financial Institutions before making an Electronic Application.

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(i) Steps for Electronic Applications through a Participating Financial Institution's ATM within Malaysia

The procedures for Electronic Applications at the ATMs of the Participating Financial Institutions are set out on the ATM sereens of the relevant Participating Financial Institutions ("**Steps**"). For illustration purposes, the procedures for Electronic Applications at ATMs are set out below. The Steps set out the actions that you must take at the ATM to complete an Electronic Application. Please read carefully the terms of this AP, the Steps and the Terms and Conditions for Electronie Applications set out below before making an Eleetronic Application.

(a) You must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account. An ATM card issued by one of the Participating Financial Institutions cannot be used to apply for the Rights Share at an ATM belonging to other Participating Financial Institutions;

(b) You are advised to read and understand this AP **BEFORE** making the application; and

(c) You shall apply for the Rights Shares with Rights Warrants via the ATM of the Participating Financial Institutions by ehoosing the Electronic Application option. Mandatory statements required in the application are as set out in "**Terms and conditions for Electronic Applications**" (please refer to Section 3.5.2(iii) below). You shall enter at least the following information through the ATM when the instructions on the ATM screen requires you to do so:

- Personal Identification Number ("**PIN**");
- Select DPS Rights Issue;
- CDS Account number;
- Number of Rights Shares with Rights Warrants applied for and/or the RM amount to be debited from the account;
- Current contact number (for e.g. your mobile phone number); and
- Confirmation of several mandatory statements.

Upon the completion of your Electronic Application transaction, you will receive a computer-generated transaction slip ("**Transaction Record**"), confirming the details of your Electronic Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Application or any data relating to such an Electronic Application by the Company or the Share Registrar. The Transaction Record is for your record and is not required to be submitted with your application.

YOU MUST ENSURE THAT YOU USE THE NUMBER OF THE CDS ACCOUNT HELD IN YOUR NAME WHEN MAKING AN ELECTRONIC APPLICATION. IF YOU OPERATE A JOINT BANK ACCOUNT WITH ANY OF THE PARTICIPATING FINANCIAL INSTITUTION, YOU MUST ENSURE THAT YOU ENTER THE NUMBER OF THE CDS ACCOUNT HELD IN YOUR NAME WHEN USING AN ATM CARD ISSUED TO YOU IN YOUR NAME. YOUR APPLICATION WILL BE REJECTED IF YOU FAIL TO COMPLY WITH THE FOREGOING.

(ii) Participating Financial Institutions

Electronic Applications may be made through an ATM of the following Participating Financial Institutions and their branches within Malaysia:

- Public Bank Berhad

(iii) Terms and conditions of Electronic Applications

The Electronic Application shall be made on, and subjeet to, the terms of this AP, as well as the terms and conditions of the Participating Financial Institutions and those appearing herein:

(a) You are required to confirm the following statements (by pressing pre-designated keys or buttons on the ATM keyboard) and undertake that the following information given are true and correct:

(i) You have attained 18 years of age as at the last day for application and payment;

(ii) You have read the relevant AP and understood and agreed with the terms and conditions of the application; and

(iii) You hereby give consent to our Company, Bursa Depository, our Share Registrar, the relevant Participating Financial Institution, their respective agents and any third party involved in facilitating the application/refund, to disclose information pertaining to yourself and your account with the Participating Financial Institution and Bursa Depository to the relevant authorities and any person as may be necessary or expedient to facilitate the making of the application/refund.

Your application will not be successfully completed and cannot be recorded as a eompleted transaction at the ATM unless you complete all thc steps required by the Partieipating Financial Institution. By doing so, you shall have confirmed each of the above statements as well as give consent in accordance with the relevant laws of Malaysia including Section 134 of the Financial Services Aet, 2013 and Section 45(I)(a) of the SICDA, to the diselosures as deseribed above.

(b) You confirm that you are not applying for thc Rights Shares with Rights Warrants as a nominee of any other person and that any Electronic Application that you make is made by you as the beneficial owner.

(c) You must have sufficient funds in your aceount with the relevant Participating Financial Institution at the time you make your Electronic Application, failing which your Electronic Application will not be completed. Any Electronic Application, which does not strictly conform to the instructions set out on the screen of the ATM through which the Electronic Application is being made, will be rejected.

(d) You agree and undertake to subseribe for or purchase and to accept the number of Rights Shares applied for as stated on the Transaction Record in respeet of your Eleetronie Application. Your confirmation (by your action of pressing the pre-designated keys (or buttons) on the ATM) of the number of Rights Shares with Rights Warrants applied for shall signify, and shall be treated as, your acceptance of the number of Rights Shares with Rights Warrants that may be allotted to you.

Should you encounter any problems in your Electronic Application, please refer to the Participating Financial Institutions.

(e) By making and completing your Electronic Application, you, if successful, request and authorise our Company to credit the Rights Shares with Rights Warrants allotted to you into your CDS Account.

(f) You acknowledge that your Electronic Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, our Share Registrar, the Participating Financial Institution or Bursa Depository and irrevocably agrees that if:

(i) Our Company, our Share Registrar or Bursa Depository does not receive your Electronic Application; or

(ii) Data relating to your Electronic Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, our Share Registrar or Bursa Depository,

you shall be deemed not to have made an Electronic Application and you shall not make any claim whatsoever against our Company, our Share Registrar, the Participating Financial Institution or Bursa Depository for the Rights Shares with Rights Warrants applied for or for any compensation, loss or damage relating to the application for the Rights Shares with Rights Warrants.

(g) All of your particulars, including your nationality and place of residence, in the records of the relevant Participating Financial Institution at the time you make your Electronic Application shall be true and correct, and our Company, our Share Registrar, the relevant Participating Financial Institution and Bursa Depository shall be entitled to rely on the accuracy thereof.

(h) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institution are correct and identical. Otherwise, your Electronic Application will be rejected. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to your correspondence address last maintained with Bursa Depository.

(i) By making and completing an Electronic Application, you agree that:

(i) In consideration of our Company agreeing to allow and accept your application for the Rights Shares with Rights Warrants via the Electronic Application facility established by the Participating Financial Institutions at their respective ATMs, your Electronic Application is irrevocable and cannot be subsequently withdrawn;

(ii) Our Company, the Participating Financial Institutions, Bursa Depository and our Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Application due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;

(iii) Notwithstanding the receipt of any payment by or on behalf of our Company, the notice of successful allocation for prescribed securities issued in respect of the Rights Shares with Rights Warrants for which your Electronic Application has been successfully completed is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Rights Shares with Rights Warrants; and

(iv) You agree that in relation to any legal action, proceedings or dispute arising out of or in relation with the contract between the parties and/or the Electronic Application and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.

(j) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.

(k) Notification on the outcome of your application for the Rights Shares with Rights Warrants will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:

(i) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for application and payment for the Rights Shares with Rights Warrants; or

(ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Rights Shares with Rights Warrants.

The refund will be credited directly into your bank account from which your Electronic Application was made. Kindly take note of the terms and conditions as stated in Section 3.5.2(iii) of this AP and the required consent in making your Electronic Application.

If the crediting of the refund into your bank account from which your Electronic Application was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

3.5.3 By way of Internet Application

Please read carefully and follow the terms of this AP, the procedures, terms and conditions for Internet Application and the procedures set out on the internet financial services website of the Internet Participating Financial Institution before making an Internet Application.

(i) Step 1: Set up of account

Before making an application by way of Internet Application, you **must have all** of the following:

(a) an existing account with access to internet financial services with **Public Bank Berhad** at http://www.pbebank.com. Accordingly, you will need to have your user identification and PIN/password for the internet financial services facility; and

(b) a CDS Account held in your name.

(ii) Step 2: Read the AP

You are advised to read and understand this AP **BEFORE** making your application.

(iii) **Step 3: Apply through Internet**

While we will attempt to provide you with assistancc in your application for the Rights Shares with Rights Warrants through Internet Applications, please note that the actual steps for Internet Applications through the internet financial services website of a particular Internet Participating Financial Institution may differ from the steps outlined below. The possible steps set out below are purely for illustration purposes only.

(a) Connect to the internet financial services website of the Internet Participating Financial Institution with which you have an bank account;

(b) Log in to the internet financial services facility by entering your user identification and PIN/password;

(c) Navigate to the section of the website on applications in respect of the Rights Shares with Rights Warrants;

(d) Select the counter in respect of the Rights Shares with Rights Warrants to launch the terms and conditions of the Internet Application;

(e) Select the designated hyperlink on the screen to accept the abovementioned terms and conditions, having read and understood such terms and eonditions;

(f) At the next screen, complete the online application form;

(g) Check that the information contained in your online application form, such as the share counter (in this case, DPS Rights Issue Account), your current contact number (for e.g. your mobile phone number), your CDS Account number, number of Rights Shares with Rights Warrants applied for, the amount of payment of subseription monies, the payment of bank charges and the account number to debit are eorrect. Then select confirm and submit the online application form;

(h) As soon as the transaction is completed, a message from the Authorised Financial Institution (as defined below) with details of your application appear on the screen of the website; and

(i) You are advised to print out the confirmation screen for your reference and record.

(iv) **Terms and conditions of Internet Applications**

The Internet Application shall be made on, and subjcet to, the terms of this AP, as well as the terms and conditions of the Internet Participating Finaneial Institutions and those appearing hcrein:

(a) After selecting the designated hyperlink on the screen, you are required to confirm and undertake that the following information given are true and correct:

(i) You have attained 18 years of age as at the last day for application and payment;

(ii) You have, prior to making the Internet Applieation, receivcd and/or have had acccss to a printed/electronic copy of this AP, thc contents of which you have rcad and understood;

(iii) You agrce to all the terms and conditions of the Internet Application as set out in this AP and have carefully considered the risk factors set out in this AP, in addition to all other information contained in this AP, before making the Internet Application;

(iv) You authorises the financial institution with which you have a bank account to deduct the full amount payable for the Rights Shares with Rights Warrants (including the processing fee as mentioned in Section 3.4 (Note 3) of this AP) from your bank account with the said financial institution ("**Authorised Financial Institution**"); and

(v) You hereby give consent in accordance with the relevant laws of Malaysia (including Section 134 of the Financial Services Act, 2013 and Section 45(1)(a) of the SICDA) for the disclosure by our Company, Bursa Depository, our Share Registrar, the relevant Internet Participating Financial Institution, their respective agents and any third party involved in facilitating the application/refund, of information pertaining to yourself, the Internet Application made by you, your account with thc Internet Participating Financial Institution and/or the Authorised Financial Institution and Bursa Depository, to the rclevant authorities and any person as may be necessary or expedient to facilitate the application/refund.

(b) You confirm that you are not applying for the Rights Sbares with Rights Warrants as a nominee of any other person and that the Internet Application is made in your own name, as beneficial owner and subjcct to thc risks rcferred to in this AP.

(c) You agree and undertake to subscribe for or purchase and to accept the number of Rights Shares with Rights Warrants applied for as stated on the Confirmation Screen in respect of your Internet Application. Your confirmation of the number of Rights Shares with Rights Warrants applied for shall signify, and shall bc treated as, your aceeptance of the number of Rights Shares with Rights Warrants that may be allotted to you.

Should you encounter any problems in your Internet Application, please refer to the Internet Participating Financial Institutions.

(d) By making and completing your Internct Application, you, if successful, request and authorise our Company to credit the Rights Shares with Rights Warrants allotted to you into your CDS Account.

(e) You acknowledge that your Internet Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, our Share Registrar, the Internet Participating Financial Institution or Bursa Depository and irrevocably agree that if:

(i) our Company, our Share Registrar or Bursa Depository does not receive your Internet Application; or

(ii) data relating to your Internet Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, our Share Registrar or Bursa Depository, you shall be deemed not to have made an Internet Application and you shall not make any claim whatsoever against our Company, our Share Registrar, the Internet Participating Financial Institution or Bursa Depository for the Rights Shares with Rights Warrants applied for or for any compensation, loss or damage relating to the application for the Rights Shares with Rights Warrants.

(f) All of your particulars, including your nationality and place of residence, in the records of the relevant Internet Participating Financial Institution at the time you make your Internet Application shall be true and correct, and our Company, our Share Registrar, the relevant Internet Participating Financial Institution and Bursa Depository shall be entitled to rely on the accuracy thereof.

(g) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Internet Participating Financial Institution are correct and identical. Otherwise, your Internet Application will be rejected. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to your correspondence address last maintained with Bursa Depository.

(h) By making and completing an Internet Application, you agree that:

(i) In consideration of our Company agreeing to allow and accept your application for the Rights Shares with Rights Warrants via the Internet Application facility established by the Internet Participating Financial Institutions at their respective internet financial services website, your Internet Application is irrevocable and cannot be subsequently withdrawn;

(ii) Our Company, the Internet Participating Financial Institutions, Bursa Depository and our Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Internet Application due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;

(iii) Notwithstanding the receipt of any payment by or on behalf of our Company, the notice of successful allocation for prescribed securities issued in respect of the Rights Shares with Rights Warrants for which your Internet Application has been successfully completed is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Rights Shares with Rights Warrants; and

(iv) You agree that in relation to any legal action, proceedings or dispute arising out of or in relation with the contract between the parties and/or the Internet Application and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.

(i) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.

(j) Notification on the outcome of your application for the Rights Shares with Rights Warrants will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:

(i) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for application and payment for the Rights Shares with Rights Warrants; or

(ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Rights Shares with Rights Warrants.

The refund will be credited directly into your bank account with the Authorised Financial Institution from which payment of your subscription monies was made. Kindly take note of the terms and conditions as stated in Section 3.5.3(iv) of this AP and the required consent in making your Internet Application.

If the crediting of the refund into your bank account with the Authorised Financial Institution from which payment of your subscription monies was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

(k) A surcharge is imposed on each Internet Application which will be charged by the respective Internet Participating Financial Institutions as mentioned in Section 3.4 (Note 3) of this AP.

(l) You authorise the Internet Participating Financial Institution to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, Bursa Securities or other relevant parties in connection with the Rights Issue of Shares with Warrants, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institution, necessary for the provision of the Internet Application services or if such disclosure is requested or required in connection with the Rights Issue of Shares with Warrants. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of information furnished by you to the Internet Participating Financial Institution in connection with the use of the Internet Application services.

3.5.4 By way of NRS

Our Company has appointed Bursa Depository to provide NRS to our shareholders who are Authorised Nominees. Only our Entitled Shareholders who are Authorised Nominees and who have subscribed for NRS with Bursa Depository may apply via NRS.

Please read carefully and follow the terms of this AP, the procedures, terms and conditions for application via NRS and Bursa Depository's terms and conditions for NRS and User Guide for NRS (which are made available to all Authorised Nominees who have subscribed for NRS with Bursa Depository) before making the application.

(i) **Steps for applications via NRS**

(a) If you are an Entitled Shareholder, and who is an Authorised Nominee who has subscribed for NRS with Bursa Depository, you will not be receiving this AP, the RSF or the NPA by post.

(b) Instead, this AP and a Rights Issue Entitlement File will be transmitted electronically to you by Bursa Depository through Bursa Depository's existing network facility with the Authorised Nominees in the manner as set out in Bursa Depository's User Guide for NRS, on the next business day after the Entitlement Date.

(c) A notification of the delivery of the AP and the Rights Issue Entitlement File will also be sent to you via email using the details you have provided to Bursa Depository when you subscribed for NRS with Bursa Depository.

(d) You are advised to read earefully, understand and follow the terms of this AP, **BEFORE** making the application.

(e) You may accept, on behalf of your elient, partially or fully, their respective allocation under the Rights Issue of Shares with Warrants.

(f) To apply for the Rights Shares with Rights Warrants, you will be required to submit your subscription information via a Rights Shares Subscription File which is to be prcpared based on the format as set out in Bursa Depository's User Guide for NRS.

(g) Once completed, you will need to submit the Rights Share Subscription File to Bursa Depository at any time daily before 5.00 p.m., but in any event no later than the last day and time for acceptance and payment.

(h) Together with the Rights Shares Suhscription File, you will also need to submit a confirmation to Bursa Depository of the following information:

  (i) Confirmation that you have, prior to making the application via NRS, received and/or had access to the electronic copy of this AP, the contents of whieh you have read, undcrstood and agreed; and

  (ii) Consent to thc disclosure of your information to facilitate electronic refunds where applieable.

(i) With regards to payment for the Rights Shares with Rights Warrants which you have applied for, you must transfer the amount payable directly to our bank account, thc details of which are as follows:

Bank:	**RHB BANK BERHAD**
Account Name:	**DPS RIGHTS ISSUE ACCOUNT**
Bank Account No.:	**204063-000-18447**

prior to submitting the Rights Shares Subscription File to Bursa Depository.

(j) Upon complction of the transfer/payment, you may receive a transaction slip ("**Transaction Record**") from the transaeting financial institution confirming the details of your transfcr/payment. The Transaction Record is only a record of the completed transaction and not a record of the reccipt of the application via NRS or any data relating to such an application by our Company or Bursa Depository. The Transaction Record is for your record and is not required to be submitted with your application via NRS.

(k) You will be notified on the outcome of your application for the Rights Sharcs with Rights Warrants electronically within the timelines as statcd bclow. No physical notice of allotment will be mailcd to you.

  (i) successful application – an electronic notification will be sent to you within eight (8) Market Days from the last day for application and payment for thc Rights Shares with Rights Warrants; or

(ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Rights Shares with Rights Warrants.

The refund will be credited directly into your bank account(s) from which payment of your subscription monies were made. Kindly take note of the terms and conditions as stated in Section 3.5.4(ii)(a) of this AP and the required consent in making the application via NRS.

If the crediting of the refund into your bank account(s) (as provided by you in the Rights Shares Subscription File) from which payment of your subscription monies were made is unsuccessful, the refund will then be made via cheque(s) which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

(l) Upon crediting of the Rights Shares with Rights Warrants allotted to you into your CDS account(s), you will also receive an electronic confirmation of the crediting from Bursa Depository.

(m) You should note that all applications made for the Rights Shares with Rights Warrants submitted under NRS will be irrevocable upon submission of the Rights Shares Subscription File to Bursa Depository and cannot be subsequently withdrawn.

(ii) Terms and conditions for applications via NRS

The application via NRS shall be made on, and subject to, the terms of this AP, Bursa Depository's terms and conditions for NRS and Bursa Depository's User Guide for NRS as well as the terms and conditions appearing herein:

(a) For purposes of making the electronic refund, you hereby give consent in accordance with the relevant laws of Malaysia, including Section 134 of the Financial Services Act, 2013 and Section 45(1)(a) of the SICDA, to the disclosure by our Company, Bursa Depository, our Share Registrar, the relevant financial institution, their respective agents and any third party involved in facilitating the payment of refunds to you as the case may be, of information pertaining to yourself and your account with the relevant financial institution and Bursa Depository, to the relevant authorities and any person as may be necessary or expedient to facilitate the making of refunds or for any other purpose in connection with such payments. You will be required to provide confirmation of your consent in the manner prescribed in Bursa Depository's terms and conditions for NRS.

(b) You agree and undertake to subscribe for or purchase and to accept the number of Rights Shares with Rights Warrants applied for as stated on your Rights Shares Subscription File in respect of your application via NRS. Your application shall signify, and shall be treated as, your acceptance of the number of Rights Shares with Rights Warrants that may be allotted to you.

(c) You acknowledge that by completing and submitting the Rights Shares Subscription File to Bursa Depository, you, if successful, request and authorise our Company to credit the Rights Shares with Rights Warrants allotted to you into the respective CDS Account(s) as indicated in the Rights Shares Subscription File.

(d) You acknowledge that your application via NRS is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, our Share Registrar, the relevant financial institution or Bursa Depository, and irrevoeably agree that if -

(i) our Company, our Share Registrar or Bursa Depository does not reeeive your applieation via NRS; or

(ii) the data relating to your application via NRS is wholly or partially lost, corrupted or inaccessible, or not transmitted or eommunicated to our Company, our Share Registrar or Bursa Depository,

you shall be deemed not to have made your application and you shall not make any elaim whatsoever against our Company, Bursa Depository, our Share Registrar or the relevant finaneial institution for the Rights Shares with Rights Warrants applied for or for any eompensation, loss or damage relating to the applieation for the Rights Shares with Rights Warrants.

(e) By completing and submitting the Rights Shares Subscription File to Bursa Depository, you agree that:

(i) In consideration of our Company agreeing to allow and accept your application for the Rights Shares with Rights Warrants via the NRS facility established by Bursa Depository, your application via NRS is irrevocable and cannot be subsequently withdrawn;

(ii) Our Company, the relevant financial institutions, Bursa Depository and our Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your application via NRS due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;

(iii) Notwithstanding the rceeipt of any payment by or on behalf of our Company, the electronic notification of allotment in respect of the Rights Shares with Rights Warrants issued is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Rights Shares with Rights Warrants; and

(iv) You agree that in relation to any legal action, proceedings or dispute arising out of or in relation to with the contract between the parties and/or the application via NRS and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.

(f) Our Share Registrar and Bursa Depository, on the authority of our Company, reserves the right to rejeet applications which do not conform to these instructions.

3.6 Procedure for part acceptance by Entitled Shareholders

3.6.1 By way of RSF

You must eomplete both Part I(A) of the RSF by specifying the number of the Rights Shares with Rights Warrants which you are aecepting and Part II of the RSF and deliver the completed and signed RSF together with the relevant payment to our Share Registrar in the manner set out in Section 3.5.1 of this AP.

3.6.2 By way of Electronic Application and Internet Application

If you are an individual who is an Entitled Shareholder and wish to aecept only part of your provisional Rights Shares with Rights Warrants via Electronic Application or Internet Applieation, you may do so by following the same steps as set out in Section 3.5.2 and Section 3.5.3, respectively of this AP.

3.6.3 By way of NRS

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository who is an Entitled Shareholder and wish to accept only part of your provisional Rights Shares with Rights Warrants, you may do so by following the same steps as set out in Section 3.5.4 of this AP.

The portion of the provisional Rights Shares with Rights Warrants that have not been aeecpted shall be allotted to any other persons allowed under thc law, regulations or rules to accept the transfer of the provisional Rights Shares with Rights Warrants.

3.7 Procedure for sale/transfer of provisional Rights Shares with Rights Warrants

As the provisional Rights Shares with Rights Warrants are prescribed securities, you may dispose or transfer all or part of your entitlement to the Rights Shares with Rights Warrants to one (1) or more person(s) through your stockbrokers without first having to request for a split of the provisional Rights Shares with Rights Warrants standing to the credit of your CDS Aecounts. To dispose or transfer all or part of your entitlement to the provisional Rights Shares with Rights Warrants, you may sell such entitlcmcnt in the open market or transfer sueh entitlement to such persons as may be allowed pursuant to the Rules of Bursa Depository. If you have sold or transferred only part of thc provisional Rights Shares with Rights Warrants, you may still aecept the balanee of the provisional Rights Shares with Rights Warrants by completing Parts I(A) and II of the RSF. Please refer to Section 3.5 of this AP for the procedure, acceptance and payment.

In disposing/transferring all or part of your provisional Rights Shares with Rights Warrants, you need not deliver any document including the RSF, to any stockbroker. However, you must ensure that there is suffieicnt provisional Rights Shares with Rights Warrants standing to the credit of your CDS Accounts that are available for settlement of the sale or transfer.

3.8 Procedure for application of excess Rights Shares with Rights Warrants

3.8.1 By way of RSF

You and/or your renouncees/transferees (if applicable) who accepted the provisional Rights Shares with Rights Warrants may apply for excess Rights Shares with Rights Warrants by completing Part I(B) of thc RSF (in addition to Parts I(A) and II) and forward it (together with a **separate remittance** for the full amount payable in respect of the excess Rights Shares with Rights Warrants applied for) to our Share Registrar **not later than 5.00 p.m. on 9 January 2015**, being the last time and date for aeceptance and paymcnt, or such extended time and date as may be detcrmined and announced by our Board.

PAYMENT FOR THE EXCESS RIGHTS SHARES WITH RIGHTS WARRANTS APPLIED FOR SHOULD BE MADE IN THE SAME MANNER AS DESCRIBED IN SECTION 3.5.1 OF THIS AP, WHERE THE BANKER'S DRAFT(S)/CASHIER'S ORDER(S)/MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY" AND MADE PAYABLE TO "DPS EXCESS RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME AND CDS ACCOUNT NUMBER IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR.

It is the intention of our Board to allot the cxcess Rights Shares with Rights Warrants, if any, on a fair and equitable basis and in the following priority:

(i) firstly, to minimise the incidence of odd lots;

(ii) secondly, on a pro-rata basis to our Entitled Shareholders who have applied for the excess Rights Shares with Rights Warrants, taking into consideration their respective shareholdings (as per their CDS aecounts) in our Company as at the Entitlement Date on a board lot basis;

(iii) thirdly, on a pro-rata basis to our Entitled Shareholders who have applied for exeess Rights Shares with Rights Warrants, taking into consideration the quantum of their respeetive exeess application;

(iv) fourthly, on a pro-rata basis to our transferees and/or renouncees who have applied for excess Rights Shares with Rights Warrants, taking into consideration the quantum of their respective excess application; and

(v) lastly, in the event that there are still unsubseribed Rights Shares with Rights Warrants after allocating all the excess Rights Shares with Rights Warrants, the remaining unsubscribed Rights Shares with Rights Warrants will be subscribed by our director and substantial shareholder, namely DSCC, pursuant to his irrevocable and unconditional written undertaking for additional 48,039,148 Rights Shares with Rights Warrants.

Nevertheless, our Board reserves the right to allot any excess Rights Shares with Rights Warrants applied for under Part I(B) of the RSF in such manner as it deems fit and expedient and in the best interest of our Company subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in Section 3.8.1 (i) to (v) above is achieved. Our Board also reserves the right to accept any excess Rights Shares with Rights Warrants application, in full or in part, without assigning any reason.

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD.

3.8.2 By way of Electronic Application

If you are an individual who is an Entitled Shareholder and/or a renouncee and/or a transferee and/or if you have purehased any provisional Rights Shares with Rights Warrants, and wish to apply for Rights Shares with Rights Warrants via Electronic Application in excess of your entitlement, you may do so by following the same steps as set out in Section 3.5.2 of this AP save and except that you shall proceed with the option for Excess Rights Shares Application and the amount payable to be directed to "**DPS Excess Rights Issue Account**" for the excess Rights Shares with Rights Warrants applied.

It is the intention of our Board to allot the excess Rights Shares with Rights Warrants, if any, on a fair and equitable basis as set out in Section 3.8.1 of this AP.

The Electronic Application for excess Rights Shares with Rights Warrants shall be made on, and subject to, the same terms and conditions appearing in Scction 3.5.2 of this AP.

3.8.3 By way of Internet Application

If you are an Entitlcd Shareholder and/or a rcnouncee and/or a transfcrec and/or if you havc purchased any provisional Rights Sharcs with Rights Warrants, and wish to apply for Rights Sharcs with Rights Warrants via Internet Application in excess of your entitlement, you may do so by following the same steps as set out in Section 3.5.3 of this AP save and exccpt that you shall proceed with the option for Excess Rights Sharcs Application and the amount payable to be directed to **"DPS Excess Rights Issue Account"** for the excess Rights Shares with Rights Warrants applied.

It is the intention of our Board to allot the excess Rights Shares with Rights Warrants, if any, on a fair and equitable basis as set out in Section 3.8.1 of this AP.

The Internet Application for excess Rights Shares with Rights Warrants shall be made on, and subject to, the same terms and conditions appearing in Section 3.5.3 of this AP.

3.8.4 By way of NRS

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository who is an Entitled Shareholder and/or a renouncee and/or a transferee and/or if you have purchased any provisional Rights Shares with Rights Warrants, and wish to apply for Rights Shares with Rights Warrants via NRS in excess of your entitlement, you may do so by following the same steps as set out in Section 3.5.4 of this AP save and except for the amount payable to be directed to **"DPS Excess Rights Issue Account" (Bank Account No. 204063-000-18439 with RHB Bank Berhad)** for the exeess Rights Shares with Rights Warrants applied and also that you should complete the details for excess rights application at the designated fields for exeess applications in the Rights Shares Subscription File.

It is the intention of our Board to allot the excess Rights Shares with Rights Warrants, if any, on a fair and equitable basis as set out in Section 3.8.1.

The Applieation for excess Rights Shares with Rights Warrants via NRS shall be made on, and subject to, the same terms and conditions appearing in Section 3.5.4 of this AP, Bursa Depository's terms and conditions for NRS and User Guide for NRS (which are made available to all Authorised Nominees who wish to register for NRS).

3.9 Notice of allotment

Upon allotment of the Rights Shares with Rights Warrants in respect of your acceptance and/or your renouncee's/transfcree's acceptanee (if applicable) and excess Rights Shares with Rights Warrants application (if any), the Rights Shares with Rights Warrants shall be credited directly into the respective CDS Account. No physical share certificates and warrant certificates will be issued in respect of the Rights Shares with Rights Warrants. However, a notice of allotment will be despatchcd to you and/or your renouncees/transferees (who are not an Authorised Nominee who has subscribed for NRS) (if applicable), by ordinary post within eight (8) Markct Days from the last date of aeceptance and payment for the Rights Shares with Rights Warrants and excess Rights Shares with Rights Warrants application, or such other period as may bc prescribed or allowed by Bursa Seeurities, at the address shown on the Record of Depositors at your own risk.

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository, an electronic notification will be sent to you within eight (8) Market Days from the last day for application and payment for the Rights Shares with Rights Warrants and excess Rights Shares with Rights Warrants application, or such other period as may be prescribed or allowed by Bursa Securities through Bursa Depository's existing network facility with the Authorised Nominees in the manner as set out in Bursa Depository's User Guide for NRS.

Where any application for the Rights Shares with Rights Warrants is not accepted due to non-compliance with the terms of the Rights Issue of Shares with Warrants or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded without interest to you within fifteen (15) Market Days from the last date and time for acceptance and payment of the Rights Shares with Rights Warrants by ordinary post to the address shown on the Record of Depositors at your own risk.

Please note that a completed RSF and the payment thereof once lodged with our Share Registrar for the Rights Issue of Shares with Warrants cannot be withdrawn subsequently.

3.10 Form of issuance

Bursa Securities has prescribed our Shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares with Rights Warrants and the new Shares to be issued arising from the exercise of Rights Warrants are prescribed securities and as such the SICDA and the Rules of Bursa Depository shall apply in respect of the dealings in the Rights Shares with Rights Warrants.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in your application being rejected. Your subscription for the Rights Shares with Rights Warrants shall mean your consent to receiving such Rights Shares with Rights Warrants as deposited securities which will be credited directly into your CDS Account. No physical share certificate or warrant certificate will be issued to you under the Rights Issue of Shares with Warrants. Instead, the Rights Shares with Rights Warrants will be credited directly into your CDS Accounts, and notices of allotment will be sent to you in the manner as stated in Section 3.9.

Any person who has purchased the provisional Rights Shares with Rights Warrants or to whom provisional Rights Shares with Rights Warrants has been transferred and intends to subscribe for the Rights Shares with Rights Warrants must state his/her CDS Account number in the space provided in the RSF. The Rights Shares with Rights Warrants will be credited directly as prescribed or deposited securities into his/her CDS Account upon allotment and issue.

The excess Rights Shares with Rights Warrants, if allotted to the successful applicant who applied for excess Rights Shares with Rights Warrants, will be credited directly as prescribed securities into the CDS Account of the successful applicant. The allocation of the excess Rights Shares with Rights Warrants will be made on a fair and equitable basis as disclosed in Section 3.8 of this AP.

3.11 Laws of foreign jurisdictions

This AP and the accompanying NPA and RSF have not been (and will not be) made to comply with the laws of any foreign jurisdiction and have not been (and will not be) lodged, registered or approved pursuant to or under any legislation (or with or by any regulatory authorities or other relevant bodies) of any foreign jurisdiction. The Rights Issue of Shares with Warrants will not be made or offered for subscription in any foreign jurisdiction.

Accordingly, this AP together with the accompanying documents will not be sent to the foreign Entitled Shareholders and/or their renouncees/transferees (if applicable) who do not have a registered address in Malaysia. However, such foreign Entitled Shareholders and/or their renouncees/transferees (if applicable) may collect this AP including the accompanying documents from our Share Registrar, in which event our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the documents relating to the Rights Issue of Shares with Warrants.

Foreign Entitled Shareholders and/or their renouncees/transferees (if applicable) may only accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue of Shares with Warrants only to the extent that it would be lawful to do so.

TA Securities, our Company and our Directors and officers would not, in connection with the Rights Issue of Shares with Warrants, be in breach of, responsible or liablc under the laws of any jurisdiction to which that foreign Entitled Shareholders and/or their renouncees/transferees (if applicable) are or may be subject to. He shall solcly be responsible to scek advice as to the laws of the jurisdictions to which they are or may be subject to. TA Securities, our Company, our Directors and officers and othcr professional advisers shall not acccpt any responsibility or liability in the event that any acceptance or renunciation made by any foreign Entitled Shareholders and/or their renouncees/transferees (if applicable), is or shall become unlawful, unenforceable, voidable or void in any such jurisdiction.

The foreign Entitled Shareholders and/or their renouncees/transferees (if applicable) will bc responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such jurisdiction and our Company s\hall be entitled to be fully indemnified and held harmlcss hy such foreign Entitled Shareholders and/or their renouncees/transferees (if applicable) for any issue, transfer or other taxes or duties as such person may be required to pay. They will have no claims whatsoever against our Company and/or TA Securities in respect of their rights and entitlements under the Rights Issue of Shares with Warrants. Such foreign Entitled Shareholders and/or their renouncces/transferecs (if applicable) should consult their professional advisers as to whether they require any governmental, exchange eontrol or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue of Shares with Warrants.

By signing the RSF, the foreign Entitled Shareholders and/or their renouncees/transferees (if applicable) are dcemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) TA Securities, our Company and our Directors and officers that:

(i) our Company would not, by acting on the acceptance or renunciation in connection with the Rights Issue of Shares with Warrants, be in breach of the laws of any jurisdiction to which that foreign Entitled Shareholders or renouncees/transferees (if applicable) is or may be subject to;

(ii) the foreign Entitled Shareholders and/or their renouncees/transferees (if applicable) have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation of the provisional Rights Shares with Rights Warrants;

(iii) the foreign Entitled Shareholders and/or their renouncees/transferees (if applicable) are not a nomince or agent of a person in rcspcct of whom wc would, by acting on thc acceptance or renunciation of thc provisional Rights Shares with Rights Warrants, be in breach of the laws of any jurisdiction to which that person is or may be subject to;

(iv) thc foreign Entitlcd Shareholders and/or their renouncecs/transferees (if applicable) are aware that the Rights Shares with Rights Warrants can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in aceordance with all applicable laws in Malaysia;

(v) the foreign Entitled Sharcholders and/or their renouncees/transferees (if applicable) have received a copy of this AP and have been provided the opportunity to post such questions to the representatives and reccive answers thercto as the foreign Entitled Shareholders and/or their renouncecs/transferees (if applicable) deem necessary in connection with the foreign Entitled Shareholders and/or their renouncecs/transferees (if applicable) decision to subscribe for or purchase the Rights Shares with Rights Warrants. However, any information relevant to an investment shall be contained in this AP; and

(vi) the foreign Entitled Shareholders and/or their renouncees/transferees (if applicable) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares with Rights Warrants, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares with Rights Warrants.

Persons receiving this AP, the NPA and the RSF (including without limitation custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any jurisdiction where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If this AP, the NPA and the RSF are received by any persons in such jurisdiction, or by the agent or nominee of such a person, he must not seek to accept the offer unless he has complied with and observed the laws of the relevant jurisdiction in connection herewith.

Any person who does forward this AP, the NPA and the RSF to any such jurisdietion, whether pursuant to a contraetual or legal obligation or otherwise, should draw the attention of the recipient to the eontents of this section and we reserve the right to reject a purported aeceptance of the Rights Shares with Rights Warrants from any such application by foreign Entitled Shareholders and/or their renouncees/transferees (if applicable) in any jurisdiction other than Malaysia.

Our Company rcserves the right, in our absolute diserction, to treat any acceptance of the Rights Shares with Rights Warrants as invalid if it believes that such acceptauce may violate any applicable legal or regulatory requirements in Malaysia.

4. RATIONALE FOR THE RIGHTS ISSUE OF SHARES WITH WARRANTS

Taking into cognizance the current financial position of our Group, the details which are set out in Section 7 of Appendix II of this AP, as well as after due consideration of the various mcthods of fund raising available for the purposes as stated in Sccion 5 of this AP, our Board is of the opinion that the Rights Issue of Shares with Warrants is currently an appropriate avenue as:

(i) it will enable our Company to raisc capital for our Group without incurring interest expenses as compared to bank borrowings. Further, the utilisation of part of the proceeds from the Rights Issues of Shares with Warrants towards the paring down of our Group's outstanding banking facilities would allow us to reduce our funding costs moving forward as well as allow our Group to preserve cash for reinvestment and/or operational purposes;

(ii) it reduces the gearing position and enhances the cash flow of our Group. With an improved gearing ratio, we would have the flexibility to further expand our operations by raising financing, and/or aequisition of companies or businesses as and when attractive opportunities arisc. Thc healthier cash flow will also enable us to fund our existing business;

(iii) it will providc our shareholders with an opportunity to further increase their cquity participation in our Company via the issuance of new DPS Shares without diluting thc existing shareholdcrs' shareholdings, assuming that all the Entitled Shareholders fully subscribe for their entitlements pursuant to thc Rights Issue of Shares with Warrants. The Undertakings allow our major shareholders to extend their support for the Rights Issue of Shares with Warrants which will facilitate our Group to raisc the necessary funds;

(iv) the Rights Warrants are intended to provide an incentive to our shareholders to subscribe for their entitlements and hcnce, providing them with the potential capital appreciation arising from the exercise of the Rights Warrants, depending on the futurc pcrformance of the DPS Shares; and

(v) the Rights Warrants will enable our Company to raise further proceeds from the equity market for working capital and/or repayment of bank borrowings of our Group as and when the Rights Warrants are exercised at a predetermined pricc.

5. UTILISATION OF PROCEEDS

Based on the Issue Price, the gross proceeds will be utilised in the following manner:

Details of utilisation	Minimum Scenario[#] RM'000	Maximum Scenario RM'000	Expected timeframe for the utilisation of proceeds (from the date of listing of the Rights Shares)
Repayment of bank borrowings[(1)]	11,270	35,000	Within 6 months
DPSR's entitlement pursuant to the JVs[(2)]	3,974	3,974	Within 6 months
Property development costs pursuant to the JVs	-[(3)]	7,401[(4)]	Within 36 months
Working capital [(5)]	1,486	18,109	Within 24 months
Estimated expenses in relation to the Corporate Exercises[(6)]	1,500	1,500	Within 2 weeks
Total	**18,230**	**65,984**	

Notes:

\# Based on the Minimum Subscription Level

(1) As at the LPD, the total borrowings of our Group were approximately RM12.18 million mainly for the purpose of purchase of raw materials such as plywood, bentwood, compress board and fabric from overseas suppliers. Our Group intends to utilise up to RM35.00 million under the Maximum Scenario to repay the borrowings of our Group. The surplus of proceeds which may be raised under the Maximum Scenario from the Rights Issue of Shares with Warrants of approximately RM35.0 million (if any) will be utilised to repay the borrowings in the future as our management is of the opinion that there is a potential increase in our Group's borrowings to finance our working capital as and when it is required as follows:

Details of utilisation	Maximum Scenario RM'000 (up to)
Remaining development cost	9,965
Purchase of raw materials from overseas suppliers via bank facilities (such as letter of credit)	8,500
Acquisition of land for future development	4,359
Total	**22,824**

At the prevailing interest rate of our Group at approximately 8.03% per annum, our Group anticipates an interest saving of approximately RM0.90 million per annum under the Minimum Scenario and approximately RM2.81 million per annum under the Maximum Scenario.

(2) DPS Development had on 13 September 2013 entered into JVAs with DPSR to grant DPS Development the rights to undertake the development of Krubong Land and TM Land. Pursuant to the JVAs, DPSR is entitled for 33.0% of the GDV of Krubong Project and 29.0% of the GDV of TM Project aggregated to approximately RM8.23 million whereby approximately RM3.97 million in cash is required to made by DPS Development within six (6) months from the satisfaction of all conditions of the JVAs or such other periods as may be mutually agreed by the parties.

Considering the above, DPSR had on 10 October 2014 assigned its entitlements pursuant to the JVs to its shareholders, namely DSCC and DCKG. As such, the amount to be utilised to fund the entitlements of DPSR pursuant to the JVs will be directly set-off against the subscription monies due from DSCC and DCKG in respect of their Undertakings pursuant to the Rights Issue of Shares with Warrants.

In the event any of the JVAs and/or the Supplemental JVAs is terminated due to DPSR's default, DPSR shall refund all monies paid without interest pursuant to the JVAs and/or the Supplemental JVAs and shall reimburse and pay to SSB all losses, damage, costs, expenses and charges suffered by SSB in respect of and/or related to the projects without prejudicing the other rights of SSB under the JVAs and/or the Supplemental JVAs. Such refund of monies, if any, shall be utilised for working capital and/or repayment of bank borrowings, where the exact breakdown and timeframe are not determinable at this juncture.

(3) The total development cost of the JVs is approximately RM21.34 million. In the event the Rights Issue of Shares with Warrants is implemented under the Minimum Subscription Level, the development cost of approximately RM17.37 million (excluding DPSR's entitlement pursuant to the JVs of RM3.97 million) will be funded by internally-generated fund and/or bank borrowings of our Group.

(4) Our Group intends to utilise up to RM7.40 million to fund the property development costs of the Krubong Project and TM Project pursuant to the JVs as follows:

Details of utilisation	Maximum Scenario RM'000
Krubong Project	
Land conversion premium and other contribution[(a)]	154
Earthworks and infrastructure cost	373
Building and construction cost	3,574
TM Project	
Land conversion premium and extension of lease[(b)]	730
Building construction cost	2,570
Total	**7,401**

(a) Land conversion premium and other contribution are based on the approval letter dated 25 January 2013 from Pejabat Daerah dan Tanah Melaka Tengah. The premium of conversion was paid on 4 December 2013 on behalf by DPSR and will be reimbursed by SSB at a later stage.

(b) Land conversion premium and extension of lease are extracted from the approval letter dated 26 January 2012 from Pejabat Daerah dan Tanah Melaka Tengah. The premium of conversion was paid on 30 August 2013 on behalf of DPS Development by DPSR and will be reimbursed by SSB at a later stage.

The remaining development cost of the JVs of approximately RM9.97 million will be funded by internally generated funds and/or bank borrowings of our Group.

In the event any of the JVAs and/or the Supplemental JVAs is terminated, the proceeds earmarked for the funding of the above development projects pursuant to the JVs shall be utilised for working capital and/or repayment of bank borrowings, where the exact breakdown and timeframe are not determinable at this juncture.

(5) The proceeds for working capital will be used to purchase raw materials and finance our Group's existing day-to-day operations of our existing furniture business as follows:

Details of utilisation	Minimum Scenario RM'000	Maximum Scenario RM'000
Purchase of raw materials	500	6,000
Administrative and marketing	-	3,000
Repayment of trade payables	986	9,109
Total	**1,486**	**18,109**

Our Group has undertaken the following to revive our furniture business after the Fire Incidents which had damaged part of our Group's factory buildings, plant and machinery, inventories and furniture, fittings and equipment:

(i) Reconstruct, reinstall, repair and service all the plant and machinery damaged during the Fire Incidents. As at the LPD, approximately 97.60% of the plant and machinery have been rectified and this has enabled us to proceed with our production based on the nine (9)-production lines in 1 ½ factory lots.

(ii) Our Group had scaled down approximately 68% of our production capacity and operations for the FYE 31 March 2014. This had resulted in the reduction of factory overheads such as workforce and utilities costs.

Please refer to Section 7.6 of this AP for more information.

(6) The estimated expenses of approximately RM1.5 million consist of professional fees, fees payable to authorities, expenses to convene EGM, printing, advertising and any other ancillary expenses. In the event there is any excess/ deficit in the actual quantum of expenses in relation to the Corporate Exercises, such amount will be adjusted against the amount allocated for working capital purposes accordingly.

The actual proceeds to be raised from the Rights Issue of Shares with Warrants are dependent on the subscription level of the Rights Issue of Shares with Warrants. Any variation in the actual proceeds raised will be adjusted to or from the amount allocated for the working capital purposes of our Group.

Pending utilisation of the proceeds from the Rights Issue of Shares with Warrants for the abovementioned purposes, the proceeds will be placed in deposits with financial institution or short-term money market instruments as our Board may deem fit. The interest derived from the deposits with the financial institution or any gain arising from the short-term money market instruments will be used as working capital of our Group.

The exact quantum of proceeds that may be raised by us pursuant to the exercise of the Rights Warrants will depend upon the actual number of Rights Warrants exercised during the tenure of the Rights Warrants. The proceeds to be raised from the exercise of the Rights Warrants shall be utilised for working capital and/or capital expenditure of our Group of which the exact timeframe and the breakdown for the utilisation cannot be determined at this juncture.

5.1 Details of the JVs

5.1.1 JV of Krubong Land

DPSR had on 26 January 2011 and 12 September 2013 entered into a joint venture agreement and supplemental agreement, respectively with AHM, the owner of Lot 18565 and Lot 18566 held in Mukim Krubong, District of Melaka Tengah, State of Melaka Bandaraya Bersejarah held under Geran Mukim MCL 773 and 772 respectively, whereby the Owner agreed to allow DPSR to undertake development project on the said lands. Pursuant to the DPSR-AHM JVA, AHM shall be entitled to 16.5% of the GDV of the project.

Meanwhile, ECSB had on 26 January 2011 and 12 September 2013 entered into a joint venture agreement and supplemental agreement, respectively with AHM, the owner of Lot 18567 held in Mukim Krubong, District of Melaka Tengah, State of Melaka Bandaraya Bersejarah held under Geran Mukim MCL 771 whereby AHM agreed to allow ECSB to undertake development project on the said land. Pursuant to the ECSB-AHM JVA, the Owner shall be entitled to 16.5% of the GDV of the project.

Subsequently, ECSB, DPSR and AHM had on 12 September 2013 entered into a Novation Agreement, where ECSB had novated its rights to undertake the development of Lot 18567 held in Mukim Krubong, District of Melaka Tengah, State of Melaka Bandaraya Bersejarah held under Geran Mukim MCL 771 and its entitlement thereto to DPSR and AHM had agreed to such novation. AHM shall be entitled to 16.5% of GDV of the project. ECSB and DPSR are controlled and owned by DCKG and persons connected with her.

The salient terms of the Novation Agreement are as follows:

Transfer of rights and obligations

(i) ECSB has agreed to novate its rights and obligations under ECSB-AHM JVA to DPSR and DPSR has agreed to accept the novation of such rights and obligations by ECSB. AHM has agreed to such novation on the terms set out in ECSB-AHM JVA effective from the date of the Novation Agreement.

(ii) DPSR accepts all the rights and obligations of ECSB under ECSB-AHM JVA and undertakes to perform the obligations of ECSB under ECSB-AHM JVA and agrees to be bound by all terms of ECSB-AHM JVA in every way as if DPSR instead of ECSB had entered into ECSB-AHM JVA with AHM from the date of the Novation Agreement.

(iii) AHM agrees to be bound by the terms of ECSB-AHM JVA in every way as if DPSR was named in ECSB-AHM JVA as a party in place of ECSB from the date of the Novation Agreement.

DPS Development had on 13 September 2013 entered into the JVA of Krubong Land with DPSR whereby DPSR shall grant DPS Development the rights to undertake the development of Krubong Land. Pursuant to the JVA of Krubong Land, DPS Development shall be responsible for all matters relating to the development of Krubong Land whereas DPSR shall assist and facilitate in the implementation of the said development.

DPS Development had on 21 January 2014 entered into the Supplemental JVA of Krubong Land with its holding company, SSB and DPSR, where SSB has agreed to assume and accept the role as developer for the Krubong Project in place of DPS Development. It was agreed by the parties under the Supplemental JVA of Krubong Land that SSB shall assume all rights and obligations of DPS Development under the JVA of Krubong Land as developer of the Krubong Project, and DPS Development shall be redesignated as the project manager of the Krubong Project and shall carry out the duties and responsibilities of the project manager as may be designated by SSB.

DPS Development acknowledged that the entry into the Supplemental JVA of Krubong Land was initiated by DPS Development after knowing from the financial institutions that the financial institutions are reluctant to extend any banking facilities to DPS Development because DPS Development is a company having no track record of business activities.

Pursuant to the Supplemental JVA of Krubong Land, DPS Development shall be entitled to three per cent (3%) of the GDV as the project management fee.

DPSR and SSB (inclusive of DPS Development's project management fee of three per cent (3%) of the GDV) have unequivocally agreed that they be respectively entitled to thirty-three per cent (33%) and sixty-seven per cent (67%) of the GDV of the Krubong Project.

5.1.2 Details of Krubong Land

The Krubong Land comprises Lot Nos. PT 11436 to PT 11525 *(previously known as Lot Nos. 18565 & 18566)* and Lot No. 18567, Title Nos HMM 410 to HMM 499 *(previously known as Geran Mukim MCL 773 & 772)* and Geran Mukim MCL 771, Mukim of Krubong, District of Melaka Tengah, State of Melaka Bandaraya Bersejarah with a total net land area of 3.840 hectares (equivalent to 9.489 acres or 413,341 sq ft). It is situated in an area predominantly developed with established housing schemes and has access to basic infrastructure and amenities.

Further details of the Krubong Land are summarised in the table below:

Title details	Lot Nos. PT 11436 to PT 11525 *(previously known as Lot Nos. 18565 & 18566)* and Lot No. 18567, Title Nos HMM 410 to HMM 499 *(previously known as Geran Mukim MCL 773 & 772)* and Geran Mukim MCL 771, Mukim of Krubong, District of Melaka Tengah, State of Melaka Bandaraya Bersejarah
Registered proprietor	AHM
Category of land use	Building
Existing use	Vacant land
Proposed use	Housing development
Tenure	Freehold
Restriction in interest	Nil
Market value[(1)]	RM5,620,000
Encumbrances	Nil

Note:

(1) ***Based on the updated valuation certificate dated 22 September 2014 taking into consideration the category of land use being for "building" for Lot 18565 and Lot 18566 as the conversion premiums have been fully paid, although this has yet to be endorsed on the title.***

The land known as Lot 18565 and Lot 18566 held in Mukim Krubong, State of Melaka Bandaraya Bersejarah held under Geran Mukim MCL 773 and 772 respectively, have been approved by Jabatan Perancangan Bandar Majlis Bandaraya Melaka Bersejarah on 2 August 2012 for housing developments which comprise proposed development of eighty-nine (89) units of single-storey terrace houses, whilst the land known as Lot 18567 held in Mukim Krubong, State of Melaka Bandaraya Bersejarah held under Geran Mukim MCL 771 does not have any approved layout plan as at the LPD and SSB intends to submit a layout plan to build single storey terrace houses to the local authority in the first (1st) half of 2015. The estimated GDV and total development cost (inclusive of DPSR's and the Owner's entitlements pursuant to the JVA of Krubong Land) for the Lot 18565 and Lot 18566 of Krubong Land is approximately RM14.49 million and RM11.86 million respectively, yielding an estimated profit of approximately RM2.63 million to SSB (inclusive of DPS Development's project management fee of 3% of the GDV). The actual GDV and total cost will depend on the final architectural design and the progressive development of various components. This amount covers, inter-alia, DPSR's and the Owner's entitlements, the construction and property development costs, promotion and marketing expenses, professional fees and statutory charges.

The earthwork of Lot 18565 and Lot 18566 of Krubong Land has commenced in early August 2014 and will be completed in December 2014. The development of Lot 18565 and Lot 18566 of Krubong Land shall be completed within thirty-six (36) months from August 2014. The property development costs of RM11.86 million are expected to be funded by a combination of the following:

	Minimum Scenario		**Maximum Scenario**	
	RM'000	**%**	**RM'000**	**%**
Proceeds from the Rights Issue of Shares with Warrants	2,344	19.76	6,445	54.33
Bank borrowings and/or internally-generated funds	9,519	80.24	5,418	45.67
Total	**11,863**	**100.00**	**11,863**	**100.00**

However, the GDV and total costs for the Krubong Project including Lot 18567 held in Mukim Krubong, State of Melaka Bandaraya Bersejarah held under Geran Mukim MCL 771 will vary from the above mentioned GDV and total costs which was derived based on the approved development plan for Lot 18565 and Lot 18566 held in Mukim Krubong, State of Melaka Bandaraya Bersejarah held under Geran Mukim MCL 773 and 772 respectively whereby the exaet variation cannot be determined at this juncture.

As at the LPD, DPSR has ineurred approximately RM0.21 million as property development eosts for the Krubong Projeet and these eosts shall be reimbursed by SSB from the progress billings received from the sales of houses. However, such costs ineurred must be verified by independent competent professionals prior to reimbursement from SSB.

5.1.3 JV of TM Land

DPS Development had on 13 September 2013 entered into the JVA of TM Land with DPSR whereby DPSR shall grant DPS Development the rights to undertake the development of the TM Land.

Pursuant to the JVA of TM Land, DPS Development and DPSR have agreed to co-operate exclusively with eaeh other to undertake the development of the TM Land as a joint venture whereby DPS Development shall be responsible for all matters relating to the development whereas DPSR shall assist and facilitate in the implementation of the said development.

DPS Development had on 21 January 2014 entered into the Supplemental JVA of TM Land with its holding company, SSB and DPSR, where SSB has agreed to assume and aecept the role as developer for the TM Projeet in plaee of DPS Development. It was agreed by the parties under the Supplemental JVA of TM Land that SSB shall assume all rights and obligations of DPS Development under the JVA of TM Land as developer of the TM Project, and DPS Development shall be redesignated as the project manager of the TM Project and shall carry out the duties and responsibilities of the project manager as may be designated by SSB.

DPS Development acknowledged that the entry into the Supplemental JVA of TM Land was initiated by DPS Development after knowing from the financial institutions that the financial institutions are reluctant to extend any banking facilities to DPS Development because DPS Development is a company having no track record of business activities.

Pursuant to the Supplemental JVA of TM Land, DPS Development shall be entitled to three per cent (3%) of the GDV as the project management fee.

DPSR and SSB (inclusive of DPS Development's project management fee of three per cent (3%) of the GDV) have unequivocally agreed that they be respectively entitled to twenty-nine per cent (29%) and seventy-one per cent (71%) of the GDV of the TM Project.

5.1.4 Details of TM Land

TM Land comprises Lot Nos. PT 15571 to PT 15625 *(previously known as Lot Nos. 3949, 3950 & 3951)*, Title Nos HSM 4708 to HSM 4762 *(previously known as PM 2297, PM 2298 and PM 2299)*, Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka Bandaraya Bersejarah with approval for mixed development with a total land area of 1.7428 hectares (equivalent to 4.3066 acres or 187,595 sq ft). The TM Land is situated in an area predominantly developed with established housing schemes and has access to basic infrastructure and amenities.

Further details of the TM Land are summarised in the table below:

Title details	Lot Nos. PT 15571 to PT 15625 *(previously known as Lot Nos. 3949, 3950 & 3951)*, Title Nos HSM 4708 to HSM 4762 *(previously known as PM 2297, PM 2298 and PM 2299)*, Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka Bandaraya Bersejarah
Registered proprietor	DPSR
Category of land use	Building
Existing use	DPSR has commenced with the development based on the approved master plan
Proposed use	Housing development
Tenure	Ninety-nine (99)-year lease expiring on 16 March 2113
Restriction in interest	This land shall only be transferred or charged with the written consent from the state authority
Net book value as at 31 December 2013	RM997,454
Market value[(1)]	RM3,100,000
Encumbrances	Charged to Malayan Banking Berhad by DPSR

Note:

(1) Based on the updated valuation certificate dated 22 September 2014 taking into consideration the category of land use being for "building" as the conversion premiums have been fully paid, although this has yet to be endorsed on the title.

The TM Land has been approved for a housing development by Jabatan Perancangan Bandar Majlis Bandaraya Melaka Bersejarah on 28 February 2011 which comprises forty-four (44) units of single-storey terrace houses and ten (10) units of two (2)-storey shop houses.

The estimated GDV and total development cost for TM Land (including landowner's entitlement) is approximately RM11.88 million and RM9.48 million respectively, yielding an estimated profit of approximately RM2.40 million to SSB (inclusive of DPS Development's project management fee of 3% of the GDV). The total cost which covers, inter-alia, DPSR's entitlement, the construction and property development costs, promotion and marketing expenses, professional fees and statutory charges.

The development of TM Land has commenced in the second (2nd) quarter of 2013 whereby ten (10) units of two (2)-storey shop houses have reached ninety percent (90%) completion and are at the stage of painting and sanitary installation while the remaining forty-four (44) units of single-storey terrace houses have reached forty-five percent (45%) completion and at the stage of structural construction, brickworks and roof and ceiling installation as at the LPD. The development is expected to be completed within twenty-four (24) months from the commencement of the development i.e., first (1st) half of 2015. The property development costs of RM9.48 million are expected to be funded by a combination of the following:

	Minimum Scenario		Maximum Scenario	
	RM'000	%	RM'000	%
Proceeds from the Rights Issue of Shares with Warrants	1,630	17.20	4,930	52.02
Bank borrowings and/or internally-generated funds	7,847	82.80	4,547	47.98
Total	**9,477**	**100.00**	**9,477**	**100.00**

As at the LPD, DPSR has incurred approximately RM3.65 million as property development costs for the TM Project and these costs shall be reimbursed by SSB from the progress billings received from the sales of houses. However, such costs incurred must be verified by independent competent professionals prior to reimbursement from SSB.

6. RISK FACTORS

You and/or your renouncees/transferees (if applicable) should consider carefully the following risk factors (which may not be exhaustive) which may have an impact on the future performance of our Group, in addition to other information contained elsewhere in this AP, before subscribing for or investing in the Rights Issue of Shares with Warrants.

6.1 Risks relating to our existing business in the furniture industry

(i) Insurance coverage

Our Group is aware and recognises the importance of having adequate insurance coverage for our Group's assets and the consequence arising from inadequate insurance coverage that could potentially jeopardise our business operations and financial positions.

The Fire Incidents had damaged approximately RM36.17 million of our Group's assets. Subsequently, our Group submitted the claims for the Fire Incidents of approximately RM24.22 million and approximately RM11.95 million to MSIG and HSBC Amanah Takaful (Malaysia) Berhad, respectively, the details of which are set out in Section 4 of Appendix VIII of this AP.

The furniture manufacturers are currently facing an issue whereby many companies are unable to obtain adequate insurance coverage on their premises, inventories and furniture products as the furniture industry is categorised as a high risk industry for insurance companies. Our Group has insurance coverage for the properties of approximately RM36.39 million (based on the audited net book value as at 31 March 2014) other than those in Kawasan Perindustrian Bukit Rambai Phase V, Bukit Rambai, Melaka, as the area had fire incidents in the past.

As a measure to mitigate the risk of insufficient insurance coverage in our operating industry (i.e, furniture industry), our Group will continue to create awareness by providing relevant training from fire and rescue department of Malaysia to our staff. In addition, our Group has set up a fire fighting committee and standard operating procedure manual to our staff to mitigate the likelihood and impact of the oceurrenee of emergency or disaster. In addition, our Group has increased the number of seeurity guards in our factory to safeguard our factory by detecting any fire at an early stage.

Notwithstanding the above, there ean be no assurance that our Group's business operations and finaneial positions will not be adversely affected by the impact of no insurance coverage for some of the properties should there be any occurrence of emergency or disaster.

(ii) Supply of raw materials

Our Group's current production depends significantly on the long-term sustainable supply of particle board and natural wood and veneer from various local and foreign supplicrs who, thus far, are able to provide a constant supply. Although our Group is not dependent on any single supplier for the sourcing of raw materials as it is our Group's policy to have multiplc soureing and to maintain a long-term relationship with our major suppliers, there can be no assurance that there will be no disruption in production due to shortages in these materials.

(iii) Shipping disruptions

As a majority of our finished products are exported to overseas countries, we may experience shipping distribution for the export of our products such as weather conditions, political turmoil, pirate attacks, social unrest, port strikes, oil spills, delayed or lost shipments, which may have an adverse impact on our business. However, we always ensure that all our products are adequately insured to minimise any potential risk, eost or liability. In addition, we may also face fluetuations in shipping costs for the export of our products. In some instances, the shipping related costs of our produets are borne by our customers. Nonetheless, any major fluctuation in eharter and freight rates may have a substantial impact on our eosts. If we are unable to pass on the increase in such costs to our customcrs, our profitability may be adversely affected.

(iv) Foreign currency exchange risks

Most of our products are exported to foreign countries such as Europe, US, and Latin America while certain raw materials like plywood, bentwood, compress board, fabric and ete are sourced from foreign countries such as China, Thailand, Vietnam and Indonesia.

Fluctuations in USD exehange rate will have an impact on the prices of imported raw materials as well as export earnings, whieh will in turn affect the profitability of our Group. Our profit margin is generally expected to improve if the USD strengthens against RM which will then increase our profitability. Conversely, the weakening of USD against RM would generally reduce our profitability due to lower profit margin, dependent on the extent and effectiveness of our hedging strategies adopted.

At present, we have credit lines for foreign exchange forward contracts with several financial institutions. Should the need arises, our management can readily utilise such forward contract to hedge the fluctuations in exchange rates between RM and USD, after taking into account the exposure period and the related transaction costs. Further we also maintain a foreign currency account to facilitate the receipt of revenue collections which are denominated in USD to pay for some of our purchases which are also denominated in USD. Thus it provides some form of natural hedging against any adverse foreign exchange fluctuations.

Notwithstanding the above, there is no assurance that any adverse fluctuations in foreign exchange rates would not have a material impact on our financial performance.

(v) Borrowings

Our Group's total borrowings from financial institutions as at the LPD amounted to approximately RM12.18 million, comprising short and long term borrowings. The aforesaid borrowings are all interest-bearing. Fluctuation in interest rates may have a material effect on our Group's profitability. However, our Group plans to utilise up to RM35.0 million of the proceeds raised from the Rights Issue of Shares with Warrants towards the repayment of bank borrowings, after which our Group's future financial performance will be less encumbered by the cost of borrowings which are subject to volatility in interest rates.

The credit facilities of our Group may also be subject to periodic review by the banks or other financial institutions and contain certain covenants which may limit our Group's operating and financial flexibility. Any act or omission by our Group that breaches such covenants may give rise to rights by the banks and financiers to terminate the relevant credit facilities and/or enforce any security granted, in relation to those credit facilities and this may in turn cause a cross default of other credit facility agreements. There can be no assurance that the aforesaid breaches will not have any adverse effect on our Group's operational and financial results. Our Group has not in the past and is not presently in breach of any such covenants of any credit facility granted to our Group and will at all times take all reasonable efforts to observe such covenants.

(vi) Political, economic, regulatory and social conditions

Like all other business entities, adverse developments in political, economic, regulatory and social conditions could materially affect our financial and business prospects. Other political uncertainties that could unfavourably affect us include changes in political leadership, war, economic downturn, financial crisis, expropriation, nationalisation, re-negotiation or nullification of existing contracts, changes in interest rates and methods of taxation.

Much of the above changes are beyond our control. Whilst we practice prudent financial management and efficient operating procedures, there can be no assurance that any adverse economic, political and regulatory developments will not materially affect the performance of our Group. The changes in the political, economic, regulatory and social conditions have not adversely impact our business and growth prospects as at the LPD.

6.2 Risks relating to diversification of our principal activities to include property development

(i) Business diversification risk

Our Group is principally engaged in the manufacturing and trading of furniture and providing kiln-drying services. The JVs would result in the diversification of our Group's business to include the property development where we have no prior experience. Our Group will be subject to new challenges and risks arising from property development business in which we have not directly participated in the past.

Our Group seeks to mitigate this risk by leveraging on the competencies and experience of our director and key management, namely, DSCC, Edward Sow Yuen Seng and Tan Tian Huat who have been involved in the property development industry and to recruit professionals with relevant experience in the property development to complement our team.

DSCC, the Executive Chairman and Managing Director of our Company, has been involved in property development business in Melaka since 1983 and has accumulated over thirty (30) years' of experience in the property development business. In 1988, DSCC being the developer through DPSR had successfully completed 150 units of single storey terrace houses and single storey semi-detached houses with GDV of RM35.0 million at Taman Bukit Rambai, Melaka and had also completed the building and construction of Masjid Al-Amin, Melaka in 1994 in eighteen (18) months, which is six (6) months prior to the scheduled completion period of twenty-four (24) months.

Tan Tian Huat is the project manager of DPS Development with approximately forty-five (45) years of experience in the construction and property development industry. He started as a sub-contractor in 1970. In 1988, he co-founded Teo Teck Huat Sdn Bhd which had successfully completed the civil and construction works of a block of 102 units of fifteen (15)-storey apartment known as Lagenda Condominium in Melaka in 1995 with a contract sum of approximately RM26.0 million. In 1996, he joined Hsin Loong Construetion Sdn Bhd as a project manager and is responsible for overseeing the construction operations of Hsin Loong Construction Sdn Bhd. He was involved in the following projects undertaken by Hsin Loong Construction Sdn Bhd during his tenure with Hsin Loong Construction Sdn Bhd from 1996 to 2006:

(i) construction of one hundred and ten (110) units of two (2)-storey town house on a four (4) acres land with a contract sum of approximately RM28.0 million at Taman Bukit Cheug; and

(ii) construction of three hundred and twenty (320) units of four (4)-storey shop office on a twenty (20) acres land with a contract sum of approximately RM52.0 million at Oakland Commercial Centre, Seremban, Negeri Sembilan.

In 2006, be resigned from Hsin Loong Construction Sdn Bhd and joined DPSR as a project manager, where he was involved in the development of Taman Rambai Utama and Taman Sri Tanjung Minyak with GDV of RM5.18 million and RM3.26 million respectively. His main responsibilities were to supervise the project, liaising with the authorities as well as to monitor the progress of construction works, project cash flows and hand over of completed units to the purchasers. He joined DPS Development on 1 September 2013 and is currently responsible for the overall project management of the Proposed JVs as well as overseeing the daily operations of DPS Development.

Edward Sow Yuen Seng (who is the son of DSCC and DCKG) is a Director of DPSR and a shareholder and Director of ECSB. He was involved in the development of Taman Rambai Utama and Taman Sri Tanjung Minyak with GDV of RM5.18 million and RM3.26 million respectively. His main responsibility includes planning, overseeing the progress of the construction works and sales and marketing for the projects.

However, there can be no assurance that steps taken to mitigate this risk will ensure that the Diversification will be successful.

(ii) Competition

Our Group will face direct competition from both new entrants and existing players in the property development industry. Our Group may also face disadvantage as a new entrant in the property development industry as we lack the relevant track record and brand name as compared to the existing players which enjoy the privilege of their established brand name and reputation in the industry.

Nevertheless, our Group seeks to be competitive in the property industry by being cost efficient through effective project management and cost control policies, providing quality products and competitive pricing and actively seeking new opportunity in the property development industry. However, there can be no assurance that these efforts will enable our Group to compete successfully and effectively with current and new entrants in the property development sector.

(iii) Business risks

Pursuant to the implementation/undertaking of the JVs, our Group will be subject to risks inherent to the property development. These may include amongst others, general economic downturn in the global and regional economy, entry of new players, socio-political instability, changes in demand and oversupply of properties, increases in the costs of labour and building materials disruptions/shortages, changes in credit conditions and changes in the legal and environment framework within which this industry operates.

Although our Group will seek to limit these risks through, inter-alia, effective human resource and project management and cost-control policy, implementing prudent business strategies, keeping abreast with the latest developments in the industry and continuously reviewing the operations and marketing strategies, no assurance can be given that any changes in these risks will not have a material adverse effect on our Group's business and earnings in the future.

(iv) Dependency on Executive Directors and key management personnel

As in any other business, our Group's involvement in the property development industry depends largely on the abilities, skills, experience, competency and continued efforts of DSCC and the key management team for our property development business. The loss of any of the said directors and/or relevant key management personnel without suitable and timely replacement, or the inability of our Group to attract and retain other qualified personnel, could adversely affect our Group's property development operations and consequently, our revenue and profitability. Recognising the importance of the key management, our Group will continuously adopt appropriate approaches to retain the key personnel. To avoid over dependence on any key personnel, our Company strives to attract qualified and experienced employees, as well as to address the succession planning programme by grooming the junior employees to complement the management team. This will in turn help to ensure continuity and competency of our management team.

(v) **Risk of the Principal Joint Venture Agreements**

The main risk factor of the Principal Joint Venture Agreements is if either party is in breach of or fails to observe or perform any of its covenants and obligation under the Principal Joint Venture Agreements and has failed to remedy such breach or failure within reasonable time not exceeding thirty (30) days after receipt of a notice by the other party to that effect, the JVA of Krubong Land and the Supplemental JVA of Krubong Land are deemed to be terminated automatically and shall cease to have effect immediately upon the termination of the Principal Joint Venture Agreement.

Nevertheless, provisions for, amongst others, dispute resolutions and remedies on default have been provided for under the JVA of Krubong Land and SSB will endeavour to resolve any dispute amicably.

(vi) **Difficulty in securing suitable and/or strategic land banks**

The success of the property development business segment is very much dependent on the locality and size of the land banks in order to achieve successful property launches which will sustain the profitability of our Group in the future. In order to sustain our Group's future growth in the property development activities and profitability, our Group needs to continuously strive to obtain strategically located development land and that has development potential. Measures that will be taken by our Group to mitigate this risk include conducting market surveys before acquiring any suitable land banks or enter into JV with the land owner for development. These include market surveys of the population for the identified area, on-going or potential projects nearby and the demand of the market. However, replenishment of land banks is dependent upon various factors, including amongst others, size, price and sustainability of the land, location, supply of land banks in growth areas, favourable government policies as well as township planning.

However, there can be no assurance that our Group will be able to identify and acquire attractive new sites at commercially acceptable prices which may have a material effect on the financial performance and the property development business segment of our Group in the future.

(vii) **Performance of the property market**

Our financial performance will be dependent on the performance of the property market in Malaysia. Any adverse developments affecting the property market such as the deterioration in property demand may have an adverse impact on our business operations and financial performance.

The performance of the property market is also affected by the regulatory environment. In efforts to promote a more stable and sustainable property market, local authorities in Malaysia have introduced certain regulatory restrictions and schemes.

RPGT was reinstated by the government to deter speculative activities in the secondary property market. Subsequent to 2013, the RPGT rate was revised higher by the government as part of its efforts to further curb speculation in the property market.

Additionally, the government had also introduced a maximum loan-to-value ratio of seventy percent (70%) with regards to the third home purchases. Under the ruling, the potential third home purchasers are only able to obtain loan-financing facility of up to seventy percent (70%) of the value of their proposed third home purchases. The ruling was introduced with the aim of discouraging speculation in the property market. In November 2013, BNM issued a ruling that banks are required to give out property loans based on net selling price of the properties, which exclude rebates and discount as opposed to the gross selling price of the subject properties.

In addition, banks can no longer provide financing for projects with DIBS. DIBS is generally a form of promotional incentive offered to potential purchasers in a bid by property developers to attract property buyers. Under DIBS, interests of the loan undertaken by the buyer are borne by the property developers until the property has been constructed. However, we are of the view that such restriction should not have a material impact on our sales as we are able to offer other forms of promotional incentives such as early bird discount, free legal fees as well as free fittings and fixtures to attract potential purchasers. However, any further introduction of cooling measures by the government or BNM to control price levels of the Malaysian property market may adversely impact our property development business.

(viii) Financial risk

The JVs will be funded through a combination of proceeds raised from the Rights Issue of Shares with Warrants, internally-generated funds and/or bank borrowings. If bank borrowings are secured to fund the property development costs, the gearing level of our Group will increase and any adverse movement in the interest rates may have a significant impact on the project costs which would adversely affect our Group's financial performance in the future.

In mitigating such risk, our Group will actively review our debt portfolio taking into consideration the level and nature of borrowings and seek to adopt appropriate cost effective financing options. Furthermore, our management will continuously monitor and adjust development and marketing strategies in response to changes in economic conditions and market demand and will ensure that the JVs are carried out with due care and proper judgement.

6.3 Risks relating to the Rights Issue of Shares with Warrants

(i) Investment risk

The market price of the Rights Shares is influenced by, amongst others, the prevailing market sentiments, the volatility of equity markets, the liquidity of DPS Shares, the outlook for the furniture industry and property development industry, changes in regulatory requirements or market conditions, the financial performance and fluctuations in our Group's operating results. In view of this, there can be no assurance that the Rights Shares will trade above the Issue Price for the Rights Shares or TERP upon or subsequent to the listing of and quotation for the Rights Shares on the Main Market of Bursa Securities.

The market price of the Rights Warrants may be influenced by, amongst others, the market price of DPS Shares, and the remaining exercise period of the Rights Warrants and the volatility of DPS Shares. There can be no assurance that the Rights Warrants will be "in-the-money" during their exercise period of the Rights Warrants. In the event the Rights Warrants are not exercised during the exercise period, the unexercised Warrants will lapse and cease thereafter to be valid for any purpose.

(ii) Delay in or failure of the Rights Issue of Shares with Warrants

The Rights Issue of Shares with Warrants is exposed to the risk that it may be aborted or delayed on any of the force majeure events or circumstances which are beyond the control of our Company arising prior to the implementation of the Rights Issue of Shares with Warrants. Such events or circumstances include inter-alia, natural disasters, adverse developments in political, economic and government policies in Malaysia, including changes in inflation and interest rates, global economic downturn, acts of war, acts of terrorism, riots, expropriations and changes in political leadership.

In this respect, all proceeds arising from the Rights Issue of Shares with Warrants will be refunded without interest to the Entitled Shareholders and/or their renouncees/transferees (if applicable) in the cvent the Rights Issue of Shares with Warrants is aborted and if such monies are not repaid within fourteen (14) days after it becomes liable, we will repay such monies with interest at the rate of ten pereent (10%) per annum or such other rate as may be prescribed by the SC in aceordance with Seetion 243(2) of the Capital Markets and Services Act, 2007. Notwithstanding the above, our Company will exereise its best endeavors to ensure the suceessful implementation of the Rights Issue of Shares with Warrants. However, there can be no assurance that the abovementioned factors/events will not cause a delay in or abortion of the Rights Issue of Shares with Warrants.

(iii) **Capital market risks**

The performance of the loeal stoek market is dependent on the economic and political condition in Malaysia as well as external factors such as, amongst others, the performanee of the world bourses, flows of foreign funds and prices of commodities. These factors invariably contribute to the volatility and the liquidity of Bursa Seeurities, thus adding risk to the market price of the Rights Shares and Rights Warrants.

(iv) **Forward-looking statements**

Certain statements in this AP are based on historical information, which may not be reflective of the future results, and others are forward-looking in nature, which are subject to uncertainties and contingencics.

All forward-looking statements contained in this AP are based on foreeasts and assumptions made by our Company, unless stated otherwise. Although our Board believes that these forward-looking statements are reasonable, the statements are nevertheless subjeet to known and unknown risks, uneertainties and other factors whieh may cause the actual results, performance or achievements to differ materially from thc future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include, among othcrs, the risk factors as set out in this section. In view of the above, the inclusion of any forward-looking statements in this AP should not be regarded as a represcntation or warranty by our Company that the plans and objectives of our Group will be aehieved.

7. INDUSTRY OUTLOOK AND FUTURE PROSPECTS OF OUR GROUP

7.1 Overview and outlook of the Malaysian economy

The Malaysian economy expanded by 5.6% in the third quarter of 2014 (2Q 2014: 6.5%). Overall, growth was supported by private domestic demand, amid continued contraetion in public expenditure. As real exports of goods and services reeorded a positive growth amid a slower pace of expansion in real imports of goods and services, net cxports continued to contribute positively to growth during the quarter. On a quarter-on-quarter seasonally-adjusted basis, the eeonomy grew by 0.9% (2Q 2014: 1.9%).

Domestic demand grew by 4.8% in the third quarter (2Q 2014: 5.8%), with private sector activity being the key drivcr of growth. Publie sector spending deelined further during the quarter as the contraction in public investment more than offset the improvement in publie consumption.

Private sector activity grew by 6.7% (2Q 2014: 8.1%), driven by stronger growth in private consumption of 6.7% (2Q 2014: 6.5%). Household spending remained supported by stable employmcnt conditions and eontinued wage growth. Private investment expauded at a slower pace of 6.8% (2Q 2014: 12.1%), attributed to a decline in spending on machinery and equipment, particularly in thc transportation segment. Going forward, investment activity will be supported by continued flow of ongoing and new projects by the private and public sectors.

Public sector expenditure registered a negative growth of 1.2% (2Q 2014: -1.6%). Public consumption turned around to register a positive growth of 5.3% (2Q 2014: -0.5%), reflecting higher government spending on supplies and services. Public investment, however, declined further by 8.9% (2Q 2014: -3.3%), attributed mainly to the near completion of a few projects by public enterprises and the continued contraction in the federal government development expenditure.

On the supply side, positive growth was experienced across all economic sectors in the third quarter. The services sector recorded sustained growth, supported by the continued expansion in both the consumption and production-related services. In the manufacturing sector, after an exceptionally strong performance in the second quarter, the sector expanded at a more moderate pace amid slower domestic-oriented activity.

(Source: Economic and Financial Developments in the Malaysian Economy in the Third Quarter of 2014, BNM)

Malaysian real GDP is estimated to grow at 5.9% in 2014 strongly driven by the private sector, both consumption and investment. Net exports are somewhat strong but on weaker imports. Weaker imports, particularly on the intermediate goods, in turn will jeopardise future exports. As such, the contribution of export demand to the forecasted real GDP growth of between 5.0-5.5% in 2015 is predicted to be weaker. Therefore, domestic demand is forecasted to be stronger in 2015 as public consumption and investment are expected to pick up the slack of the somewhat weaker private counterparts.

(Source: Malaysian Economic Outlook, Malaysian Institute of Economic Research dated 5 December 2014)

7.2 Overview and outlook of the global economy

The global economy is expected to remain on a moderate and uneven growth trajectory in 2014 supported by a pickup in the US and the UK along with a steady, albeit lower pace of expansion, in major emerging market economies. Improvements in the euro area and Japan during the second half of the year are also expected to contribute positively to world economic activity. Asian economies, including China, India and major ASEAN countries, are expected to continue to drive global economic growth.

Overall in 2014, global growth is expected to remain stable at 3.3% (2013: 3.3%) with stronger growth in advanced economies at 1.8% (2013: 1.4%) and slightly slower growth in emerging markets at 4.5% (2013: 4.7%). The expansion is expected to be supported by slightly stronger growth of 3.9% (2013: 3%) in world trade following higher demand in the US and emerging economies. Meanwhile, foreign direct investment flows are expected to rise 10.3% to USD1.6 trillion (2013: 9.2%; USD1.5 trillion) mainly driven by investments in developed economies that have started to recover.

The global economies is expected to strengthen in 2015 given the continued policy mix of fiscal and monetary measures undertaken by major economies, aiming at spurring growth. The advanced economies are expected to grow 2.3% in 2015 (2014: 1.8%) led by the US and the UK, while the euro area and Japan are expected to improve.

The global inflation is projected to remain mild due to large output gaps in advanced economies. Inflation in advanced economies is forecast to increase to 1.8% (2014:1.6%) while in emerging market and developing economies, inflation is expected to remain at 5.5% (2014: 5.5%).

(Source: Economic Report 2014/2015, Ministry of Finance Malaysia)

7.3 Overview of the furniture industry in Malaysia

Shipment of wood products rebounded by 4.7% (January – July 2013: -5.9%) mainly driven by strong export growth of wooden furniture (13.4%) to US, Japan and Australia. Amid higher demand, exports of bedroom furniture and seats with wooden frame, in particular, increased significantly by 21.6% and 15.2%, respectively. In contrast, veneers and plywood fell marginally by 2.7% owing to lower receipts from Republie of Korea, Taiwan and Philippines despite increased new housing activity in Japan during the earlier part of 2014 which boosted greater demand of plywood produets.

(Source: Economic Report 2014/2015, Ministry of Finance)

From largely cottage-based production in the 1980s, the furniture industry in Malaysia has grown into a multi-billion ringgit industry today, with over 3,000 manufaeturers employing over 60,000 people in country. Furniture production in Malaysia is estimated to have grown from RM10.3 billion in 2009 to RM10.9 billion in 2012, with a decrease to RM9.8 billion in 2013 as demand from the export markets softened. A substantial percentage of furniture manufactured in Malaysia is exported. Over the last four (4) years, an average 74% of production was exported, with the top five (5) destination countries being the US, Japan, Singapore, Australia and the UK. In 2009, furniture exports in Malaysia was RM7.6 billion, which increased to just over RM8.0 billion in 2012.

Wooden furniture forms the bulk of furniture produced and exported in Malaysia, with rubberwood furniture accounting for a substantial share. Approximately 72% of total furniture exported in 2011 was manufaetured from rubberwood, with Malaysia's exports of rubberwood furniture having increased at a CAGR of 5% between 2009 and 2011, from approximately RM5.0 billion to RM5.5 billion.

Malaysia Furniture and Rubberwood Furniture Export, 2009-13

Year	Export of furniture (RM million)	Export of rubberwood furniture (RM million)
2009	7,623	4,999
2010	7,959	5,180
2011	7,670	5,540
2012	8,002	n/a
2013	7,358	n/a
CAGR (2009-11)		5%

(Source: Global and Malaysia Furniture Industry dated November 2014, SMZA Consulting Sdn Bhd)

The wood-based industry is a major contributor to value-added, export earnings and employment in the manufacturing sector. It has extensive backward linkages with the primary sector, principally tropical hardwood timber and rubberwood, and forward linkages to the metals, and machinery and equipment industries. From being a major supplier of plywood, the industry has progressed to become a major exporter of medium density fibreboards and rubberwood furniture. Malaysia is presently the world's fourth largest exporter of medium density fibreboard and second largest exporter of furniture in Asia.

The industry will remain a major contributor to export earnings. By 2020, export earnings from downstream products, mainly comprising furniture and panel products, such as medium density fibreboards and plywood, are estimated to reach RM53 billion.

(Source: Third Industrial Master Plan 2006-2020, Ministry of International Trade and Industry)

7.4 Overview of the global furniture industry

World furniture production grew by a CAGR of 3.6% from 2009 to 2013, from an estimated USD347 billion to USD399 billion. Following a temporary decline in world production from 2008 to 2009 as a result of the global financial crisis, the industry has been growing steadily over the last four (4) years. In 2010 and 2011, the global industry registered production of approximately USD363 billion and USD370 billion respectively.

World furniture trade likewise increased during the same period at a higher CAGR of 6.2% as a result of higher levels of worldwide furniture imports and exports compared to production. World furniture trade is defined as the average between total global furniture imports and total global furniture exports, and is a standard industry definition. In 2009, world furniture trade stood at about USD96 billion, which grew to an estimated USD122 billion in 2013.
The world's largest furniture producer is the People's Republic of China with approximately 25% of world production. The US is the world's second largest producer with about 15%, while Italy and Germany make up the top four (4) with 8% and 7% respectively. Other major producing countries are Japan, France, Canada, UK, Poland and Brazil, each with approximately 2% to 3% of total world production. Overall, high income nations account for approximately 52% of total world production while the developing countries make up the remaining 42%.

The demand for furniture is generally driven by three (3) key factors, overall growth in world population, continued economic growth and rising urbanization rates.

- Population growth

  World population in 2013 was approximately 7.1 billion, having grown by 34% from 5.3 billion in 1990. Higher population growth rates were especially witnessed in developing countries, fueling the need for housing and home furnishing. The demand for furniture will continue to increase over the long term with the world's rising population.

- Economic growth

  The global economy has continually witnessed positive growth trends in recent decades, with the exception of periods of economic slowdown in 1997/98 and 2008/09. In line with global economic growth, there continues to be strong demand for residential, commercial and industrial development, which directly leads to an increase in related household furnishing. The growth in per capita income worldwide has also led to higher overall purchasing power.

- Rising urbanisation

  In 2011, the average world urbanisation rate, which is used here as an indicator for wealth, was estimated at approximately at 52.1%. The urbanisation rate for the more developed regions, less developed regions and least developed countries were 77.7%, 46.5% and 28.5% respectively. Moving forward, the forecast average world urbanisation rate is expected to be 67.2% in 2050. Higher rates of urbanization will invariably result in stronger economic growth, and higher disposable incomes and expenditure, leading to greater demand for furniture products.

(Source: Global and Malaysia Furniture Industry dated November 2014, SMZA Consulting Sdn Bhd)

7.5 Overview of the property industry in Malaysia

The residential subsector expanded strongly by 22.1% during the first half of 2014 (January – June 2013: 15.7%) supported by higher growth in incoming supply at 9.5% (January – June 2013: 15.3%). Meanwhile, new housing approvals increased significantly by 32.6% to 96.115 units (January – June 2013: 6.8% 72,461 units). Despite the decline in the housing starts at 5.3% to 70,346 units (January – June 2013: 21.1%; 74,270 units), residential activity is expected to remain stable. The take-up rate for houses prieed between RM500,001 and RM1,000,000, within six months after launeh, was lower at 11.6% (January – June 2013: 34.2%) following several measures to cool the housing seetor. Meanwhile, the highest take-up rate was reeorded for houses prieed between RM200,001 and RM250,000 at 49.3%. With regard to the provision of adequate houses for the low-income group, the government continues to alloeate funds to build affordable houses under various government programmes, sueh as Rumah Mesra Rakyat, Rumah Mampu Milik and Rumah Idaman Rakyat. In addition, in the 2013 Budget, the government has introdueed new eategory under Rumah Mesra Rakyat 1Malaysia, with sales price between RM45,000 and RM65,000 per unit. Under the new category, the government will provide a subsidy between RM15,000 and RM20,000 per unit. The government also allocated RM1 billion under 1Malaysia Housing Programme to build 80,000 housing units.

Meanwhile, the value of total property transactions increased to RM82 billion (January – June 2013: RM68.8 billion), with volume expanding 3.3% to 193,405 transaetions during the six months of 2014. Residential property transactions formed the bulk with a share of 63.5%. However, following several cooling measures imposed to eurb speeulative aetivity in the property sector, the number of residential property transaetions decreased 2.7% in the first half of 2014 (July – Deeember 2013: 5.1%). During the same period, residential transactions declined in Kuala Lumpur (-4.8%) and Selangor (-2.1%), while Johor and Pulau Pinang registered positive growth of 17.5% and 2.7, respectively. Meanwhile, the residential overhang declined 11.5% to 12,105 units during the first half of 2014 (January – June 2013: -15.1%; 13,673 units), with a total value of RM4.5 billion (January – June 2013: RM5 billion).

House prices in Malaysia eontinue to rise, albeit at a slowcr pace, amid several measures to eurb rising house price since 2010. The increase in house priees was driven by strong demand following favourable labour market conditions and growing household income. The Malaysian House Price Index, which measures the change in prices paid for an average house, increased moderately by 6.6% in the seeond quarter of 2014, compared with 11.3% in the eorresponding period in 2013. This was the lowest quarterly rate of increase since the third quarter of 2010.

However, higher-than-average prices were rccorded in Selangor (10.1%), Pulau Pinang (9.6%) and Kuala Lumpur (9.1%). Thc highest price inereasc was recorded for terrace houses, which grcw 8.2% followed high-rise units (7.9%), detached (2.5%) and semi-detached (2.4%) houses.

(Source: Economic Report 2014/2015, Ministry of Finance)

Growth in the eonstruction seetor remained sustained during the third quarter of 2014 (9.6%; 2Q 2014: 9.9%), driven mainly by the residential and non-residential sub-sectors. The residential sub-sector eontinued to record firm growth, supported by the construction of high-end properties in the Klang Valley, Penang and Johor, while on-going construction of offices and rctail projects and storage facilities contributed to growth in the non-residential sub-sector.

(Source: Economy and Financial Developments in the Malaysian Economy in the Third Quarter of 2014, BNM)

The construction sector is projected to increase 10.7% in 2015 (2014: 12.7%) supported by commencement of some oil and gas related projects such as Refinery and Petrochemical Integrated Development as well as ongoing transportation-related infrastructure projects. Meanwhile, the residential subsector is expected to remain strong in view of the increased demand for housing, particularly from the middle-income group. Demand for affordable housing will remain favourable amid several government initiatives such as 1Malaysia Housing Programme, Rumah Idaman Rakyat and Rumah Mesra Rakyat. The non-residential sector is also expected to remain stable supported by encouraging demand for industrial and commercial buildings. Major commercial building projects such as the 118-storey Menara Warisan and Bukit Bintang City Centre are expected to contribute to the growth of the sector.

(Source: Economic Report 2014/2015, Ministry of Finance)

7.5.1 Overview of the property industry in Melaka

The property market remained firm in H1 2014. A total of 8,021 transactions worth RM2.51 billion were recorded in H1 2014, up by 5.1% in volume and 5.3% in value over H1 2013. Residential property dominated the overall property market activity (60.6%), followed by agricultural sub-sector (17.7%), commercial (9.8%), development land (8.9%) and industrial (3.0%) of the market share.

Market activity registered positive movements across the sub-sectors, led by development land (28.2%), followed by industrial (13.0%), commercial (52%), residential (3.2%) and agricultural (1.3%) sub-sectors. In term of value, all sub-sectors registered positive growths with the exception of commercial (-16.6%) and development land (-4.8%) subsectors.

(Source: Property Market Report First Half 2014, Melaka, Valuation and Property Services Department, Ministry of Finance)

7.6 Prospects and future plans of our Group

Our Group is principally involved in the business of manufacturing and trading of furniture and provision of kiln-drying services.

Subsequent to the Fire Incidents, SSB had on 10 April 2012 awarded a contract sum of RM19.34 million to Green Living World Sdn Bhd to dismantle, supply, reconstruct, reinstall, repair and service on all the plant and machinery damaged during the Fire Incidents which include the suction piping system and mechanical and electrical works. As at the LPD, approximately 97.6% of the plant and machinery have been rectified and this has enabled us to proceed with our production based on nine (9) production lines in 1½ factory lots as compared to eighteen (18) production lines in four (4) factory lots prior to the Fire Incidents. Currently, our nine (9) production lines are operating at approximately 70% of our operating capacity.

In view of the current financial position of our Group, we do not intend to reinstall new production lines and manufacturing facilities and will remain at our current production capacity for the next two (2) years.

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The breakdown of our products and markets for the six (6)-month period ended 30 September 2014 is as follows:

Type of products	Market exported to	Sales contribution for the six (6)-month period ended 30 September 2014
Dining sets manufactured for foreign retailer under their brand name	Over 100 countries	Approximately 50%
Dining sets manufactured in collaboration with customers based on joint design specification under "Shantawood" and "DPS" trademarks(1)	Over 100 countries	Approximately 40%
Customised products which include dining set and coffee table(1)	UK and Ireland	Approximately 10%

Note:

(1) *The profit margins for these products are higher as compared to the type of product manufactured for foreign retailer under their brand name.*

Our major customers who account for 10% or more of our revenue for the last two (2) financial years and six (6)-month period ended 30 September 2014 are as follows:

Company name	Country	Sales contribution (%) FYE 31 March 2013	FYE 31 March 2014	Six (6)-month period ended 30 September 2014
DDINS	Chile	8.27	13.14	17.11
CRS	Chile	3.49	7.58	11.00

Moving forward, our Group will focus on orders from customers with smaller volume and higher profit margin such as CRS and DDINS from Chile and reduce orders with lower profit margin from mass merchant such as Walmart Stores as well as venture into new markets such as Columbia. Columbia's import of wooden furniture demonstrated a higher pace of growth than exports for the period of 2010-2012 due to rising affluence in the country, growth in the construction sector and competitive price of imported furniture. Malaysia's export of wooden furniture to Columbia increased by 171.4% from USD0.7 million in 2010 to USD1.9 million in 2012 which was the sixth (6^{th}) largest supplier with a 5.2% market share for dining tables and other wooden furniture. In view that our production lines are currently operating at approximately 70% of our production capacity, we are able to increase our production to meet the market demands whenever additional orders are secured.

We are working closely with our customers to continuously develop new designs and concept to meet the requirements and demands of end consumers. This will ensure that the furniture produced by our Group is in line with the current market trend and continue to be accepted by end consumers.

Meanwhile, we have been receiving continuous support from our customers which include amongst other, CRS, Companias CIC SA, DDINS and Lion Furniture. For the six (6)-month period ended 30 September 2014, the above customers contributed 33.27% of the total sales of our Group and we have secured total book orders with value of RM11.0 million from these customers as at the LPD.

In addition, in an attempt to improve the financial performance of our Group, we have adopted the following strategies for the past two (2) years:

(i) trim down our operating costs which include production staff from approximately 1,500 persons prior to the Fire Incidents to approximately 400 persons as at the LPD which has resulted in the reduction of manpower costs without affecting our production capacity; and

(ii) import more parts and components of tables and chairs from Thailand, Vietnam and Indonesia to assemble into complete dining sets which is more cost effective as compared to those manufactured in-house or locally, thereby reducing our production costs by at least ten percent (10%).

Moving forward, our Group will undertake, amongst others, the following measures:

(i) Implement a MRP system to improve the overall production efficiencies by streamlining processes and operations and institute effective measures to reduce wastages and excessive inventory level. The MRP system is a system which assists our Company to achieve effective planning of our manufacturing process. The MRP system is designed to centralise, integrate and process information for effective decision making in operation planning which includes but is not limited to inventory control, purchasing of raw materials, quality control, quality assurance and cost control. The MRP system will analyse and notify us on the input of raw materials required and place orders automatically from the most appropriate suppliers as and when required taking into consideration, amongst others, price, time to deliver, credit period, availability of inventories. This in turn will improve our operation planning, wastage control, production downtime, inventory and cost control for our production. The MRP systems is expected to implement in the third (3^{rd}) quarter of 2015;

(ii) Invest approximately RM200,000 per annum in the training and staff development for our management to enable them to keep abreast with the latest changes in the production and design of furniture. Despite the present challenges faced by our Group, we are able to retain the majority of our remaining production team and key management after the Fire Incidents to ensure smooth and efficient operation of our current business;

(iii) Intensify sales and marketing efforts leveraging on the working relationship with existing customers and being actively involved in furniture trade and exhibitions to promote our Group's products to new customers. Some of the major international furniture trade fairs which our Group intends to participate in 2015 are as follows:

   (a) IMM Cologne – The International Furnishing Show at Cologne, Germany;

   (b) Malaysian International Furniture Fair;

   (c) Mexico Furniture Fair 2015;

   (d) SIFF Shanghai International Furniture Fair at Shanghai, China;

   (e) Kofurn Furniture Fair at Seoul, Korea;

   (f) Las Vegas Market (Winter) 2014 at Las Vegas, US of America; and

   (g) Singapore International Furniture Fair, Singapore,

(iv) Continue to focus on quality, meeting customers' demand and requirements by assigning specific sales officers to service our major customers in Latin America, Europe and US markcts to ensure that we meet our customers' rcquirements on a timely basis. The designated officers are required to update customers on our new products, procure customer's order and resolve customers' complaint on products within three (3) working days as well as export the goods ordered within sixty (60) working days.

The potential of the furniture industry is evidenced by its market size globally and the high CAGR of the world furniture trade of 6.2% as compared to the CAGR of the world furniture production of 3.6%. Demand for furniture is estimated to exhibit positive growth with the higher levels of world furniture trade as compared to the world furniture production. The demand for furniture is currently driven by three (3) key faetors, including the continuous growing population, development of the economies and growing urbanisation which fuel the need for housing and commercial building and thus the demand for furniture.

Taking into aeeount of the above growth prospeets of the furniture industry and market and the efforts undertaken and to be undertaken, our Board is of the view that the future prospects of our furniture produets are eneouraging and our Group will potentially benefit from the outlook of the global furniture industry which is expected to improve our financial performance.

Meanwhile, our Group intends to diversify into the property development business pursuant to the JVs which is expected to enhance our Group's profitability.

7.6.1 Prospects of Krubong Land

The Krubong Land is located about 1.0 km to the west of Jalan Krubong, the main road linking Jalan Alor Gajah lama to the north to and Lebuh AMH to the south. Location wise the Krubong Land is sited next to existing residential and industrial areas such as Taman Krubong Jaya, Taman Paya Rumput Jaya, Taman Bertam Jaya, Taman Krubong Indah, Taman Cheng Perdana, Taman Cheng Baru, Taman Angkasa Nuri, Taman Paya Rumput Indah and Kawasan Perindustrian Krubong. The landmarks within the locality of Krubong Land include Hang Jebat Stadium and TESCO Cheng Hypermarket.

Being sited in an area that is already fairly mature in developments would be an added advantage for the successful development of the Krubong Land. Prospective buyers of units in the Krubong Land would be encouraged after considering that the development is located within an already successful and developed area. Good accessibility as well as good prospects for further growth in the area would benefit the saleability of the units in the Krubong Land. The state is also well known for its aggressive initiatives to promote Melaka as a tourist destination and its efforts, such as cleaning of the Melaka River, and other tourism aimed initiatives has been successful. This would have a positive impact on the property market, in particular the residential sector of the market and to a lesser extent the commercial subsector.

(Source: Krubong Valuation Report)

7.6.2 Prospects of TM Land

TM Land is located along Jalan Utama Tanjong Minyak-Bukit Rambai and situated about 2.6 km by road due west of Lebuh AMJ. Location wise the TM Land is sited next to residential and industrial development include Taman Tanjong Minyak Jaya, Taman Tanjong Minyak Utama, Taman Tanjong Minyak, Taman Tanjong Minyak Setia, Taman Rambai Utama, Taman Rambai Jaya and Kawasan Perindustrian Bukit Rambai.

Apart from having good accessibility to and from the city centre as well as other outlying areas, the TM Land has the advantage of being sited in an area that is already well developed. Some of the other established developments include Taman Tanjong Minyak Jaya, Taman Tanjong Minyak Utama and Taman Seri Tanjong Minyak. Further north of the area are developments such as Taman Bertam Indah, Taman Bertam Permai and Taman Bertam Impian. TESCO Cheng Hypermarket is about 3.5 km from the TM Land. These are some of the main developments and being sited not far from these developments means the TM Land could easily become another well received development as the good track records of these earlier developments would attract existing and new property buyers. The industrial areas around the area such as Kawasan Perindustrian Bukit Rambai provide a good indication of the expected demand source for developments on the TM Land. The state is also well known for its aggressive initiatives to promote Melaka as a tourist destination and its efforts, such as cleaning of the Melaka River, and other tourism aimed initiatives has been successful. This would have a positive impact on the property market, in particular the residential sector of the market and to a lesser extent the commercial subsector.

(Source: TM Valuation Report)

Based on the positive outlook of the Malaysian economy and property market in Malaysia highlighted in Sections 7.1 and 7.5 of this AP, respectively as well as the above mentioned prospects of the respective land, our Board is of the opinion that the Malaysia's property market present an opportunity for our Group to benefit from the potential upside arising from the demand of the property industry, in view that the JVs undertaken by our Group are involved mainly in the residential development.

Moreover, the "My First Home Scheme" announced in the 2011 Malaysian Budget is another government initiative that should be helpful for transactions involving lower end residential properties. The scheme is intended to assist young adults that have just joined the workforce to own their first home. Among the key features of this scheme is up to 100% financing, subject to affordability and repayment period not exceeding 30 years now, and for houses within the RM100,000 to RM220,000 range. However for 2013, repayment period has been increased to up to 35 years, and houses price range from RM100,000 to RM400,000.

In view that most of the properties prices under Krubong Land and TM Land are below RM400,000, our management is optimistic on the sale and success of the development on the JVs and is of the opinion that the success in the JVs will enhance our Group's profitability.

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8. EFFECTS OF THE RIGHTS ISSUE OF SHARES WITH WARRANTS

8.1 Issued and paid-up share capital

The pro-forma effects of the Rights Issue of Shares with Warrants on our issued and paid-up share capital are as follows:

	Par value (RM)	Minimum Scenario No. of DPS Shares	Minimum Scenario RM	Maximum Scenario No. of DPS Shares	Maximum Scenario RM
Issued and paid-up share capital as at the LPD	0.10	264,000,000	26,400,000	264,000,000	26,400,000
To he issued pursuant to the full exercise of Warrants 2008/2018 by the warrants holders (excluding DSCC and his PACs)	0.10	-	-	65,919,394	6,591,939
	0.10	264,000,000	26,400,000	329,919,394	32,991,939
To be issued pursuant to the Rights Issue of Shares with Warrants	0.10	182,300,000	18,230,000	659,838,788	65,983,879
After the Rights Issue of Shares with Warrants	0.10	446,300,000	44,630,000	989,758,182	98,975,818
To be issued pursuant to the full exercise of the Warrants 2008/2018	0.10	66,000,000	6,600,000	80,606[(1)]	8,061
To be issued pursuant to the full exercise of Rights Warrants	0.10	109,380,000	10,938,000	395,903,272	39,590,327
Enlarged issued and paid-up share capital	**0.10**	**621,680,000**	**62,168,000**	**1,385,742,060**	**138,574,206**

Note:

(1) Pursuant to the Code, DSCC and his PACs will not qualify for the Exemption if they were to exercise their Warrants 2008/2018 prior to the implementation of the Rights Issue of Shares with Warrants. As such, it is assumed that DSCC and his PACs will only exercise their Warrants 2008/2018 after the Rights Issue of Shares with Warrants is completed.

8.2 NA and gearing

The proforma effects of the Rights Issue of Shares with Warrants on the NA per share and gearing of DPS Group based on the audited consolidated financial statements for the FYE 31 March 2014 of DPS Group are set out below:

Minimum Scenario (Based on the Minimum Subscription Level)

	Audited as at 31 March 2014	(I) After the completion of the disposal of DPSI[1]	(II) After (I) and Par Value Reduction	(III) After (II) and Rights Issue of Shares with Warrants	(IV) After (III) and assuming full exercise of the Warrants*
	RM	RM	RM	RM	RM
Share capital	132,000,000	132,000,000	26,400,000	44,630,000	62,168,000
Share premium	185,046	185,046	185,046	185,046	29,225,046
Revaluation reserves	9,174,579	6,141,150	6,141,150	6,141,150	6,141,150
Other reserves	-	-	59,739,607[2]	53,625,265[4]	59,739,607[8]
Warrants reserves	-	-	-	6,114,342[5]	-[8]
Accumulated losses	(59,055,738)	(56,022,309)	(10,161,916)[3]	(11,661,916)[6]	(11,661,916)
Shareholders' equity / NA	82,303,887	82,303,887	82,303,887	99,033,887	145,611,887
No. of DPS Shares in issue	264,000,000	264,000,000	264,000,000	446,300,000	621,680,000
NA/NTA per DPS Share (RM)	0.31	0.31	0.31	0.22	0.23
Total borrowings (RM)	36,518,148	36,518,148	36,518,148	25,248,148[7]	25,248,148
Gearing (times)	0.44	0.44	0.44	0.25	0.17

Notes:

(1) *Our Company had on 31 October 2012 entered into a Sale of Shares Agreement with Datuk Nazari Bin Adzim, Fong Hui Fing and Chin Wan Ling for the disposal of the entire equity interest in DPSI for a cash consideration of RM16,109,198 and shall be adjusted on the completion date by taking into the net asset value of DPSI and its subsidiary. The disposal was completed on 22 May 2014.*

(2) *Resultant capital reserve arises from the Par Value Reduction after eliminating the accumulated losses of our Company of RM45.86 million.*

(3) *Comprises accumulated losses from subsidiary companies which are not entitled to be eliminated pursuant to the Par Value Reduction.*

(4) *Taking into consideration of 109,380,000 Rights Warrants at an indicative fair value of RM0.0559 each based on the Trinomial option pricing model as follows:*

- *(i)* *TEAP of RM0.1083;*
- *(ii)* *Rights Warrants exercise price of RM0.10;*
- *(iii)* *tenure of Rights Warrants for ten (10) years from the date of issuance of the Rights Warrants; and*
- *(iv)* *historical volatility extracted from Bloomberg of 68.224%.*

(5) *Arises from the issuance of 109,380,000 Rights Warrants at an indicative fair value of RM0.0559 each based on the Trinomial option pricing model .*

(6) *After netting off estimated expenses of approximately RM1.5 million in relation to the Corporate Exercises.*

(7) *After the repayment of bank borrowings amounting to RM11.27 million.*

(8) *The warrants reserves will be transferred to other reserves upon the exercise or expiry of the Rights Warrants.*

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Maximum Scenario

	Audited as at 31 March 2014	(I) After the completion of the disposal of DPSI[(1)]	(II) After (I) and Par Value Reduction	(III) After (II) and assuming full exercise of the Warrants 2008/2018 by the warrants holders (excluding DSCC and his PACs)	(IV) After (III) and Rights Issue of Shares with Warrants	(V) After (IV) and assuming full exercise of the Warrants*
	RM	RM	RM	RM	RM	RM
Share capital	132,000,000	132,000,000	26,400,000	32,991,939	98,975,818	138,574,206
Share premium	185,046	185,046	185,046	29,189,579[(4)]	27,689,579[(5)]	27,725,046
Revaluation reserves	9,174,579	6,141,150	6,141,150	6,141,150	6,141,150	6,141,150
Other reserves	-	-	59,739,607[(2)]	59,739,607	37,648,204[(6)]	59,739,607 [(9)]
Warrants reserves	-	-	-	-	22,091,403[(7)]	-[(9)]
Accumulated losses	(59,055,738)	(56,022,309)	(10,161,916)[(3)]	(10,161,916)	(10,161,916)	(10,161,916)
Shareholders' equity/ NA	82,303,887	82,303,887	82,303,887	117,900,359	182,384,238	222,018,092
No. of DPS Shares in issue	264,000,000	264,000,000	329,919,394	329,919,394	989,758,182	1,385,742,060
NA/NTA per DPS Share (RM)	0.31	0.31	0.31	0.36	0.18	0.16
Total borrowings (RM)	36,518,148	36,518,148	36,518,148	36,518,148	1,518,148[(8)]	1,518,148
Gearing (times)	0.44	0.44	0.44	0.31	0.01	0.01

Notes:

(1) *Our Company had on 31 October 2012 entered into a Sale of Shares Agreement with Datuk Nazari Bin Adzim, Fong Hui Fing and Chin Wan Ling for the disposal of the entire equity interest in DPSI for a cash consideration of RM16,109,198 and shall be adjusted on the completion date by taking into the net asset value of DPSI and its subsidiary. The disposal was completed on 22 May 2014.*

(2) *Resultant capital reserve arises from the Par Value Reduction after eliminating the accumulated losses of our Company of RM45.86 million.*

(3) *Assuming all the 65,919,394 Warrants 2008/2018 held by the warrants holders (excluding DSCC and his PACs) are exercised into new DPS Shares at the exercise price of RM0.54 per Warrants 2008/2018.*

(4) *Comprises accumulated losses from subsidiary companies which are not entitled to be eliminated pursuant to the Par Value Reduction.*

(5) *After netting off the estimated expenses of RM1.5 million in relation to the Corporate Exercises.*

(6) *Taking into consideration of the 395,903,272 Rights Warrants at an indicative fair value of RM0.0558 each based on the Trinomial option pricing model as follows:*

(i) *TEAP of RM0.1083;*

(ii) *Rights Warrants exercise price of RM0.10;*

(iii) *tenure of Rights Warrants of ten (10) years from the date of issuance of the Rights Warrants; and*

(iv) *historical volatility extracted from Bloomberg of 68.224%.*

(7) *Arises from the 395,903,272 Rights Warrants at an indicative fair value of RM0.0558 each based on the Trinomial option pricing model.*

(8) *After the repayment of bank borrowings amounting to RM35.0 million.*

(9) *The warrants reserves will be transferred to other reserves upon the exercise or expiry of the Rights Warrants.*

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8.3 Earnings and EPS

The Rights Issue of Shares with Warrants is not expected to have an immediate material effeet on the earnings and EPS of DPS Group for the FYE 31 March 2015 as the proceeds to be raised are expected to be utilised between six (6) months to thirty-six (36) months from the date of the listing of the Rights Shares. However, it is expected to contribute positively to the earnings of DPS Group for the ensuing finaneial years when the benefits of the utilisation of proceeds are realised.

However, the EPS of DPS Group is expected to be diluted as a result of the inerease in the number of DPS Shares in issue pursuant to the Rights Issue of Shares with Warrants and the number of new DPS Shares to be issued upon the exercise of the Rights Warrants in the future.

The effects of any exercise of Rights Warrants on the EPS of DPS Group would be dependent on the returns to be generated by DPS Group from the utilisation of proceeds arising from the exercise of the Rights Warrants.

For illustration purposes, assuming the Rights Issue of Shares with Warrants was completed on 1 April 2013, being the commencement for the FYE 31 March 2014, our LPS shall be as follows:

Minimum Scenario

	(Audited)	(I)	(II)	(III)	(IV)
	As at 31 March 2014	**After the completion of the disposal of DPSI**	**After (I) and Par Value Reduction**	**After (II) and Rights Issue of Shares with Warrants**	**After (III) and assuming full exercise of the Warrants***
Losses attributable to our equity holders (RM)^	333,966	333,966	333,966	333,966	333,966
No. of DPS Shares in issue	264,000,000	264,000,000	264,000,000	446,300,000	621,680,000
LPS (sen)	0.13	0.13	0.13	0.07	0.05

Maximum Scenario

	(Audited) As at 31 March 2014	(I) After the completion of the disposal of DPSI	(II) After (I) and Par Value Reduction	(III) After (II) and assuming full exercise of the Warrants 2008/2018 by the warrants holders (excluding DSCC and his PACs)	(IV) After (III) and Rights Issue of Shares with Warrants	(V) After (IV) and assuming full exercise of the Warrants*
Losses attributable to our equity holders (RM)^	333,966	333,966	333,966	333,966	333,966	333,966
No. of DPS Shares in issue	264,000,000	264,000,000	264,000,000	329,919,394	989,758,182	1,385,742,060
LPS (sen)	0.13	0.13	0.13	0.10	0.03	0.02

Note:

^ *Based on our audited consolidated financial statements for the FYE 31 March 2014.*

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9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

9.1 Working capital

Our Board is of the opinion that after taking into consideration the proceeds from the Rights Issue of Shares with Warrants, cash in hand, funds generated from our operations and banking facilities available, our Group will have adequate working capital for the next twelve (12) months from the date of this AP.

9.2 Borrowings

As at the LPD, our Group has total outstanding borrowings of RM12.18 million, all of which are interest-bearing and from local financial institutions, details of which are as follows:

	Interest-bearing borrowing (RM'000)
Short term borrowings:	
Secured	
Bank overdraft	474
Hire Purchase	169
Term loans	11,532
Total	12,175

As at the LPD, our Group does not have any foreign currency borrowings.

There was no default on payment of either interest or principal sums in respect of any borrowing, throughout the past one (1) FYE 31 March 2014, and the subsequent financial period up to the LPD.

9.3 Contingent liabilities

Save as disclosed below, as at the LPD, our Board is not aware of any contingent liability incurred or known to be incurred by our Company or our Group as at the LPD, which may have material impact on the financial position of our Group:

	Company Level	
Unsecured	**As at the LPD (RM'000)**	**As at 31 March 2014 (RM'000)**
Corporate guarantees given to certain licensed banks for banking facilities granted to the subsidiaries	12,006	39,037

9.4 Material commitment

Save as disclosed below, as at the LPD, our Board is not aware of any material commitment incurred or known to be incurred by our Group which, upon becoming enforceable, may have material impact on our Group's financial position:

	(RM'000)
Property development costs for the JVs (including the cash portions of the JV entitlements to the respective land owners)	21,340

10. TERMS AND CONDITIONS

The issuance of the Rights Shares with Rights Warrants pursuant to the Rights Issue of Shares with Warrants is governed by the terms and conditions as set out in this AP, the Deed Poll and the NPA and the RSF enclosed herewith.

11. FURTHER INFORMATION

You are requested to refer to the attached appendices for further information.

Yours faithfully
For and behalf of the Board of
DPS RESOURCES BERHAD

Yee Yit Yang
Independent Non-Executive Director

CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS IN RELATION TO THE CORPORATE EXERCISES PASSED AT OUR EGM HELD ON 25 JUNE 2014

DPS RESOURCES BERHAD
Company No. 630878 - X
(Incorporated in Malaysia)

EXTRACT OF THE MINUTES OF EXTRAORDINARY GENERAL MEETING HELD ON 25 JUNE 2014

We hereby certify that the following resolutions were extracted from the minutes of the Extraordinary General Meeting of DPS Resources Berhad held on 25 June 2014:

SPECIAL RESOLUTION 1

PROPOSED REDUCTION OF THE ISSUED AND PAID-UP SHARE CAPITAL OF THE COMPANY VIA THE CANCELLATION OF RM0.40 PAR VALUE OF EACH EXISTING ORDINARY SHARE OF RM0.50 EACH TO RM0.10 EACH IN THE COMPANY PURSUANT TO SECTION 64 OF THE COMPANIES ACT, 1965 ("ACT") ("PROPOSED PAR VALUE REDUCTION")

RESOLVED:

"THAT subject to the passing of Special Resolution 2, the sanction of the High Court of Malaya pursuant to Section 64 of the Act and approvals being obtained from the relevant authorities and parties, approval be and is hereby given to the Company to effect a reduction in the par value of all existing ordinary shares of RM0.50 each in the Company to RM0.10 each in the Company and the credit arising therefrom shall be utilised by the Company to offset against the Company's accumulated losses and the remaining balance will be credited to other reserve of the Company which may be used as distributable reserves in accordance with the Article of Association of our Company and relevant applicable laws in the manner to be determined by our Board at a later date.

AND THAT the Board be and is hereby authorised to do all such acts and things that they may consider necessary or expedient to give effect to the Proposed Par Value Reduction with full power to assent to any term, condition, modification, variation and/or amendment as may be imposed or permitted by the High Court of Malaya and/or as a consequence of any such requirement or as may be deemed fit, necessary, expedient and/or appropriate and in the best interest of the Company."

SPECIAL RESOLUTION 2

PROPOSED AMENDMENT TO THE MEMORANDUM OF ASSOCIATION ("MOA") OF THE COMPANY TO FACILITATE THE IMPLEMENTATION OF THE PROPOSED PAR VALUE REDUCTION ("PROPOSED AMENDMENT")

RESOLVED:

"THAT subject to the passing of Special Resolution 1, approval be and is hereby given to the Company to alter, modify, vary and delete the MOA of the Company in the following manner:

CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS IN RELATION TO THE CORPORATE EXERCISES PASSED AT OUR EGM HELD ON 25 JUNE 2014 *(CONT'D)*

MOA		
Clause No	Existing Provision	Revised Provision
7	The capital of the Company is RM250,000,000 divided into 500,000,000 shares of RM0.50 each. The Company shall have the power to increase or reduce its capital, to consolidate or sub-divide the shares into shares of larger or smaller amounts, and to divide the shares forming the capital (original, increased or reduced) of the Company into several classes and to attached thereto respectively, preferential, deferred or special rights, privileges or conditions as may be determined by, or in accordance with the regulations for the time being of the Company and to issue additional capital with any such rights, privileges or conditions as aforesaid, and any preference share may be issued on the terms that it is, or at the option of the Company is liable, to be redeemed.	The authorised share capital of the Company is RM250,000,000 divided into 2,500,000,000 shares of RM0.10 each. The Company shall have the power to increase or reduce its capital, to consolidate or sub-divide the shares into shares of larger or smaller amounts, and to divide the shares forming the capital (original, increased or reduced) of the Company into several classes and to attached thereto respectively, preferential, deferred or special rights, privileges or conditions as may be determined by, or in accordance with the regulations for the time being of the Company and to issue additional capital with any such rights, privileges or conditions as aforesaid, and any preference share may be issued on the terms that it is, or at the option of the Company is liable, to be redeemed.

AND THAT the Board be and is hereby authorised to do or procure to be done all acts, deeds and things and execute, sign and deliver on behalf of the Company, all such documents as it may deem necessary, expedient and/or appropriate to implement, give full effect to the Proposed Amendment with full power to assent to any term, condition, modification, variation and/or amendment as the Board may deem fit, necessary, expedient, appropriate and/or as may be required by any relevant authorities in connection with the Proposed Amendment."

ORDINARY RESOLUTION 1

PROPOSED JOINT VENTURE ("JV") BETWEEN DPS DEVELOPMENT VENTURE SDN BHD (FORMERLY KNOWN AS TOKO INDUSTRIES SDN BHD) ("DPS DEVELOPMENT"), SHANTAWOOD SDN BHD (FORMERLY KNOWN AS SHANTAWOOD MANUFACTURING SDN BHD) ("SSB") AND DPS REALTY SDN BHD ("DPSR") TO JOINTLY DEVELOP THREE (3) PARCELS OF LAND KNOWN AS LOT 18565, LOT 18566 AND LOT 18567, MUKIM OF KRUBONG, STATE OF MELAKA BANDARAYA BERSEJARAH HELD UNDER GERAN MUKIM MALACCA CUSTOMARY LAND 773, 772 AND 771 RESPECTIVELY ("KRUBONG LAND") ("PROPOSED JV 2")

RESOLVED:

"THAT subject to the passing of Special Resolution 1, Special Resolution 2, Ordinary Resolution 3, Ordinary Resolution 4, Ordinary Resolution 5 and other relevant authorities being obtained, if any, the establishment of the JV between SSB and DPSR to jointly develop Krubong Land, in accordance with the terms and conditions of the JV agreement dated 13 September 2013 as varied by the supplemental JV agreement dated 21 January 2014 entered into between DPSR, SSB and DPS Development in relation to the Proposed JV 2 be and is hereby approved.

AND THAT the Board be authorised to do all such acts and things and to execute all necessary documents to give effect to the Proposed JV 2 with full and discretionary powers to make or assent to any modifications or amendments thereto in any manner they may deem fit, necessary or expedient in order to comply with any conditions or modifications which may be imposed or permitted by the relevant authorities."

ORDINARY RESOLUTION 2

PROPOSED JV BETWEEN DPS DEVELOPMENT, SSB AND DPSR TO JOINTLY DEVELOP THREE (3) PARCELS OF LAND KNOWN AS LOT 3949, LOT 3950 AND LOT 3951, MUKIM OF TANJONG MINYAK, DISTRICT OF MELAKA TENGAH, STATE OF MELAKA BANDARAYA BERSEJARAH HELD UNDER PAJAKAN MUKIM 2297, 2298 AND 2299 RESPECTIVELY ("TM LAND") ("PROPOSED JV 3")

RESOLVED

"THAT subject to the passing of Special Resolution 1, Special Resolution 2, Ordinary Resolution 3, Ordinary Resolution 4, Ordinary Resolution 5 and other relevant authorities being obtained, if any, the establishment of the JV between SSB and DPSR to jointly develop TM Land, in accordance with the terms and conditions of the JV agreement dated 13 September 2013 as varied by the supplemental JV agreement dated 21 January 2014 entered into between DPSR, SSB and DPS Development in relation to the Proposed JV 3 be and is hereby approved.

AND THAT the Board be authorised to do all such acts and things and to execute all necessary documents to give effect to the Proposed JV 3 with full and discretionary powers to make or assent to any modifications or amendments thereto in any manner they may deem fit, necessary or expedient in order to comply with any conditions or modifications which may be imposed or permitted by the relevant authorities."

ORDINARY RESOLUTION 3

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 659,838,788 NEW ORDINARY SHARES OF RM0.10 EACH IN THE COMPANY ("DPS SHARES") ("RIGHTS SHARES") ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) EXISTING DPS SHARE HELD, TOGETHER WITH UP TO 395,903,272 FREE DETACHABLE WARRANTS ("RIGHTS WARRANTS") ON THE BASIS OF THREE (3) RIGHTS WARRANTS FOR EVERY FIVE (5) RIGHTS SHARES SUBSCRIBED AT AN ENTITLEMENT DATE TO BE DETERMINED LATER, AFTER THE COMPLETION OF THE PROPOSED PAR VALUE REDUCTION ("PROPOSED RIGHTS ISSUE OF SHARES WITH WARRANTS")

CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS IN RELATION TO THE CORPORATE EXERCISES PASSED AT OUR EGM HELD ON 25 JUNE 2014 (*CONT'D*)

RESOLVED:

"THAT subject to the passing of Special Resolution 1, Special Resolution 2, Ordinary Resolution 1, Ordinary Resolution 2, Ordinary Resolution 4, Ordinary Resolution 5 and approvals being obtained from the relevant authorities, approval be and is hereby given to the Company to:

(i) provisionally issue and allot by way of a renounceable rights issue of up to 659,838,788 Rights Shares at an issue price to be determined later by the Board on the basis of two (2) Rights Shares for every one (1) existing DPS Share held, together with up to 395,903,272 free Rights Warrants on the basis of three (3) Rights Warrant for every five (5) Rights Shares subscribed by the shareholders of DPS whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined later by the Board;

(ii) determine the final issue price of the Rights Shares after taking into consideration the following:

    (a) the theoretical ex-rights price ("TERP") of DPS Shares, based on the five (5)-day volume weighted average market price ("5D-VWAP") of DPS Shares with a discount to the TERP if deemed appropriate by the Board prior to the price fixing date to be determined later by the Board;

    (b) the prevailing market sentiments at the point of price fixing;

    (c) the par value of DPS Shares of RM0.10 each (after the completion of the Proposed Par Value Reduction); and

    (d) the funding requirements of DPS and its subsidiaries, details of which are set out in Section 4.5 of Part A of the circular to shareholders of DPS dated 2 June 2014 ("Circular");

(iii) determine the exercise price of the Rights Warrants after taking into consideration the following:

    (a) the 5D-VWAP of DPS Shares preceding the price fixing date;

    (b) the TERP of DPS Shares; and

    (c) the par value of DPS Shares of RM0.10 each (after the completion of the Proposed Par Value Reduction);

(iv) constitute the Rights Warrants upon the terms and conditions of a deed poll to be executed by DPS ("Deed Poll"), the salient terms of which are as set out in Appendix I of the Circular;

(v) issue and allot such other additional Rights Warrants as may be required or permitted to be issued as a result of any adjustment under the provisions of the Deed Poll;

(vi) issue and allot such number of new DPS Shares arising from the exercise of the Rights Warrants during the tenure of the Rights Warrants;

(vii) utilise the proceeds to be derived from the Proposed Rights Issue of Shares with Warrants in the manner as set out in Section 4.5 of Part A of the Circular and the Board be and is hereby authorised to revise the utilisation of the proceeds as they may deem fit and in the best interest of the Company;

(viii) enter into and execute the Deed Poll constituting the Rights Warrants and to do all acts, deeds and things as they may deem fit or expedient in order to implement, finalise and give effect to the Deed Poll.

THAT the Board be and is hereby authorised to deal with any fractional entitlements of the Rights Shares and Rights Warrants that may arise from the Proposed Rights Issue of Shares with Warrants, in such manner at their absolute discretion as they may deem fit or expedient or in the best interest of the Company.

THAT the Rights Shares with Rights Warrants which are not taken up or validly taken up shall be made available for excess applications by the entitled shareholders and/or their renouncee(s) (if applicable) and such excess Rights Shares shall be allocated in a fair and equitable manner on a basis to be determined by the Board and announced later by the Company.

THAT the Rights Shares and the new DPS Shares to be issued arising from the exercise of the Rights Warrants will, upon issuance and allotment, rank *pari passu* in all respects with the then existing DPS Shares, save and except that the Rights Shares and the new DPS Shares shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution, the entitlement date of which is prior to the date of issuance and allotment of the Rights Shares and the new DPS Shares arising from the exercise of the Rights Warrants.

AND THAT the Board be and is hereby authorised to take all such necessary steps to give effect to the Proposed Rights Issue of Shares with Warrants with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities or deemed necessary by the Board, and to take all steps and to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Rights Issue of Shares with Warrants."

ORDINARY RESOLUTION 4

PROPOSED DIVERSIFICATION OF THE PRINCIPAL ACTIVITIES OF DPS AND ITS SUBSIDIARIES TO INCLUDE PROPERTY DEVELOPMENT ("PROPOSED DIVERSIFICATION")

RESOLVED:

"THAT, subject to the passing of Special Resolution 1, Special Resolution 2, Ordinary Resolution 1, Ordinary Resolution 2, Ordinary Resolution 3, Ordinary Resolution 5 and approvals of all relevant authorities (if any), approval be and is hereby granted to DPS and its subsidiaries to diversify its principal activities to include property development.

AND THAT, the Board be and is hereby authorised to do all acts, deeds and things as are necessary to give full effects to the Proposed Diversification with full power to assent to any conditions, modifications, variations and/or amendments as may be required or imposed by the relevant authorities, and to take all steps and actions as the Board may deem fit or expedient in order to carry out, finalise and give full effect to the Proposed Diversification."

CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS IN RELATION TO THE CORPORATE EXERCISES PASSED AT OUR EGM HELD ON 25 JUNE 2014 *(CONT'D)*

ORDINARY RESOLUTION 5

PROPOSED EXEMPTION TO DATUK (DR) SOW CHIN CHUAN ("DSCC") AND PERSONS ACTING IN CONCERT WITH HIM ("PACS"), NAMELY DATIN CHU KIM GUEK ("DCKG") AND ERIC SOW YONG SHING ("ERIC") FROM THE OBLIGATION TO UNDERTAKE A MANDATORY TAKE-OVER OFFER TO ACQUIRE ALL THE REMAINING DPS SHARES AND CONVERTIBLE SECURITIES IN DPS NOT ALREADY OWNED BY THEM UNDER PARAGRAPH 16.1 OF PRACTICE NOTE 9 OF THE MALAYSIAN CODE ON TAKE-OVERS AND MERGERS, 2010 ("CODE") ("PROPOSED EXEMPTION")

RESOLVED:

"THAT subject to the passing of Special Resolution 1, Special Resolution 2, Ordinary Resolution 1, Ordinary Resolution 2, Ordinary Resolution 3, Ordinary Resolution 4 and approvals being obtained from the Securities Commission Malaysia ("SC"), including but not limited to compliance with such conditions as may be imposed by the SC, approval be and is hereby given to exempt DSCC and his PACs, namely DCKG and Eric from the obligation to undertake a mandatory take-over offer for all the remaining DPS Shares and convertible securities in DPS not already owned by DSCC and his PACs under paragraph 16.1 of Practice Note 9 of the Code as set out in Section 7 of Part A of the Circular, which covers the following situations:

(i) wherein the equity interest of DSCC and his PACs namely, DCKG and Eric in DPS increasing to more than thirty-three per centum (33%) upon completion of the Proposed Rights Issue of Shares with Warrants; or

(ii) wherein DSCC and his PACs, namely DCKG and Eric have obtained control in DPS and their equity interest in DPS increasing by more than two per centum (2%) in any six (6) months period due to the issuance of new DPS Shares arising from the exercise of the Rights Warrants and/or warrants 2008/2018 constituted by the existing deed poll dated 21 November 2007.

AND THAT the Board be and is hereby authorised to do all acts, deeds and things and execute all necessary documents as they may consider necessary or expedient or in the best interest of the Company with full powers to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities, and to take all steps and actions as the Board may deem fit or expedient in order to carry out, finalise and give full effect to the Proposed Exemption."

Datuk Dr Sow Chin Chuan
Director

Datuk Wira Haji Jaafar Bin Haji Lajis
Director

Date : 25 June 2014

INFORMATION ON OUR COMPANY

1. HISTORY AND BUSINESS

We were incorporated in Malaysia as a private limited company under the Act on 9 October 2003 under the name of DPS Resources Sdn Bhd. We were subsequently converted to a public limited company on 3 November 2003 as an investment holding company.

We were successfully listed on the Second Board on 12 August 2004 and were subsequently transferred from the Second Board to the Main Board of Bursa Securities on 9 December 2005.

Our Company is an investment holding company. Our subsidiary companies are involved in the manufacturing and trading of rubber wood furniture and the provision of kiln-drying services.

Further details of the principal activities of our subsidiary companies are set out in Section 6 of this Appendix.

2. SHARE CAPITAL

Our authorised and issued and paid-up share capital as at the LPD are as follows:

Type	No. of DPS Shares	Par Value RM	Total RM
Authorised share capital	2,500,000,000	0.10	250,000,000
Issued and paid-up share capital	264,000,000	0.10	26,400,000

The change in our issued and paid-up share capital for the past three (3) years up to the LPD is set out below:

Date of change	No. of Shares alloted	Par value RM	Description	Cumulative issued and paid-up share capital RM
08.10.14	-	0.10	Par value reduction from RM0.50 to RM0.10 each	26,400,000

3. BOARD DIRECTORS

Please refer to the Corporate Directory on page 1 of this AP for details of the age, professions, nationalities, designations and addresses of our Board.

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4. **DIRECTORS' SHAREHOLDINGS**

The proforma effects of the Rights Issue of Shares with Warrants on the shareholdings of our Directors based on their shareholdings as at the LPD are as follows:

Minimum Scenario

	As at the LPD				(I) After the Rights Issue of Shares with Warrants			
	Direct		Indirect		Direct		Indirect	
Name	No. of DPS Shares	%	No. of DPS Shares	%	No. of DPS Shares	%	No. of DPS Shares	%
DSCC	62,784,829[(1)]	23.78	4,345,597[(2)]	1.65	236,393,635[(1)]	52.97	13,036,791[(2)]	2.92
DCKG	4,275,597[(1)]	1.62	62,854,829[(2)]	23.81	12,826,791[(1)]	2.87	236,603,635[(2)]	53.01
Eric	70,000[(1)]	0.03	67,060,426[(3)]	25.40	210,000[(1)]	0.05	249,220,426[(3)]	55.84
Emily Sow Mei Chet	-	-	67,130,426[(4)]	25.43	-	-	249,430,426[(4)]	55.89
Vong Woon Chin	1,000	*Neg*	-	-	1,000	*Neg*	-	-
Yee Yit Yang	-	-	-	-	-	-	-	-
Datuk Haji Jaafar Bin Haji Lajis	2	*Neg*	-	-	2	*Neg*	-	-

	(II) After (I) and assuming full exercise of the Warrants*			
	Direct		Indirect	
Name	No. of DPS Shares	%	No. of DPS Shares	%
DSCC	340,559,176[(1)]	54.78	18,331,855[(2)]	2.95
DCKG	18,020,355[(1)]	2.90	340,870,676[(2)]	54.83
Eric	311,500[(1)]	0.05	358,579,531[(3)]	57.68
Emily Sow Mei Chet	-	-	358,891,031[(4)]	57.73
Vong Woon Chin	1,000	*Neg*	-	-
Yee Yit Yang	-	-	-	-
Datuk Haji Jaafar Bin Haji Lajis	2	*Neg*	-	-

Notes:

(1) *Includes beneficial interest held through nominee company.*

(2) *Deemed interest by virtue of the equity interest held by his/her spouse and son.*

(3) *Deemed interest by virtue of the equity interest held by his parents.*

(4) *Deemed interest by virtue of the equity interest held by her parent and brother.*

Neg *Negligible*

Maximum Scenario

	As at the LPD				(I) Assuming full exercise of the Warrants 2008/2018 (excluding DSCC and his PACs)			
	Direct		Indirect		Direct		Indirect	
Name	No. of DPS Shares	%	No. of DPS Shares	%	No. of DPS Shares	%	No. of DPS Shares	%
DSCC	62,784,829(1)	23.78	4,345,597(2)	1.65	62,784,829(1)	19.03	4,345,597(2)	1.32
DCKG	4,275,597(1)	1.62	62,854,829(2)	23.81	4,275,597(1)	1.30	62,854,829(2)	19.05
Eric	70,000(1)	0.03	67,060,426(3)	25.40	70,000(1)	0.02	67,060,426(3)	20.33
Emily Sow Mei Chet	-	-	67,130,426(4)	25.43	-	-	67,130,426(4)	20.35
Vong Woon Chin	1,000	*Neg*	-	-	1,000	*Neg*	-	-
Yee Yit Yang	-	-	-	-	-	-	-	-
Datuk Haji Jaafar Bin Haji Lajis	2	*Neg*	-	-	2	*Neg*	-	-

	(II) After (I) and the Rights Issue of Shares with Warrants				(III) After (II) and assuming full exercise of the Rights Warrants			
	Direct		Indirect		Direct		Indirect	
Name	No. of DPS Shares	%	No. of DPS Shares	%	No. of DPS Shares	%	No. of DPS Shares	%
DSCC	188,354,487(1)	19.03	13,036,791(2)	1.32	236,696,540(1)	19.03	18,331,855(2)	1.32
DCKG	12,826,791(1)	1.30	188,564,487(2)	19.05	18,020,355(1)	1.32	264,008,040(2)	19.05
Eric	210,000(1)	0.02	201,181,278(3)	20.33	311,500(1)	0.02	281,716,895(3)	20.33
Emily Sow Mei Chet	-	-	201,391,278(4)	20.35	-	-	282,028,395(4)	20.35
Vong Woon Chin	3,000	*Neg*	-	-	4,200	*Neg*	-	-
Yee Yit Yang	-	-	-	-	-	-	-	-
Datuk Haji Jaafar Bin Haji Lajis	6	*Neg*	-	-	10	*Neg*	-	-

Notes:

(1) *Includes beneficial interest held through nominee company.*

INFORMATION ON OUR COMPANY (*CONT'D*)

(2) *Deemed interest by virtue of the equity interest held by his/her spouse and son.*

(3) *Deemed interest by virtue of the equity interest held by his parents.*

Neg *Negligible*

[The rest of this page is intentionally left blank]

5. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

The proforma effects of the Rights Issue of Shares with Warrants on shareholdings of our substantial shareholders as at the LPD are as follows:

Minimum Scenario

	Shareholdings as at the LPD				(I) After Rights Issue of Shares with Warrants			
	Direct		Indirect		Direct		Indirect	
Name	**No. of DPS Shares**	**%**	**No. of DPS Shares**	**%**	**No. of DPS Shares**	**%**	**No. of DPS Shares**	**%**
DSCC	62,784,829(1)	23.78	4,345,597(2)	1.65	236,393,635(1)	52.97	13,036,791(2)	2.92
DCKG	4,275,597(1)	1.62	62,854,829(2)	23.81	12,826,791(1)	2.87	236,603,635(2)	53.01
Eric	70,000(1)	0.03	67,060,426(3)	25.40	210,000(1)	0.05	249,220,426(3)	55.84

	(II) After (I) and assuming full exercise of the Warrants*			
	Direct		Indirect	
Name	**No. of DPS Shares**	**%**	**No. of DPS Shares**	**%**
DSCC	340,559,176(1)	54,78	18,331,855(2)	2.95
DCKG	18,020,355(1)	2.90	340,870,676(2)	54.83
Eric	311,500(1)	0.05	358,579,531(3)	57.68

Notes:

(1) *Includes beneficial interest held through nominee company.*

(2) *Deemed interest by virtue of the equity interest held by his/her spouse and son.*

(3) *Deemed interest by virtue of the equity interest held by his parents.*

Maximum Scenario

	Shareholdings as at the LPD				(I) Assuming full exercise of the Warrants 2008/2018 by the warrants holders (excluding DSCC and his PACs)			
	Direct		Indirect		Direct		Indirect	
Name	No. of DPS Shares	%	No. of DPS Shares	%	No. of DPS Shares	%	No. of DPS Shares	%
DSCC	62,784,829(1)	23.78	4,345,597(2)	1.65	62,784,829(1)	19.03	4,345,597(2)	1.32
DCKG	4,275,597(1)	1.62	62,854,829(2)	23.81	4,275,597(1)	1.30	62,854,829(2)	19.05
Eric	70,000(1)	0.03	67,060,426(3)	25.40	70,000(1)	0.02	67,060,426(3)	20.33

	(II) After (I) and Rights Issue of Shares with Warrants				(III) After (II) and assuming full exercise of the Warrants*			
	Direct		Indirect		Direct		Indirect	
Name	No. of DPS Shares	%	No. of DPS Shares	%	No. of DPS Shares	%	No. of DPS Shares	%
DSCC	188,354,487(1)	19.03	13,036,791(2)	1.32	263,696,540(1)(4)	19.03	18,331,855(2)	1.32
DCKG	12,826,791(1)	1.30	188,564,487(2)	19.05	18,020,355(1)(4)	1.30	264,008,040(2)	19.05
Eric	210,000(1)	0.02	201,181,278(3)	20.33	311,500(1)(4)	0.02	281,716,895(3)	20.33

Notes:

(1) *Includes beneficial interest held through nominee company.*

(2) *Deemed interest by virtue of the equity interest held by his/her spouse and son.*

(3) *Deemed interest by virtue of the equity interest held by his parents.*

(4) *The number of the outstanding Warrants 2008/2018 held by DSCC, DCKG and Eric are 258, 62,848 and 17,500 respectively.*

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6. SUBSIDIARY AND ASSOCIATED COMPANIES

Our Company is principally an investment holding company. The details of our subsidiary companies are as follows:

Company	Date and place of incorporation	Principal activities	Issued and paid-up share capital (RM)	Effective equity interest (%)
Shantawood Sdn Bhd *(formerly known as Shantawood Manufacturing Sdn Bhd)*	09.04.1991, Malaysia	Manufacturing of furniture and rooftruss, provision of kiln-drying services and trading in furniture	100,000,000	100
Subsidiaries of Shantawood Sdn Bhd *(formerly known as Shantawood Manufacturing Sdn Bhd)*				
Able Worldwide Sdn Bhd	23.11.2012, Malaysia	Dormant	10,000	100
Admiral Power Sdn Bhd	18.10.2012, Malaysia	Dormant	10,000	100
DPS Development Venture Sdn Bhd	13.02.2001, Malaysia	Property development	2,028,195	100

We do not have any associated companies as at the LPD.

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7. PROFIT AND DIVIDEND RECORDS

The profit and dividend records based on our Group's audited consolidated financial statements for the fifteen (15)-month FPE 31 Mar 2012, FYEs 31 March 2013 and 2014 and six (6)-month ended 30 September 2014 are as follows:

	← Audited		→	← Unaudited	→
	Fifteen (15)-month FPE 31 March 2012[(1)] RM'000	**FYE 31 March 2013 RM'000**	**FYE 31 March 2014 RM'000**	**Six (6)-month period ended 30 September 2014 RM'000**	**Six (6)-month period ended 30 September 2013 RM'000**
Revenue	80,389	37,760	38,314	20,808	24,282
GP	1,609	2,589	5,014	4,390	4,105
Other income	2,625	990	834	948	383
Operating cost	(48,687)	(29,140)	(5,236)	(3,979)	(3,212)
Finance cost	(4,432)	(2,919)	(2,020)	(358)	(1,165)
Share of results of associates	-	-	-	-	-
PBT/(LBT)	**(48,885)**	**(28,480)**	**(1,408)**	**1,001**	**111**
Taxation	4,269	2,800	-	-	-
Profit/(loss) from continuing operations	**(44,616)**	**(25,680)**	**(1,408)**	**1,001**	**111**
Profit/(loss) from discontinuing operations	(1,022)	(5,337)	1,074	-	-
PAT/(LAT)	**(45,638)**	**(31,017)**	**(334)**	**1,001**	**111**
Profit/(loss) attributable to:					
Equity holders of the Company	(45,638)	(31,017)	(334)	1,001	111
Non-controlling interests	-	-	-	-	-
Net profit/(loss) from the financial year	**(45,638)**	**(31,017)**	**(334)**	**1,001**	**111**
EBITDA/LBITDA	(35,777)	(19,516)	3,572	3,685	4,065
Weighted average number of DPS Shares in issue ('000)	264,000	264,000	264,000	264,000	264,000
Basic EPS/(LPS) (sen)	(17.29)	(11.75)	(0.13)	0.38	0.04
Diluted EPS/(LPS) (sen)	(13.83)	(9.40)	(0.10)	0.30	0.03
GP margin (%)	2.00	6.86	13.09	21.10	16.91
PBT/(LBT) margin (%)	(60.81)	(75.42)	3.67	4.81	0.46
PAT/(LAT) margin (%)	(56.77)	(82.14)	(0.87)	4.81	0.46

Note:

(1) Our Company's financial year end was changed from 31 December to 31 March to enhance our administrative efficiency to enable our management and external auditors to have adequate time to finalise the year end accounts so as to avoid the usual long festive intervals during the months of January and February.

Commentaries on financial performance

FYE 31 March 2013 vs fifteen (15)-month FPE 31 March 2012

Our Group's revenue decreased by approximately RM42.63 million or 53.03% from RM80.39 million in the fifteen (15)-month FPE 31 March 2012 to RM37.76 million in the FYE 31 March 2013. The decrease in revenue was mainly due to the lower production capacity of our Group as a rcsult of the Fire Incidents in July 2011 which had damaged some of our Group's plant and machinery. After the Fire Incidents, our Group was operating with one (1) finishing line which was able to producc approximately thirty-five (35) containers of furniture sets per month as compared to two (2) finishing lines, one (1) chair production line and kiln drying which were able to produee approximately 75 containers per month prior to the Fire Incidents.

After the Fire Incidents, our Group had scaled down approximately 68% of our production capacity and operations. This had resulted in the reduction of factory overheads such as utilities costs from approximately RM3.54 million in fifteen (15)-month FPE 31 March 2012 to approximately RM2.67 million in FYE 31 March 2013. In line with the reduction of direct factory overheads such as depreciation of the factories and PPE which are damaged during the Fire Incidents, our Group managed to improve our GP margin from 2.00% in the fifteen (15)-month FPE 31 March 2012 to 6.86% in the FYE 31 March 2013. In addition, our Group shifted the focus of our customer eategory from mass merchants (such as hypermarkets which provided lower GP margin) to individual customers with specific necds which were able to generate higher GP margin.

Accordingly, our Group posted a LAT of RM31.02 million in FYE 31 March 2013 as opposed to a LAT of RM45.64 million in fifteen (15)-month FPE 31 March 2012. Our Group's losses for the FYE 31 March 2013 were mainly due to PPE heing written off of RM12.92 million and allowance for obsolete inventories of RM8.62 million as a result of Fire Incidents, depreciation of PPE of RM5.42 million and impairment loss on receivahles of RM1.03 million as a result of amount owing exceeded the credit tcrms of our Group range from 14 days to 120 days.

FYE 31 March 2014 vs FYE 31 March 2013

Our Group's revenue increased marginally by approximately RM0.55 million or 1.46% from RM37.76 million for the FYE 31 March 2013 to RM38.31 million for the FYE 31 March 2014.

The increase in revenue was mainly due to higher selling price of goods sold as a result of strongcr USD currency against RM. In line with the increase in revenue, the GP margin increased from 6.86% to 13.09% due to, amongst others, the appreciation of the USD against RM as price of goods sold are quoted in USD as the average exchange rate of USD against RM for the FYE 31 March 2014 of 3.2129 while the average exchange rate of USD against RM for the FYE 31 March 2013 of 3.0937 and decrease in labour cost arising from the reduction in production staff from RM5.16 million in FYE 31 March 2013 to RM4.02 million in FYE 31 March 2014 as well as reduction in factory overheads from RM6.14 in FYE 31 March 2013 to RM5.37 in FYE 31 March 2014. In addition, our Group shifted the focus of our customcr category from mass merchants (such as hypermarkcts which provided lower GP margin) to individual customers with specific needs which were able to generate higher GP margin.

Accordingly, our Group's LAT reduced from RM31.02 million to RM0.33 million for FYE 31 March 2014.

Six (6)-month period ended 30 September 2014 vs six (6)-month period ended 30 September 2013

Our Group's revenuc decreased by approximately RM3.47 million or 14.31% from RM24.28 million for the six (6)-month period ended 30 September 2013 to RM20.81 million for the six (6)-month pcriod ended 30 September 2014 as a result of the change in business strategy by focusing on orders with smaller volume but higher profit margin.

Despite the reduction in revenue, our Group managed to improve our GP margin from approximately 16.91% for the six (6)-month period ended 30 September 2013 to approximately 21.10% for the six (6)-month period ended 30 September 2014 mainly due to stronger USD currency against RM.

Our Group posted a PAT of RM1.00 million in the six (6)-month period ended 30 September 2014 as opposed to a PAT of RM0.11 million in the six (6)-month period ended 30 September 2014 mainly due to the following:

(i) reduction of finanee cost from RM1.17 million to RM0.36 million due to full settlement of bank borrowings of approximately RM21.76 million due to advance payment made to a financial institution from a Director on 30 August 2014;

(ii) improved in GP margin from 16.91% to 21.10% as a result of stronger USD currency against RM from average exchange rate of USD against RM for six (6)-month period ended 30 September 2012 of 3.0888 to average exchange rate of USD against RM for six (6)-month period ended 30 September 2013 of 3.2205 as well as shifted the focus of our eustomer eategory from mass merchants (such as hypermarkets which provided lower GP margin) to individual customers with specific needs which were able to generate higher GP margin;

(iii) increased in other income from 0.38 million in six (6)-month period ended 30 September 2013 to RM0.95 million in six (6)-month period ended 30 September 2014. The other income comprised mainly sale of scrap metal of RM0.15 million, rental and maintenance income of RM0.2 million, Export promotion grant of approximately RM0.15 million from Malaysian External Trade Development Corporation for participation in various trade fairs in Malaysia and overseas and gains on foreign exchange.

8. HISTORICAL PRICES OF DPS SHARES

The monthly high and low transacted market prices of DPS Shares for the past twelve (12) months are as follows:

	High RM	Low RM
2013		
December	0.095	0.085
2014		
January	0.095	0.085
February	0.100	0.085
March	0.100	0.090
April	0.100	0.090
May	0.100	0.090
June	0.100	0.090
July	0.130	0.095
August	0.130	0.095
September	0.185	0.105
October	0.160	0.110
November	0.170	0.125

Last transacted market price on 13 September 2013 (being the last trading date prior to the Announcement) was RM0.095 per DPS Share.

Last transacted market price on 24 November 2014 (being the LPD prior to printing of this AP) was RM0.135 pcr DPS Share.

Last transacted market price on 18 December 2014 (being the last day on which DPS Sharcs were traded prior to the ex-date of the Rights Issue of Shares with Warrants) was RM0.085 each.

(Source: Bloomberg)

McMillan Woods Mea
Chartered Accountants (AF: 1995)
305 (Suite 2) Block E, Phileo Damansara 1, 9 Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor. Tel: 03-76651872 Fax: 03-79558626

Date: 12 DEC 2014

The Board of Directors
DPS Resources Berhad
Lot 76 & 77, Kawasan Perindustrian Bukit Rambai,
Bukit Rambai, 75250 Melaka.

Dear Sirs,

DPS RESOURCES BERHAD
REPORTING ACCOUNTANTS' LETTER ON PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014

We have reviewed the proforma consolidated statements of financial position of DPS Resources Berhad ("DPS") and its subsidiaries ("DPS Group" or "Group") as at 31 March 2014 together with the accompanying notes thereto, for which the Board of Directors of DPS ("Board") is solely responsible as set out in the accompanying statements prepared for inclusion in the Abridged Prospectus of DPS in connection with the renounceable rights issue of up to 659,838,788 new ordinary shares of RM0.10 each in DPS ("DPS Shares") ("Rights Shares") on the basis of two (2) Rights Shares for every one (1) existing DPS Share held, together with up to 395,903,272 free detachable warrants ("Rights Warrants") on the basis of three (3) Rights Warrants for every five (5) Rights Shares subscribed ("Rights Issue of Shares with Warrants").

The Board is solely responsible for the preparation of the proforma consolidated statements of financial position as at 31 March 2014. The proforma consolidated statements of financial position as at 31 March 2014 together with the notes and assumptions thereto, which have been prepared for illustrative purposes only, are based on the audited consolidated statements of financial position of DPS Group as at 31 March 2014 prepared in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards and taking into consideration the financial effect of the Rights Issue of Shares with Warrants described above. Our responsibility is to form an opinion on the proforma consolidated statements of financial position and to report our opinion to you based on our work.

As the proforma consolidated statements of financial position of DPS Group have been prepared for illustrative purposes only, such information, because of its nature, may not reflect DPS Group's actual financial position. Further, such information does not predict DPS Group's future financial position.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information included in the Prospectus*, issued by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Board has compiled, in all material aspects, the proforma consolidated statements of financial position and the related notes on the basis of the applicable criteria as described in the notes thereto.

Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information presented with their original form, discussing the proforma consolidated statements of financial position with the Board and the responsible officers of DPS, considering the evidence supporting the adjustments, and checking the bases adopted by the Board in the preparation of the proforma consolidated statements of financial position of DPS Group as at 31 March 2014.

In our opinion:

(a) the proforma consolidated statements of financial position of DPS Group as at 31 March 2014 together with the notes and assumptions thereto, which are prepared for illustrative purposes only, have been properly prepared on the bases set out in the notes to the proforma consolidated statements of financial position and the accounting policies adopted by DPS Group as at 31 March 2014; and

(b) within the context of the assumed date of the Rights Issue of Shares with Warrants:

   (i) the proforma consolidated statements of financial position has been prepared on such basis that is consistent with both the format of the audited consolidated financial statements and the accounting policies adopted by DPS Group as at 31 March 2014.

   (ii) each material adjustment made in the preparation of the proforma consolidated statements of financial positions is appropriate for the purposes of preparing the proforma consolidated statements of financial position.

This report has been prepared for the information of the Board for purpose of inclusion in the Abridged Prospectus of DPS in connection with the Rights Issue of Shares with Warrants. As such, this report is not to be reproduced, referred to in any other document, or used for any other purpose without our prior written consent.

Yours faithfully,

McMillan Woods Mea
AF: 1995
Chartered Accountants

Mea Fatt Leong
No. 1346/8/15
Partner of the firm

Petaling Jaya, Selangor

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 MARCH 2014 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON *(CONT'D)*

DPS RESOURCES BERHAD (630878-X)
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014

The Directors are pleased to present the Proforma Consolidated Statements of Financial Position as at 31 March 2014 incorporating adjustments as highlighted in Note 3 below and assumptions thereon pursuant to the Rights Issue of Shares with Warrants as described in Note 1 been effected on that date as described in Note 4 below, should be read in conjunction with the notes accompanying to the Proforma Consolidated Statements of Financial Position.

Scenario 1: Minimum Scenario			Proforma I	Proforma II	Proforma III
	Audited Consolidated Statement of Financial Position as at 31.3.14	Adjusted Audited Consolidated Statement of Financial Position as at 31.3.14#	After Par Value Reduction	After Proforma I and Rights Issue of Shares with Warrants	After Proforma II and assuming full exercise of warrants 2008/2018 and Rights Warrants
	RM	RM	RM	RM	RM
Other non-current assets					
Property, plant and equipment	97,338,990	97,338,990	97,338,990	97,338,990	97,338,990
Leasehold land	12,115,143	12,115,143	12,115,143	12,115,143	12,115,143
	109,454,133	109,454,133	109,454,133	109,454,133	109,454,133
Current assets					
Inventories	7,561,710	7,561,710	7,561,710	7,561,710	7,561,710
Property development cost	-	-	-	3,974,292	3,974,292
Trade and other receivables	5,906,487	5,906,487	5,906,487	5,906,487	5,906,487
Cash, deposits and bank balances	132,238	17,014,608	17,014,608	18,500,316	65,078,316
	13,600,435	30,482,805	30,482,805	35,942,805	82,520,805
Assets of disposal group classified as held for sale	29,752,871	-	-	-	-
Total current assets	43,353,306	30,482,805	30,482,805	35,942,805	82,520,805
Total assets	152,807,439	139,936,938	139,936,938	145,396,938	191,974,938

\# *Disposal of a wholly owned subsidiary, DPS Industries Sdn. Bhd. completed on 22 May 2014.*

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 MARCH 2014 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (*CONT'D*)

DPS RESOURCES BERHAD (630878-X)
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014

Scenario 1: Minimum Scenario	Audited Consolidated Statement of Financial Position as at 31.3.14 RM	Adjusted Audited Consolidated Statement of Financial Position as at 31.3.14# RM	Proforma I After Par Value Reduction RM	Proforma II After Proforma I and Rights Issue of Shares with Warrants RM	Proforma III After Proforma II and assuming full exercise of warrants 2008/2018 and Rights Warrants RM
Capital and reserves					
Share capital	132,000,000	132,000,000	26,400,000	44,630,000	62,168,000
Share premium	185,046	185,046	185,046	185,046	29,225,046
Revaluation reserves	9,174,579	6,141,150	6,141,150	6,141,150	6,141,150
Warrant reserve	-	-	-	6,114,342	-
Other reserves	-	-	59,739,607	53,625,265	59,739,607
Accumulated losses/ Retained earnings	(59,055,738)	(56,022,309)	(10,161,916)	(11,661,916)	(11,661,916)
Total equity	82,303,887	82,303,887	82,303,887	99,033,887	145,611,887
Non-current liabilities					
Hire purchase payables	137,309	137,309	137,309	137,309	137,309
Bank borrowings	13,326,037	13,326,037	13,326,037	13,326,037	13,326,037
Deferred tax liabilities	1,621,483	1,621,483	1,621,483	1,621,483	1,621,483
	15,084,829	15,084,829	15,084,829	15,084,829	15,084,829
Current liabilities					
Hire purchase payables	66,275	66,275	66,275	66,275	66,275
Bank borrowings	22,988,527	22,988,527	22,988,527	11,718,527	11,718,527
Trade and other payables	25,245,310	19,463,046	19,463,046	19,463,046	19,463,046
Provision for taxation	30,374	30,374	30,374	30,374	30,374
	48,330,486	42,548,222	42,548,222	31,278,222	31,278,222
Liabilities associated with disposal group classified as held for sale	7,088,237	-	-	-	-
Total current liabilities	55,418,723	42,548,222	42,548,222	31,278,222	31,278,222
Total liabilities	70,503,552	57,633,051	57,633,051	46,363,051	46,363,051
Total equity and liabilities	152,807,439	139,936,938	139,936,938	145,396,938	191,974,938
No. of DPS shares in issue	264,000,000	264,000,000	264,000,000	446,300,000	621,680,000
NA/NTA per DPS shares (RM)	0.31	0.31	0.31	0.22	0.23
Total borrowings (RM)	36,518,148	36,518,148	36,518,148	25,248,148	25,248,148
Gearing (times)	0.44	0.44	0.44	0.25	0.17

\# *Disposal of a wholly owned subsidiary, DPS Industries Sdn Bhd completed on 22 May 2014.*

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PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 MARCH 2014 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (*CONT'D*)

DPS RESOURCES BERHAD (630878-X)
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014

Scenario 2: Maximum Scenario	Audited Consolidated Statement of Financial Position as at 31.3.14 RM	Adjusted Audited Consolidated Statement of Financial Position as at 31.3.14# RM	Proforma I After Par Value Reduction RM	Proforma II After Proforma I and assuming full exercise of warrants 2008/2018 by the warrants holders (excluding DSCC and his PACs) RM	Proforma III After Proforma II and Rights Issue of Shares with Warrants RM	Proforma IV After Proforma III and assuming full exercise of warrants 2008/2018 and Rights Warrants RM
Other non-current assets						
Property, plant and equipment	97,338,990	97,338,990	97,338,990	97,338,990	97,338,990	97,338,990
Leasehold land	12,115,143	12,115,143	12,115,143	12,115,143	12,115,143	12,115,143
	109,454,133	109,454,133	109,454,133	109,454,133	109,454,133	109,454,133
Current assets						
Inventories	7,561,710	7,561,710	7,561,710	7,561,710	7,561,710	7,561,710
Property development costs	-	-	-	-	11,375,292	11,375,292
Trade and other receivables	5,906,487	5,906,487	5,906,487	5,906,487	5,906,487	5,906,487
Cash, deposits and bank balances	132,238	17,014,608	17,014,608	52,611,080	70,719,667	110,353,521
	13,600,435	30,482,805	30,482,805	66,079,277	95,563,156	135,197,010
Assets of disposal group classified as held for sale	29,752,871	-	-	-	-	-
Total current assets	43,353,306	30,482,805	30,482,805	66,079,277	95,563,156	135,197,010
Total assets	152,807,439	139,936,938	139,936,938	175,533,410	205,017,289	244,651,143

\# *Disposal of a wholly owned subsidiary, DPS Industries Sdn Bhd. completed on 22 May 2014.*

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 MARCH 2014 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (*CONT'D*)

DPS RESOURCES BERHAD (630878-X)
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014

Scenario 2: Maximum Scenario	Audited Consolidated Statement of Financial Position as at 31.3.14 RM	Adjusted Audited Consolidated Statement of Financial Position as at 31.3.14# RM	Proforma I After Par Value Reduction RM	Proforma II After Proforma I and assuming full exercise of warrants 2008/2018 by the warrants holders (excluding DSCC and his PACs) RM	Proforma III After Proforma II and Rights Issue of Shares with Warrants RM	Proforma IV After Proforma III and assuming full exercise of warrants 2008/2018 and Rights Warrants RM
Capital and reserves						
Share capital	132,000,000	132,000,000	26,400,000	32,991,939	98,975,818	138,574,206
Share premium	185,046	185,046	185,046	29,189,579	27,689,579	27,725,046
Revaluation reserves	9,174,579	6,141,150	6,141,150	6,141,150	6,141,150	6,141,150
Warrant reserve	-	-	-	-	22,091,403	-
Other reserves	-	-	59,739,607	59,739,607	37,648,204	59,739,607
Accumulated losses	(59,055,738)	(56,022,309)	(10,161,916)	(10,161,916)	(10,161,916)	(10,161,916)
Total equity	82,303,887	82,303,887	82,303,887	117,900,359	182,384,238	222,018,092
Non-current liabilities						
Hire purchase payables	137,309	137,309	137,309	137,309	137,309	137,309
Bank borrowings	13,326,037	13,326,037	13,326,037	13,326,037	1,314,564	1,314,564
Deferred tax liabilities	1,621,483	1,621,483	1,621,483	1,621,483	1,621,483	1,621,483
	15,084,829	15,084,829	15,084,829	15,084,829	3,073,356	3,073,356
Current liabilities						
Hire purchase payables	66,275	66,275	66,275	66,275	66,275	66,275
Bank borrowings	22,988,527	22,988,527	22,988,527	22,988,527	-	-
Trade and other payables	25,245,310	19,463,046	19,463,046	19,463,046	19,463,046	19,463,046
Provision for taxation	30,374	30,374	30,374	30,374	30,374	30,374
	48,330,486	42,548,222	42,548,222	42,548,222	19,559,695	19,559,695
Liabilities associated with disposal group classified as held for sale	7,088,237	-	-	-	-	-
Total current liabilities	55,418,723	42,548,222	42,548,222	42,548,222	19,559,695	19,559,695
Total liabilities	70,503,552	57,633,051	57,633,051	57,633,051	22,633,051	22,633,051
Total equity and liabilities	152,807,439	139,936,938	139,936,938	175,533,410	205,017,289	244,651,143
Number of DPS shares in issue	264,000,000	264,000,000	264,000,000	329,919,390	989,758,178	1,385,742,056
NA/NTA per DPS shares (RM)	0.31	0.31	0.31	0.36	0.18	0.16
Total borrowings (RM)	36,518,148	36,518,148	36,518,148	36,518,148	1,518,148	1,518,148
Gearing (times)	0.44	0.44	0.44	0.31	0.01	0.01

\# *Disposal of a wholly owned subsidiary, DPS Properties Sdn. Bhd. completed on 13 August 2013.*

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DPS RESOURCES BERHAD (630878-X)
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014

1. Corporate exercise

DPS proposed to undertake, amongst others, the renounceable rights issue of up to 659,838,788 Rights Shares on the basis of two (2) Rights Shares for every one (1) existing DPS Share held, together with up to 395,903,272 Rights Warrants on the basis of three (3) Rights Warrants for every five (5) Rights Shares subscribed.

2. Basis of preparation

The proforma consolidated statements of financial position of DPS Group, for which the Board is solely responsible, has been prepared using the audited financial statements of DPS Group for the financial year ended 31 March 2014 that have been prepared in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards of which UHY as statutory auditors, has expressed an unqualified opinion.

The proforma consolidated statements of financial position of DPS Group has been prepared in a manner consistent with both the format of the financial statements and the accounting policies of DPS Group as disclosed in DPS Group's audited consolidated financial statements for the financial year ended 31 March 2014, except for the adoption of the following new accounting policy.

Valuation of Rights Warrants

The warrant reserve represents the fair value adjustment for the free detachable Rights Warrants issued pursuant to the Rights Issue of Shares with Warrants.

DPS Group measures the value of the Rights Warrants by reference to the fair value at the date which they are granted. The estimation of fair value requires determining the most appropriate valuation model.

This estimate also requires the determination of the most appropriate inputs to the valuation model such as the volatility, risk-free interest rate, option life and making assumptions about them.

DPS will apply the above new accounting policy prospectively and hence there is no financial impact on the audited consolidated statements of financial position as at 31 March 2014.

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DPS RESOURCES BERHAD (630878-X)
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014

3 Adjustments to the Audited Consolidated Statements of Financial Position

The adjustments for the following transaction have been incorporated in the audited consolidated statements of financial position of the DPS Group as at 31 March 2014 prior to the implementation of the Rights Issue of Shares with Warrants as above in Section 1:-

Disposal of DPS Industries Sdn. Bhd. ("DPSI"), a wholly owned subsidiary

On 31 October 2012, DPS entered into a Sale and Purchase Agreement with Datuk Nazari Bin Adzim, Miss Fong Hui Fong and Miss Chin Wan Ling for the disposal of the entire equity interest in DPSI for a cash consideration of RM16,109,198 and shall be adjusted on the completion date by taking into the net asset value of DPSI and its subsidiary ("Disposal of DPSI"). The Disposal of DPSI was completed on 22 May 2014.

The gain arising from the Disposal of DPSI is computed as follows:--

	RM
Sale consideration	18,493,290
Less: Cost of investment	(9,277,634)
Gain on disposal at Company level	9,215,656
Less: share of post-acquisition profit	(6,182,227)
Share of post-acquisition revaluation reserve	(3,033,429)
Gain on disposal at Group level	-

The Adjusted Audited Consolidated Statement of Financial Position has the following impact on the Proforma Consolidated Statement of Financial Position of the DPS Group:-

	Effects on Total Assets RM	Total Equity and Liabilities RM
Cash, deposits and bank balances	16,882,370	-
Assets of disposal group classified as held for resale	(29,752,871)	-
Liabilities of disposal group classified as held for resale	-	(7,088,237)
Revaluation reserves	-	(3,033,429)
Accumulated losses	-	3,033,429
Trade and other payables	-	(5,782,264)
	(12,870,501)	(12,870,501)

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DPS RESOURCES BERHAD (630878-X)
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014

4. Proforma Consolidated Statements of Financial Position

4.1 Scenario 1: Minimum Scenario

(i) None of the existing 66,000,000 warrants 2008/2018 ("Warrants 2008/2018") is exercised into new DPS Shares of RM0.10 each prior to the entitlement date;

(ii) The Rights Issue of Shares with Warrants is undertaken at a minimum level of subscription of 182,300,000 Rights Shares together with 109,380,000 Rights Warrants ("Minimum Subscription Level"); and

(iii) Assuming all existing 66,000,000 Warrants 2008/2018 of DPS as at 31 March 2014 and 109,380,000 Rights Warrants of DPS to be issued are exercised after the completion of the Rights Issue of Shares with Warrants.

Proforma I

Proforma I is arrived at after the effective date of the reduction of the issued and paid-up share capital of DPS via cancellation of RM0.40 of the par value of each existing ordinary share of RM0.50 each to RM0.10 each in DPS pursuant to Section 64 of the Companies Act, 1965 ("Par Value Reduction") and has the following impact on the Proforma Consolidated Statements of Financial Position of DPS Group:-

	Increase/ (Decrease) Effects on Total Equity RM
Share capital	(105,600,000)
Accumulated losses	45,860,393
Other reserves	59,739,607
	-

Proforma II

Proforma II is arrived at after Proforma I and incorporating Rights Issue of Shares with Warrants at Minimum Subscription Level.

The subscription of 182,300,000 Rights Shares would give rise to an increase of RM18,230,000 in the issued and paid-up share capital of DPS.

The issuance of 182,300,000 Rights Shares with 109,380,000 Rights Warrants at an issue price of RM0.10 per Rights Share is expected to raise a gross proceeds of RM18,230,000.

The expenses in relation to the corporate exercises of RM1.5 million have been debited to the Accumulated Losses Account.

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DPS RESOURCES BERHAD (630878-X)
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014

4. Proforma Consolidated Statements of Financial Position (continued)

4.1 Scenario 1: Minimum Scenario (continued)

Proforma II (continued)

The fair value assigned to the Rights Warrants of RM0.0559 each is determined using Trinomial option pricing model based on the following input data as at 24 November 2014:

(a) Theoretical ex-all price : RM0.1083
(b) Rights Warrants exercise price : RM0.10
(c) Tenure of Rights Warrant : Ten (10) years from the date of issuance of the Rights Warrants
(d) Volatility : Historical volatility extracted from Bloomberg of 68.224%

For the purpose of illustrative Proforma II, the Rights Shares and Rights Warrants are recorded at the par value of RM0.10 per Rights Share and the fair value of RM0.0559 per Rights Warrant respectively.

Upon completion of the Rights Issue of Shares with Warrants, the issued and paid-up share capital of DPS will be increased to RM44,630,000. At the same time, a warrant reserve of RM6,114,342 is set up based on the fair value of RM0.0559 per Rights Warrant.

The proceeds arising from the Rights Issue of Shares with Warrants of RM18,230,000 are to be utilised as follows:

Proposed utilisation of proceeds	RM
DPS Realty Sdn Bhd's ("DPSR") entitlement pursuant to the Joint Ventures ("JVs")	3,974,292
Repayment of borrowings	11,270,000
Working capital	1,485,708
Estimated expenses in relation to the corporate exercises	1,500,000
	18,230,000

The Rights Issue of Shares with Warrants has the following impact on the Proforma Consolidated Statements of Financial Position of the DPS Group:-

	Increase/ (Decrease)	
	Effects on Total Assets RM	**Effects on Total Equity and Liabilities RM**
DPSR's entitlement pursuant to the JVs	3,974,292	-
Cash, deposits and bank balances	1,485,708	-
Bank borrowings	-	(11,270,000)
Share capital	-	18,230,000
Warrant reserve	-	6,114,342
Other reserves	-	(6,114,342)
Accumulated losses	-	(1,500,000)
	5,460,000	**5,460,000**

DPS RESOURCES BERHAD (630878-X)
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014

4. Proforma Consolidated Statements of Financial Position (continued)

4.1 Scenario 1: Minimum Scenario (continued)

Proforma III

Proforma III is arrived at after Proforma II and assuming full exercise of existing Warrants 2008/2018 and Rights Warrants (collectively referred to as the "Warrants").

The exercise of existing 66,000,000 Warrants 2008/2018 and 109,380,000 Rights Warrants based on an exercise price of RM0.54 and RM0.10 per warrant respectively. The exercise will generate total gross cash proceeds of RM46,578,000. Pursuant to the exercise of the 66,000,000 Warrants 2008/2018 and 109,380,000 Rights Warrants, 175,380,000 new DPS Shares will be issued and this will increase the issued and paid-up share capital and share premium account by RM17,538,000 and RM29,040,000 respectively with no additional expenses. The warrant reserve of RM6,114,342 will be transferred to other reserves upon exercise or expiry of the Rights Warrants.

The full exercise of Warrants has the following impact on the Proforma Consolidated Statements of Financial Position of the DPS Group:-

	Increase/ (Decrease)	
	Effects on Total Assets RM	**Effects on Total Equity RM**
Cash, deposits and bank balances	46,578,000	-
Share capital	-	17,538,000
Share premium	-	29,040,000
Warrant reserve	-	(6,114,342)
Other reserves	-	6,114,342
	46,578,000	**46,578,000**

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DPS RESOURCES BERHAD (630878-X)
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014

4. Proforma Consolidated Statements of Financial Position (continued)

4.2 Scenario 2: Maximum Scenario

(i) Assuming 65,919,394 of the existing Warrants 2008/2018 of DPS are exercised in full into new DPS shares of RM0.10 each;

(ii) The Rights Issue of Shares with Warrants of 659,838,788 Rights Shares together with 395,903,272 Rights Warrants is taken up in full; and

(iii) The 395,903,272 Rights Warrants to be issued and 80,606 of the existing Warrants 2008/2018 are exercised in full after the completion of the Rights Issue of Shares with Warrants.

Proforma I

Proforma I is arrived after the Par Value Reduction and has the following impact on the Proforma Consolidated Statements of Financial Position of DPS Group:-

	Increase/ (Decrease) Effects on Total Equity RM
Share capital	(105,600,000)
Accumulated losses	45,860,393
Other reserves	59,739,607
	-

Proforma II

Proforma II is arrived after Proforma I and assuming all the existing 65,919,394 Warrants 2008/2018 are exercised in full.

The full exercise of existing 65,919,394 Warrants 2008/2018 has the following impact in the Proforma Consolidated Statements of Financial Position of the DPS Group:-

	Increase/ (Decrease) Effects on Total Assets RM	Effects on Total Equity RM
Cash, deposits and bank balances	35,596,472	-
Share capital	-	6,591,939
Share premium	-	29,004,533
	35,596,472	**35,596,472**

X

DPS RESOURCES BERHAD (630878-X)
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014

4. Proforma Consolidated Statements of Financial Position (continued)

4.2 Scenario 2: Maximum Scenario (continued)

Proforma III

Proforma III is arrived at after Proforma II and after the Rights Issue of Shares with Warrants.

The subscription of 659,838,788 Rights Shares would give rise to an increase of RM65,983,879 in the issued and paid-up share capital of DPS.

Subscription and issuance of 659,838,788 Rights Shares with 395,903,272 Rights Warrants at an issue price of RM0.10 per Rights Share is expected to raise a gross proceeds of RM65,983,879.

The expenses in relation to the corporate exercises of RM1.5 million have been debited to the share premium account.

The fair value assigned to the Rights Warrants of RM0.0558 each is determined using the Trinomial option pricing model based on the following input data as 24 November 2014:

(a)	Theoretical ex-all price	: RM0.1083
(b)	Rights Warrants exercise price	: RM0.10
(c)	Tenure of Rights Warrant	: Ten (10) years from the date of issuance of the Rights Warrants
(d)	Volatility	: Historical volatility extracted from Bloomberg of 68.224%

For the purpose of illustrative Proforma III, the Rights Shares and Rights Warrants are recorded at the par value of RM0.10 per Rights Share and the fair value of RM0.0558 per Rights Warrant respectively.

Upon completion of the Rights Issue of Shares with Warrants, the issued and paid-up share capital of DPS will be increased to RM98,975,818. At the same time, a warrant reserve of RM22,091,403 is set up based on the fair value of RM0.0558 per Rights Warrant.

The proceeds arising from the Rights Issue of Shares with Warrants of RM65,983,879 are to be utilised as follows:

Proposed utilisation of proceeds	**RM**
DPSR's entitlement pursuant to the JVs	3,974,292
Repayment of borrowings	35,000,000
Property development cost pursuant to the JVs	7,401,000
Working capital	18,108,607
Estimated expenses in relation to the corporate exercises	1,500,000
	65,983,879

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DPS RESOURCES BERHAD (630878-X)
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014

4. Proforma Consolidated Statements of Financial Position (continued)

4.2 Scenario 2: Maximum Scenario (continued)

The Rights Issue of Shares with Warrants has the following impact on the Proforma Consolidated Statements of Financial Position of the DPS Group:-

	Increase/ (Decrease)	
	Effects on Total Assets RM	Effects on Total Equity and Liabilities RM
DPSR's entitlement pursuant to the JVs	3,974,292	-
Property development cost pursuant to JVs	7,401,000	
Cash, deposits and bank balances	18,108,587	-
Bank borrowings	-	(35,000,000)
Share capital	-	65,983,879
Warrant reserve	-	22,091,403
Other reserves	-	(22,091,403)
Share premium	-	(1,500,000)
	29,483,879	**29,483,879**

Proforma IV

Proforma IV is arrived at after Proforma III and assuming full exercise of Rights Warrants.

The exercise of 395,903,272 Rights Warrants based on an exercise price of RM0.10 per Rights Warrant and 80,606 Warrants 2008/2018 by DSCC and his PACs at an exercise price of RM0.54 will generate total gross cash proceeds of RM39,633,855. Pursuant to the exercise of the 395,903,272 Rights Warrants and 80,606 Warrants 2008/2018 by DSCC and his PACs, 395,983,878 new DPS Shares will be issued and this will increase the issued and paid-up share capital of DPS by RM39,598,388 with no additional expenses. The warrant reserve of RM18,607,454 is transferred to other reserves upon exercise or expiry of the Rights Warrants and the share premium will increase by RM35,467 pursuant to the exercise of 80,606 Warrants 2008/2018 by DSCC and his PACs at RM0.54 per Warrants 2008/2018.

The full exercise of Rights Warrants and 80,606 Warrants 2008/2018 has the following impact on the Proforma Consolidated Statements of Financial Position of the DPS Group:-

	Increase/ (Decrease)	
	Effects on Total Assets RM	Effects on Total Equity RM
Cash, deposits and bank balances	39,633,855	-
Share capital	-	39,598,388
Share premium	-	35,467
Warrant reserve	-	(22,091,403)
Other reserves	-	22,091,403
	39,633,855	**39,633,855**

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DPS RESOURCES BERHAD (630878-X)
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014

5. Property development cost

The movement in property development cost of DPS Group is as follow:-

5.1 Scenario 1: Minimum Scenario

	RM
As at 31 March 2014	-
Completion of Disposal of DPSI	-
Adjusted Audited Consolidated Statement of Financial Position	-
Arising from Par Value Reduction	-
As per Proforma I	-
Arising from the Rights Issue of Shares with Warrants	3,974,292
As per Proforma II	3,974,292
Arising upon full exercise of Warrants	-
As per Proforma III	3,974,292

5.2 Scenario 2: Maximum Scenario

	RM
As at 31 March 2014	-
Completion of Disposal of DPSI	-
Adjusted Audited Consolidated Statement of Financial Position	-
Arising upon full exercise of existing Warrants 2008/2018 by the warrants holders (excluding DSCC and his PACs) and Par Value Reduction	-
As per Proforma I & II	-
Arising from the Rights Issue of Shares with Warrants	11,375,292
As per Proforma III	11,375,292
Arising upon full exercise of Warrants	-
As per Proforma IV	11,375,292

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DPS RESOURCES BERHAD (630878-X)
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014

6. Cash, deposits and bank balances

The movements in the cash, deposits and bank balances of DPS Group are as follows:

6.1 Scenario 1: Minimum Scenario

	RM
As at 31 March 2014	132,238
Sales proceeds arising from the Disposal of DPSI	16,882,370
Adjusted Audited Consolidated Statement of Financial Position	17,014,608
Arising from the Par Value Reduction	-
As per Proforma I	17,014,608
Arising from the Rights Issue of Shares with Warrants	18,230,000
Repayment of borrowings	(11,270,000)
DPSR's entitlement pursuant to the JVs	(3,974,292)
Estimated expenses in relation to the corporate exercises	(1,500,000)
As per Proforma II	18,500,316
Arising upon full exercise of Warrants	46,578,000
As per Proforma III	65,078,316

For illustrative purposes, the proceeds for working capital are included in cash, deposits and bank balances when received.

6.2 Scenario 2: Maximum Scenario

	RM
As at 31 March 2014	132,238
Sales proceeds arising from the Disposal of DPSI	16,882,370
Adjusted Audited Consolidated Statement of Financial Position	17,014,608
Arising from the Par Value Reduction	-
As per Proforma I	17,014,608
Arising upon full exercise of the existing Warrants 2008/2018 by the warrant holders (excluding DSCC and his PACs)	35,596,472
As per Proforma II	52,611,080
Arising from the Rights Issue of Shares with Warrants	65,983,879
Repayment of borrowings	(35,000,000)
Property development pursuant to the JVs	(11,375,292)
Estimated expenses in relation to the corporate exercises	(1,500,000)
As per Proforma III	70,719,667
Arising upon full exercise of Warrants	39,633,854
As per Proforma IV	110,353,521

For illustrative purposes, the proceeds for working capital are included in cash, deposits and bank balances when received.

DPS RESOURCES BERHAD (630878-X)
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014

7. Share capital

The movements in the share capital of DPS Group are as follows:

7.1 Scenario 1: Minimum Scenario

	Ordinary shares of RM0.50 each		Ordinary shares of RM0.10 each	
	Unit ('000)	**RM'000**	**Unit ('000)**	**RM'000**
As at 31 March 2014	264,000	132,000	-	-
Completion of Disposal of DPSI	-	-	-	-
Adjusted Audited Consolidated Financial Position	264,000	132,000	-	-
Arising from the Par Value Reduction	(264,000)	(132,000)	264,000	26,400
As per Proforma I	-	-	264,000	26,400
Arising from the Rights Issue of Shares with Warrants	-	-	182,300	18,230
As per Proforma II	-	-	446,300	44,630
Arising upon full exercise of Warrants	-	-	175,300	17,538
As per Proforma III	-	-	621,680	62,168

7.2 Scenario 2: Maximum Scenario

	Ordinary shares of RM0.50 each		Ordinary shares of RM0.10 each	
	Unit ('000)	**RM'000**	**Unit ('000)**	**RM'000**
As at 31 March 2014	264,000	132,000	-	-
Completion of Disposal of DPSI	-	-	-	-
Adjusted Audited Consolidated Financial Position	264,000	132,000	-	-
Arising from the Par Value Reduction	(264,000)	(132,000)	264,000	26,400
As per Proforma I	-	-	264,000	26,400
Arising upon full exercise of the existing Warrants 2008/2018 by the warrants holders (excluding by DSCC and PACs)	-	-	65,919	6,592
As per Proforma II	-	-	329,919	32,992
Arising from the Rights Issue of Shares with Warrants	-	-	659,839	65,984
As per Proforma III	-	-	989,758	98,976
Arising upon full exercise of Rights Warrants and 80,606 Warrants 2008/2018	-	-	395,894	39,598
As per Proforma IV	-	-	1,385,742	138,574

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8. Share premium

The movements in the share premium of DPS Group are as follows:

8.1 Scenario 1: Minimum Scenario

	RM
As at 31 March 2014	185,046
Completion of Disposal of DPSI	-
Adjusted Audited Consolidated Statement of Financial Position	185,046
Arising from the Par Value Reduction	-
As per Proforma I	185,046
Estimated expenses in relation to the corporate exercises	-
As per Proforma II	185,046
Arising upon full exercise of the existing Warrants 2008/2018	29,040,000
As per Proforma III	29,225,046

8.2 Scenario 2: Maximum Scenario

	RM
As at 31 March 2014	185,046
Completion of Disposal of DPSI	-
Adjusted Audited Consolidated Statement of Financial Position	185,046
Arising from Par Value Reduction	-
As per Proforma I	185,046
Arising upon full exercise of the existing Warrants 2008/2018 by the warrant holders (excluding DSCC and his PACs)	29,004,533
As per Proforma II	29,189,579
Estimated expenses in relation to the corporate exercises	(1,500,000)
As per Proforma III	27,689,579
Arising upon full exercise of the Rights Warrants and 80,606, Warrants 2008/2018	35,467
As per Proforma IV	27,725,046

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9. Warrant reserve

The movements in warrant reserve of DPS Group are as follows:

9.1 Scenario 1: Minimum Scenario

	RM
As at 31 March 2014	-
Completion of Disposal of DPSI	-
Adjusted Audited Consolidated Statement of Financial Position	-
Arising from the Par Value Reduction	-
As per Proforma I	-
Amount charged for fair value of Rights Warrants issued pursuant to Rights Issue of Shares with Warrants	6,114,342
As per Proforma II	6,114,342
Arising upon full exercise of the Rights Warrants	(6,114,342)
As per Proforma III	-

9.2 Scenario 2: Maximum Scenario

	RM
As at 31 March 2014	-
Completion of Disposal of DPSI	-
Adjusted Consolidated Statement of Financial Position	-
Arising from Par Value Reduction	-
As per Proforma I	-
Arising upon full exercise of the existing Warrants 2008/2018 by the warrant holders (excluding DSCC and his PACs)	-
As per Proforma II	-
Amount charged for fair value of Rights Warrants issued pursuant to Rights Issue of Shares with Warrants	22,091,403
As per Proforma III	22,091,403
Arising upon full exercise of the Rights Warrants	(22,091,403)
As per Proforma IV	-

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DPS RESOURCES BERHAD (630878-X)
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014

10. Accumulated losses

The movements in accumulated losses of DPS Group are as follows:

10.1 Scenario 1: Minimum Scenario

	RM
As at 31 March 2014	(59,055,738)
Completion of Disposal of DPSI	3,033,429
Adjusted Audited Consolidated Statement of Financial Position	(56,022,309)
Arising from the Par Value Reduction	45,860,393
As per Proforma I	(10,161,916)
Amount charged for fair value of Rights Warrants issued pursuant to the Rights Issue with Warrants	-
Estimated expenses in relation to the corporate exercises	(1,500,000)
As per Proforma II	(11,661,916)
Arising upon full exercise of the Rights Warrants	-
As per Proforma III	(11,661,916)

10.2 Scenario 2: Maximum Scenario

	RM
As at 31 March 2014	(59,055,738)
Completion of Disposal of DPSI	3,033,429
Adjusted Audited Consolidated Statement of Financial Position	(56,022,309)
Arising from the Par Value Reduction	45,860,393
As per Proforma I	(10,161,916)
Arising upon full exercise of the existing Warrants 2008/2018 by the warrant holders (excluding DSCC and his PACs)	-
As per Proforma 1I	(10,161,916)
Amount charged for fair value of Rights Warrants issued pursuant to Rights Issue of Shares with Warrants	-
As per Proforma III	(10,161,916)
Arising upon full exercise of the Rights Warrants	-
As per Proforma IV	(10,161,916)

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DPS RESOURCES BERHAD (630878-X)
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014

11. Other Reserves

The movements in other reserves of DPS Group are as follows:

11.1 Scenario 1: Minimum Scenario

	RM
As at 31 March 2014	-
Completion of Disposal of DPSI	-
Adjusted Audited Consolidated Statement of Financial Position	-
Arising from the Par Value Reduction	59,739,607
As per Proforma I	59,739,607
Amount charged for fair value of Rights Warrants issued pursuant to the Rights Issue with Warrants	(6,114,342)
Estimated expenses in relation to the corporate exercises	-
As per Proforma II	53,625,265
Arising upon full exercise of the Rights Warrants	6,114,342
As per Proforma III	59,739,607

11.2 Scenario 2: Maximum Scenario

	RM
As at 31 March 2014	-
Completion of Disposal of DPSI	-
Adjusted Audited Consolidated Statement of Financial Position	-
Arising from the Par Value Reduction	59,739,607
As per Proforma I	59,739,607
Arising upon full exercise of the existing Warrants 2008/2018 by the warrant holders (excluding DSCC and his PACs)	-
As per Proforma 1I	
Amount charged for fair value of Rights Warrants issued pursuant to Rights Issue of Shares with Warrants	(22,091,403)
As per Proforma III	37,648,204
Arising upon full exercise of the Rights Warrants	22,091,403
As per Proforma IV	59,739,607

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PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014

12. Borrowings

The movement in bank borrowings of DPS Group is as follows:

12.1 Scenario 1: Minimum Scenario

	RM
As at 31 March 2014	36,518,148
Completion of Disposal of DPSI	-
Adjusted Audited Consolidated Statement of Financial Position	36,518,148
Arising from the Par Value Reduction	-
As per Proforma I	36,518,148
Proceeds from the Rights Issue of Shares with Warrants	(11,270,000)
As per Proforma II	25,248,148
Arising upon full exercise of the Rights Warrants	-
As per Proforma III	25,248,148

12.2 Scenario 2: Maximum Scenario

	RM
As at 31 March 2014	36,518,148
Completion of Disposal of DPSI	-
Adjusted Audited Consolidated Statement of Financial Position	36,518,148
Arising from Par Value Reduction	-
As per Proforma 1	36,518,148
Arising upon full exercise of the existing Warrants 2008/2018 by the warrant holders (excluding DSCC and his PACs)	-
As per Proforma II	36,518,148
Proceeds from the Rights Issue of Shares with Warrants s	(35,000,000)
As per Proforma III	1,518,148
Arising upon full exercise of the Rights Warrants	-
As per Proforma IV	1,518,148

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DPS RESOURCES BERHAD

(Company No: 630878-X)
(Incorporated in Malaysia)

REPORT AND FINANCIAL STATEMENTS

31 MARCH 2014

CERTIFIED TRUE COPY

LOH CHYE TEIK Date:
CHARTERED ACCOUNTANT
UHY
Partner

Registered office:
50-1, 52-1 & 54-1
Jalan BPM 2
Taman Bukit Piatu Mutiara
75150 Melaka

Principal place of business:
Lot 76 & 77
Kawasan Perindustrian Bukit Rambai
Bukit Rambai
75250 Melaka

DPS RESOURCES BERHAD

(Incorporated in Malaysia)

REPORT AND FINANCIAL STATEMENTS

31 MARCH 2014

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DPS RESOURCES BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2014.

Principal Activities

The Company is an investment holding. The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

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

Financial Results

	Group RM	Company RM
(Loss)/Profit net of tax		
- from continuing operations	(1,408,380)	2,819,077
- from discontinuing operations	1,074,414	-
	(333,966)	2,819,077
Attributable to owners of the parent	(333,966)	2,819,077

Dividends

There were no dividend proposed, declared or paid by the Company since the end of the previous financial year. The Board of Directors does not recommend any dividend in respect of the current financial year.

Reserves and Provisions

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

Issue of Shares and Debentures

There was no issuance of shares or debentures during the financial year.

Options Granted Over Unissued Shares

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

Warrants

The Company had issued 66,000,000 warrants which were listed on Bursa Malaysia Securities Berhad on 14 January 2008 in conjunction with the rights issue on the basis of one free warrant attached to every two rights shares subscribed.

The warrants are constituted by a Deed Poll dated 21 November 2007 executed by the Company. Each warrant entitles the registered holder during the exercise period to subscribe for one new ordinary share at the exercise price of RM0.54 per share, subject to adjustment in accordance with the provisions of the Deed Poll.

The salient features of the warrants are as disclosed in Note 10 to the financial statements.

The summary of the movements of warrants is as follows:

			Number of warrants			
Date of issue	Expiry date	Exercise price per warrant	Balance at 1.4.2013	Granted	Exercised	Balance at 31.3.2014
		RM				
14.1.2008	13.1.2018	0.54	66,000,000	-	-	66,000,000

Directors

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

Datuk Haji Jaafar Bin Haji Lajis
Datin Chu Kim Guek
Datuk Sow Chin Chuan
Eric Sow Yong Shing
Emily Sow Mei Chet
Vong Woon Chin
Yee Yit Yang
Datuk Tahir Bin Hj Hassan (Vacant from office on 27 May 2013)

Directors' Interests

According to the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, the interests of those Directors in office at the end of the financial year in the shares of the Company during the financial year ended are as follows:

	No. of ordinary shares of RM0.50 each			
	At 1.4.2013	**Acquired**	**Disposed**	**At 31.3.2014**
Interests in the Company				
Direct interests:				
Datuk Haji Jaafar Bin Haji Lajis	2	-	-	2
Datuk Sow Chin Chuan*	62,784,829	-	-	62,784,829
Datin Chu Kim Guek*	4,275,597	-	-	4,275,597
Eric Sow Yong Shing*	70,000	-	-	70,000
Vong Woon Chin	1,000	-	-	1,000
Deemed interests:				
Datuk Sow Chin Chuan (+)	4,345,597	-	-	4,345,597
Datin Chu Kim Guek (+)	62,854,829	-	-	62,854,829
Eric Sow Yong Shing (-)	67,060,426	-	-	67,060,426
Emily Sow Mei Chet (#)	67,130,426	-	-	67,130,426

	Number of warrants			
	At 1.4.2013	**Granted**	**Exercised**	**At 31.3.2014**
Direct interests:				
Datuk Sow Chin Chuan	258	-	-	258
Datin Chu Kim Guek	62,848	-	-	62,848
Eric Sow Yong Shing	17,500	-	-	17,500
Deemed interests:				
Datuk Sow Chin Chuan (+)	80,348	-	-	80,348
Datin Chu Kim Guek (+)	17,758	-	-	17,758
Eric Sow Yong Shing (-)	63,106	-	-	63,106
Emily Sow Mei Chet (#)	80,606	-	-	80,606

+ Deemed interest through his or her spouse and sons.
- Deemed interest through his parents.
Deemed interest through her parents and sibling.

* By virtue of their substantial interest in the share of the Company, Datuk Sow Chin Chuan, Datin Chu Kim Guek, Eric Sow Yong Shing and Emily Sow Mei Chet are also deemed to be interested in the shares of the subsidiaries to the extent the Company has an interest.

Directors' Interests (Cont'd)

Other than as disclosed above, none of the other Directors in office at the end of the financial year had any interest in the ordinary shares of the Company and its related corporations or hold any interest in the options and warrants of the Company during the financial year.

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than those disclosed in Note 20(b) to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangement the object of which 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.

Other Statutory Information

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

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

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

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

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

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

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

  (iv) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

Other Statutory Information (Cont'd)

(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 liabilities of any other person; or

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

(d) In the opinion of the Directors:

(i) no contingent or other liabilities of the Group and of the Company have become enforceable or are likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;

(ii) 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; and

(iii) 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.

Significant Event

The significant event is disclosed in Note 28 to the financial statements.

Subsequent Events

The subsequent events are disclosed in Note 29 to the financial statements.

Auditors

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

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 23 July 2014.

DATUK SOW CHIN CHUAN

DATIN CHU KIM GUEK

PENANG

DPS RESOURCES BERHAD
(Incorporated in Malaysia)

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

We, the undersigned, being two of the Directors of DPS RESOURCES BERHAD, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 12 to 84 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 of 31 March 2014 and of its financial performance and the cash flows for the financial year then ended.

The supplementary information set out in page 85 have been compiled 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 of Directors in accordance with a resolution of the Directors dated 23 July 2014.

DATUK SOW CHIN CHUAN	DATIN CHU KIM GUEK

PENANG

DPS RESOURCES BERHAD
(Incorporated in Malaysia)

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

I, DATUK SOW CHIN CHUAN, being the Director primarily responsible for the financial management of DPS RESOURCES BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 12 to 84 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed at Georgetown in the State of Penang on 23 July 2014)

DATUK SOW CHIN CHUAN

Before me,

PESURUHJAYA SUMPAH
No: P147
Nama: HAJI MOHAMED YUSOFF BIN MOHD. IBRAHIM

COMMISSIONER FOR OATHS
NO. 97, LEBUH BISHOP
10200 PULAU PINANG

UHY

UHY (AF1411)
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DPS RESOURCES BERHAD

(Company No.: 630878-X)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of DPS RESOURCES BERHAD, which comprise the statements of financial position as at 31 March 2014 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 12 to 84.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with 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 are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal 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.

UHY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
DPS RESOURCES BERHAD (CONT'D)
(Company No.: 630878-X)
(Incorporated in Malaysia)

Opinion

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

Report on Other Legal and Regulatory Requirements

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

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its 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 accounts and the auditor's reports of all the subsidiaries of which we have not acted as auditors, as disclosed in Note 6 to the financial statements.

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

(d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out on page 85 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad ("Bursa Malaysia") 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. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
DPS RESOURCES BERHAD (CONT'D)
(Company No.: 630878-X)
(Incorporated in Malaysia)

Other Matters

The financial statements of the Group and of the Company for the financial year ended 31 March 2013 were audited by another auditor who expressed an unmodified opinion on those financial statements on 22 July 2013.

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

UHY

UHY
Firm Number: AF 1411
Chartered Accountants

LOH CHYE TEIK
Approved Number: 1652/08/14(J)
Chartered Accountant

PENANG
23 July 2014

DPS RESOURCES BERHAD

(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014

	Note	2014 RM	2013 RM
Non-Current Assets			
Property, plant and equipment	4	97,338,990	85,681,305
Prepaid land lease payments	5	12,115,143	5,703,758
		109,454,133	91,385,063
Current Assets			
Inventories	7	7,561,710	6,686,454
Trade and other receivables	8	5,906,487	20,773,663
Cash and bank balances		132,238	175,911
		13,600,435	27,636,028
Assets of disposal group classified as held for sale	9	29,752,871	38,427,374
		43,353,306	66,063,402
Total Assets		152,807,439	157,448,465
Equity			
Share capital	10	132,000,000	132,000,000
Share premium	11	185,046	185,046
Revaluation Reserves	12	9,174,579	4,376,398
Accumulated losses		(59,055,738)	(58,721,772)
Total Equity		82,303,887	77,839,672

DPS RESOURCES BERHAD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014 (CONT'D)

	Note	2014 RM	2013 RM
Non-Current Liabilities			
Hire purchase payables	13	137,309	240,565
Bank borrowings	14	13,326,037	23,690,422
Deferred tax liabilities	15	1,621,483	-
		15,084,829	23,930,987
Current Liabilities			
Trade and other payables	16	25,245,310	22,164,254
Hire purchase payables	13	66,275	89,840
Bank borrowings	14	22,988,527	15,457,318
Tax payable		30,374	30,374
		48,330,486	37,741,786
Liabilities of disposal group classified as held for sale	9	7,088,237	17,936,020
		55,418,723	55,677,806
Total Liabilities		70,503,552	79,608,793
Total Equity and Liabilities		152,807,439	157,448,465

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

DPS RESOURCES BERHAD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Note	2014 RM	2013 RM
Continuing operations			
Revenue	17	38,313,672	37,760,214
Cost of sales		(33,299,763)	(35,171,223)
Gross profit		5,013,909	2,588,991
Other income		833,805	990,303
Administration expenses		(3,663,675)	(4,423,526)
Distribution costs		(1,571,961)	(2,192,720)
Other expenses		-	(22,523,917)
Profit/(Loss) from operations		612,078	(25,560,869)
Finance costs	18	(2,020,458)	(2,918,984)
Loss before taxation	19	(1,408,380)	(28,479,853)
Taxation	21	-	2,799,922
Loss from continuing operations		(1,408,380)	(25,679,931)
Discontinued operation			
Profit/(Loss) from discontinued operations, net of tax		1,074,414	(5,336,645)
Loss for the financial year		(333,966)	(31,016,576)
Other comprehensive income, net of tax			
Items that will not be reclassified subsequently to profit or loss			
Revaluation of land and buildings		4,798,181	(1,098,519)
Total comprehensive income attributable to owners of the parent for the financial year		4,464,215	(32,115,095)
(Loss)/Earnings per share			
Basic (loss)/earnings per share (sen):			
Loss from continuing operations		(0.53)	(9.73)
Earnings/(Loss) from discontinued operations		0.40	(2.02)
	22	(0.13)	(11.75)
Diluted (loss)/earnings per share (sen):			
Loss from continuing operations		(0.53)	(9.73)
Earnings/(Loss) from discontinued operations		0.40	(2.02)
	22	(0.13)	(11.75)

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

DPS RESOURCES BERHAD
(Incorporated in Malaysia)

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

	Attributable to owners of the parent				
	Non-Distributable				
	Share capital RM	Revaluation reserve RM	Share premium RM	Accumulated losses RM	Total equity RM
At 1 April 2012	132,000,000	5,474,917	185,046	(27,705,196)	109,954,767
Loss for the financial year	-	-	-	(31,016,576)	(31,016,576)
Other comprehensive income for the financial year	-	(1,098,519)	-	-	(1,098,519)
Total comprehensive income for the financial year	-	(1,098,519)	-	(31,016,576)	(32,115,095)
At 31 March 2013	132,000,000	4,376,398	185,046	(58,721,772)	77,839,672
At 1 April 2013	132,000,000	4,376,398	185,046	(58,721,772)	77,839,672
Loss for the financial year	-	-	-	(333,966)	(333,966)
Other comprehensive income for the financial year	-	4,798,181	-	-	4,798,181
Total comprehensive income for the financial year	-	4,798,181	-	(333,966)	4,464,215
At 31 March 2014	132,000,000	9,174,579	185,046	(59,055,738)	82,303,887

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

DPS RESOURCES BERHAD
(Incorporated in Malaysia)

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

	2014 RM	2013 RM
Cash Flows From Operating Activities		
(Loss)/Profit before taxation		
- Continuing operations	(1,408,380)	(28,479,853)
- Discontinuing operations	1,074,517	(5,322,506)
	(333,863)	(33,802,359)
Adjustments for:		
Allowance for obsolete inventories	-	8,617,308
Amortisation of prepaid land lease payments	139,113	130,658
Bad debts written off	-	41,632
Depreciation of property, plant and equipment	4,841,534	5,914,329
Excess of insurance claim on loss of property, plant and equipment over carrying amount	(59,999)	-
Gain on disposal of property, plant and equipment	(3,586)	(12,389)
Gain on disposal of subsidiary company	-	(908,580)
Impairment loss on other receivables	-	115,000
Impairment loss on property, plant and equipment	-	5,326,453
Impairment loss on trade receivables	153,470	1,027,331
Interest expenses	2,302,764	3,586,421
Interest income	(542)	(1,267)
Property, plant and equipment written off	-	12,920,293
Reversal of impairment losses on trade receivables	(445,931)	-
Operating profit before working capital changes	6,592,960	2,954,830
Changes in working capital:		
Inventories	(875,256)	1,965,030
Receivables	(4,994,961)	(16,647,592)
Payables	4,785,967	13,137,105
	(1,084,250)	(1,545,457)
Cash generated from operations	5,508,710	1,409,373
Interest paid	(2,302,764)	(3,586,421)
Interest received	-	89
Tax refunded	-	206,466
	(2,302,764)	(3,379,866)
Net cash generated from/(used in) operating activities	3,205,946	(1,970,493)

DPS RESOURCES BERHAD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (CONT'D)

	Note	2014 RM	2013 RM
Cash Flows From Investing Activities			
Acquisition of property, plant and equipment	(i)	(1,578,904)	(5,980)
Proceeds from disposal of subsidiary company, net of cash disposed	9(b)	1,790,229	5,336,673
Proceeds from disposal of property, plant and equipment		-	2,350,750
Net cash generated from investing activities		211,325	7,681,443
Cash Flows From Financing Activities			
Decrease in amount owing by a former subsidiary		-	2,173,643
Decrease in amount owing to a director		1,477,762	(648,929)
Increase in amount owing to company in which certain director have interest		82,424	-
Decrease in receivables financing		(86,815)	-
Drawdown of term loans		2,295,000	15,520,000
Repayment of term loans		(4,440,079)	(16,962,418)
Decrease of bankers acceptance		(2,964,000)	(6,888,225)
Repayment of hire purchase payables		(83,942)	-
Net cash used in financing activities		(3,719,650)	(6,805,929)
Net decrease in cash and cash equivalents		(302,379)	(1,094,979)
Cash and cash equivalents at beginning of the financial year		(1,371,731)	(276,752)
Cash and cash equivalents at end of the financial year		(1,674,110)	(1,371,731)
Cash and cash equivalents at end of the financial year comprises:			
Continuing operations			
Cash and bank balances		132,238	175,911
Bank overdrafts		(2,048,871)	(1,640,242)
		(1,916,633)	(1,464,331)
Discontinuing operations			
Deposit, bank and cash balances		260,274	109,809
Fixed deposit pledged with a licensed bank		(17,751)	(17,209)
		(1,674,110)	(1,371,731)

DPS RESOURCES BERHAD

(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (CONT'D)

Note :

(i) Acquisition of property, plant and equipment

	2014 RM	2013 RM
Continued operations		
Aggregate additional cost of property, plant and equipment	19,339,583	5,980
Less: Amount included in "other receivable"	(19,339,583)	-
Cash payment	-	5,980
Discontinued operations		
Aggregate additional cost of property, plant and equipment	1,732,604	-
Less: Hire purchase arrangement	(153,700)	-
Cash payment	1,578,904	-
Net cash payments	1,578,904	5,980

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

DPS RESOURCES BERHAD
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014

	Note	2014 RM	2013 RM
Non-Current Assets			
Property, plant and equipment	4	5,793	7,097
Investments in subsidiary companies	6	17,382,801	14,794,557
		17,388,594	14,801,654
Current Assets			
Trade and other receivables	8	64,353,012	64,916,370
Cash and bank balances		44,593	11,468
		64,397,605	64,927,838
Assets of disposal group classified as held for sale	9	9,277,634	9,777,634
		73,675,239	74,705,472
Total Assets		91,063,833	89,507,126
Equity			
Share capital	10	132,000,000	132,000,000
Share premium	11	185,046	185,046
Accumulated losses		(54,889,385)	(57,708,462)
Total Equity		77,295,661	74,476,584
Current Liability			
Trade and other payables	16	13,768,172	15,030,542
Total Liability		13,768,172	15,030,542
Total Equity and Liability		91,063,833	89,507,126

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

DPS RESOURCES BERHAD
(Incorporated in Malaysia)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Note	2014 RM	2013 RM
Revenue	17	240,000	420,000
Cost of sales		(426,731)	(465,331)
Gross loss		(186,731)	(45,331)
Other income		3,865,115	1,243,212
Administration expenses		(859,307)	(26,927,117)
Profit/(Loss) before taxation	19	2,819,077	(25,729,236)
Taxation	21	-	-
Profit/(Loss) for the financial year, representing total comprehensive income for the financial year		2,819,077	(25,729,236)

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

DPS RESOURCES BERHAD
(Incorporated in Malaysia)

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

	Non-Distributable			
	Share capital RM	**Share premium RM**	**Accumulated losses RM**	**Total equity RM**
At 1 April 2012	132,000,000	185,046	(31,979,226)	100,205,820
Loss for the financial year, representing total comprehensive income for the financial year	-	-	(25,729,236)	(25,729,236)
At 31 March 2013	132,000,000	185,046	(57,708,462)	74,476,584
At 1 April 2013	132,000,000	185,046	(57,708,462)	74,476,584
Profit for the financial year, representing total comprehensive income for the financial year	-	-	2,819,077	2,819,077
At 31 March 2014	132,000,000	185,046	(54,889,385)	77,295,661

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

DPS RESOURCES BERHAD
(Incorporated in Malaysia)

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

	Note	2014 RM	2013 RM
Cash Flows From Operating Activities			
Profit/(Loss) before taxation		2,819,077	(25,729,236)
Adjustments for:			
Bad debts written off		-	41,632
Depreciation of property, plant and equipment		1,304	1,041
Gain on disposal of subsidiary company		(1,276,871)	(1,243,212)
Impairment loss on investment in a subsidiary company		-	26,590,817
Reversal of impairment losses on investment in subsidiary company		(2,588,244)	-
Operating loss before working capital changes		(1,044,734)	(338,958)
Changes in working capital:			
Receivables		-	330
Payables		(1,262,370)	13,806,271
		(1,262,370)	13,806,601
Net cash (used in)/generated from operating activities		(2,307,104)	13,467,643
Cash Flows From Investing Activities			
Acquisition of investment in subsidiary company		-	(40,000,000)
Acquisition of property, plant and equipment	4	-	(3,150)
Proceeds from disposal of subsidiary company		1,776,871	5,388,210
Net cash generated from/(used in) investing activities		1,776,871	(34,614,940)
Cash Flows From Financing Activities			
Decrease in amount owing by former subsidiary company		-	2,173,643
Decrease in amount owing by subsidiary company		563,358	18,956,307
Net cash generated from financing activities		563,358	21,129,950
Net increase/(decrease) in cash and cash equivalents		33,125	(17,347)
Cash and cash equivalents at beginning of the financial year		11,468	28,815
Cash and cash equivalents at end of the financial year		44,593	11,468
Cash and cash equivalents at end of the financial year comprise:			
Cash and bank balances		44,593	11,468

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

DPS RESOURCES BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate Information

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

The registered office is located at 50-1, 52-1 & 54-1, Jalan BPM 2, Taman Bukit Piatu Mutiara, 75150 Melaka.

The Companys' principal place of business is located at Lot 76 & 77, Kawasan Perindustrian Bukit Rambai, 75250 Melaka.

The Company is principally engaged in investment holding. The principal activities of its subsidiary companies are disclosed in Note 6.

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

2. Basis of Preparation

(a) Statement of compliance

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

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies.

During the financial year, the Group and the Company have adopted the following applicable new MFRSs, Issues Committee ("IC") Interpretations and amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

MFRS 3	Business Combinations (IFRS 3 issued by IASB in March 2004)
MFRS 10	Consolidated Financial Statements : Investment Entities
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities: Investment Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (IAS 19 as amended by IASB in June 2011)
MFRS 127	Consolidated and Separate Financial Statements (IAS 27 revised by IASB in March 2003)
MFRS 127	Separate Financial Statements (2011): Investment Entities
MFRS 128	Investments in Associates and Joint Ventures

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

IC Interpretation 20	Stripping Costs in the Production of a Surface Mine
Amendments to MFRS 1	Government Loans
Amendments to MFRS 7	Disclosure - Offsetting Financial Assets and Financial Liabilities
Amendments to MFRSs 10, 11 and 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income

Amendments to MFRSs contained in the document entitled "Annual Improvements 2009 – 2011 Cycle"

The effects of the adoption of applicable MFRSs and amendments to MFRSs above are summarised below:

(a) MFRS 10 Consolidated Financial Statements

Under MFRS 10, an investor controls an investee when the investor has:

(i) The power by investor over an investee;
(ii) Exposure, or rights, to variable returns from investor's involvement with the investee; and
(iii) Ability to affect those returns through its power over investee.

This new control model differs from how previously companies were assessed to be a subsidiary. Under MFRS 127, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Upon adoption of the two new MFRSs, the Group has reviewed the relationships with its investments in other entities to assess whether the conclusion to consolidate is different under MFRS 10 than under MFRS 127, and noted no material differences were found for any of the investments.

As required under MFRS 10, the change in policy has been applied retrospectively.

(b) MFRS 12 Disclosure of Interests in Other Entities

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

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

The effects of the adoption of applicable MFRSs and amendments to MFRSs above are summarised below: (Cont'd)

(c) MFRS 127 Separate Financial Statements (as amended by IASB in May 2011)

As a consequence of the new MFRS 10 and MFRS 12, MFRS 127 is limited to accounting for subsidiaries, joint controlled entities and associates in separate financial statements. This standard affects disclosures only and has no impact on the Group's financial position or performance.

(d) MFRS 13 Fair Value Measurement

MFRS 13 establishes a single source of guidance under MFRS for all fair value measurements. MFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under MFRS. MFRS 13 defines fair value as an exit price. As a result of the guidance in MFRS 13, the Group re-assessed its policies for measuring fair values, in particular, its valuation inputs such as non-performance risk for fair value measurement of liabilities. MFRS 13 also requires additional disclosures.

Application of MFRS 13 has not materially impacted the fair value measurement of the Group. Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined.

(e) MFRS 119 Employee Benefits (as amended by IASB in June 2011)

The adoption of the revised MFRS 119 has affected the accounting treatment of certain items such as the timing of the recognition of actuarial gains and losses arising from defined benefit plans and the presentation of changes in defined benefit liability or asset. The key changes include:

- Actuarial gains and losses (renamed as 'remeasurements') are recognised immediately in other comprehensive income, and are not subsequently recycled to statement of profit or loss. The corridor approach for accounting for unrecognised actuarial gains in prior years is discontinued.

- Past service costs, whether unvested or already vested, are recognised immediately in the statement of profit or loss as incurred and the annual defined benefit costs in the statement of profit or loss will include net interest expense/ income on the defined benefit asset/liability.

The adoption of this revised MFRS 119 has resulted in changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits.

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

The effects of the adoption of applicable MFRSs and amendments to MFRSs above are summarised below: (Cont'd)

(f) Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income

The amendments to MFRS 101 introduce a grouping of items presented in other comprehensive income. Items that will be reclassified ("recycled") to profit or loss at a future point in time have to be presented separately from items that will not be reclassified. The amendments affect presentation only and have no impact on the Group's financial position or performance.

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

		Effective date for financial periods beginning on or after
Amendments to MFRS 10, 12 and 127	Investment Entities	1 January 2014
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136	Recoverable Amount Disclosure for Non-Financial Assets	1 January 2014
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21	Levies	1 January 2014
Amendments to MFRS 2, MFRS 3, MFRS 8, MFRS 116, MFRS 124 and MFRS 138	Annual Improvements to MFRSs 2010-2012 Cycle	1 July 2014
Amendments to MFRS 3, MFRS 13 and MFRS 140	Annual Improvements to MFRSs 2011-2013 Cycle	1 July 2014
Amendment to MFRS 119	Defined Benefit Plans: Employee Contributions	1 July 2014
Amendment to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
MFRS 14	Regulatory Deferral Accounts	1 January 2016
MFRS 9 (IFRS 9 (2009))	Financial Instruments (IFRS 9 issued by IASB in September 2009)	To be announced by MASB

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

		Effective date for financial periods beginning on or after
MFRS 9 (IFRS 9 (2010))	Financial Instruments (IFRS 9 issued by IASB in October 2010)	To be announced by MASB
MFRS 9 (Mandatory Effective Date of MFRS 9 and Transition Disclosures)	Amendments to MFRS 9 (IFRS 9 issued by IASB in November 2009), MFRS 9 (IFRS 9 issued by IASB in October 2010) and MFRS 7	To be announced by MASB
MFRS 9 Financial Instrument	Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139	To be announced by MASB

The Group and the Company intends to adopt the abovementioned accounting standards, amendments and interpretations when they become effective.

The initial applications of the abovementioned accounting standards, amendments and interpretations are not expected to have any financial impacts to the financial statements of the Group and of the Company except as discussed below:-

MFRS 9 Financial Instruments

MFRS 9 (IFRS 9 (2009)) replaces the guidance in MFRS 139 Financial Instruments: Recognition and Measurement on classification and measurement of financial asset. MFRS 9 requires financial asset to be measured at fair value or amortised cost. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

MFRS 9 (IFRS 9 (2010)) includes the requirements for the classification and measurement of financial liabilities and for derecognition. Measurement for financial liability designated as at fair value through profit or loss, requires the amount of change in the fair value of the financial liability, that is attributable to the change of credit risk of that liability, is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

Under MFRS 139, the entire amount of the change in fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

The adoption of MFRS 9 will result in a change in accounting policy. The Group is currently examining the financial impact of adopting MFRS 9.

2. Basis of Preparation (Cont'd)

(b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency.

(c) Significant accounting estimates and judgements

The summary of accounting policies as described in Note 3 are essential to understand the Group's and the Company's results of operations, financial position, cash flows and other disclosures. Certain of these accounting policies require critical accounting estimates that involve complex and subjective judgements and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Directors exercise their judgement in the process of applying the Group's accounting policies.

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

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

Useful lives of property, plant and equipment

The costs of property, plant and equipment of the Group and of the Company are depreciated on a straight-line basis over the useful lives of the assets. Management estimates the useful lives of the property, plant and equipment as disclosed in Note 3(c). These are common life expectancies applied in the industry. Changes in the expected level of usage could impact the useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amounts of the Group's and of the Company's property, plant and equipment at 31 March 2014 are disclosed in Note 4.

Impairment of investment in subsidiary companies

The carrying amounts of investments in subsidiary companies are reviewed for impairment. In the determination of the value in use of the investments, the Company is required to estimate the expected cash flows to be generated by the subsidiary companies and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Company's investments in subsidiary companies as at 31 March 2014 is disclosed in Note 6.

2. Basis of Preparation (Cont'd)

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

Revaluation of properties

Certain properties of the Group are reported at valuation which is based on valuations performed by independent professional valuers. The independent professional valuers have exercised judgment in determining discount rates, estimates of future cash flows, capitalisation rate, terminal year value, market freehold rental and other factors used in the valuation process. Also, judgment has been applied in estimating prices for less readily observable external parameters. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting valuation estimates.

Impairment of loan and receivables

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

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

Income taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on this understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

Contingent liabilities

Recognition and measurement for contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and experts, internal and external to the Group, for matters in the ordinary course of business.

2. Basis of Preparation (Cont'd)

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

Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting period.

Inventories written down

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories.

3. Significant Accounting Policies

(a) Basis of consolidation

The consolidation financial statements include the financial statements of the Company and all its subsidiary companies through equity accounting, which have been prepared in accordance with the Group's accounting policies, and are all drawn up to the same reporting period.

(i) Subsidiaries

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable return from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's separate financial statements, investment in subsidiary companies is stated at cost less any impairment losses, unless the investment is held for sale or distribution. The cost of investments includes transaction costs.

Upon the disposal of investment in a subsidiary company, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(ii) Consolidation

The acquisition method of accounting is used to account for business combination. The consideration transferred for acquisition of a subsidiary company is the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of exchange, as well as any contingent consideration given. Acquisition related costs are expensed off in the profit or loss as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the date of acquisition.

The Consolidation financial statements include the financial statements of the Company and all its subsidiary companies made up to the end of the financial year. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. In a business combination achieved in stages, the previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 139 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Changes in the Company owners' ownership interest in a subsidiary company that do not result in a loss of control are accounted for as equity transactions. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid is recognised directly in equity.

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interest are derecognised at their carrying value on the date that control is lost. Any remaining investment in the equity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated, unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, the accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

3. Significant Accounting Policies (Cont'd)

(b) Foreign currency

Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the rate at the date of transaction.

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

(c) 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 Company and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group and the Company recognise such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land and buildings are stated at valuation less accumulated depreciation on buildings after the date of revaluation.

Land and buildings are revalued periodically, at least once in every 5 years or earlier if circumstances indicate that the carrying amount may differ significantly from the market value.

3. Significant Accounting Policies (Cont'd)

(c) Property, plant and equipment (Cont'd)

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

The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

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

Freehold land is not depreciated. Depreciation of other property, plant and equipment is calculated on the straight-line basis at the following annual rates based on their estimated useful lives:

Buildings	2%
Plant and machinery	7%
Furniture, fittings and office equipment	2% - 20%
Motor vehicles	20%

The carrying amounts of property, plant and equipment, are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

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

(d) Leases

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

3. Significant Accounting Policies (Cont'd)

(d) Leases (Cont'd)

(i) Finance lease

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

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(ii) Operating lease

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

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

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

(e) Financial assets

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

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

The Group and the Company classifies its financial assets depending on the purpose for which it was acquired at initial recognition, into the loan and receivables.

3. Significant Accounting Policies (Cont'd)

(e) Financial assets (Cont'd)

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

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

Regular way purchase or sale of financial assets

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

Derecognition

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

(f) Financial liabilities

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

All financial liabilities are initially recognised at fair value plus transaction cost and subsequently carried at amortised cost using the effective interest method, other than those categorised as fair value through profit or loss. Changes in the carrying amount of these liabilities are recognised in the profit or loss.

Other financial liabilities measured at amortised cost

Other financial liabilities are non-derivatives financial liabilities. The Group's and the Company's other financial liabilities comprise trade and other payables, hire purchase payables and borrowings. Other financial liabilities are classified as current liabilities; except for maturities more than 12 months after the end of the reporting period, in which case they are classified as non-current liabilities.

3. Significant Accounting Policies (Cont'd)

(f) Financial liabilities (Cont'd)

Other financial liabilities measured at amortised cost (Cont'd)

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the effective interest rate method amortisation process.

Derecognition

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Offsetting of financial instruments

A financial asset and financial liability are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(g) Inventories

Inventories of raw materials, work-in-progress, finished goods and trading goods are valued at the lower of cost and net realisable value after adequate allowance has been made for all deteriorated, damaged, obsolete or slow-moving inventories.

Cost is determined using the first in, first out method. The cost of raw materials comprises the original cost of purchase plus the cost of bringing the stocks to its present location and condition.

The cost of work-in-progress, finished goods and trading goods consist of raw materials, direct labour, other direct costs and appropriate proportion of production overheads.

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

(h) Cash and cash equivalents.

Cash and cash equivalent consist of cash in hand and bank balances. For the purpose of the statements of cash flows, cash and cash equivalent are presented net of bank overdrafts.

3. Significant Accounting Policies (Cont'd)

(i) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets with indefinite useful lives, they are tested for impairment annually as at the end of each reporting period, either individually or at the cash-generating unit level, as appropriate and when circumstances indicate that the carrying value may be impaired.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses is recognised immediately in profit or loss. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

The recoverable amount of an asset or cash-generating units is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Previously recognised impairment losses are assessed at the end of each reporting period whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

(ii) Financial assets

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

Financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics.

3. Significant Accounting Policies (Cont'd)

(i) Impairment of assets (Cont'd)

(ii) Financial assets (Cont'd)

Financial assets carried at amortised cost (Cont'd)

Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with defaults on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of impairment loss is recognised in the profit or loss.

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

(j) Share capital

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

Dividends on ordinary shares are accounted for in equity as appropriation of retained earnings and recognised as a liability in the period in which they are declared.

(k) Borrowing costs

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

3. Significant Accounting Policies (Cont'd)

(l) 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 reliable.

(i) Goods sold

Revenue from the sale of goods is measured at fair value of the consideration received, net of return and trade discounts. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(ii) Rental income

Rental income is recognised on accrual basis.

(iii) Management fees

Management fees are recognised when the services are rendered.

(iv) Interest income

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

(m) Employee benefits

(i) Short term employee benefits

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

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia contributions to the state pension scheme, the Employee Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group and the Company have no further payment obligations.

3. Significant Accounting Policies (Cont'd)

(n) Income taxes

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

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

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

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

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

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

(o) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

3. Significant Accounting Policies (Cont'd)

(p) Segment reporting

An operating segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker and Group's board of directors who are responsible for allocating and accessing performance of the operating segments.

(q) Contingencies

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

(r) Assets (or disposal group) classified as held for sale

Asset (or disposal group) is classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary.

Immediately before classification as held for sale (or disposal group), the assets, or components of a disposal group are remeasured in accordance with the applicable MFRS. On initial classification as held for sale, the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any differences are included in profit or loss. Asset classified as held for sale is not depreciated.

When asset (or disposal group) is classified as held for sale, the comparative statement of profit or loss and other comprehensive income is re-represented as if the operation had been discounted from the start of the comparative period.

4. Property, Plant and Equipment

	Land and buildings RM	Buildings under construction RM	Plantation development expenditure RM	Plant and machinery RM	Furniture, fittings and equipment RM	Motor vehicles RM	Total RM
Group							
2014							
Cost							
At 1 April 2013	49,681,722	2,439,783	-	45,621,966	19,288,070	2,122,240	119,153,781
Additions	-	19,339,583	-	-	-	-	19,339,583
Disposals	-	-	-	-	-	(62,010)	(62,010)
Elimination of accumulated depreciation on revaluation	(4,502,024)	-	-	-	-	-	(4,502,024)
Reversal of revaluation reserve	(3,099,698)	-	-	-	-	-	(3,099,698)
At 31 March 2014	42,080,000	21,779,366	-	45,621,966	19,288,070	2,060,230	130,829,632
Representing:							
At cost	-	21,779,366	-	45,621,966	19,288,070	2,060,230	88,749,632
At valuation	42,080,000	-	-	-	-	-	42,080,000
At 31 March 2014	42,080,000	21,779,366	-	45,621,966	19,288,070	2,060,230	130,829,632
Accumulated depreciation							
At 1 April 2013	3,921,344	-	-	19,084,903	8,842,951	1,623,278	33,472,476
Charge for the financial year	914,346	-	-	2,548,881	913,682	159,723	4,536,632
Disposals	-	-	-	-	-	(16,442)	(16,442)
Elimination of accumulated depreciation on revaluation	(4,502,024)	-	-	-	-	-	(4,502,024)
At 31 March 2014	333,666	-	-	21,633,784	9,756,633	1,766,559	33,490,642
Carrying amount							
At 31 March 2014	41,746,334	21,779,366	-	23,988,182	9,531,437	293,671	97,338,990

4. Property, Plant and Equipment (Cont'd)

	Land and buildings RM	Buildings under construction RM	Plantation development expenditure RM	Plant and machinery RM	Furniture, fittings and equipment RM	Motor vehicles RM	Total RM
Group							
2013							
Cost							
At 1 April 2012	71,868,119	2,439,783	5,709,989	62,786,246	17,809,680	3,824,625	164,438,442
Additions	-	-	-	-	4,980	1,000	5,980
Disposals	-	-	-	(11,000)	(310)	-	(11,310)
Written off	-	-	-	(17,109,600)	-	-	(17,109,600)
Reclassification	(2,510,726)	-	-	-	2,510,726	-	-
Transfer to assets held for sale	(19,675,671)	-	(5,709,989)	(43,680)	(1,037,006)	(1,703,385)	(28,169,731)
At 31 March 2013	49,681,722	2,439,783	-	45,621,966	19,288,070	2,122,240	119,153,781
Representing:							
At cost	-	2,439,783	-	45,621,966	19,288,070	2,122,240	69,472,059
At valuation	49,681,722	-	-	-	-	-	49,681,722
At 31 March 2013	49,681,722	2,439,783	-	45,621,966	19,288,070	2,122,240	119,153,781
Accumulated depreciation							
At 1 April 2012	4,159,726	-	-	20,103,544	8,061,792	2,801,561	35,126,623
Charge for the financial year	984,303	-	-	3,192,436	1,009,661	237,816	5,424,216
Disposals	-	-	-	(5,390)	-	-	(5,390)
Written off	-	-	-	(4,189,307)	-	-	(4,189,307)
Transfer to assets held for sale	(1,222,685)	-	-	(16,380)	(228,502)	(1,416,099)	(2,883,666)
At 31 March 2013	3,921,344	-	-	19,084,903	8,842,951	1,623,278	33,472,476
Carrying amount							
At 31 March 2013	45,760,378	2,439,783	-	26,537,063	10,445,119	498,962	85,681,305

4. Property, Plant and Equipment (Cont'd)

	Signboard RM	Computer RM	Total RM
Company			
2014			
At cost			
At 1 April 2013/31 March 2014	5,160	3,150	8,310
Accumulated depreciation			
At 1 April 2013	688	525	1,213
Charge for the financial year	516	788	1,304
At 31 March 2014	1,204	1,313	2,517
Carrying amount			
At 31 March 2014	3,956	1,837	5,793
2013			
At cost			
At 1 April 2012	5,160	-	5,160
Additions	-	3,150	3,150
At 31 March 2013	5,160	3,150	8,310
Accumulated depreciation			
At 1 April 2012	172	-	172
Charge for the financial year	516	525	1,041
At 31 March 2013	688	525	1,213
Carrying amount			
At 31 March 2013	4,472	2,625	7,097

4. Property, Plant and Equipment (Cont'd)

(a) Assets pledged as securities to financial institutions

The carrying amount of property, plant and equipment of the Group pledged as securities for credit facilities granted to the Group are as follows:

	Group	
	2014	2013
	RM	RM
Freehold land	3,954,000	2,594,000
Buildings	37,792,334	43,166,378
	41,746,334	45,760,378

(b) Assets held under hire purchase arrangements

The carrying amount of property, plant and equipment of the Group includes the following assets acquired under hire purchase arrangements are as follows:

	Group	
	2014	2013
	RM	RM
Motor vehicles	181,899	415,787

(c) Revaluation of land and buildings

The Group's land and building was revalued on 8 May 2013 and 31 March 2014 by independent professional qualified valuers, Messrs. C H Williams Talhar & Wong and Messrs. Jordan Lee & Jaafar (M'cca) Sdn. Bhd. using comparison method and cost method.

Had the revalued freehold land and buildings been carried at historical cost less accumulated depreciation, their carrying amount would have been included in the financial statements at the end of the financial year are as follows:

	Group	
	2014	2013
	RM	RM
Freehold land	388,181	388,181
Buildings	36,569,989	37,545,022
	36,958,170	37,933,203

4. Property, Plant and Equipment (Cont'd)

(d) Assets hold in trust

The carrying amount of property, plant and equipment of the Group includes certain motor vehicles registered in the name of the following parties who hold in them in trust for the Group:

	Group	
	2014	2013
	RM	RM
DPS Realty Sdn. Bhd. *	2	2
Datuk Sow Chin Chuan - a Director	110,345	165,517
Len Cheong Furniture Sendirian Berhad	600	800
A third party	2	45,569

* DPS Realty Sdn. Bhd. is an entity in which Datuk Sow Chin Chuan and Datin Chu Kim Guek (who are husband and wife) together hold 100% financial interest.

5. Prepaid Land Lease Payments

	Unexpired period more than 50 years	
	2014	2013
	RM	RM
Group		
Cost/Valuation		
At 1 April	6,280,530	11,117,877
Revaluation	6,485,932	-
Transfer to assets held for sale	-	(4,837,347)
Elimination of accumulated amortisation on revaluation	(626,462)	-
At 31 March	12,140,000	6,280,530
Representing:		
At cost	-	2,142,530
At valuation	12,140,000	4,138,000
At 31 March	12,140,000	6,280,530
Accumulated amortisation		
At 1 April	576,772	814,625
Amortisation for the financial year	74,547	68,455
Transfer to assets held for sale	-	(306,308)
Elimination of accumulated amortisation on revaluation	(626,462)	-
At 31 March	24,857	576,772
Carrying amount		
At 31 March	12,115,143	5,703,758

5. Prepaid Land Lease Payments (Cont'd)

(a) Assets pledged as securities to financial institutions

The carrying amount of prepaid land lease payments of the Group pledged as securities for credit facilities granted to the Group are as follows:

	Group	
	2014	2013
	RM	RM
Leasehold land	12,115,143	5,703,758

(b) Revaluation of leasehold land

The Group's leasehold land was revalued on 8 May 2013 and 31 March 2014 by independent professional qualified valuers, Messrs. C H Williams Talhar & Wong and Messrs. Jordan Lee & Jaafar (M'cca) Sdn. Bhd. using comparison method and cost method.

Had the revalued leasehold land been carried at historical cost less accumulated depreciation, their carrying amount would have been included in the financial statements at the end of the financial year are as follows:

	Group	
	2014	2013
	RM	RM
Leasehold land	1,873,568	1,897,783

6. Investments in Subsidiary Companies

	Company	
	2014	2013
	RM	RM
Unquoted shares, at cost	41,385,374	10,663,008
Additions during the financial year	-	40,000,000
Accumulated impairment loss	(24,002,573)	(26,590,817)
Transfer to assets held for sale	-	(9,277,634)
	17,382,801	14,794,557

Movement in the allowance for impairment loss

	Company	
	2014	2013
	RM	RM
At 1 April	26,590,817	-
Impairment losses recognised	-	26,590,817
Reversal of impairment losses	(2,588,244)	-
At 31 March	24,002,573	26,590,817

6. **Investments in Subsidiary Companies (Cont'd)**

Details of the subsidiary companies are as follows:

Name of company	Place of incorporation	Effective interest 2014 %	2013 %	Principal activities
Direct holding:				
Shantawood Sdn. Bhd. (formerly known as Shantawood Manufacturing Sdn. Bhd.) ("SSB")	Malaysia	100	100	Manufacturing of furniture and rooftruss, provision of kiln-drying services and trading in furniture
DPS Industries Sdn. Bhd. ("DPSI") *	Malaysia	100	100	Manufacturing and trading in furniture
DPS Properties Sdn. Bhd. ("DPSP") #	Malaysia	-	100	Owner of an investment property
Indirect holding:				
Held through SSB				
Able Worldwide Sdn. Bhd. ("AWSB")	Malaysia	100	100	Dormant
Admiral Power Sdn. Bhd. ("APSB")	Malaysia	100	100	Dormant
DPS Development Venture Sdn. Bhd. (formerly known as Toko Industries Sdn. Bhd.) ("DPSD")	Malaysia	100	100	Temporary ceased its business operations
Held through DPSI				
Diamond Terrace Sdn. Bhd. ("DTSB") *	Malaysia	100	100	Fruit plantation

Notes:

* The financial statements of these subsidiary companies are not audited by Messrs. UHY, Malaysia.

Subsidiary company disposed off during the year.

7. Inventories

	Group 2014 RM	Group 2013 RM
At cost:		
Raw materials	2,739,600	1,833,513
Work-in-progress	4,534,608	4,796,124
Finished goods	29,176	16,535
Trading goods	258,326	40,282
	7,561,710	6,686,454

8. Trade and Other Receivables

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Trade receivables				
Third parties	2,387,683	2,514,596	-	-
Less : Accumulated impariment losses	(540,385)	(986,316)	-	-
	1,847,298	1,528,280	-	-
Other receivables				
Amount owing by a subsidiary company	-	-	64,352,012	64,915,370
Other receivables	4,000,519	19,155,538	-	-
Deposits and prepayments	58,670	89,845	1,000	1,000
	4,059,189	19,245,383	64,353,012	64,916,370
Trade and other receivables	5,906,487	20,773,663	64,353,012	64,916,370

(a) Trade receivables

The Group's normal trade credit terms range from 14 to 120 days (2013: 14 to 120 days). Other credit terms are assessed and approved on a case by case basis.

Trade receivables are recognised at their original invoice amounts which represent their fair value on initial recognition.

8. Trade and Other Receivables (Cont'd)

(a) Trade receivables (Cont'd)

Movements in impairment loss on trade receivables (individually assessed) during the financial year are as follows:

	Group	
	2014	**2013**
	RM	**RM**
At 1 April	986,316	-
Impairment losses recognised	-	986,316
Reversal of impairment	(445,931)	-
At 31 March	540,385	986,316

Analysis of the trade receivables ageing at the end of the reporting period is as follows:

	Group	
	2014	**2013**
	RM	**RM**
Neither past due nor impaired	1,845,618	912,335
1 to 30 days past due not impaired	-	78,953
31 to 60 days past due not impaired	-	22,749
61 to 90 days past due not impaired	-	38,331
91 to 120 days past due not impaired	-	34,881
More than 121 days past due not impaired	542,065	1,427,347
	542,065	1,602,261
Impaired	(540,385)	(986,316)
	1,847,298	1,528,280

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

The Group has trade receivables amounted to RM542,065 (2013: RM1,602,261) that are past due at the end of the reporting period but not impaired.

The trade receivables that are past due but not impaired are unsecured in nature and had been partially collected by the Group subsequent to the end of the reporting period.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM540,385 (2013: RM986,316), related to customers that are in financial difficulties and have defaulted on payments.

(b) Other receivables

Included in other receivables of the Group is an amount of RM Nil of (2013: RM18,906,280) being amount paid for reconstruction of factory building of the Group.

8. Trade and Other Receivables (Cont'd)

(c) Amount owing by a subsidiary company

The amount owing by a subsidiary company is unsecured, interest free and repayable on demand.

9. Discontinued Operations and Disposal Group Classified as Held For Sale

The carrying amount of the investments in subsidiary companies are as follows:

		Company	
	Note	2014 RM	2013 RM
Investment in subsidiary companies, at cost			
DPS Industries Sdn. Bhd.	(a)	9,277,634	9,277,634
DPS Properties Sdn. Bhd.	(b)	-	500,000
		9,277,634	9,777,634

(a) On 31 October 2012, the Company announced that the Company entered into a sale of shares agreement with Datuk Nazari Bin Adzim, Miss Fong Hui Fong and Miss Chin Wan Ling for the disposal of 3,000,000 ordinary shares of RM1.00 each, representing 100% of the equity interest in DPS Industries Sdn. Bhd. for a total cash consideration of RM16,109,198. Upon the completion of the said disposal, DPS Industries Sdn. Bhd. will cease to be a subsidiary company of the Company.

The major classes of assets and liabilities of the disposal group classified as held for sale are as follows:

	Group	
	2014 RM	2013 RM
Assets		
Property, plant and equipment	20,244,730	18,765,190
Prepaid land lease payments	7,000,000	4,144,789
Investment property	-	13,500,000
Trade and other receivables	2,247,867	1,907,586
Deposit, bank and cash balances	260,274	109,809
Assets of disposal group classified as held for sale	29,752,871	38,427,374

9. **Discontinued Operations and Disposal Group Classified as Held For Sale (Cont'd)**

The major classes of assets and liabilities of the disposal group classified as held for sale are as follows: (Cont'd)

	Group	
	2014	**2013**
	RM	**RM**
Liabilities		
Trade and other payables	4,218,756	9,166,212
Tax payable	103	-
Hire purchase payables	147,425	-
Bank borrowings	2,721,953	8,769,808
Liabilities associated with disposal group classified as held for sale	7,088,237	17,936,020
Net assets associated with disposal group classified as held for sale	22,664,634	20,491,354

The results attributable to the disposal group for the financial year are as follows:

	Group	
	2014	**2013**
	RM	**RM**
Revenue	2,710,199	9,983,337
Cost of sales	(1,016,994)	(8,014,711)
Gross profit	1,693,205	1,968,626
Other operating income	258,429	48,349
Other expenses	(596,566)	(6,672,044)
Finance costs	(280,551)	(667,437)
Profit/(Loss) before taxation	1,074,517	(5,322,506)
Taxation	(103)	(14,139)
Profit/(Loss) from discontinued operations, net of tax	1,074,414	(5,336,645)
Other comprehensive income, net of tax		
Items that will not be classified subsequently to profit or loss	3,033,430	(1,098,519)
Total comprehensive income for the financial year	4,107,844	(6,435,164)

9. Discontinued Operations and Disposal Group Classified as Held For Sale (Cont'd)

Included in arriving profit/(loss) before taxation of the discontinued operations are as follows:

	Group	
	2014	**2013**
	RM	**RM**
Auditors' remuneration		
- current year	19,000	30,000
- under provision in prior year	-	7,000
Amortisation of prepaid land lease payments	64,566	62,203
Directors' fee	10,000	-
Depreciation of property, plant and equipment	304,902	490,113
Impairment loss on other receivables	-	115,000
Impairment loss on property, plant and equipment	-	5,326,453
Impairment loss on trade receivables	153,470	41,015
Interest expenses on hire purchase payables	1,589	-
Interest expenses on overdue	1,078	539
Interest expenses on term loans	277,884	616,855
Interest expenses on total gross foreign exchange contract limit	-	50,043
Realised loss on foreign exchange	1,427	13,838
Excess of insurance claim on loss of	-	-
property, plant and equipment over	-	-
carrying amount	(59,999)	-
Fixed deposit interest income	(542)	(1,267)
Gain on disposal of property, plant and equipment	-	(14,999)
Insurance claims	(24,580)	(1,675)

The cash flows attributable to the disposal group are as follows:

	Group	
	2014	**2013**
	RM	**RM**
Net cash from/(used in):		
Operating activities	3,080,222	1,912,466
Investing activities	(1,578,904)	15,000
Financing activities	(1,556,248)	(2,001,944)
Net cash outflows	(54,930)	(74,478)

9. Discontinued Operations and Disposal Group Classified as Held For Sale (Cont'd)

(b) On 14 August 2013, the Company announced that the Company had entered into a sale of shares agreement with Mr. Vincent Ng Chin Wee and Mr. Suhaimi Bin Harun for the disposal of 500,000 ordinary shares of RM1.00 each, representing 100% of the equity in DPS Properties Sdn. Bhd., a wholly-owned subsidiary of the Company for a total cash consideration of RM1,776,871.

The details of net assets disposed of and cash flow arising from the disposal of the subsidiary company are as follows:

	Group	
	2014 RM	2013 RM
Property, plant and equipment	13,558,335	12,108,808
Trade and other receivables	-	308,075
Deposit, bank and cash balances	(13,358)	51,537
Trade and other payables	(11,768,106)	(6,613,790)
Deferred tax liabilities	-	(1,375,000)
Fair value of net assets disposed	1,776,871	4,479,630
Gain on disposal of subsidiary company	-	908,580
Total proceeds from disposal	1,776,871	5,388,210
Less: Cash and bank balances	13,358	(51,537)
Cash inflows on disposal of the subsidiary company	1,790,229	5,336,673

10. Share Capital

	Group/Company		Group/Company	
	2014	2013	2014	2013
	Number of shares		RM	RM
Ordinary shares of RM0.50 each				
Authorised				
At 1 April/31 March	500,000,000	500,000,000	250,000,000	250,000,000
Issued and fully paid				
At 1 April/31 March	264,000,000	264,000,000	132,000,000	132,000,000

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

10. Share Capital (Cont'd)

Warrants

The Company issued 66,000,000 warrants which were listed on the Bursa Securities on 14 January 2008 in conjunction with the right issue on the basis of one free warrant attached to every two right share subscribed.

The warrants are constituted by a Deed Poll dated 21 November 2007 executed by the Company.

The salient features of the warrants are as follows:

(i) Each warrant entitles the registered holder during the exercise period to subscribe for one new ordinary share at the exercise price of RM0.54 per share, subject to adjustment in accordance with the provision of the Deed Poll.

(ii) The warrants may be exercised at any time on or before the expiry date of ten years from the issue date of the warrants on 14 January 2008. The warrants not exercised during the exercise period will thereafter become lapse and void.

(iii) All the new ordinary shares in the Company to be issued upon the exercise of the warrants shall, on allotment and issue, rank pari passu in all respects with the existing ordinary shares of the Company except that they shall not be entitled to any dividends, that may be declared prior to the date of allotment and issue of the new shares, nor shall they be entitled to any distributions or entitlements for which the record date is prior to the date of exercise of the warrants.

11. Share Premium

The share premium arose from the issuance of shares by way of private placement and public offer net of share issue expenses. The share premium reserve is not distributable by way of dividends and may be utilised in the manner as set out in Section 60(3) of the Companies Act, 1965.

12. Revaluation Reserves

The revaluation reserve represents increase in the fair value of freehold and leasehold land and buildings (net of deferred tax), and decrease to the extent that such decrease relate to an increase on the same asset previously recognised in other comprehensive income.

13. Hire Purchase Payables

	Group 2014 RM	Group 2013 RM
Minimum lease payments		
Within one year	75,504	97,370
Later than one year and not later than two years	75,504	89,688
Later than two years and not later than five years	69,001	178,881
	220,009	365,939
Less: Future finance charges	(16,425)	(35,534)
Present value of hire purchase liabilities	203,584	330,405
Present value of minimum lease payments		
Within one year	66,275	89,840
Later than one year and not later than two years	70,029	78,302
Later than two years and not later than five years	67,280	162,263
	203,584	330,405
Analysed as:		
Repayable within twelve months	66,275	89,840
Repayable after twelve months	137,309	240,565
	203,584	330,405

The hire purchase liabilities bear interest at the rates of 2.91% (2013 : 2.65% to 2.91%) per annum.

14. Bank Borrowings

	Group 2014 RM	Group 2013 RM
Secured		
Bank overdrafts	2,048,871	1,640,242
Bankers' acceptance	4,196,000	7,160,000
Receivables financing	-	86,815
Term loans	30,069,693	30,260,683
Total bank borrowings	36,314,564	39,147,740

14. Bank Borrowings (Cont'd)

	Group 2014 RM	Group 2013 RM
Analysed as:		
Repayable within twelve months		
Secured		
Bank overdrafts	2,048,871	1,640,242
Bankers' acceptance	4,196,000	7,160,000
Receivables financing	-	86,815
Term loans	16,743,656	6,570,261
	22,988,527	15,457,318
Repayable after twelve months		
Secured		
Term loans	13,326,037	23,690,422
Total bank borrowings	36,314,564	39,147,740

The maturity of bank borrowings is as follows:

	Group 2014 RM	Group 2013 RM
Repayable within one year	22,988,527	15,457,318
Repayable within one to two years	2,133,368	7,029,423
Repayable within two to five years	7,498,954	15,068,682
Repayable more than five years	3,693,715	1,592,317
	36,314,564	39,147,740

The effective interest rates per annum at the end of the reporting period for the above bank borrowings were as follows:

	Group 2014 %	Group 2013 %
Bank overdrafts	8.10	8.10
Term loans	5.1 - 9.1	5.1 - 9.1
Bankers' acceptance	4.98	4.98
Receivables financing	-	4.05

14. Bank Borrowings (Cont'd)

(a) Bank overdrafts, bankers' acceptance and receivable financing - secured

The bank overdrafts, bankers' acceptances and receivables financing are secured by way of:

(i) fixed charged over certain land and buildings as disclosed in Note 4; and
(ii) a corporate guarantee from the Company.

(b) Term loans - secured

The term loans are secured by way of:

(i) fixed charged over all the land and buildings as disclosed in Note 4, and over all the prepaid land lease payments as disclosed in Note 5;
(ii) a corporate guarantee from the Company; and
(iii) debenture, fixed and floating charges over existing and future assets of certain subsidiary company.

15. Deferred Tax Liabilities

	Group	
	2014 RM	2013 RM
At 1 April	-	2,829,088
Transfer to profit and loss	-	(2,829,088)
Deferred tax liabilities on revaluation reserve	1,621,483	-
At 31 March	1,621,483	-

The deferred taxation arose from the revaluation of the property, plant and equipment and prepaid land lease payments.

15. Deferred Tax Liabilities (Cont'd)

Deferred tax assets have not recognised in respect of the following temporary differences due to uncertainty of its recoverability:

	Group	
	2014	2013
	RM	RM
Taxable temporary difference excess of carrying amount over tax written down value of property, plant and equipment	(14,137,570)	(22,931,391)
Deductible temporary differences		
- Unutilised tax losses	20,685,029	20,685,029
- Unabsorbed capital allowances	33,168,206	35,425,612
- Unabsorbed reinvestment allowances	40,923,982	40,923,982
	94,777,217	97,034,623
	80,639,647	74,103,232

The unutilised tax losses, unabsorbed capital allowances and unabsorbed reinvestment allowances are available indefinitely for offset against future taxable profits of the subsidiary company in which those items arose.

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary company that have a recent history of losses.

16. Trade and Other Payables

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Trade payables				
Third parties	4,446,831	1,909,260	-	-
Amount owing to company in which certain directors have interest	1,697,093	1,621,052	-	-
	6,143,924	3,530,312	-	-

16. Trade and Other Payables (Cont'd)

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Other payables				
Amount owing to a director	1,355,666	269,408	-	-
Amount owing to companies in which certain directors have interest	92,098	-	-	-
Deposits received	10,681,524	10,681,524	10,681,524	10,681,524
Other payables	6,657,294	6,669,854	2,965,905	4,139,202
Accruals	314,804	1,013,156	120,743	209,816
	19,101,386	18,633,942	13,768,172	15,030,542
Total trade and other payables	25,245,310	22,164,254	13,768,172	15,030,542

(a) Trade payables

The credit term granted by trade payable of the Group normally range from 30 to 120 days (2013 : 30 to 120 days). Other credit terms are assessed and approved on a case-by-case basis.

(b) Amount owing to company in which certain directors have interests - trade

The credit term granted by company in which certain directors have interest normally range from 30 days to 120 days.

(c) Amount owing to a Director

The amount owing to a Director is unsecured, interest free and repayable on demand.

(d) Other payables and accruals

Other payables and accruals are non-interest bearing and the credit terms granted by other payables of the Group and of the Company normally range from 30 days to 120 days while certain other payables are payable on demand.

17. Revenue

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Sales of goods	38,313,672	37,760,214	-	-
Management fee	-	-	240,000	420,000
	38,313,672	37,760,214	240,000	420,000

18. Finance Costs

	Group	
	2014	2013
	RM	RM
Interest expenses on:		
- Bank overdrafts	122,341	104,689
- Bankers' acceptance	302,945	527,139
- Hire purchase payables	14,037	21,615
- Interest on receivables financing	177,248	152,801
- Overdue	-	3,907
- Term loans	1,403,887	2,108,833
	2,020,458	2,918,984

19. (Loss)/Profit Before Taxation

(Loss)/Profit before taxation is determined after charging/(crediting) amongst other, the following items:

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Allowance for obsolete inventories	-	8,617,308	-	-
Amortisation of prepaid land lease payments	74,547	68,455	-	-
Auditors' remuneration				
- audit fee	68,000	66,000	24,000	24,000
- non-audit fee	40,950	-	40,950	-
Bad debts written off	-	41,632	-	41,632
Depreciation of property, plant and equipment	4,536,632	5,424,216	1,304	1,041
Employee benefit expenses (Note 20)	6,346,319	5,521,361	426,731	465,331

19. (Loss)/Profit Before Taxation (Cont'd)

(Loss)/Profit before taxation is determined after charging/(crediting) amongst other, the following items: (Cont'd)

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Impairment loss on investment in a subsidiary company	-	-	-	26,590,817
Impairment loss on trade receivables	-	986,316	-	-
Loss on disposal of property, plant and equipment	-	2,610	-	-
Preliminary expenses written off	-	4,680	-	-
Property, plant and equipment written off	-	12,920,293	-	-
Realised loss on foreign exchange	84,844	-	-	-
Rental of equipment	-	2,025	-	-
Rental of lorry permit	6,650	5,994	-	-
Rental of office equipment	-	2,600	-	-
Rental of premises	1,800	1,650	-	-
Gain on disposal of property, plant and equipment	(3,586)	-	-	-
Gain on disposal of a subsidiary company	-	(908,580)	(1,276,871)	(1,243,212)
Reversal of impairment losses on investment in subsidiary company	-	-	(2,588,244)	-
Reversal of impairment losses on trade receivables	(445,931)	-	-	-
Rental income	(12,000)	(1,600)	-	-

20. Employee Benefits Expenses

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
(a) Employee benefits expenses				
i) Factory staff costs				
- Salaries, wages, bonus, allowance and overtime	5,083,760	3,608,198	-	-
- Contribution to defined contribution plan	56,085	88,172	-	-
- Other costs	9,308	13,607	-	-
	5,149,153	3,709,977	-	-
ii) Admin staff costs				
- Salaries, wages, bonus, allowance and overtime	508,632	994,431	3,538	30,090
- Contribution to defined contribution plan	58,743	105,909	461	3,612
- Other costs	114,363	199,628	52	129
	681,738	1,299,968	4,051	33,831
Total employee benefits expenses on staff	5,830,891	5,009,945	4,051	33,831
(b) Director' remuneration				
Executive:				
Salaries and other emoluments	416,020	406,260	334,840	334,840
Contribution to defined contribution plan	61,608	58,536	50,040	50,040
	477,628	464,796	384,880	384,880
Non-executive:				
Directors' fees	37,800	46,620	37,800	46,620
Total Directors' remuneration	515,428	511,416	422,680	431,500
Total employee benefits expenses	6,346,319	5,521,361	426,731	465,331

21. Taxation

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Taxation on:				
- continuing operations	-	(2,799,922)	-	-
- discontinued operations	103	14,139	-	-
	103	(2,785,783)	-	-
Current financial year				
- Current tax	103	-	-	-
- Deferred tax	-	(2,829,088)	-	-
Previous financial year				
- Under provision of income tax expenses expenses	-	43,305	-	-
	103	(2,785,783)	-	-

Malaysian incomes tax is calculated at statutory tax rate of 25% (2013: 25%) of the estimated assessable profits for the financial year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

21. Taxation (Cont'd)

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

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
(Loss)/Profit before taxation				
- Continuing operations	(1,408,380)	(28,479,853)	2,819,077	(25,729,236)
- Discontinued operations	1,074,517	(5,322,506)	-	-
	(333,863)	(33,802,359)	2,819,077	(25,729,236)
Tax at Malaysian statutory rate of 25% (2013: 25%)	(83,466)	(8,450,590)	704,769	(6,432,309)
Expenses not deductible for tax purposes	2,783,016	4,180,022	261,510	6,743,112
Expenses eligible for double deduction	(89,260)	(291,736)	-	-
Income not subject to tax	(188,393)	(232,066)	(966,279)	(310,803)
Deferred tax assets not recognised	(2,421,794)	1,996,835	-	-
Under accrual of Malaysia income tax	-	43,305	-	-
Reversal of tax effect on revaluation surplus	-	(31,553)	-	-
Tax expenses for the financial year	103	(2,785,783)	-	-

The Group has estimated unutilised tax losses, unabsorbed capital allowances and reinvestment allowance of RM20,685,029 (2013: RM20,685,029), RM33,168,206 (2013: RM35,425,612) and RM40,923,982 (2013: RM40,923,982) respectively available for carried forward to set-off against future taxable profit. The said amounts are subject to approval by the tax authorities.

22. (Loss)/Earnings per Share

The basic (loss)/earnings per share are calculated based on the consolidated (loss)/profit for the financial year attributable to the owners of the Company and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group 2014 RM	Group 2013 RM
(Loss)/Profit attributable to owners of the Company		
- from continuing operations	(1,408,380)	(25,679,931)
- from discontinued operations	1,074,414	(5,336,645)
	(333,966)	(31,016,576)

	Group 2014 Number of shares	Group 2013 Number of shares
Weighted average number of ordinary shares in issue	264,000,000	264,000,000

	Group 2014 Sen	Group 2013 Sen
Basic (loss)/earnings per share		
- from continuing operations	(0.53)	(9.73)
- from discontinued operations	0.40	(2.02)
	(0.13)	(11.75)
Diluted (loss)/earnings per share		
- from continuing operations	(0.53)	(9.73)
- from discontinued operations	0.40	(2.02)
	(0.13)	(11.75)

There are no effects on the diluted (loss)/earnings per share as warrants have a dilutive effect only when the average market price of ordinary share during the year exceeds the exercise price of the warrants.

The average market price for the financial year was at RM0.10 each and is below the exercise of RM0.54 per warrant.

23. Contingent Liabilities - Unsecured

	Company 2014 RM	Company 2013 RM
Financial guarantee given to financial institutions for credit facilities granted to subsidiary companies	39,036,516	47,679,077

24. Related Party Disclosures

(a) Identifying related parties

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

The Group has related party relationship with its subsidiary companies and companies where certain directors of the company have significant and controlling financial interest as well as key management personnel.

(b) Related party transactions

The related party transactions of the Group and of the Company are as follows:

	Company 2014 RM	Company 2013 RM
With subsidiary companies		
- Management fee from subsidiary companies	240,000	420,000

	Group 2014 RM	Group 2013 RM
With companies in which certain directors have interest:		
- Purchase of goods	159,838	1,226,604
- Sales of goods	349,131	2,585,458
- Sub-contract wages	265,411	499,631

24. Related Party Disclosures (Cont'd)

(c) Compensation of key management personnel

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel include all the Directors of the Group and of the Company. There are no other transactions with the key management personnel of the Group and of the Company other than the remuneration package in accordance with the terms and conditions of the appointment of the Directors as disclosed in Note 20.

25. Segment Information

(a) Business segments

For management purposes, the Group is organised into business units based on their products and services, and has five reportable segments as follows:

Investment holding	Investment holding and provision of management services.
Manufacturing	Manufacturing of furniture and rooftruss, and provision of kiln-drying services.
Trading	Trading in furniture purchase from third parties.
Property investment	Owner of investment properties.
Agro-based industries	Timber, fruit and crop plantations, aquaculture and cattle farming.

Except as indicated above, no operating segments have been aggregated to from the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Transaction between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

25. Segment Information (Cont'd)

(a) Business segments (Cont'd)

	Note	Investment holding RM	Manufacturing RM	Property investment RM	Agro-based industries RM	Elimination RM	Consolidated RM
2014							
Revenue							
External sales		-	40,388,463	123,742	511,666	-	41,023,871
Inter-segment sales		240,000	1,771,388	-	-	(2,011,388)	-
Total revenue	(i)	240,000	42,159,851	123,742	511,666	(2,011,388)	41,023,871
Results							
Segment results		(1,046,038)	2,738,102	97,759	178,536	-	1,968,359
Finance cost, net of interest income							(2,302,222)
Loss before taxation							(333,863)
Taxation							(103)
Net loss for the financial year							(333,966)
Assets and liabilities							
Segment assets		51,386	142,700,677	-	10,055,376	-	152,807,439
Segment liabilities		13,768,172	56,404,461	-	272,191	-	70,444,824
Other information							
Capital expenditure incurred		-	20,896,482	-	175,705	-	21,072,187
Amortisation of prepaid land lease payments		-	139,113	-	-	-	139,113
Depreciation of property, plant and equipment		1,304	4,817,004	-	23,226	-	4,841,534
Non-cash expenses/(income) other than depreciation	(ii)	-	(296,047)	-	(59,999)	-	(356,046)

25. Segment Information (Cont'd)

(a) Business segments (Cont'd)

	Note	Investment holding RM	Manufacturing RM	Property investment RM	Agro-based industries RM	Elimination RM	Consolidated RM
2013							
Revenue							
External sales		-	46,321,012	582,240	840,299	-	47,743,551
Inter-segment sales		420,000	800,025	-	-	(1,220,025)	-
Total revenue	(i)	420,000	47,121,037	582,240	840,299	(1,220,025)	47,743,551
Results							
Segment results		526,949	(25,930,702)	(8,622)	(4,804,830)	-	(30,217,205)
Finance cost, net of interest income							(3,585,154)
Loss before taxation							(33,802,359)
Taxation							2,785,783
Net loss for the financial year							(31,016,576)
Assets and liabilities:							
Segment assets		19,565	132,894,483	14,675,684	9,858,733	-	157,448,465
Segment liabilities		15,030,542	52,198,262	12,306,320	43,295	-	79,578,419
Other information							
Capital expenditure incurred		3,150	2,830	-	-	-	5,980
Amortisation of prepaid land lease payments		-	130,658	-	-	-	130,658
Depreciation of property, plant and equipment		1,041	5,882,737	8,350	22,201	-	5,914,329
Non-cash expenses/(income) other than depreciation	(ii).	(866,948)	22,703,350	-	5,290,646	-	27,127,048

25. Segment Information (Cont'd)

(a) Business segments (Cont'd)

(i) Inter-segment revenues are eliminated on consolidation.

(ii) Other material non-cash expenses consist of the following items as presented in the respective notes to the financial stataments:

	Group	
	2014	2013
	RM	RM
Allowance for obsolete inventories	-	8,617,308
Bad debts written off	-	41,632
Excess of insurance claim on loss of property, plant and equipment over carrying amount	(59,999)	-
Gain on disposal of property, plant and equipment	(3,586)	(12,389)
Gain on disposal of subsidiary	-	(908,580)
Impairment loss on other receivables	-	115,000
Impairment loss on trade receivables	153,470	1,027,331
Impairment loss on property, plant and equipment	-	5,326,453
Property, plant and equipment written off	-	12,920,293
Reversal of impairment losses on trade receivables	(445,931)	-
	(356,046)	27,127,048

Reconciliation of Reportable Segment Revenue and Profit or Loss

	Group	
	2014	2013
	RM	RM
Revenue		
Total revenue for reportable segment	41,023,871	47,743,551
Elimination of discontinued operations	(2,710,199)	(9,983,337)
	38,313,672	37,760,214
Profit or loss		
Total profit or loss for reportable segment	(333,966)	(31,016,576)
Elimination of discontinued operations	1,074,414	(5,336,645)
	(1,408,380)	(25,679,931)

25. Segment Information (Cont'd)

(b) Geographical segments

The Group's operations are principally carried out in Malaysia. In determining the geographical segments of the Group, sales of goods and services rendered are based on the country in which the customer is located.

The Group's revenue by geographical market is as follows:

	Group	
	2014	**2013**
	RM	**RM**
Malaysia	7,378,367	11,224,803
United States	11,627,158	11,983,690
Europe	6,401,973	8,337,934
Asia Pacific	12,119,241	9,324,974
Middle East	2,297,884	4,694,586
Africa	1,199,248	2,177,564
	41,023,871	47,743,551

26. Financial Instruments

(a) Classification of financial instruments

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

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

	Loans and receivables RM	Other financial liabilities at amortised cost RM	Total RM
Group			
2014			
Financial Assets			
Trade and other receivables	5,906,487	-	5,906,487
Cash and bank balances	132,238	-	132,238
	6,038,725	-	6,038,725
Financial Liabilities			
Trade and other payables	-	25,245,310	25,245,310
Hire purchase payables	-	203,584	203,584
Bank borrowings	-	36,314,564	36,314,564
	-	61,763,458	61,763,458

26. Financial Instruments (Cont'd)

(a) Classification of financial instruments (Cont'd)

	Loans and receivables RM	Other financial liabilities at amortised cost RM	Total RM
Group			
2013			
Financial Assets			
Trade and other receivables	20,773,663	-	20,773,663
Cash and bank balances	175,911	-	175,911
	20,949,574	-	20,949,574
Financial Liabilities			
Trade and other payables	-	22,164,254	22,164,254
Hire purchase payables	-	330,405	330,405
Bank borrowings	-	39,147,740	39,147,740
	-	61,642,399	61,642,399
Company			
2014			
Financial Assets			
Trade and other receivables	64,353,012	-	64,353,012
Cash and bank balances	44,593	-	44,593
	64,397,605	-	64,397,605
Financial Liability			
Trade and other payables	-	13,768,172	13,768,172
2013			
Financial Assets			
Trade and other receivables	64,916,370	-	64,916,370
Cash and bank balances	11,468	-	11,468
	64,927,838	-	64,927,838
Financial Liability			
Trade and other payables	-	15,030,542	15,030,542

26. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies

The Group's and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's and the Company's operations whilst managing its financial risks, including credit risk, market risk and liquidity risks. The Group and the Company operates within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's and the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Financial assets that are primarily exposed to credit risks are receivables, inter-company balances and cash and bank balances.

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 the inability of its customers to make payments when due. The Company's exposure to credit risk arises principally from loans and advances to subsidiary company and financial guarantees given to banks for credit facilities granted to subsidiary company.

Intercompany loan advances

The Company provides unsecured loans and advances to subsidiary company. The Company monitors the results of the subsidiary company regularly. As at the end of the reporting period, there was no indication that the loans and advances to subsidiary company is not recoverable. The Company does not specifically monitor the ageing of current advances to the subsidiary company.

Financial guarantees

The Company provides corporate guarantees to banks in respect of banking facilities granted to certain subsidiary companies. The maximum exposure to credit risk amounts to RM39,036,516 (2013: RM47,679,077) representing the outstanding banking facilities of the subsidiary companies as at the end of the reporting period.

Credit risk concentration profile

The Group does not have any major concentration of credit risk related to any individual customer or counterparty.

The Company has major concentration of credit risk related to amounts owing by subsidiary company.

26. Financial Instruments (Cont'd)

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

(i) Credit risk (Cont'd)

Exposure to credit risk by geographical region

The significant exposure of credit risk for Group's trade receivables by geographical region at the end of the reporting period are as follows:

	2014		2013	
	RM	**% of total**	**RM**	**% of total**
By country				
Malaysia	306	0%	736,997	48%
Other countries	1,846,992	100%	791,283	52%
	1,847,298	100%	1,528,280	100%

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk is managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

The following table analyses the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

26. **Financial Instruments (Cont'd)**

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

(ii) Liquidity risk (Cont'd)

	On demand or within 1 year RM	Within 1 to 2 years RM	Within 2 to 5 years RM	After 5 years RM	Total contractual cash flow RM	Total carrying amount RM
Group						
2014						
Trade and other payables	25,245,310	-	-	-	25,245,310	25,245,310
Hire purchase payables	75,504	75,504	68,625	-	219,633	203,584
Bank borrowings	24,188,208	3,149,736	9,211,823	4,081,146	40,630,913	36,314,564
Total undiscounted financial liabilities	49,509,022	3,225,240	9,280,448	4,081,146	66,095,856	61,763,458
2013						
Trade and other payables	22,164,254	-	-	-	22,164,254	22,164,254
Hire purchase payables	105,268	89,484	171,245	-	365,997	330,405
Bank borrowings	17,517,801	8,570,750	16,620,573	2,203,712	44,912,836	39,147,740
Total undiscounted financial liabilities	39,787,323	8,660,234	16,791,818	2,203,712	67,443,087	61,642,399
Company						
2014						
Other payables	13,768,172	-	-	-	13,768,172	13,768,172
Total undiscounted financial liability	13,768,172	-	-	-	13,768,172	13,768,172
2013						
Other payables	15,030,542	-	-	-	15,030,542	15,030,542
Total undiscounted financial liability	15,030,542	-	-	-	15,030,542	15,030,542

26. Financial Instruments (Cont'd)

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

(iii) Market risks

(i) Foreign currency risk

The Group incurs foreign currency risk on transaction that are denominated in foreign currencies. The currencies giving rise to this risk are primarily the United States Dollar ("USD"), Singapore Dollar ("SGD") and Euro Dollar ("EURO"). The Group has not entered into any derivative instruments for hedging or trading purposes as the net exposure to foreign currency risk is not significant. Where possible, the Group will apply natural hedging by selling and purchasing in the same currency. However the exposure to foreign currency risk is monitored from time to time by management.

The carrying amount and the exposure profiles of the Group's financial assets and the financial liabilities that are denominated in foreign currencies at the end of the reporting period are as follow:

	USD RM	SGD RM	EURO RM	Total RM
Group				
2014				
Financial assets				
Trade and other receivables	1,846,992	-	-	1,846,992
Cash and bank balances	48,129	3,493	3,172	54,794
	1,895,121	3,493	3,172	1,901,786
Financial liability				
Trade and other payables	1,689,723	-	-	1,689,723
Net currency exposure	205,398	3,493	3,172	212,063

26. **Financial Instruments (Cont'd)**

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

(iii) Market risks (Cont'd)

(i) Foreign currency risk (Cont'd)

	USD RM	SGD RM	EURO RM	Total RM
Group				
2013				
Financial assets				
Trade and other receivables	797,773	-	-	797,773
Cash and bank balances	111,970	-	-	111,970
	909,743	-	-	909,743
Financial liability				
Trade and other payables	1,014,381	-	-	1,014,381
Net currency exposure	(104,638)	-	-	(104,638)

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's loss for the financial year to a reasonably possible change in the USD, SGD and EURO exchange rates against the respective functional currencies of the Group entities, with all other variables held constant:

		Group 2014 RM	 2013 RM
USD/RM	- strengthened 5% (2013: 5%)	(10,270)	5,232
	- weakened 5% (2013: 5%)	10,270	(5,232)
SGD/RM	- strengthened 5% (2013: 5%)	(175)	-
	- weakened 5% (2013: 5%)	175	-
EURO/RM	- strengthened 5% (2013: 5%)	(159)	-
	- weakened 5% (2013: 5%)	159	-

26. **Financial Instruments (Cont'd)**

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

(iii) Market risks (Cont'd)

(ii) Interest rate risk

The Group exposed to interest rate risk arises primarily from financing through interest bearing financial assets and financial liabilities. The Group's policy is to obtain the financing with the most favourable interest rates in the market.

The Group's constantly monitor its interest risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The Group is exposed to interest rate risk relate to interest bearing financial liabilities. Interest bearing financial liabilities comprises hire purchase payables and bank borrowings.

	Group	
	2014	**2013**
	RM	**RM**
Fixed rate		
Financial liability		
Hire purchase payables	203,584	330,405
Floating rate		
Financial liability		
Bank borrowings	(36,314,564)	(39,147,740)

Sensitivity analysis for interest rate risk

A change in 1% interest rate on financial liabilities of the Group which have variable interest rate at the end of the financial year would have increased/(decreased) loss before taxation and equity by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	2014		2013	
	Effect to profit or loss	Effect to equity	Effect to profit or loss	Effect to equity
Group	**RM**	**RM**	**RM**	**RM**
Interest rate increased by 1%	(363,146)	(272,359)	(391,477)	(293,608)
Interest rate decreased by 1%	363,146	272,359	391,477	293,608

26. Financial Instruments (Cont'd)

(c) Fair values of financial instruments

Financial instrument other than those carried at fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

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

It was not practicable to estimate the fair value of investment in unquoted equity due to the lack of comparable market prices and inability to estimate fair value without incurring excessive costs.

Financial instruments that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

The carrying amounts of the financial liabilities of the Group at the end of the reporting period reasonably approximate their fair values except as follows:

	Group	
	2014	2013
	RM	RM
Financial liability		
Hire purchase payables (Non-current)		
- Carrying amount	137,309	240,565
- Fair value	139,587	246,378

Hire purchase payables

The fair value, which is determined for disclosure purpose, is calculated based on the present value of cash flows on principal and interest discounted at the market rate of interest at the end of the reporting period.

27. Capital Management

The primary objective of the Group's and of the Company' capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group and the Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions to ensure that the Group and the Company is able to continue as a going concern and maintains an optimal capital structure so as to maximise shareholder value. No changes were made in the objectives, policies or processes during the years ended 31 March 2014 and 31 March 2013.

The Group and the Company monitors capital using a gearing ratio, which is net debts divided by total equity plus net debts. Net debts comprise trade and other payables, accruals, hire purchase payables and bank borrowings less cash and bank balances.

The gearing ratios are as follows:

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Trade and other payables	25,245,310	22,164,254	13,768,172	15,030,542
Hire purchase payables	203,584	330,405	-	-
Bank borrowings	36,314,564	39,147,740	-	-
	61,763,458	61,642,399	13,768,172	15,030,542
Less: Cash and bank balances	(132,238)	(175,911)	(44,593)	(11,468)
Net debts	61,631,220	61,466,488	13,723,579	15,019,074
Total equity	82,303,887	77,839,672	77,295,661	74,476,584
Gearing ratio (times)	0.43	0.44	0.15	0.17

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

The Group and the Company is also required to comply with the disclosure and necessary capital requirements as prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

28. Significant Event

On 14 August 2013, the Company had completely disposed of its entire 100% interest in DPS Properties Sdn. Bhd., a wholly-owned subsidiary of the Company comprising 500,000 ordinary shares of RM1.00 each for a total consideration of RM1,776,871.

29. Subsequent Events

(a) During the previous financial period, a fire occurred on 9 July 2011 in a factory owned by the Group, which damaged the factory building, plant and machinery, inventories and furniture, fittings and equipment. Subsequently, two adjacent buildings also caught fire on 10 July 2011 and 13 July 2011. As a result, an amount of RM33,960,487 and RM3,000,000 in relation to property, plant and equipment and inventories had been written off of respectively.

The Group had submitted insurance claims and is currently awaiting response from the insurers on the agreed compensation sum. At the date of this report, since the insurance compensation is not finalised yet and cannot be reliably estimated therefore, it is not recognised in the profit or loss.

(b) On 31 October 2012, the Company has entered into a sale of share agreement with Datuk Nazari Bin Adzim, Miss Fong Hui Fong and Miss Chin Wan Ling for the disposal of 3,000,000 ordinary shares of RM1.00 each, representing 100% of the equity interest in DPS Industries Sdn. Bhd., a wholly-owned subsidiary of the Company for a total cash consideration of RM16,109,198. Subsequently the disposal was completed on 22 May 2014.

(c) On 13 September 2013, TA Securities Holdings Berhad ("TA Securities"), on behalf of the Board, announce that the Company proposed to undertake a Multiple Proposal ("The Proposal") as follows:

(i) proposed reduction of the issued and paid-up share capital of Company via the cancellation of RM0.40 of the par value of each existing ordinary share of RM0.50 each in the Company pursuant to Section 64 of the Companies Act, 1965 ("Proposed Par Value Reduction").

(ii) proposed joint ventures ("JV") between:

(a) DPS Development Venture Sdn. Bhd. (formerly known as Toko Industries Sdn. Bhd.) ("DPS Development"), a wholly-owned subsidiary of the Company and DPS Realty Sdn. Bhd. ("DPSR") to jointly develop the first phase of the land known as Lot No. 21784 held in Mukim of Rasah, District of Seremban, State of Negeri Sembilan Darul Khusus held under Geran Mukim 53354 ("Rasah Land") ("Proposed JV1");

(b) DPS Development and DPSR to jointly develop three (3) parcel of land known as Lot 491, Lot 694 and Lot 695 held in Mukim Krubong, State of Melaka Bandaraya Bersejarah held under Geran Mukim 394, 107 and 108 respectively ("Krubong Land") ("Proposed JV 2"); and

(c) DPS Development and DPSR to jointly develop three (3) parcel of land known as Lot 3949, Lot 3950 and Lot 3951 held in Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka Bandaraya Bersejarah held under Pajakan Mukim 2297, 2298 and 2299 respectively ("TM Land") ("Proposed JV 3").

29. Subsequent Events (Cont'd)

(c) (iii) proposed renounceable rights issue of up to 659,838,788 new ordinary shares of RM0.10 each in the Company ("DPS Shares") ("Rights Shares") on the basis of two (2) Rights Shares for every one (1) existing DPS Share held, together with up to 395,903,272 free detachable warrants ("Rights Warrants") on the basis of three (3) Rights Warrants for every five (5) Rights Shares subscribed at an entitlement date to be determined later, after the completion of the Proposed Par Value Reduction.

(iv) proposed diversification of the principal activities of the Company and its subsidiaries to include property development.

(v) proposed amendment to the Memorandum of Association of the Company to facilitate the implementation of Proposed Par Value Reduction.

(vi) proposed exemption to Datuk Sow Chin Chuan and persons acting in concert with him, namely Datin Chu Kim Guek and Eric Sow Yong Shing from obligation to undertake a mandatory take-over offer to acquire the remaining company shares and convertible securities in Company not already owned by them under paragraph 16.1 of Practice Note 9 of the Malaysian Code on Take-Overs and Mergers, 2010 ("Proposed Exemption").

On 13 December 2013, TA Securities, on behalf of the Board, announced that the Company has received the approval from the Securities Commission ("SC") vide its letter dated 12 December 2013 for the above, subject to the condition that TA Securities and the Company fully comply with the relevant requirement of the SC Guidelines pertaining to the implementation of the Proposed Right Issue with Warrants.

On 21 January 2014, Shantawood Sdn. Bhd. (formerly known as Shantawood Manufacturing Sdn. Bhd.) ("SSB"), a wholly-owned subsidiary of the Company had entered into the supplemental JV agreements ("Supplemental JVA") in relation to the Proposed JVs with DPS Development to undertaken proposed JVs of DPS Development. SSB agrees to assume and accept the role as developer for the Proposed JVs and DPS Development shall be redesigned as the project manager of the JVs.

On 25 March 2014, SSB and DPS Development entered into a rescission and termination agreement with DPSR and mutually agreed to terminate the JVA 1 and Supplemental JVA 1. Following the termination of JVA 1 and Supplemental JVA 1, the proceeds to be raised from the Proposed Rights Issue of Shares with Warrants will be revised based on the indicative issue price of RM0.10 per Rights Share and to raise gross proceeds of up to RM66 million.

On 25 June 2014, the shareholders of the Company had approved all the ordinary resolutions tabled at the Extraordinary General Meeting in relation to The Proposals as mentioned above.

30. Comparative Figures

The financial statements of the Group and of the Company for the financial year ended 31 March 2013 were audited by another auditor who expressed an unmodified opinion on those financial statements on 22 July 2013.

31. Date of Authorisation For Issue

The financial statements of the Group and of the Company for the financial year ended 31 March 2014 were authorised for issue in accordance with a resolution of the Board of Directors on 23 July 2014.

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

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

The accumulated losses of the Group and of the Company as at 31 March 2014 is analysed as follows:

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Total accumulated losses of the Company and its subsidiaries				
- realised	(36,302,665)	(33,380,455)	(54,889,385)	(57,708,462)
- unrealised	2,999,281	2,999,281	-	-
	(33,303,384)	(30,381,174)	(54,889,385)	(57,708,462)
Less: Consolidation adjustments	(25,752,354)	(28,340,598)	-	-
Total accumulated losses	(59,055,738)	(58,721,772)	(54,889,385)	(57,708,462)

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

Company No. 630878-X

APPENDIX V

UNAUDITED CONSOLIDATED RESULTS OF OUR GROUP FOR THE SIX (6)-MONTH PERIOD ENDED 30 SEPTEMBER 2014

This is to certify that this Quarterly Report is the copy submitted for announcement to Bursa Malaysia Securities Berhad on 28 November 2014

Lim Li Fang (MAICSA 7012923)
Secretary

DPS RESOURCES BERHAD
(Company No. 630878-X)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2014
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.09.2014 RM'000	Preceding Year Corresponding Period 30.09.2013 RM'000	Current Year To Date 30.09.2014 RM'000	Preceding Year Corresponding Period 30.09.2013 RM'000
Revenue	10,291	10,923	20,808	24,282
Cost of sales	(7,839)	(8,702)	(16,418)	(20,177)
Gross Profit /(Loss)	2,452	2,221	4,390	4,105
Operating expenses	(1,718)	(1,809)	(3,979)	(3,212)
Other operating income	(40)	213	948	383
Profit /(Loss) from operations	694	625	1,359	1,276
Finance cost	(103)	(519)	(358)	(1,165)
Profit /(Loss) before tax	591	106	1,001	111
Taxation	-	-	-	-
Profit /(Loss) after tax	591	106	1,001	111
Discontinued Operations				
Profit/loss for the period from discontinued operations net of tax				-
Minority interest	-	-	-	-
Net Profit /(Loss) for the period	591	106	1,001	111
OTHER COMPREHENSIVE INCOME				
Fair value adjustment on property, plant and equipment				
*- Profit on fair value changes				
AVAILABLE-FOR -SALE INVESTMENT				
Profit arising during the period	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	591	106	1,001	111
Weighted average number of shares ('000s)	264,000	264,000	264,000	264,000
Earning per share (sen)				
- Basic	0.22	0.04	0.38	0.04
- Diluted	0.22	0.04	0.38	0.04

The unaudited Condensed Consolidated Statement Of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2014 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONSOLIDATED RESULTS OF OUR GROUP FOR THE SIX (6)-MONTH PERIOD ENDED 30 SEPTEMBER 2014 (*CONT'D*)

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DPS RESOURCES BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION 30 SEPTEMBER 2014
(The figures have not been audited)

	As at End Of Current Quarter 30.09.2014 RM'000	As at Preceding Financial Year Ended 31.03.2014 RM'000
Non-current assets		
Property, plant and equipment	94,814	97,339
Prepaid land lease payments	12,146	12,115
	106,960	109,454
Current assets		
Inventories	8,856	7,562
Trade and other receivables	11,683	5,906
Cash, deposit and bank balances	237	132
Assets of disposal group classified as held for sale	-	29,753
	20,776	43,353
Total Assets	127,736	152,807
EQUITY		
Share capital	132,000	132,000
Share premium	185	185
Revaluation reserve	6,068	9,175
Accumulated losses	(54,948)	(59,056)
Total equity	83,305	82,304
LIABILITIES		
Non-current liabilities		
Long term borrowings	9,019	13,463
Deferred tax liability	1,621	1,621
	10,640	15,085
Current liabilities		
Borrowings	2,882	21,006
Bank overdraft	508	2,049
Trade and other payable	30,371	25,245
Provision for taxation	30	30
Liabilities of disposal group classified as held for sale	-	7,088
	33,791	55,419
Total Liabilities	44,431	70,504
Total equity & liabilitles	127,736	152,807
	-	-
Net Tangible Assets per share attributable to ordinary equity holders of the parent (RM)	0.32	0.31

The unaudited Condensed Consolidated Statement Of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2014 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONSOLIDATED RESULTS OF OUR GROUP FOR THE SIX (6)-MONTH PERIOD ENDED 30 SEPTEMBER 2014 (*CONT'D*)

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DPS RESOURCES BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2014
(The figures have not been audited)

		Distributable	←	Non-Distributable	→	
	Share Capital RM'000	Accumulated Losses RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Fair value Reserve RM'000	Total RM'000
Balance as at 1 April 2013	132,000	(27,705)	185	5,475	-	109,955
Net loss for the financial year	-	(31,350)	-	3,699	-	(27,651)
Balance as at 31 March 2014	132,000	(59,055)	185	9,174	-	82,304
Net profit for the financial period	-	1,001	-		-	1,001
Balance as at 30 September 2014	132,000	(58,054)	185	9,174	-	83,305

The unaudited Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2014.

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DPS RESOURCES BERHAD
(Company No. 630878-X)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2014
(The figures have not been audited)

	Current Current Year To Date 30.09.14 RM'000	Preceding Year 12 months Period End 31-03-2014 RM'000
Net cash inflow from operating activities	2,159	3,206
Net cash (outflow)/inflow from investing activities	(75)	211
Net cash (outflow) from financing activities	(681)	(3,720)
Net increase/(decrease) in cash and cash equivalents	1,403	(302)
Cash and bank balances as at 1 April 2014	(1,674)	(1,372)
Cash and cash equivalents as at 30th September 2014	(271)	(1,674)

Reconciliation :

Cash and bank balances	237	375
Bank overdrafts	(508)	(2,049)
Cash and cash equivalents as at 30th September 2014	(271)	(1,674)

The unaudited Condensed Consolidated Statement Of Cash Flow should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2014 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONSOLIDATED RESULTS OF OUR GROUP FOR THE SIX (6)-MONTH PERIOD ENDED 30 SEPTEMBER 2014 (*CONT'D*)

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DPS RESOURCES BERHAD
(Company No. 630878-X)

A1. Changes in accounting policies

The interim financial statements are prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Listing Requirements and should be read in conjunction with the Group's annual audited financial statements for the year ended 31 March 2014 and the accompanying notes attached to the unaudited condensed consolidated financial statements.

As of 1 April 2013, the Group has adopted the following MFRSs and amendments which are effective for annual periods beginning on or after 1 April 2013.

Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income
MFRS 3	Business Combinations
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119 (as revised in 2011)	Employee Benefits
MFRS 127 (as revised in 2011)	Separate Financial Statements
MFRS 128 (as revised in 2011)	Investment in Associates and Joint Ventures
Amendments to MFRS 1	First-time Adoption of MFRS - Government Loans
Amendments to MFRS 1	First-time Adoption of MFRS - Annual improvements 2009 - 2011 Cycle
Amendments to MFRS 7	Financial Instruments: Disclosures - Offsetting Financial Assets and Liabilities
Amendments to MFRS 10	Consolidated Financial Statements: Transition Guidance
Amendments to MFRS 11	Joint Arrangements: Transition Guidance
Amendments to MFRS 12	Disclosures of Interest in Other Entities: Transition Guidance
Amendments to MFRS 101	Annual Improvements 2009 - 2011 Cycle
Amendments to MFRS 116	Annual Improvements 2009 - 2011 Cycle
Amendments to MFRS 132	Annual Improvements 2009 - 2011 Cycle
Amendments to MFRS 134	Annual Improvements 2009 - 2011 Cycle
IC Interpretation 2	Annual Improvements 2009 - 2011 Cycle
IC Interpretation 20	Stripping costs in the Production Phase of a Surface Mine

The adoption of the above MFRSs and amendments does not have any material impact on the financial statements.

The following Standards, Amendments and Issue Committee ("IC") Interpretations have been issued by the Malaysian Accounting Board (MASB) but are not yet effective and have not been adopted by the Group.

Effective for financial periods beginning on or after 1 January 2014

MFRS 10	Investment Entities
MFRS 12	Investment Entities
Amendments to MFRS 127	Investment Entities
Amendments to MFRS 132	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities

Effective for financial periods beginning on or after 1 January 2015

MFRS 9	Financial Instruments
Amendments to MFRS 9	Mandatory Effective Date of MFRS 9 and Transition Disclosures

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any effect to the financial statements of the Group upon their initial application.

A2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 March 2014 was not qualified.

A3. Comments about Seasonality or Cyclicality

The Group's performance is not subject to seasonality or cyclicality.

A4. Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the current quarter under review due to their nature, size or incidence.

A5. Changes in Estimates

There were no changes in estimates that have had a material effect in the current quarter results.

Company No. 630878-X

UNAUDITED CONSOLIDATED RESULTS OF OUR GROUP FOR THE SIX (6)-MONTH PERIOD ENDED 30 SEPTEMBER 2014 (*CONT'D*)

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Lim Li Fang (MAICSA 7012923)
Secretary

A6. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale or repayment of debt securities nor any movement in the share capital for the quarter and financial period under review.

A7. Dividends Paid

There were no dividends paid during the quarter under review.

A8. Segmental Reporting

The Group operates wholly in Malaysia. The principal activities of the Group consist of those relating to manufacturing of wood based products and agro-based farming. The Group's segmental reporting for business segments is as below:

Current Year Quarter ended 30 September 2014

30 September 2014

Business Segments	Investment Holding	Manufacturing	Property Investment	Agro-based Industries	Adjustments and Eliminations	Per consolidated Financial Statements
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue :						
External Sales	-	10,292	-	-	-	10,292
Inter-segment	60	-	-	-	(60)	-
Total Revenue	60	10,292	-	-	(60)	10,292
Results :						
Segment results	(436)	1,130	-	(0)	0	694
Finance cost						(103)
Loss before tax						591
Taxation						-
Net (loss)/profit for the period						591

30 June 2014

Business Segments	Investment Holding	Manufacturing	Property Investment	Agro-based Industries	Adjustments and Eliminations	Per consolidated Financial Statements
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue :						
External Sales	-	10,517	-	-	-	10,517
Inter-segment	60	-	-	-	(60)	-
Total Revenue	60	10,517	-	-	(60)	10,517
Results :						
Segment results	8,654	1,256	-	(5)	(9,240)	665
Finance cost						(255)
Loss before tax						410
Income tax benefit						-
Net (loss)/profit for the period						410

A9. Valuations of Property, Plant and Equipment

There were no changes in the valuation of property, plant and equipment since the last audited financial statements for the year ended 31 March 2014

A10. Subsequent Events

There were no material events subsequent to the end of the current quarter under review up to date of this quarterly report.

A11. Changes in Composition of the Group

There were no changes in composition of the group since the last audited financial statements for the year ended 31 March 2014

A12. Changes In Contingent Liabilities and Contingent Assets

There were no contingent liabilities and contingent assets of a material nature since the last audited financial statements for the year ended 31 March 2014 other than those disclosed in B9.

UNAUDITED CONSOLIDATED RESULTS OF OUR GROUP FOR THE SIX (6)-MONTH PERIOD ENDED 30 SEPTEMBER 2014 (*CONT'D*)

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on 28 November 2014

....
Lim Li Fang (MAICSA 7012923)
Secretary

A13. Capital Commitments

There are no capital commitments of the Group for the period ended 30th September 2014.

PART B: ADDITIONAL INFORMATION REQUIRED BY BMSB'S LISTING REQUIREME

B1 Review of Performance for Comparison with Current Quarter to Corresponding Quarter of Last Year

Our Group's revenue decreased slightly by approximately RM0.63 million or 5.79% from RM10.92 million for the six (6)-month period ended 30 September 2013 to RM10.29 million for the six (6)-month period ended 30 September 2014.

Despite the reduction in revenue, our Group managed to improve our GP margin from approximately 20.33% for the six (6)-month period ended 30 September 2013 to approximately 23.83% for the six (6)-month period ended 30 September 2014 mainly due to stronger USD currency against RM.

Our Group posted a net profit of approximately RM0.59 million in the six (6)-month period ended 30 September 2014 as opposed to a net profit of RM0.10 million in the six (6)-month period ended 30 September 2014 mainly due to reduction of finance cost from RM0.52 million to RM0.1 million due to full settlement of bank borrowings of approximately RM21.76 million due to a financial institution via advances obtained from a Director ("Director Loan") on 30 August 2014. The said Director Loan is interest free with no fixed terms of repayment.

B2 Review of Performance for Comparison of Current Quarter Results with Immediate Preceding Quarter

	Current Year Quarter 30.09.2014 RM'000	Immediate Preceding Quarter 30.06.2014 RM'000
REVENUE		
Manufacturing and trading	10,292	10,517
Property development	-	-
Argo-bases Industries	-	-
Investment holdings	-	-
Total	10,292	10,517
Cost Of Sales	(7,839)	(8,579)
Gross Profit	2,453	1,938
PROFIT/ (LOSS) BEFORE TAX ("PBT")		
Manufacturing and trading - operations	607	999
Property investment	-	-
Argo-bases Industries	(5)	-
Investment holdings	(11)	(589)
Total	591	410

For the current quarter, the revenue of the Group is RM10,292m (Q115 : RM10.517mil), the revenue reduced by 0.02% as compared to the preceding quarter.

B3 Commentary on Prospects

The Group continues to operate in a challenging environment due to uncertainty in the global economy but the outlook is promising if the USD vs RM continues to be strong.

B4 Taxation

	Current Quarter 30.09.14 RM'000	Current Year To Date 30.09.14 RM'000
	-	-
Tax charge for the financial period	-	-

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B5 Purchase or Disposal of Quoted Securities

a) There were no purchases or disposals of quoted securities for the current quarter under review.
b) There were no investments in quoted securities as at the end of the financial period.

B6. STATUS OF CORPORATE PROPOSALS

There are no corporate proposals announced but not completed as at the reporting date save and except for the following:-

On 13 September 2013, TA Securities Holdings Berhad ("TA Securities"), on behalf of the Board, announced the Company proposed to undertake the Proposals, comprising:-

(i) Proposed reduction of the issued and paid-up share capital of DPS Resources Berhad ("DPS") via the cancellation of RM0.40 of the par value of each existing ordinary shares of RM0.50 each to RM0.10 each in DPS ("DPS Shares") pursuant to Section 64 of the Companies Act, 1965 ("Proposed Par Value Reduction")

(ii) Proposed Joint Ventures ("JVs") between:-

(a) DPS Development Venture Sdn Bhd ("DPS Development"), Shantawood Sdn Bhd (formerly known as Shantawood Manufacturing Sdn Bhd) ("SSB") and DPS Realty Sdn Bhd ("DPSR") to jointly develop first phase of the land known as Lot No. 21784, Mukim of Rasah, District of Seremban, State of Negeri Sembilan Darul Khusus held Geran Mukim 53354 ("Proposed JV 1");

(b) DPS Development, SSB and DPSR to jointly develop three (3) parcels of Land known as Lot 18565, Lot 18566 and Lot 18567, Mukim of Krubong, State of Melaka Bandaraya Bersejarah held under GeranMukim Malacca Customary Land 773, 772 and 771 respectively ("Proposed JV 2");

(c) DPS, SSB and DPSR to jointly develop three (3) parcels of land known as Lot 3949, Lot 3950 and Lot 3951, Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka Bandaraya Bersejarah held under Pajakan Mukim 2297 and 2299 respectively ("Proposed JV 3");

(iii) Proposed renounceable rights issue of up to 659,838,788 new DPS Shares ("Rights Shares") on the basis of two (2) Rights Shares for every one (1) existing DPS Share held, together with up to 395,903,272 free detachable warrants ("Rights Warrants") on the basis of three (3) Rights Warrants for every five (5) Rights Shares subscribed at an entitlement date to be determined later ("Proposed Rights Issue of Shares with Warrants");

(iv) Proposed diversification of the principal activities of DPS and its subsidiaries to include property development ("Proposed Diversification");

(v) Proposed amendment to the Memorandum of Association of DPS to facilitate the implementation of the Proposed Par Value Reduction ("Proposed Amendment"); and

(vi) Proposed exemption to Datuk (Dr) Sow Chin Chuan and Persons acting concert ("PACs") with him, namely Datin Chu Kim Guek and Eric Sow Yong Shing from the obligation to undertake a mandatory take-over offer to acquire the remaining DPS Shares and convertible securities in DPS not already owned by them under Paragraph 16.1 of Practice Note 9 of the Malaysian Code on Take-overs and Mergers 2010 ("Proposed Exemption").

On 13 December 2013, TA Securities, on behalf of the Board announced that Bursa Malaysia Securities ("Bursa Securities") had vide its letter dated 12 December 2013 ("Bursa Securities Letter") approved the following:

(i) listing of and quotation for the Rights Shares and the new DPS Shares to be issued pursuant to the exercise of Rights Warrants; and

(ii) admission of the Rights Warrants to the Official List of Bursa Securities and listing of and quotation for the Rights Warrants;

On the Main Market of Bursa Securities, subject to the conditions in Bursa Securities Letter.

On 21 January 2014, DPSR, SSB and DPS Development entered into the Supplemental joint venture agreement ("JVA") 1, Supplemental JVA 2 and Supplemental JVA 3 to amend, vary and/or modify some of the terms of the JVA 1, JVA 2 and JVA 3.

On 31 March 2014, DPSR, SSB and DPS Development entered into the Rescission and termination agreement ("RTA") to rescind, revoke and terminate the JVA 1 and Supplemental JVA 1.

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Secretary

On 25 June 2014, TA Securities, on behalf of the Board, announced that the shareholders of DPS had approved the Proposals at the extraordinary general meeting ("EGM") held on 25 June 2014.

On 8 October 2014, TA Securities, on behalf of the Board, announced that an office copy of the seal order of the High Court of Malaya, Malacca confirming the Par Value Reduction has been lodged with the Companies Commission of Malaysia on even date, upon which the Par Value Reduction shall take effect and deemed completed. The shareholders of the Company should take note that the Par Value Reduction does not affect the number of the rights attached to the existing DPS Shares held by them. All DPS Shares held in the securities account of the shareholders shall be unaffected, except for the reduction in its par value from RM0.50 to RM0.10 per Share.

On 17 October 2014, TA Securities, on behalf of the Board, announced that the Securities Commission had vide its letter dated 16 October 2014 approved the Exemption.

B7 Group Borrowings and Debt Securities

Total Group borrowings as at 30 September 2014 were as follows :-

	Secured RM'000	Unsecured RM'000	As at 30.09.14 Total RM'000
Short term borrowings			
Bank Overdrafts	504	3	507
Bankers Acceptance	-	-	-
Finance Lease Creditor	182	-	182
Revolving Credit	-	-	-
Term Loans	3,549	(848)	2,701
	4,235	(845)	3,390
Long term borrowings			
Finance Lease Creditors	-	-	-
Term Loans	6,661	2,358	9,019
	6,661	2,358	9,019
Total borrowings	10,896	1,513	12,409

B8 Derivative Financial Assets

Details of outstanding derivative financial instruments as at 30 September 2014:

Foreign Exchange Forward Contracts :	Contracted Value RM '000	Fair value RM '000	Changes in Fair Value RM '000
Within 1 year			
- Used to hedge trade receivables	-	-	-

Forward foreign exchange contracts are entered into with licensed banks to hedge part of the Group's sales from exchange rate movements. As the exchange rates are pre-determined under such contracts, the Group is not exposed to any market risk. Given that the contracts are entered into with licensed banks, the Management are of the view that credit risk is minimal.

B9. MATERIAL LITIGATION

Save for the following, the Group is not engagedin any material litigation or arbitration,either as plaintiff or defendant,which has amaterial effect on the financial position of the Company or it ssubsidiary companies and the Board does not know of any proceedings pending or threatened, or of any factlikely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or its subsidiary companies as at the date of this report:-

(i) ShantawoodSdnBhd ("SSB") ("Plaintiff") vs Hong Leong MSIG Takaful Berhad ("MSIG") ("Defendant")- High Court of Shah Alam Civil No: 22NCVC-1488-12/2012

SSB had on 21 December 2012 filed a suit at the High Court in Shah Alam against MSIG to recover the loss and damages of RM24,219,074.00 ("Fire Claim") as a result of MSIG repudiating the claims made by SSB under the fire insurance policies taken up by SSB from MSIG for the fire incidents occurred on 10 July 2011, 13 July 2011 and 14 July 2011 in factories belonging to SSB ("Fire Incidents"). MSIG had on 25 February 2013 filed its Statement of Defence disputing the Fire Claim.

On 26 September 2014, the Court had allowed SSB's claim and had awarded SSB a sum of RM19,496,398.90 ("Judgement Sum") and the cost of RM50,000.00 together with the interest rate of 5% per annum to be calculated from 14 July 2011 until the full and final settlement of the same ("Judgment"). MSIG subsequently filed a notice of appeal to the Court of Appeal against the Judgement and made an application for stay of execution of the Judgement with the High Court on 20 October 2014.

On 17 November 2014, High Court allowed the stay of execution of the Judgement but ordered the Judgement Sum be deposited into the Plaintiff Solicitors' account on a fixed deposit of the Plaintiff's Solicitors Account. On 20 November 2014, the sum of RM22,818,054.85 was deposited into the Plaintiff's Solicitors Account held with Hong Leong Islamic Bank Berhad. The Court of Appeal has fixed on 16 December 2014 as the case management date for the appeal.

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Secretary

SSB had written off its Property, Plant and Equipment ("PPE") which were damaged during the Fire Incidents in the fifteen (15)-month FPE 31 March 2012 and FYE 31 March 2013. The Fire Claim will be recognised as other income upon receipt of payment.

The solicitors acting for SSB is of the opinion that, based on the numerous rulings made by the Court on admission of documents and the testimonies of witnesses and experts from SSB and MSIG, SSB has a reasonably fair chance of success in dismissing MSIG's appeal against the Judgment.

(ii) SSB ("Plaintiff") vs HSBC AmanahTakeful (Malaysia) Berhad ("HSBC Amanah") ("Defendant")- Kuala Lumpur High Court

on 25 November 2014, SSB filed a suit at High Court in Kuala Lumpur against HSBC Amanah to recover the loss and damages of RM11,950,175 ("Fire Claim") as a result of HSBC Amanah's failure to pay loss claim filed by SSB under the fire insurance policies taken up by SSB from HSBC Amanah for the fires which occured from 10 July 2011 to 19 July 2011. As the Writ of Summons and the Statement of Claim have yet to be extracted, SSB has yet to obtain the date for case management as at to-date.

The Solicitors acting for SSB is of the opinion that based on the current documents provided, subject to the defence to be filed by HSBC Amanah, availability of the witnesses and the documents to be produced to the Court by both parties, SSB has a fair chance of success in its claim against HSBC Amanah.

B10 Changes in Contingent Assets and Contingent Liabilities

There were no changes in contingent assets and contingent liabilities since the last quarterly report other than those contingent assets as disclosed in B9.

B11 Dividend Payable

No dividend was paid during the financial year and the Directors do not recommend any dividend to be paid for the year under review.

B12 Earnings per Share

a) Basic
The earnings per share for the current quarter and cumulative year to date are computed as follows:

	Individual Current Year Quarter 30.09.14	Cumulative Current Year To Date 30.09.14
Profit attributable to ordinary equity holders of the parent (RM'000)	591	1,001
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	264,000	264,000
Basic Earnings Per Share (sen)	0.22	0.38

UNAUDITED CONSOLIDATED RESULTS OF OUR GROUP FOR THE SIX (6)-MONTH PERIOD ENDED 30 SEPTEMBER 2014 (*CONT'D*)

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b) Diluted

The calculation of the diluted earnings per share is based on the profit attributable to ordinary equity holders of the parent for the current quarter and cumulative year to date divided by the adjusted weighted average number of ordinary shares of RM0.50 each in issue and issuable under the exercise of share options granted under the DPS Employees' Share Option Scheme.

	Individual Current Year Quarter 30.09.14	Cumulative Current Year To Date 30.09.14
Profit attributable to ordinary equity holders of the parent (RM'000)	591	1,001
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	264,000	264,000
Basic Earnings Per Share (sen)	0.22	0.38
Diluted Earnings Per Share (sen)	0.22	0.38

B13 Disclosure of Realised and Unrealised Profits

On 25 June 2010, Bursa Malaysia Securities Berhad (Bursa Malaysia) issued a directive to all listed issuers and requires to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits and losses. On 20 December 2010, Bursa Malaysia further issued guidance on the disclosure and the format required.

The determination of realised and unrealised profits is complied based on Guidance of Special Matter No. 1. Determination of Realised and Unrealised Profits and Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

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

The Group's accumulated losses as at reporting date may be analysed as follows:

	Group 30.09.2014 RM'000	**Group 31.03.2014 RM'000**
Total retained profits		
- Realised profits	(21,123)	(36,303)
- Unrealised losses	2,999	2,999
	(18,124)	(33,304)
Less : Consolidation adjustments	(39,930)	(25,752)
Total Group's accumulated losses as per statements of financial position	(58,054)	(59,056)

B14 Profit for the Period

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.09.2014 RM'000	Preceding Year Corresponding Period 30.09.2013 RM'000	Current Year To Date 30.09.2014 RM'000	Preceding Year Corresponding Period 30.09.2013 RM'000
Profit for the period is arrived at after crediting :				
Realised gain on foreign exchange	15	(142)	15	(219)
Gain on disposal of property, plant and equipment	-	-	-	-
and after charging :				
Amortisation of prepaid lease payment	-	33	-	66
Depreciation	1,063	1,560	2,326	2,723
Loss on disposal of a subsidiary	-	80	(211)	80
Loss on foreign exchange	-	70	85	188

DPS Resources Berhad *(Co. No.:630878-X)*
Lot 76 & 77, Kawasan Perindustrian Bukit Rambai, Bukit Rambai, 75200 Melaka.
Tel. No.: +606-351 2580 Fax. No. : +606-351 2864

12 DEC 2014

Registered Office:

50-1, 52-1 & 54-1
Jalan BPM 2
Taman Bukit Piatu Mutiara
75150 Melaka

To: Shareholders of DPS Resources Berhad ("**DPS**" or "**Company**")

Dear Sir/Madam,

On behalf of the Board of Directors of DPS ("**Board**"), I wish to report that after making due enquiries in relation to our Company and subsidiary companies ("**Group**") during the period between 31 March 2014 (being the date on which the latest audited consolidated financial statements have been made up) to the date thereof, being a date not earlier than fourteenth (14) days before the date of this Abridged Prospectus that:

(i) in the opinion of the Board, the business of our Group has been satisfactorily maintained;

(ii) in the opinion of the Board, no circumstances have arisen since the last audited consolidated financial statements of our Group which have adversely affected the trading or the value of the assets of our Group;

(iii) the current assets of our Group appear in the books at values which are believed to be realisable in the ordinary course of business;

(iv) save as disclosed in this Abridged Prospectus, there are no contingent liabilities which have arisen by reason of any guarantees or indemnities given by our Group;

(v) since the last audited consolidated financial statements of our Group, there has been no default or any known event that could give rise to a default situation, in respect of payment of either interest and/or principal sums in relation to any borrowings; and

(vi) save as disclosed in this Abridged Prospectus, there have been no material changes in the published reserves or any unusual factors affecting the results of our Group since the last audited consolidated financial statements of our Group.

Yours faithfully
For and behalf of the Board of
DPS RESOURCES BERHAD

Yee Yit Yang
Independent Non-Executive Director

VALUATION CERTIFICATES DATED 10 AUGUST 2013 AND 22 SEPTEMBER 2014 FOR THE JVs PREPARED BY FIRST PACIFIC

FIRST PACIFIC
FIRST PACIFIC VALUERS
PROPERTY CONSULTANTS SDN BHD
(682491-M)
Directors
Sr. Hj. Mohamad Sarip Saleh Diploma in Estate Management (Kingston) UK
V117 E1174
Sr. P.L. Lee B App Sc Property Resource Management (Valuation) Aust. MRISM, APEPS
V596 E565

(Valuation Certificate)

10 August 2013

The Board of Directors
DPS RESOURCES BERHAD
Lot Nos. 76 & 77
Kawasan Perindustrian Bukit Rambai
75250 Melaka

Dear Sirs

VALUATION CERTIFICATE OF:

(i) LOT NO. 21784 TITLE NO. GERAN 53354 MUKIM OF RASAH, DISTRICT OF SEREMBAN, STATE OF NEGERI SEMBILAN DARUL KHUSUS ("RASAH LAND");

(ii) LOT NOS. 491, 694 AND 695 TITLE NOS. GMM 394, GMM 107 AND GMM 108 RESPECTIVELY, MUKIM OF KRUBONG, DISTRICT OF MELAKA TENGAH, STATE OF MELAKA BANDARAYA BERSEJARAH ("KRUBONG LANDS"); AND

(iii) LOT NOS. 3949, 3950 AND 3951 TITLE NOS. PM 2297, PM 2298 AND PM 2299 RESPECTIVELY, MUKIM OF TANJONG MINYAK, DISTRICT OF MELAKA TENGAH, STATE OF MELAKA BANDARAYA BERSEJARAH ("TANJONG MINYAK LANDS").

This valuation certificate has been prepared for inclusion in the circular to shareholders of DPS Resources Berhad ("DPS" or the "Company") dated 2 June 2014 in connection with the proposed joint venture to develop these properties.

TERMS OF REFERENCE

In accordance with the Company's instructions to assess the Market Value of these properties for submission to Bursa Malaysia Securities Berhad and for inclusion in the Circular to the Shareholders of DPS dated 2 June 2014, we have considered the Registered Proprietor's interest in the properties and are pleased to submit herewith our opinion of the Market Value of the interest held therein as at 1 August 2013.

These reports have been prepared in accordance and in compliance with the Asset Valuation Guidelines issued by the Securities Commission and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia.

The basis of the valuation is the Market Value of the interests which is based on the guidelines would be defined as *"the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."*

Based on the types of properties being valued, we have applied both the **Comparison Method** as well as the **Residual Method** of valuation. The Comparison Method of Valuation involves determining the market value by directly comparing the property under valuation with similar properties which have been sold, finding its value from these transactions after adjusting all differences. For the Residual Method of Valuation, there are two major components, i.e. the total income expected to be generated by the project upon its completion, also known as the Gross Development Value, and the total cost expected to be incurred over the duration of the construction period up to final completion, identified as the Gross Development Cost.The development period will also be considered to arrive at the final opinion of value.

Registered Valuers • Estate Agents • Auctioneers • Property & Project Managers • International Property Consultants

Level 3A, Wisma Rapid, No. 32-36, Jalan 30/70A, Desa Sri Hartamas, 50480 Kuala Lumpur, Malaysia.
Tel: (603) 6203 1188 (Hunting Line) Fax: (603) 6203 9814
E-mail: enquiries@firstpacific.com.my website: http://www.firstpacific.com.my

FIRST PACIFIC

SUMMARY OF VALUE

No.	Property Information	Market Value
i.	**Lot No. 21784, Mukim of Rasah, District of Seremban, Negeri Sembilan** (i) A plot of vacant agricultural land with immediate development potential located within the locality of Rasah Jaya, Seremban. (ii) Valuation of only Phase 1 of the same plot of land. Ref. No. V13/0229/C/NS/VL/ZKY/acu	**RM46,240,000** **RM23,000,000**
ii.	**Lot Nos. 491, 694 and 695, Mukim of Krubong, District of Melaka Tengah, Melaka** 3 plots of land located off Jalan Krubong, Melaka. Lot Nos 491 and 695 have the benefit of development approvals while Lot No. 695 is a plot agricultural land with immediate development potential. No. V13/0230/C/MEL/VL/ZKY/acu	**RM4,775,000**
iii.	**Lot Nos. 3949, 3950 and 3951, Mukim of Tanjong Minyak, District of Melaka Tengah, Melaka** 3 plots of land located along Jalan Utama Tanjong Minyak-Bukit Rambai with the benefit of development approvals. Ref No. V13/0231/C/MEL/VL/ZKY/acu	**RM3,500,000**

For and on behalf of
FIRST PACIFIC VALUERS PROPERTY CONSULTANTS SDN BHD

Sr. Mohamad Sarip Saleh
DipEstMan (Kingston)
Registered Valuer (V117) &
Estate Agent (E1174)

Mohamad Sarip Bin Md Saleh *DipEstMan (Kingston)*
Executive Director
Registered Valuer (V117) & Estate Agent (E1174)

(i) LOT 21784, TITLE NO GERAN 53354, MUKIM OF RASAH, DISTRICT OF SEREMBAN, STATE OF NEGERI SEMBILAN DARUL KHUSUS ("RASAH LAND")

INTEREST VALUED

The interest being valued on this property is the freehold interest held by the registered proprietor.

In addition, we have also been advised by our client that the registered proprietor of this property, DPS Realty Sdn. Bhd., is in the process of going into a Joint Venture Agreement (JVA) with DPS to undertake the development of part of the property, identified as Phase 1 of the whole development.

In light of the JVA involving only Phase 1 of the whole development, we have also been instructed to form an opinion on the Market Value of the particular portion of the property identified as Phase 1.

PARTICULARS OF TITLES

1.	Title No.	Geran 53354
2.	Lot No.	21784
3.	Mukim	Rasah
4.	District	Seremban
5.	State	Negeri Sembilan
6.	Tenure	Freehold
7.	Land Area	40 hectares
8.	Category of Land Use	Pertanian
9.	Registered Proprietor	**DPS Realty Sdn Bhd**

GENERAL DESCRIPTION

Location/Surroundings
The Subject Property is situated about 7.5 kilometres by road due southeast of Seremban town centre.

It is situated in an area predominantly developed with established housing schemes and has access to basic infrastructure and amenities. To the immediate north of the Subject Property is the North South Expressway. Nearby residential developments include Taman Rasah Jaya, Taman Punca Emas, Taman Bunga Blossom, Taman Yoon Chan, Taman Loop, and Seremban Tiga. Further to the northeast is Seremban town centre.

Description
The Subject Property is a plot of agricultural land with immediate development potential. It is elongated and irregular shaped. The land is generally flat to gently undulating in terrain with a major portion still under sundry vegetation. The site is not demarcated with any form of fencing.

A high tension transmission line runs along the eastern boundaries of the Subject Property. A gas pipe line runs along the southern boundary of the Subject Property.

VALUATION CERTIFICATES DATED 10 AUGUST 2013 AND 22 SEPTEMBER 2014 FOR THE JVs PREPARED BY FIRST PACIFIC *(CONT'D)*

FIRST PACIFIC

Planning Status
Our enquiries with the State Town and Country Planning Department in Seremban revealed that the property is zoned for housing development.

This property originally had the benefit of development approval vide approved plan Ref No. MPS(P)85/1674/00/04/P1 [A] on 23 May 2003. However, this approval has since lapsed. We were advised by our Client that they are in the process of submitting a fresh development application. With a total land area of 40.0 hectares (98.842 acres), it was originally planned for 3 phases of development as follows:-

	Acres	% total acreage
Phase 1	43.6320	44.14%
Phase 2	30.2700	30.62%
Phase 3	24.9400	25.23%
Total	98.8420	100.00%

Based on the approved Master Plan referred to above, the development components of Phase 1 of the project are as follows:-

Development Content	Units	Area (acres)	% total area
a. 2 storey terrace house (22'x70')	362.0	14.30	32.78%
b. 2 storey terrace house (24'x70')	30.0	1.39	3.19%
c. 2 storey low cost link (20'x60')	69.0	2.07	4.74%
d. 1 storey low cost link (20'x70')	25.0	0.85	1.95%
e. 2 storey shophouse (22'x70')	19.0	0.75	1.72%
f. Open space	0.0	6.34	14.53%
g. Surau & Drainage reserve	1.0	0.81	1.85%
h. TNB substation	1.0	0.18	0.41%
i. Roads & lanes	0.0	16.94	38.83%
	507.0	43.63	100.00%

Phases 2 and 3 were earmarked for future development. Although this original approval has since lapsed, there are plans to submit a fresh application and based on our enquiries, the zoning for the subject property remain the same as that when the original approval was given. For this reason we have for our valuation purposes, used the original approved development plan as a basis to arrive at an opinion on the value of the property. Two sets of values are arrived at as required, the Market Value of the whole property and the Market Value of the area identified as Phase 1 of the property's development.

FIRST PACIFIC

VALUE CONSIDERATION AND CALCULATIONS

Comparison Method

For the Comparison Method, we have taken transactions of agricultural lands, residential land and institute land all within the same District of Seremban. The range of adjusted values is between RM8.07 per square foot and RM12.20 per square foot.

The analysis is as follows:

	Description	Subject Property	Comparison 1	Comparison 2	Comparison 3	Comparison 4
	Source		JPPH	JPPH	JPPH	JPPH
1	Property Type	Agri. with dev.potential	Agri. with dev.potential	Agri. with dev.potential	Res.land	Institute land
2	Title No.	Geran 53354	Geran 34264	Geran 85671	Geran 147038, 147039,147040, 147042, 14703, 147044, 147045 & 147046	HS(D) 215074
3	Lot No.	Lot 21784	Lot 13460	Lot 1342	Lots 12398, 12399, 12400, 12402, 12403, 12404, 12405 & 12407	Lot PT 665
4	Mukim	Rasah	Rasah	Setul	Rasah	Bandar Enstek
5	District	Seremban	Seremban	Seremban	Seremban	Seremban
6	Location	Off North-South Expressway, near Taman Rasah Jaya	Jln Tok Ungku, Tmn Dato Raja Hanafiah	Jalan Nilai - Pajam	Kg. Mambau, Seremban	Off Persiaran Bandar Enstek
7	Tenure	Freehold	Freehold	Freehold	Freehold	Freehold
8	Land area (acres)	98.8420	56.1917	25.1553	66.8197	50.0017
9	Land area (hectares)	40.00	22.74	10.18	27.04	20.23500
10	Land area (Sq.ft)	4,305,558	2,447,710	1,095,765	2,910,666	2,178,074
11	Vendor		Success Blossom Assets Sdn Bhd	Kam Moi	Uomo Donna (M) Sdn Bhd	Lembaga Tabung Haji
12	Purchaser		Titian Tegas Sdn Bhd	Julong Property Sdn Bhd	Eksons Corporation Berhad	Epsom College Malaysia Sdn Bhd
13	Zoning	Housing	Housing	Housing	Housing	Institute
14	Approved layout plan	No	No	No	No	Yes
15	Terrain	Undulating	Undulating	Undulating	Hilly	Flat
16	Consideration		RM26,145,464	RM9,900,000	RM16,200,000	RM26,136,006
17	Date	1 August, 2013	10 February, 2012	18 May, 2011	19 September, 2012	15 March, 2011
18	Base Value (RM per sq foot)		RM10.68	RM9.03	RM5.57	RM12.00
	Adjustment Factors					
	Adjustment Factors		•Time factor •Location •Size •Terrain •Accessibility •Zoning + coverted			
	Adjusted Value (RM per sq foot)		RM10.68	RM12.20	RM8.07	RM12.00

Based on the above adjusted values using the Comparison method of Valuation, we arrived at a value of RM10.74 per square foot for the Rasah Land as a single plot of land, cognizant of the various planning stages for the land, giving it a market Value of RM46,241,682 rounded up to RM46,240,000.

FIRST PACIFIC

Residual Method

For the Residual Method, was used for Phase 1, as it is the only portion of the Rasah Land that has the benefit of approved layout plan although the approval has lapsed. Our enquiries with the Planning Department revealed that the zoning for the property is the same. In addition, any new application to develop the land if based on a similar layout would be favourable. For these reasons, we have used the information from the approved layout plan for our calculation though it has lapsed.

Gross Development Value

The Gross Development Value is made up of the total expected selling price of the terrace houses and the shophouses. We have based the estimated selling prices of these units on the prices of existing and upcoming residential developments in the immediate surrounding areas. Our survey findings indicated single storey terrace houses with land areas ranging from 1,300 square feet to 1,760 square feet being priced at between RM175,000 up to RM238,000 per unit. Double storey terrace houses with land areas ranging from 1,540 square feet to 1,651 square feet are priced at between RM266,800 up to RM365,000. The variances in prices are either due to the land areas, the built-up areas or the location factor.

Considering these evidences, we have taken the following prices for the houses in our valuation:-

a) 2 storey terrace house (1,540 s.f.) @ RM265,000 per unit;
b) 2 storey terrace house (1,680 s.f.) @ RM300,000 per unit;
c) 1 storey low cost link house @ Government controlled price of RM42,000 per unit; and
d) 2 storey low cost link house @ Government controlled price of RM42,000 per unit

For the shop houses, we have evidence obtained from JPPH which indicate 2 storey shophouses with plot areas of about 1,600 square feet transacted in July 2012 for RM350,000.

Considering the evidences and that the subject will be new shophouses amidst a high number of residential units, we have applied a rate of RM450,000 per unit for the shophouses.

In all the pricing, we have not taken the end unit as well as corner unit factor into consideration.

After adjusting for all differences and applying to the layout for the property under valuation, we have arrived at a Gross Development Value for Phase 1 of Rasah Land at RM114,676,500.

Gross Development Cost

For the Gross Development Cost, the major parameters adopted are as follows:

1. **Earthworks and landscaping**
   We have taken a rate of RM75,000 per acre as the average cost. This is because the land is fairly flat with a small portion undulating. To ensure a correct estimation, we have also made enquiries with developers and contractors to estimate the cost. The expected cost under this subheading is RM3,272,250.
2. **Infrastructructure costs (including roads and drains)**
   We have taken a rate of RM50,000 per acre as the average cost. We have considered the terrain, layout and based the cost rate within the industry norm. In addition, we have also made enquiries with developers and contractors to estimate the cost. The expected cost under this subheading is RM2,181,500.

FIRST PACIFIC

3. **Construction cost of the buildings**
   We have taken the following rates on per square foot basis:-
   a) Terrace houses @ RM60.00 per square foot;
   b) Low cost link houses @ RM45.00 per square foot; and
   c) Shophouses @ RM65.00 per square foot.
   We have applied these cost of building construction after having checked with other professionals in the industry and taken into due consideration the economies of scale for the construction of the units. For other ancillary buildings and facilities such TNB substation,drainage reserve road etc, we have also checked with other consultants and contractors. The expected cost under this subheading is RM46,837,370.
4. **Development period**
   We have taken the development period of 4 years and discounted the Residual Land Value also at 8.5% per annum. We have considered 4 years to be a reasonable development period as the property is located in a fairly mature residential area of Seremban and demand should be good.
5. **Discount rate**
   The Residual Value which is intended to indicate the value of the land component of this development, arrived at using the Residual Method of Valuation, would only be realised at the end of the construction or development period. Since we are valuing the land as of now, there is therefore a need to discount the future value to the present. The rate taken should be the same as the finance cost rate of interest. In this valuation, the adopted period is 4 years and the interest rate is 8.5% per annum after considering the prevailing BLR of 6.6% and allowing for some margin.

We have arrived at a Gross Development Cost for Phase 1 of Rasah Land at RM82,798,247.

Market Value for Phases 2 and 3 are discounted from Market Value of Phase 1 due to the absence of approved layout plan.

VALUATION AND RECONCILIATION OF THE MARKET VALUE

The Market Value derived from both Comparison Method and Residual Method is as follows:

Comparison Method - RM46,240,000;
Residual Method - RM46,270,000.

Considering the minimal difference between the two valuation figures, we have taken the value at RM46,240,000. In addition, we prefer the Market Value arrived at using the Comparison Method since the data and inputs used in the Comparison Method have lesser margins of possible errors compared to that used in the Residual Method as fewer estimations and adjustments are made.

The Market Value of Phase 1 of the Subject Property with approved development plan is RM23,000,000 derived from the Residual Method.

FIRST PACIFIC

CERTIFICATION OF VALUATION

Having taken into consideration all relevant factors, subject to the titles being good, marketable, registrable, free from encumbrances and with vacant possession, we are the opinion the Market Value of the subject properties under valuation are as follows:-

(a) Market Value of the whole lot is **RM46,240,000 (Ringgit Malaysia: Forty Six Million Two Hundred and Forty Thousand Only).**

(b) Market Value of the area identified for **Phase 1** of the subject property development is **RM23,000,000 (Ringgit Malaysia: Twenty Three Million Only).**

FIRST PACIFIC

(ii) LOT NOS. 491, 694 and 695, TITLE NOS. GMM 394, GMM 107 AND 108 RESPECTIVELY, MUKIM OF KRUBONG, DISTRICT OF MELAKA TENGAH, STATE OF MELAKA BANDARAYA BERSEJARAH ("KRUBONG LANDS")

INTEREST VALUED

The interest being valued on this property is the freehold interest held by the registered proprietor.

We have also been advised by our client that the registered proprietor of this property, Azmi bin Hj Mohd, has entered into an agreement with DPS Realty Sdn Bhd (DPSR) in respect of Lot Nos. 491 and 694, and with ESYS Construction Sdn Bhd (formerly known DPS Cultural Museum (Melaka) Sdn Bhd) (ECSB) in respect of Lot No. 695, to grant the rights of development to DPSR and ECSB respectively. ECSB has later entered into a novation agreement with DSPR to pass the rights to develop Lot No. 695. Subsequently, DPSR has entered into a Joint Venture Agreement (JVA) and grant all the rights of developing the property to DPS Resource Berhad. The JVAs have yet to be signed.

PARTICULARS OF TITLES

1.	Title Nos.	GMM 394	GMM 107	GMM 108
2.	Lot Nos.	491	694	695
3.	Mukim	Krubong		
4.	District	Melaka Tengah		
5.	State	Melaka Bandaraya Bersejarah		
6.	Tenure	Freehold	Freehold	Freehold
7.	Land Area	1.6466 hectares (4E 0R 11.0000 P)	1.5226 hectares (3E 3R 02.000 P)	0.8119 hectares (2E 0R 01.000 P)
8.	Category of Land Use	Pertanian		
9.	Registered Proprietor	**AZMI BIN HJ. MOHD**		

GENERAL DESCRIPTION

Location/Surroundings

The Subject Property is located about 1.0 kilometre to the west of Jalan Krubong, the main road linking Jalan Alor Gajah Lama to the north to and Lebuh AMJ to the south.

Nearby residential and industrial development include Taman Krubong Jaya, Taman Paya Rumput Jaya, Taman Bertam Jaya, Taman Krubong Indah, Taman Cheng Perdana, Taman Cheng Baru, Taman Angkasa Nuri, Taman Paya Rumput Indah and Kawasan Perindutrian Krubong.

Landmarks within the locality include Hang Jebat Stadium and TESCO Cheng.

FIRST PACIFIC

Description

The Subject Property comprises three contiguous parcels of agricultural land with a total land area of 3.8446 hectares (9.515 acres). Together they form a fairly regular shaped piece of land. At the time of inspection, we noted that the terrain is generally flat and covered wholly with sundry vegetation, interspersed with some open spaces overgrown with weeds and bushes. There are no demarcations to mark the site boundaries.

Planning Status

Our enquiries with the State Town and Country Planning Department in Melaka revealed that the property is zoned for housing development.

We were also provided with an approved development plan for Lot Nos. 491 and 694 Ref No. Fail/MBMB/JP : 06084/No Siri Kelulusan A-334 dated 2 August 2012 issued by Jabatan Perancangan Bandar Majlis Bandar Majlis Bandaraya Melaka Bersejarah prepared by registered town planner KONSEP KARISMA SDN BHD.

Based on the approved Layout Plan referred to above, the development components of the project, which are limited to Lot Nos. 491 and 694, are as follows :-.

Proposed development on Lots 491 and 694, Mukim of Krubong, District of Melaka Tengah				
Development Content	**Land area (acres)**	**Land area (sq m)**	**Units**	**% total units**
a. 1 storey terrace house (22'x75') =1,650sf b. 1 storey terrace house (22'x70') = 1,540sf	3.6050	14,589.00	23 66	47.57
c. Roads & lanes	2.7288	11,043.00		36.01
d. Open space	0.6778	2,743.00		8.94
e. Sewage treatment plant	0.1655	670.00		2.18
f. One stop detention site (OSD site)	0.2671	1,081.00		3.53
g. Slopes, retaining walls	0.0801	324.00		1.06
h. TNB substation	0.0539	218.00	1	0.71
Total	7.5782	30,668.00	90	100.00%

Lot No. 695 however is presently without any planning approval.

FIRST PACIFIC

VALUE CONSIDERATION AND CALCULATIONS

Comparison Method

For the Comparison Method, we have taken transactions of agricultural lands with development potential, all within the same District of Melaka Tengah. The range of adjusted values is between RM9.35 per square foot and RM15.22 per square foot.

The analysis is as follows:

	Description	Subject Property	Comparison 1	Comparison 2	Comparison 3	Comparison 4	Comparison 5
	Source		JPPH	JPPH	JPPH	JPPH	JPPH
1	Property Type	Agri. with dev. Potential	Agri. with dev. Potential	Agri. with dev. Potential	Agri. with dev. Potential	Agri. with dev. Potential	Agri. with dev. Potential
2	Title No.	GMM 394 , GMM 107 & GMM 108	GM 1982 & GM 1984	GM 2	Geran 14874	GM 35	GM 1569
3	Lot No.	Lots 491, 694 & 695	Lots 10743 & 10745	Lot 219	Lot 794	Lot 529	Lot 10716
4	Mukim	Krubong	Tanjong Minyak	Paya Rumput	Krubong	Cheng	Tanjong Minyak
5	District	Melaka Tengah	Melaka Tengah	Melaka Tengah	Melaka Tengah	Melaka Tengah	Melaka Tengah
6	Location	Off Tmn Krubong Jaya	Along Jalan Ayer Keroh - Sg Udang	Off Bt 8.5, Jalan Paya Rumput	Off Tmn Krubong Jaya	Jln Solok Soya, Blkg Tmn Cheng Perdana	Along Jalan Ayer Keroh - Sg Udang
7	Tenure	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold
8	Land area (acres)	7.5782	1.5120	2.1625	10.0043	6.3625	2.2907
9	Land area (hectares)	3.0668	0.6128	0.8766	4.0551	2.5789	0.9285
10	Land area (sq ft)	330,107.10	65,861.14	94,200.58	435,787.70	277,149.18	99,781.45
11	Vendor		Lee Ah Sin	Ganason A/L Tiruvangadam	Tiong Joo Trading Sdn Bhd	Ang Baba @ Ang Tiam Teng, Ang Yew Poon, Ang Yew Ghee & Ang Yew Jin	Kwan Kim Fatt & Kwan Sin Choo
12	Purchaser		Chan Keng Kuen	Lee Kim Eng	Elemac Precision Engineering Sdn Bhd	Pasararaya Plus Sdn Bhd	Teo Kiang Yong & Goh Ngim Wee
13	Zoning	Housing	Housing	Housing	Housing	Housing	Housing
14	Approved Layout plan	Yes	No	No	No	No	No
15	Terrain	undulating	Hilly	Flat	Hilly	Flat	Hilly
16	Consideration		RM1,253,100	RM989,026	RM3,183,686	RM2,355,768	RM1,496,235
17	Date	1 August, 2013	26 November, 2012	13 September, 2012	21 April, 2012	22 March, 2012	27 April, 2011
18	Base Value (RM per sq foot)		RM19.03	RM10.50	RM7.31	RM8.50	RM15.00
	Adjustment Factors				•Time factor •Location •Size •Approval Plan •Accessibility		
	Adjusted Value (RM per sq foot)		RM15.22	RM11.02	RM10.96	RM9.35	RM13.50

Basing on the above adjusted values using the Comparison Method of Valuation, we arrived at a value of RM12.01 per square foot for Lot Nos. 491 and 694 totaling RM3,964,585. However for Lot No 695, we less 20% from RM12.01 per square foot due to the absence of approved layout plan i.e to a value of RM809,923. The total Market Value for the whole of Krubong lands is RM4,774,504 rounded up to RM 4,775,000.

FIRST PACIFIC

Residual Method

Gross Development Value

The Gross Development Value is made up of the total expected selling price of the terrace houses proposed for this property. We have based the estimated selling prices of these units on the prices of existing and upcoming residential developments in the immediate surrounding areas. The survey indicated single storey terrace houses with land areas ranging from 1,302 square feet to 1,765 square feet being priced at between RM160,000 up to RM170,000 per unit. The variances in prices are due to either to the land areas, the built-up areas or the location factor. In addition are also guided by the letter from the *Pejabat Tanah dan Galian Melaka,* dated 20 June 2012 which provided details of the approved selling prices for the project as follows :-

i) 23 units of single storey terrace houses - Type A measuring 22' x 75' priced ranging from RM188,888 for intermediate lots to a maximum of RM22,646 for a corner lot.
ii) 66 units of single storey terrace houses - Type B measuring 22' x 70' priced ranging from RM173,888 for intermediate lots to a maximum of RM212,308 for a corner lot.

Considering these evidences and the approved maximum prices, we have taken the following prices for the houses in our valuation:-

a) 1 storey terrace houses (1,650 s.f.) @ RM182,000 per unit;
b) 1 storey terrace houses (1,540 s.f.) @ RM174,000 per unit.

In all the pricing, we have not taken the end units as well as corner units factor into consideration.

After adjusting for all differences and applying to the layout for the property under valuation, we have arrived at a Gross Development Value of RM14,494,750.

Gross Development Cost

For the Gross Development Cost, the major parameters adopted are as follows:

1. **Earthworks and landscaping**
We have taken a rate of RM80,000 per acre as the average cost. In addition, we have also made enquiries with developers and contractors to estimate the cost. The expected cost under this subheading is RM606,258.
2. **Infrastructructure costs (including roads and drains)**
We have taken a rate of RM38,000 per acre as the average cost. We have considered the terrain, layout and based the cost rate within the industry norm. In addition, we have also made enquiries with developers and contractors to estimate the cost. The expected cost under this subheading is RM287,973.
3. **Construction cost of the buildings**
We have taken RM60 per square foot for the buildings. We have applied these cost of building construction after having checked with other professionals in the industry and taken into due consideration the economies of scale for the construction of the buildings. For other ancillary buildings and facilities such as TNB substation, sewage treatment plant, retaining walls, roads and drains etc we have checked with other consultants and contractors. The expected cost under this subheading is RM5,743,400.
4. **Development period**
The Subject Property is considering the small size of the plot at about 7.5782 acres and the units numbering only 89, we have taken a development period of 2 years and discounted the Residual Land Value also at 8.5% per annum.

5. Discount rate

The Residual Value which is intended to indicate the value of the land component of this development, arrived at using the Residual Method of Valuation, would only be realised at the end of the construction or development period. Since we are valuing the land as of now, there is therefore a need to discount the future value to the present. The rate taken should be the same as the finance cost rate of interest. In this valuation, the adopted period is 2 years and the interest rate is 8.5% per annum after considering the prevailing BLR of 6.6% and allowing for some margin.

We have arrived at a Gross Development Cost at RM9,775,165.

VALUATION AND RECONCILIATION OF THE MARKET VALUE

The Market Value derived from both Comparison Method and Residual Method is as follows:-

Comparison Method	-	RM4,775,000;
Residual Method	-	RM4,830,000.

Considering the minimal difference between the two valuation figures, we have taken the market value derived from the Comparison Method at RM4,775,000. In addition, we prefer the Market Value arrived at using the Comparison Method as the data and inputs used in the Comparison Method have lesser margins of possible errors compared to that used in the Residual Method as fewer estimations and adjustments are made.

CERTIFICATION OF VALUATION

Having taken into consideration all relevant factors, subject to the titles being good, marketable, registrable, free from encumbrances and with vacant possession, we are the opinion the Market Value of the subject properties under valuation are as follows:-

Market Value of the whole land is **RM4,775,000 (Ringgit Malaysia: Four Million Seven Hundred and Seventy Five Thousand Only)**

FIRST PACIFIC

(iii) LOT NOS. 3949, 3950 AND 3951 ,TITLE NOS. PM 2297, PM2298 AND PM 2299 RESPECTIVELY, MUKIM OF TANJONG MINYAK, DISTRICT OF MELAKA TENGAH, STATE OF MELAKA BANDARAYA BERSEJARAH ("TANJONG MINYAK LANDS")

INTEREST VALUED

The interest being valued on this property is that of the registered proprietor. i.e. in the unexpired lease term of each lot, comprising the property, of about 42 years each as at 1 August 2013 with prospect of extending the lease period to 99 years upon payment of premiums.

We have also been advised by our client that the registered proprietor of this property, DPS Realty Sdn. Bhd., has entered into an agreement with DPS acting as the Sole Developer. The agreement has yet to be signed.

PARTICULARS OF TITLES

1.	Title Nos.	PM 2297	PM 2298	PM 2299
2.	Lot Nos.	3949	3950	3951
3.	Mukim	Tanjong Minyak		
4.	District	Melaka Tengah		
5.	State	Melaka Bandaraya Bersejarah		
6.	Tenure	60-year lease expiring on 12 March 2055		
7.	Land Area	0.8728 hectare	0.4351 hectare	0.4349 hectare
8.	Category of Land Use	Pertanian		
9.	Registered Proprietor	**DPS Realty Sdn Bhd**		

For Tanjong Minyak Lands, approval for the renewal and extension of the lease period to 99 years subject to payment of premiums has been obtained, although as at the date of valuation the premiums have yet to be paid.

GENERAL DESCRIPTION

Location/Surroundings
The Subject Property is located along Jalan Utama Tanjong Minyak-Bukit Rambai and situated about 2.5 kilometres by road due west of Lebuh AMJ.

Nearby residential and industrial development include Taman Tanjong Minyak Jaya, Taman Tanjong Minyak Utama, Taman Tanjong Minyak, Taman Seri Tanjong Minyak, Taman Tanjong Minyak Setia, Taman Rambai Utama, Taman Rambai Jaya and Kawasan Perindustrian Bukit Rambai.

Description
The Subject Property comprises three contiguous parcels of agricultural land with a total land area of 1.7428 hectares (4.3066 acres). Together they form a regular shaped piece of land. The site has been cleared of sundry vegetation and levelled and is ready for development. On the date of inspection, we noted that construction materials were being loaded onto the site.

FIRST PACIFIC

<u>Planning Status</u>

Our enquiries with the State Town and Country Planning Department in Melaka revealed that the property is zoned for housing development.

Based on the approved amended Layout Plan Ref No. KKSB/M/11/1065/1 dated 28 Feb 2011 which superseded an earlier approval Ref No. MBMB/JP.05467 Series: A-3022 that was approved on 1 March 2010, and issued by Majlis Bandaraya Melaka Bersejarah, the development components of the project are as follows:-

DEVELOPMENT CONTENT	Unit	Area (sq. metres)	Area (hectares)	Area (acres)
a. Roads and lanes reserve	0	6,434	0.6434	1.5899
b. Open space	0	1,622	0.1622	0.4008
c. Sewage treatment plant	0	493	0.0493	0.1218
d. Drainage reserve	0	335	0.0335	0.0828
e. TNB substation (20'x25')	1	163	0.0163	0.0403
f. Car parking bays (2.438m x 4.876m)(42 bays)		-	-	-
g. Motorcycle bays (0.760m x 1.800m)(12 bays)		-	-	-
h. Commercial (shopoffice) (6.706m x 19.812m)	10	1,439	0.1439	0.3556
i. Lot Terrace A (6.096m x 22.860m)	27			
j. Lot Terrace B (6.706m x 19.812m)	9	6,942	0.6942	1.7154
k. Lot Terrace C (7.315m x 18.288m)	8			
Total (excluding parking bays)	55	17,428	1.7428	4.3066

It is noted that the whole property has already been approved for housing development.

The Planning Permission for surrender and realienation of the land has been extended until 20 February 2014 as per Borang C (1) Kebenaran Merancang issued by Majlis Bandaraya Melaka Bersejarah dated 20 February 2013.

FIRST PACIFIC

VALUE CONSIDERATION AND CALCULATIONS

Comparison Method

For the Comparison Method, we have taken transactions of agricultural lands with development potential, within all are within the same District of Melaka Tengah. The range of adjusted values is between RM14.87 per square foot and RM22.83 per square foot.

The analysis is as follows:

	Description	Subject Property	Comparison 1	Comparison 2	Comparison 3	Comparison 4
	Source		JPPH	JPPH	JPPH	JPPH
1	Property Type	Agri. with dev.	Agri. with dev.	Agri. with dev.	Agri. with dev.	Agri. with dev.
2	Title No.	PM2297, PM2298	GM 1982 & GM 1984	GM 2	GM 35	GM 1569
3	Lot No.	Lots 3949, 3950	Lots 10743 & 10745	Lot 219	Lot 529	Lot 10716
4	Mukim	Tanjong Minyak	Tanjong Minyak	Paya Rumput	Cheng	Tanjong Minyak
5	District	Melaka Tengah	Melaka Tengah	Melaka Tengah	Melaka Tengah	Melaka Tengah
6	Location	2.6km west of	Along Jalan Ayer	Off Bt 8.5, Jalan Paya	Jln Solok Soya, Blkg	Off Jln Ayer Keroh -
7	Tenure	60-yr lease / unexpired abt 42 yrs	Freehold	Freehold	Freehold	Freehold
8	Land area (acres)	4.3066	1.5120	2.1625	6.3625	2.2907
9	Land area (hectares)	1.7428	0.6128	0.8766	2.5789	0.9285
10	Land area (sq ft)	187,595.50	65,861.14	94,200.58	277,149.18	99,781.45
11	Vendor		Lee Ah Sin	Ganason A/L Tiruvangadam	Ang Baba @ Ang Tiam Teng , Ang Yew Poon, Ang Yew Ghee & Ang Yew Jin	Kwan Kim Fatt & Kwan Sing Choo
12	Purchaser		Chan Keng Kuen	Lee Kim Eng	Pasararaya Plus Sdn Bhd	Teo Kiang Yong & Goh Ngim Wee
13	Zoning	Housing development	Housing development	Housing development	Housing development	Housing development
14	Approved Layout Plan	Yes	No	No	No	No
15	Terrain	Flat	Hilly	Flat	Flat	Hilly
16	Consideration		RM1,253,100	RM989,026	RM2,355,768	RM1,496,235
17	Date	1 August, 2013	26 November, 2012	13 September, 2012	22 March, 2012	27 April, 2011
18	Base Value (RM per sq foot)		RM19.03	RM10.50	RM8.50	RM15.00
	Adjustment Factors		•Time factor •Location •Size •Approval Plan •Terrain •Accessibility •Tenure			
	Adjusted Value (RM per sq foot)		RM22.83	RM17.32	RM14.87	RM19.49

Basing on the above adjusted values using the Comparison Method of Valuation, we arrived at a value of RM18.63 per square foot for the whole of Tanjong Minyak Lands, giving it a Market Value of RM3,494,867 rounded up to RM3,500,000.

FIRST PACIFIC

Residual Method

Gross Development Value

The Gross Development Value in this case is made up of the total expected selling prices of the terrace houses and the shophouses planned for the property.We have based the estimated selling prices of these units on the prices of existing and upcoming residential developments in the immediate surrounding areas. Our survey findings indicated single storey terrace houses with land areas ranging from 1,302 square feet to 1,765 square feet being priced at between RM160,000 up to RM170,000 per unit. The variances in prices are due to either to the land areas, Double storey shop offices with land areas ranging from 1,539 square feet up to 2,160 square feet are priced from RM451,000 up to RM475,000 per unit. The variances in prices are due to either to the land areas, the built up areas or the location factor.

In addition, we are also guided by a letter from the *Pejabat Tanah dan Galian Melaka*, dated 8 June 2011 which provide details of approved selling prices for the project as follows :-

i) 27 units of single storey terrace houses - Type A measuring 20' x 75' priced ranging from RM163,888 for intermediate lots to a maximum of RM208,786 per unit.
ii) 9 units of single storey terrace houses - Type B measuring 22' x 65' priced ranging from RM148,000 for intermediate lots to a maximum of RM166,570 per unit.
iii) 8 units of single storey terrace houses - Type B measuring 24' x 60' priced ranging from RM148,000 for intermediate lots to a maximum of RM165,820 per unit.

Considering these evidences, we have taken the following prices for the units in our valuation:-

a) 1 storey terrace house (1,500 s.f.) @ RM175,000 per unit;
b) 1 storey terrace house (1,430 s.f.) @ RM165,000 per unit;
c) 1 storey terrace house (1,440 s.f.) @ RM164,000 per unit; and
d) 2 storey shophouse (1,430 s.f.) @ RM470,000 per unit.

In all the pricing, we have not taken the end units as well as corner units factor into consideration.

After adjusting for all differences and applying to the layout for the property under valuation, we have arrived at a Gross Development Value of RM11,474,250.

Gross Development Cost

For the Gross Development Cost, the major parameters adopted are as follow:

1. **Earthworks and landscaping**
   We have taken a rate of RM4,000 per acre as the average cost. This low figure is adopted as the land has already been levelled and some preliminary construction work has already been going on the site. In addition, we have also made enquiries with developers and contractors to estimate the cost. The expected cost under this subheading is RM17,226.
2. **Infrastructure costs (including roads and drains)**
   We have taken a rate of RM15,000 per acre as average cost. We have considered the terrain, layout and based the cost rate within the industry norm. In addition, we have also made enquiries with developers and contractors to estimate the cost. The expected cost under this subheading is RM64,598.

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3. **Construction cost of the buildings**
   For the construction cost of the buildings we have taken RM60 per square foot of the buildings. We have adopted similar rates for the residential units and the shophouses. We have applied these cost of building construction after having checked with other professionals in the industry and taken into due consideration the economies of scale for the construction of the buildings. For other ancillary buildings and facilities such as TNB substation, sewage treatment plant, roads and drains etc we have also checked with other consultants and contractors. The expected cost under this subheading is RM4,384,060.
4. **Development period**
   The Subject Property, considering the small size of the plot at about 4.3066 acres and the units numbering only 54, we have taken a development period of 2 years and discounted the Residual Land Value also at 8.5% per annum.
5. **Discount rate**
   The Residual Value which is intended to indicate the value of the land component of this development, arrived at using the Residual Method of Valuation, would only be realised at the end of the construction or development period. Since we are valuing the land as of now, there is therefore a need to discount the future value to the present. The rate taken should be the same as the finance cost rate of interest. In this valuation, the adopted period is 2 years and the interest rate is 8.5% per annum after considering the prevailing BLR of 6.6% and allowing for some margin.

We have arrived at a Gross Development Cost at RM7,534,135.

VALUATION AND RECONCILIATION OF THE MARKET VALUE

The Market Value derived from both Comparison Method and Residual Method is as follows:

Comparison Method - RM3,500,000;
Residual Method - RM3,350,000.

Considering the minimal difference between the two valuation figures, we have taken the market value derived from the Comparison Method at RM3,500,000. In addition, we prefer the Market Value arrived at using the Comparison Method as the data and inputs used in the Comparison Method have lesser margins of possible errors compared to that used in the Residual Method as fewer estimations and adjustments are made.

CERTIFICATION OF VALUATION

Having taken into consideration all relevant factors, subject to the titles being good, marketable, registrable, free from encumbrances and with vacant possession, we are the opinion the Market Value of the subject properties under valuation are as follows:-

Market Value of the whole land is **RM3,500,000 (Ringgit Malaysia: Three Million Five Hundred Thousand Only)**

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PROPERTY CONSULTANTS SDN BHD
(682491-M)
Directors
Sr. Hj. Mohamad Sarip Saleh Diploma in Estate Management (Kingston) UK
V117 E1174
Sr. P.L. Lee B App Sc Property Resource Management (Valuation) Aust. MRISM, APEPS
V596 E565

(Updated Valuation Certificate)

22 September 2014

The Board of Directors
DPS RESOURCES BERHAD
Lot Nos. 76 and 77
Kawasan Perindustrian Bukit Rambai
75250 Melaka

Dear Sirs

UPDATED VALUATION CERTIFICATE OF:

(i) LOT NOS. 18565, 18566 AND 18567 TITLE NOS. GMM 773, GMM 772 AND GMM 771 (PREVIOUSLY KNOWN AS LOT NOS. 491, 694 AND 695 TITLE NOS. GMM 394, GMM 107 AND GMM 108) RESPECTIVELY, MUKIM OF KRUBONG, DISTRICT OF MELAKA TENGAH, STATE OF MELAKA BANDARAYA BERSEJARAH ("KRUBONG LANDS"); AND

(ii) LOT NOS. PT 15571 TO PT 15625 (PREVIOUSLY KNOWN AS LOT NOS. 3949, 3950 AND 3951) TITLE NOS. HSM 4708 TO HSM 4762 (PREVIOUSLY KNOWN AS TITLE NOS. PM 2297, PM 2298 AND PM 2299) RESPECTIVELY, MUKIM OF TANJONG MINYAK, DISTRICT OF MELAKA TENGAH, STATE OF MELAKA BANDARAYA BERSEJARAH ("TANJONG MINYAK LANDS").

This valuation certificate has been prepared for inclusion in the Abridged Prospectus to shareholders of DPS Resources Berhad ("DPS" or the "Company") dated 23 December 2014 in connection with the proposed joint venture to develop these properties.

TERMS OF REFERENCE

In accordance with the Company's instructions to assess on the Update Market Value of these properties for submission to Bursa Malaysia Securities Berhad and for inclusion in the Abridged Prospectus to the Shareholders of DPS dated 23 December 2014, we have considered the Registered Proprietor's interest in the properties and are pleased to submit herewith our opinion of the Market Value based on Updated Valuations bearing reference Nos.V14/0839/09/C/VL/MKL/ZKY and V14/0840/09/C/VL/MKL/ZKY both as at 22 September 2014. These Updated Valuations must be read in conjunction with the earlier Initial Valuation Reports bearing reference Nos.V13/0230/C/MEL/VL/ZKY/acu and V13/0231/C/MEL/VL/ZKY/acu, both these Reports having valuation dates on 1 August 2013.

These reports have been prepared in accordance and in compliance with the Asset Valuation Guidelines and the Guidelines issued by the Securities Commission and the Malaysian Valuation Standards, Fourth Edition 2011 issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia.

The basis of the valuation is the Market Value of the interests which, based on the guidelines, would be defined as *"the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."*

Registered Valuers • Estate Agents • Auctioneers • Property & Project Managers • International Property Consultants

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(i) LOT NOS. 18565, 18566 AND 18567 (PREVIOUSLY KNOWN AS LOT NOS. 491, 694 AND 695), TITLE NOS. GMM 773, GMM 772 AND GMM 771 (PREVIOUSLY KNOWN AS GMM 394, GMM 107 AND GMM 108) RESPECTIVELY, MUKIM OF KRUBONG, DISTRICT OF MELAKA TENGAH, STATE OF MELAKA BANDARAYA BERSEJARAH ("KRUBONG LANDS")

1.0 PHYSICAL ASPECT

During our inspection on 22 September 2014, we noted that the site was already cleared, of vegetation, earth filling and levelling activities on the subject site completed and appears ready for development. We therefore confirm that there were physical changes in respect of the subject site compared to the Initial Valuation Report. The total land area has also been reduced slightly from 3.8506 hectares to 3.84 hectares, due to changes in the land areas in the new replacement titles. The changes in land size however, did not have any material effect on the Market Value arrived at.

2.0 LEGAL ASPECT

A private title search conducted at the Melaka Tengah District Land Office on 22 September 2014 revealed that there are changes in the Lot and Title Numbers to the property, the land areas as well as the annual rentals. All other details and information are similar to that in the Initial Valuation Report. In addition, a sum of RM153,514.26 being the premiums and other contributions for the change in land use from 'agriculture' to 'building' for Lots 18565 and 18566 has since been fully paid.

The Subject Property originally identified as Lot Nos. 491, 694 and 695 have now been allocated with new lot numbers, Lot Nos. 18565, 18566 and 18567 respectively and are now held under Title numbers GMM 773, GMM 772 and GMM 771. The total area has also changed from 3.8506 hectares to 3.84 hectares.

For the aforementioned title search we were able to obtain details only for Lot No. 18562. We were advised that details for Lot Nos. 18565 and 18566 were unavailable as these titles were in the process of being subdivided.

3.0 PLANNING STATUS

There are no changes in the proposed development when compared against our Initial Valuation Report.

4.0 MARKET ASPECT

There are no major changes to the world as well as the Malaysian economies that would have any significant effect on the property market in Melaka, in particular the Subject Property. From our Initial Inspection and our Recent Inspection, a period of slightly more than 13 months, we have noted that, based on the two latest sales evidences together with the earlier evidences, there has been only a marginal increase in property values in general.

5.0 MARKET VALUE

5.1 Methods of Valuation

In arriving at the Market Value of the Subject Property, we have adopted the Comparison Method of Valuation as the principal approach and Residual Method of Valuation as a cross check.

A. Comparison Method

In arriving at the Market Value of this Update Valuation via the Comparison Approach, we have included 2 new evidences (Comparisons 4 and 5)

Property Details	Comparison 1	Comparison 2	Comparison 3	Comparison 4	Comparison 5
Property Type	Agri. With dev. potential	Agri. With dev. potential	Agri. With dev. potential	Agri. With dev. potential	Agri. With dev. potential
Location	Along Jalan Ayer Keroh-Sg Udang	Off Bt 8.5 Jalan Paya Rumput	Off Taman Krubong Jaya	Off Taman Bertam Permai	Along Jalan Ayer Keroh-Sg Udang
Legal Description	Lot Nos. 10743 & 10745, Mukim of Tanjong Minyak, District of Melaka Tengah	Lot No. 219, Mukim of Paya Rumput, District of Melaka Tengah	Lot No. 794, Mukim of Krubong, District of Melaka Tengah	Lot Nos. 2940, Mukim of Tanjong Minyak, District of Melaka Tengah	Lot Nos. 10730 & Mukim of Tanjong Minyak, District of Melaka Tengah
Land Area	65,861.14 sq ft	94,200.58 sq ft	435,787.7 sq ft	46,607.73 sq ft	84,604.34 sq ft
Zoning	Housing development	Housing development	Housing development	Housing development	Housing development
Tenure	Freehold	Freehold	Freehold	Freehold	Freehold
Date of Transaction	26 November 2012	13 September 2012	21 April 2012	19 September 2013	23 January 2014
Consideration	RM1,253,100	RM989,026	RM3,183,686	RM530,000	RM2,538,900
Vendor	Lee Ah Sin	Ganason A/L Tiruvangadam	Tiong Joo Trading Sdn Bhd	Pang Achau	Hong Ah Kau
Purchaser	Chan Keng Kuen	Lee Kim Eng	Elemac Precision Engineering Sdn Bhd	Siow Jian Hong	KT Lee Development Bhd
PSF Analysis	RM19.03	RM10.50	RM7.31	RM11.37	RM30.01
Source	JPPH	JPPH	JPPH	JPPH	JPPH
Adjustment Factors Considered	Time factor, location, size, approved layout plan, terrain and accessibility				
Adjusted Land Value	**RM15.22 psf**	**RM12.07 psf**	**RM10.96 psf**	**RM9.67 psf**	**RM21.01 psf**
In arriving at the Market Value, we adopted the average value : RM13.79 psf					

We have adopted the value of RM13.79 per square foot for Lot Nos. 18565 and 18566 thus totalling RM4,543,571. However for Lot No 18567, we have discounted 20% from the RM13.79 per square foot figure due to the absence of an approved layout plan i.e. to a value of RM924,854. We have then added the sum of RM153,514.26 for the conversion premiums for Lot Nos. 18565 and 18566, which have been fully paid, giving the total Market Value for the whole of Krubong Lands at RM5,621,939, rounded off to RM5,620,000.

The Market Value arrived at using the Comparison Method is thus RM5,620,000.

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B. Residual Method

This method is only applied for Lot Nos. 18565 and 18566 since they are already converted. Value of Lot No. 18567 is then arrived at based on a certain percentage rate lower due to the absence of an approved layout and it is still not converted.

The parameters adopted for the Residual Method in the Update Valuation remain the same as in the Initial Valuation Report, except for the following :-

Item	Valuation as at 1 August 2013	Update Valuation as at 22 September 2014	Remarks
Conversion premium and other contributions	RM153,514	RM0	The conversion premium and other contribution fees have since been paid.
Total Gross Development Cost (GDC)	RM9,775,165	RM9,045,393	The GDC difference is due to the premium and other contribution fees that have been paid.

We have arrived at a GDC of RM9,045,393.

The Market Value arrived at using the Residual Method is RM5,520,000.

5.2 Reconciliation of the Market Value

The Market Values derived from the Comparison Method and Residual Method are as follows:-

Method of Valuation	Market Value
Comparison Method	RM5,620,000
Residual Method	RM5,520,000

Considering the minimal difference between the two valuation figures, we have taken the Market Value derived from the Comparison Method at RM5,620,000. In addition, we prefer the Market Value arrived at using the Comparison Method as the data and inputs used in the Comparison Method have lesser margins of possible errors compared to that used in the Residual Method, as fewer estimations and adjustments are made.

5.3 Opinion of Value

Having taken into consideration all relevant factors, subject to the titles being good, marketable, registrable, free from encumbrances, we are the opinion the Market Value of the subject properties under valuation are as follows:-

> Market Value of the whole land is **RM5,620,000 (Ringgit Malaysia: Five Million Sixty Hundred and Twenty Thousand Only)**

Thus the latest Market Value is RM5,620,000 as compared to the Market Value of RM4,775,000 that was reported in the Initial Valuation Report. The increase in the Market Value is largely due to the site levelling works that have been completed on the Subject Property and the general increase in landed property values.

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Mohamad Sanp Bin Md Saleh
REGISTERED VALUER (V117)
ESTATE AGENT (E1174)

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(ii) LOT NOS. PT 15571 TO PT 15625 (PREVIOUSLY KNOWN AS LOT NOS. 3949, 3950 AND 3951) TITLE NOS. HSM 4708 TO HSM 4762 (PREVIOUSLY KNOWN AS TITLE NOS. PM 2297, PM 2298 AND PM 2299) RESPECTIVELY, MUKIM OF TANJONG MINYAK, DISTRICT OF MELAKA TENGAH, STATE OF MELAKA BANDARAYA BERSEJARAH ("TANJONG MINYAK LANDS")

1.0 PHYSICAL ASPECT
During our inspection on 22 September 2014, we noted that construction work on the site was more advanced compared to the status in the Initial Valuation Report as at 1 August 2013.

2.0 LEGAL ASPECT
A selective private title search conducted at the Melaka Tengah District Land Office on 22 September 2014 revealed that the titles are charged to Malayan Banking Berhad. The titles and Lot Nos. have been subdivided and issued with 55 individual titles and the leasehold tenures have now been extended to 99 years. The express condition of the 55 individual titles are as follows:-

i) 44 titles having the Express Condition as 'Untuk rumah kediaman sahaja'
ii) 10 titles having the Express Condition as 'Untuk bangunan perniagaan sahaja'
iii) 1 title having the Express Condition as 'Untuk tapak pencawang elektrik'

In addition, a sum of RM741,522.12 being the premiums and other contributions for the change in land use from 'agriculture' to 'building' have been fully paid.

3.0 PLANNING STATUS
There are no changes in the proposed development when compared against our Initial Valuation Report.

4.0 MARKET ASPECT
There are no major changes to the world as well as the Malaysian economies that would have any significant effect on the property market in Melaka, in particular to the Subject Property which is already under development and quite near to completion. From our Initial Inspection and our Recent Inspection, a period of slightly more than 13 months, we have noted that, based on the two latest sales evidences together with the earlier evidences, there has been only a marginal increase in property values in general. In addition, this being an on going project, the value arrived at is determined and guided mainly by the Gross Development Value and the Gross Development Cost of the project.

In addition we also noted that the demand for the units in our Subject Property has been good, 60% of the shop office units have sold and 84% of residential units have been sold. With just a few units remaining available, we are optimistic that the unsold units would be fully sold in not a too distant future.

5.0 MARKET VALUE
5.1 Methods of Valuation
In arriving at the Market Value of the Subject Property, since it is now an ongoing development, we have adopted the Residual Method of Valuation as the principal approach and Comparison Method of Valuation as a cross check.

A. Residual Method
The parameters adopted for the Residual Method in the Update Valuation remain the same as in the Initial Valuation Report, except for the following :-

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Item	Valuation as at 1 August 2013	Update Valuation as at 22 September 2014	Remarks
Total Net Gross Development Value (Net GDV)	RM11,474,250	RM9,634,895	The Net GDV difference is due to the availability of the actual selling prices of the ongoing development. Also taken into consideration are the sold units and the progress payments purchasers received from to date.
Conversion premium and extension of lease	RM748,089	RM0	The conversion and extension of lease premiums have been paid.
Construction cost	RM4,384,060	RM4,800,000	The construction cost difference is due to the use of the contract sums and the sums paid out to the contractors.
Total Gross Development Cost (GDC)	RM7,534,135	RM6,392,452	The total GDC difference is due to the availability of newer information.
Development Period	2 years	1/2 year	The period difference is due to the more advanced development on site.

We have arrived at a GDC of RM6,392,452.

The Market Value arrived at using the Residual Method is RM3,100,000.

B . Comparison Method

In arriving at the Market Value of this Update Valuation via the Comparison Approach, we have included 2 new evidences (Comparisons 3 and 4).

Property Details	**Comparison 1**	**Comparison 2**	**Comparison 3**	**Comparison 4**
Property Type	Agri. With dev. potential	Agri. With dev. potential	Agri. With dev. potential	Agri. With dev. potential
Location	Along Jalan Ayer Keroh-Sg Udang	Off Bt 8.5 Jalan Paya Rumput	Off Taman Bertam Permai	Along Jalan Ayer Keroh-Sg Udang
Legal Description	Lot Nos. 10743 & 10745, Mukim of Tanjong Minyak, District of Melaka Tengah	Lot No. 219, Mukim of Paya Rumput, District of Melaka Tengah	Lot Nos. 2940, Mukim of Tanjong Minyak, District of Melaka Tengah	Lot Nos. 10730 & Mukim of Tanjong Minyak, District of Melaka Tengah
Land Area	65,861.14 sq ft	94,200.58 sq ft	46,607.73 sq ft	84,604.34 sq ft
Zoning	Housing development	Housing development	Housing development	Housing development
Tenure	Freehold	Freehold	Freehold	Freehold
Date of Transaction	26 November 2012	13 September 2012	19 September 2013	23 January 2014
Consideration	RM1,253,100	RM989,026	RM530,000	RM2,538,900
Vendor	Lee Ah Sin	Ganason A/L Tiruvangadam	Pang Achau	Hong Ah Kau
Purchaser	Chan Keng Kuen	Lee Kim Eng	Siow Jian Hong	KT Lee Development Bhd
PSF Analysis	RM19.03	RM10.50	RM11.37	RM30.01
Source	JPPH	JPPH	JPPH	JPPH
Adjustment Factors Considered	Time factor, location, size, approved layout plan, terrain, accessibility and tenure			
Adjusted Land Value	**RM22.83 psf**	**RM17.32 psf**	**RM13.08 psf**	**RM34.51 psf**
In arriving at the Market Value, we adopted the average value : RM21.936 psf rounded to RM21.94				

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We have adopted a value of RM21.94 per square foot for the whole of Tanjong Minyak Lands, giving it a Market Value of RM4,115,801.39. We have then added the conversion fees, the premium for extension of tenure and the building construction costs as at the date of valuation, which has been fully paid and deducted the sums collected from the purchasers of the units under construction. The final figure arrived at is RM2,950,000.

The Market Value arrived at using the Comparison Method is RM2,950,000.

5.2 Reconciliation of the Market Value
The Market Values derived from the Residual Method and Comparison Method are as follows:

Method of Valuation	Market Value
Residual Method	RM3,100,000
Comparison Method	RM2,950,000

We have taken the figure derived from the Residual Method at RM3,100,000 to be the Market Value. We gave preference to the Market Value arrived at using the Residual Method as the main data and inputs used in the Residual Method in this case have all been firmed up as this is an ongoing development.

5.3 Opinion of Value
Having taken into consideration all relevant factors, subject to the titles being good, marketable, registrable, free from encumbrances, we are the opinion the Market Value of the subject properties under valuation are as follows:-

Market Value of the whole land is **RM3,100,000 (Ringgit Malaysia: Three Million And One Hundred Thousand Only)**

Thus the latest Market Value is RM3,100,000 as compared to the Market Value of RM3,500,000 that was reported in the Initial Valuation Report. The reduction in the Market Value is due to the fact that the Gross Development Value in the latest report has substantially reduced due to higher progress payments paid by the unit purchasers and the Total Development Cost also reduced but at a much lower quantum.

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Mohamad Sanp Bin Md Saleh
REGISTERED VALUER (V117)
ESTATE AGENT (E1174)

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SUMMARY OF VALUE

No.	Property Information	Market Value
i.	**Lot Nos. 18565,18566 and 18567 (Previously known as Lot Nos. 491, 694 and 695), Mukim of Krubong, District of Melaka Tengah, Melaka** 3 plots of land located off Jalan Krubong, Melaka. Lot Nos. 18565 and 18566 (Previously known as Lot Nos 491 and 695) have the benefit of development approvals while Lot No 18567 (Previously known as Lot No. 695) is a plot agricultural land with immediate development potential. No. V14/0840/09/C/VL/MKL/ZKY	**RM5,620,000**
ii.	**Lot Nos. PT 15571 TO PT 15625 (Previously known as Lot Nos. 3949, 3950 and 3951) Title Nos. HSM 4708 TO HSM 4762 (Previously known as Title Nos. PM 2297, PM 2298 and PM 2299) respectively, Lot Nos. 3949, 3950 and 3951, Mukim of Tanjong Minyak, District of Melaka Tengah, Melaka** 55 plots of land currently under development located within Taman Seri Tanjong Minyak, Melaka. Ref No. V14/0839/09/C/VL/MKL/ZKY	**RM3,100,000**

For and on behalf of

FIRST PACIFIC VALUERS PROPERTY CONSULTANTS SDN BHD

Mohamad Sarip Bin Md Saleh
Executive Director
DipEstMan (Kingston)
Registered Valuer (V117) & Estate Agent (E1174)

ADDITIONAL INFORMATION

1. SHARE CAPITAL

1.1 Save for the Rights Shares, Rights Warrants and new Shares to be issued pursuant to the exercise of the Rights Warrants, no securities in our Company will be allotted or issued on the basis of this AP later than twelve (12) months after the date of the issuance of this AP.

1.2 As at the date of this AP, there is no founder, management, deferred shares or preference shares in the share capital of our Company. There is only one (1) class of shares in our Company, namely ordinary shares of RM0.10 each, all of which rank *pari passu* with one another.

1.3 As at the LPD, save for the following, no person has been or is entitled to be granted an option to subscribe for any shares, stocks or debentures of our Company or our subsidiary companies:

(i) the holders of the Warrants 2008/2018 who are entitled to subscribe for one (1) new DPS Share for each outstanding Warrant 2008/2018 held during the ten (10)-year exercise period up to 3 January 2018 at the exercise price of the Warrants 2008/2018. As at the LPD, our Company has a total of 66,000,000 Warrants 2008/2018 and the exercise price of the Warrants 2008/2018 is RM0.54 per outstanding Warrant 2008/2018; and

(ii) the holders of the Rights Warrants pursuant to the Rights Issue of Shares with Warrants.

2. REMUNERATION OF DIRECTORS

The provisions in our Articles of Association in respect of the arrangements for the remuneration of Directors are as follows:

Article 92

The Directors shall be paid by way of fees for their services, such fixed sum (if any) as shall from time to time be determined by the Company in general meeting and such fees shall be divided among the Directors in such proportions and manner as the Directors may determine.

PROVIDED ALWAYS that:-

(a) fee payable to Directors who hold non-executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.

(b) salaries and other emoluments payable to Directors who hold an executive office in the Company pursuant to a contract of service need not be determined by the Company in general meeting but such salaries and emoluments may not include a commission on or percentage of turnover.

(c) fee payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting where notice of the proposed increase has been given in the notice convening the meeting.

(d) any fee paid to an alternate Director shall be as such as shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Article 93

(1) *The Directors shall be paid all their travelling, hotel and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending meetings of the Directors or any committee of the Directors of the Company.*

(2) *If any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determined by the Board provided that in the case of non-executive Directors of the Company, the said remuneration shall not include a commission or percentage of profits or turnover, In the case of an Executive Director, such fee may be either in addition to or in substitution for his share in the fee from to time provided for the Directors.*

3. MATERIAL CONTRACTS

Save as disclosed below, as at the LPD, neither our Company nor our Group have entered into any contracts which are or may be material (not being contracts entered into in the ordinary course of business of our Group) during the two (2) years immediately preceeding the date of this AP:

(i) Joint venture agreement dated 13 September 2013 entered into between DPS Development and DPSR whereby DPSR shall grant DPS Development the rights to undertake the development of first (1st) phase of Rasah Land measuring approximately 43.632 acres in area ("**JVA of Rasah Land**");

(ii) JVA of Krubong Land dated 13 September 2013 which was varied by a letter dated 12 September 2014;

(iii) JVA of TM Land dated 13 September 2013 which was varied by a letter dated 12 September 2014;

(iv) Supplemental JVA of Rasah Land dated 21 January 2014 entered into between DPSR, SSB and DPS Development in relation to the JVA of Rasah Land ("**Supplemental JVA of Rasah Land**");

(v) Supplemental JVA of Krubong Land dated 21 January 2014;

(vi) Supplemental JVA of TM Land dated 21 January 2014;

(vii) Rescission and termination agreement dated 31 March 2014 entered into between DPSR, SSB and DPS Development to terminate the JVA of Rasah Land and Supplemental JVA of Rasah Land as stated in item (i) and (iv) above. The termination is to reduce our Group's funding requirement for the joint ventures and increase the amount to be raised from the Rights Issue of Shares with Warrants to repay the bank borrowings; and

(viii) Deed Poll.

4. MATERIAL LITIGATION

Save as disclosed below, as at the LPD, neither our Company nor our subsidiary companies are engaged in any material litigation, claims or arbitration either as plaintiff or defendant, which has a material effect on the financial position of our Company and our Group and our Board is not aware of any proceedings pending or threatened, or of any facts likely to give rise to any proceedings, which might materially and adversely affect the business or financial position of our Group:

(i) <u>SSB v MSIG</u>

SSB had on 29 December 2012 filed a suit at the High Court in Shah Alam against MSIG to recover the loss and damages of RM24,219,074.00 (**"Fire Claim"**) as a result of MSIG repudiating the claims made by SSB under the fire insurance policies taken up by SSB from MSIG for the Fire Incidents. MSIG had on 25 February 2013 filed its Statement of Defence disputing the Fire Claim.

On 26 September 2014, the Court had allowed SSB's claim and had awarded SSB a sum of RM19,496,398.90 (**"Judgement Sum"**) and the cost of RM50,000.00 together with the interest rate of 5% per annum to be calculated from 14 July 2011 until the full and final settlement of the same (**"Judgment"**). MSIG subsequently filed a notice of appeal to the Court of Appeal against the Judgement and made an application for stay of execution of the Judgement with the High Court on 20 October 2014.

On 17 November 2014, High Court allowed the stay of execution of the Judgement but ordered the Judgement Sum be deposited into the plaintiff's solicitor account. The Court of Appeal has fixed on 16 December 2014 as the case management date for the appeal. The solicitors acting for SSB is of the opinion that, based on the numerous rulings made by the Court on admission of documents and the testimonies of witnesses and experts from SSB and MSIG, SSB has a reasonably fair chance of success in dismissing MSIG's appeal against the Judgment.

SSB had written off its PPE which were damaged during the Fire Incidents in the fifteen (15)-month FPE 31 March 2012 and FYE 31 March 2013. The Fire Claim will be recognised as other income upon receipt of payment.

(ii) <u>SSB v HSBC Amanah Takaful (Malaysia) Berhad ("HSBC")</u>

SSB had on 25 November 2014 filed a suit at the High Court in Kuala Lumpur against HSBC to recover the loss and damages of RM11,950,175.00 as a result of HSBC's failure to pay the loss claim filed by SSB under the fire insurance policies taken up by SSB from HSBC for the fires which occurred from 10 July 2011 to 19 July 2011. As the Writ of Summons and the Statement of Claim have yet to be extracted, SSB has yet to obtain the date for case management as at the LPD.

The solicitors acting for SSB is of the opinion that based on the current documents provided, but subject to the defence to be filed by HSBC, availability of the witnesses and the documents to be produced to the Court by both parties, SSB has a fair chance of success in its claim against MSIG.

5. GENERAL

5.1 There is no existing or proposed service contract entered or to be entered into by our Company with any Director or proposed Director, other than those which are expiring or determinable by the employing company without payment of compensation (other than statutory compensation) within one (1) year from the date of this AP.

5.2 Save as disclosed in this AP and to the best knowledge of our Board, the financial conditions and operations of our Group are not affected by any of the following:

(i) known trends or demands, commitments, events or uncertainties that will result in or are reasonably likely to result in our Group's liquidity increasing or decreasing in any material way;

(ii) material commitments for capital expenditure of our Group;

(iii) unusual or infrequent events or transaetions or significant economic changes that will materially affect the amount of reported income from operations;

(iv) known trends or uncertainties that have had or that our Group reasonably expects will have, a material favourable or unfavourable impact on our Group's revenue or operating ineome;

(v) substantial increase in rcvenues; and

(vi) material information, including trading factors or risks, which are unlikely to be known or anticipated by the general publie and which could materially affect our profits.

6. CONSENTS

The Adviser, Company Secretary, Principal Bankers, Share Registrar, Independent Market Researeher, Solicitors for the Rights Issue of Sharcs with Warrants and Bloomberg have given and have not subscquently withdrawn their written consents to the inclusion in this AP of their names and all references thcreto in the form and context in which they appear in this AP.

Messrs. McMillan Woods Mca, our Reporting Accountants, has given and has not subsequently withdrawn its written consent to the inclusion in this AP of its name, the proforma consolidated statements of financial position of our Group as at 31 March 2014 together with the Reporting Accountants' letter thereon and all references thereto, in the form and context in whieh they appear in this AP.

Messrs. UHY, our Auditors has given and has not subsequently withdrawn its written consent to the inclusion in this AP of its namc, thc audited consolidated finaneial statcments of our Group for the FYE 31 March 2014 together with Auditors' rcport thercon and all reference thereto, in thc form and eontext in which they appear in this AP.

First Pacific, our independent registercd valuer has givcn and has not subsequently withdrawn its written consent to the inclusion in this AP of its name, the valuation certifieate and updated valuation certificate for the JVs dated 10 August 2013 and 22 September 2014, respectively and all rcference thereto in the form and context in which they appear in this AP.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our Registered Office at 50-1, 50-2, & 50-4, Jalan BPM 2, Taman Bukit Piatu Mutiara, 75150 Melaka, during normal business hours from 9.00 a.m. to 5.00 p.m. from Monday to Friday (excluding public holidays) for the period of twelve (12) months from the date of this AP:

(i) our Memorandum of Association;

(ii) our audited financial statements and its subsidiaries for the past two (2) FYE 31 March 2013 and FYE 31 March 2014;

(iii) our unaudited consolidated results of our Group for six (6)-month period ended 30 September 2014;

(iv) the proforma consolidated statements of financial position as at 31 March 2014 and the Reporting Accountants' letter thereon as set out in Appendix III of this AP;

(v) Independent market research report on "Global and Malaysia Furniture Industry" dated November 2014;

(vi) the material contracts referred to in Section 3 above;

(vii) the Deed Poll constituting the Rights Warrants;

(viii) the Existing Deed Doll constituting the Warrants 2008/2018;

(ix) the relevant cause papers in respect of the material litigation referred to in Section 4 above;

(x) the irrevocable and unconditional written undertaking letters by the Undertaking Shareholders as referred to in Section 2.5 of this AP;

(xi) Directors' Report referred to Appendix VI of this AP;

(xii) Krubong Valuation Report, Krubong Land's valuation certificate dated 10 August 2013 and updated valuation certificate dated 22 September 2014, TM Valuation Report, TM Land's valuation certificate dated 10 August 2013 and updated valuation certificate dated 22 September 2014; and

(xiii) the letters of consent referred to in Section 6 above.

8. RESPONSIBILITY STATEMENT

This AP together with its accompanying documents have been seen and approved by our Board and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement herein false or misleading.

TA Securities, being the Adviser for the Rights Issue of Shares with Warrants, acknowledges that, based on all available information and to the best of its knowledge and belief, this AP constitutes a full and true disclosure of all material facts concerning this Rights Issue of Shares with Warrants.

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