HWANG CAPITAL (MALAYSIA) BERHAD (238969-K)
(formerly known as Hwang-DBS (Malaysia) Berhad)

Annual Report 2014

Creating New Shoots

Cover Rationale

Creating New Shoots

The *Kai Yun Zhu* or fortune bamboo is strong and flexible, representing the very core of the Group. The new shoots show growth opportunities as we branch out into other pursuits. A symbol of good fortune and happiness, the *Kai Yun Zhu* is how we envision the coming year for the Group and all its shareholders.

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CORPORATE

GOVERNANCE

FINANCIALS

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Second Annual General Meeting of Hwang Capital (Malaysia) Berhad (formerly known as Hwang-DBS (Malaysia) Berhad) will be held at the Bayan Room, Hotel Equatorial, No. 1, Jalan Bukit Jambul, 11900 Penang on Wednesday, 26 November 2014 at 10.45 a.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the year ended 31 July 2014 and the Reports of the Directors and Auditors thereon.

2. To approve the payment of a final single tier dividend of 2.5 sen per ordinary share in respect of the financial year ended 31 July 2014. **Resolution 1**

3. To re-elect Ooi Chooi Li as Director retiring under Article 83 of the Articles of Association of the Company and who, being eligible, offers herself for re-election. **Resolution 2**

4. To approve the payment of Directors' fees of RM45,800 in respect of the financial period from 23 April 2014 to 31 July 2014. **Resolution 3**

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

As Special Business

6. Ordinary Resolution – Retention Of Independent Director **Resolution 5**

   "THAT approval be and is hereby given to Y.A.M. Tengku Syed Badarudin Jamalullail, who has served as an Independent Non-Executive Director of the Company for a cumulative period of more than 9 years, to continue to serve as Independent Non-Executive Director of the Company."

7. To transact any other ordinary business of the Company of which due notice shall have been given.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN that a final single tier dividend of 2.5 sen per ordinary share in respect of the financial year ended 31 July 2014, if approved, will be paid on 18 December 2014 to depositors registered in the Record of Depositors at the close of business on 2 December 2014.

A depositor shall qualify for entitlement to the dividend only in respect of:-

a. shares transferred into the depositor's securities account before 4.00 p.m. on 2 December 2014 in respect of ordinary transfers; and
b. shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

OOI HUI LING
(MAICSA 7045592)
Company Secretary

Penang
4 November 2014

Notes:-

1. Only members whose names appear in the Record of Depositors as at 19 November 2014 shall be eligible to attend the Meeting or to appoint proxy to attend in his/ her stead.

2. A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as a member to speak at the Meeting.

3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

4. A member other than an exempt authorised nominee shall be entitled to appoint not more than two (2) proxies to attend and vote at the Meeting.

5. The Proxy Form must be deposited at the Company's Registered Office at Level 8, Wisma Sri Pinang, 60 Green Hall, 10200 Penang not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof.

6. Explanatory Notes:-

   (i) Item 1 of the Agenda

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

   (ii) **Resolution 3 – Directors' Fees**

   The Company had during its Extraordinary General Meeting held on 27 March 2014 obtained shareholders' approval for the payment of Directors' fees of RM288,000 and had since paid the said Directors' fees for services rendered by:-
   (a) Directors who had resigned following completion of the disposal by the Company to Affin Holdings Berhad of its entire equity interest in HwangDBS Investment Bank Berhad and its subsidiaries and associated company (after an internal reorganisation) ("HwangIB Disposal") in respect of financial period commencing from 1 August 2013 till their date of resignation i.e. 23 April 2014; and
   (b) Directors who continue to remain in office in respect of financial period commencing from 1 August 2013 to 30 April 2014 ("Continuing Directors").

6. Explanatory Notes (cont'd):-

The Directors' fees of RM45,800 is for services rendered by:-
(a) A Director who is appointed to the Board on 23 April 2014 in respect of financial period commencing from 23 April 2014 to 31 July 2014; and
(b) Continuing Directors in respect of financial period commencing from 1 May 2014 to 31 July 2014.

(iii) **Resolution 5 - Retention Of Independent Director**

Pursuant to the recommendations of the Malaysian Code On Corporate Governance 2012, the tenure of an Independent Director should not exceed a cumulative term of 9 years. The Board must justify and seek shareholders' approval in the event it retains as an Independent Director, a person who has served in that capacity for more than 9 years.

Y.A.M. Tengku Syed Badarudin Jamalullail ("Tengku") had served the Company as an Independent Non-Executive Director since February 2003 for a cumulative period of over 9 years. The Nomination Committee had assessed the independence of Tengku and had recommended to the Board that Tengku be retained as an Independent Director of the Company based on the following justifications:-

(a) Tengku has the capacity to defend his view without any influence of Management and has retained independence of character and judgment;
(b) Tengku understands the businesses of the Group, the operating environment and challenges and therefore is able to contribute to the development of strategies and direction of the Group; and
(c) Tengku devotes time and commitment to attend to the performance of the functions and duties as an Independent Non-Executive Director, including attendance at Board and Board's Committees meetings.

Based on the aforesaid, the Board recommends to the shareholders for approval that Tengku continues to serve as an Independent Non-Executive Director of the Company.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Details Of Individuals Who Are Standing For Election As Directors

No individual is seeking election as a Director at the Twenty-Second Annual General Meeting of the Company.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Hwang Lip Teik

Ang Teik Siew (Ang Teik Lim Eric)

Y.A.M. Tengku Syed Badarudin Jamalullail

Teoh Teik Kee

Ooi Chooi Li

AUDIT COMMITTEE

Y.A.M. Tengku Syed Badarudin Jamalullail
Chairman/ Independent Non-Executive Director

Teoh Teik Kee
Non-Independent Non-Executive Director

Ooi Chooi Li
Independent Non-Executive Director

COMPANY SECRETARY

Ooi Hui Ling (MAICSA 7045592)

REGISTERED OFFICE

Level 8, Wisma Sri Pinang
60 Green Hall, 10200 Penang
Malaysia
Tel : 604-263 6108
Fax : 604-263 6206

SHARE REGISTRAR

Agriteum Share Registration Services Sdn Bhd
2nd Floor, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah
10050 Penang, Malaysia
Tel : 604-228 2321
Fax : 604-227 2391

AUDITORS

PricewaterhouseCoopers
Chartered Accountants

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market

WEBSITE

www.hwang.com.my

GROUP CORPORATE STRUCTURE

Hwang Capital (Malaysia) Berhad
(formerly known as Hwang-DBS (Malaysia) Berhad)
(238969-K)
Investment Holding

100%
HDM Capital Sdn Bhd
(365940-A)
Moneylending, credit financing and investment in listed and unlisted companies

100%
HDM Properties Sdn Bhd
(240350-W)
Letting of properties and investment holding

100%
HDM Private Equity Sdn Bhd
(686081-U)
(in liquidation)

100%
HDM Capital Management Sdn Bhd
(686085-P)
(in liquidation)

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of the Company and the Group for the financial year ended 31 July 2014.

CORPORATE DEVELOPMENT

During the year under review, the Company had completed the disposal of HwangDBS Investment Bank Berhad ("HwangIB") and its subsidiaries and associated company (after an internal reorganisation), HwangDBS Commercial Bank Plc ("HDBSCB") and HwangDBS Vickers Research Sdn Bhd (hereinafter referred to as "the Disposal of Subsidiaries and Associated Company").

The Company had entered into a conditional Share Sale and Purchase Agreement with Affin Holdings Berhad ("Affin") on 22 January 2014 for the disposal of its entire equity interests in HwangIB and its subsidiaries and associated company (after an internal reorganisation) ("HwangIB Disposal"). The internal reorganisation entailed the disposal by the Company to HwangIB of its 100% equity interest in HDM Futures Sdn Bhd, 53% equity interest in Hwang Investment Management Berhad ("HwangIM") and 49% equity interest in Asian Islamic Investment Management Berhad as well as the acquisition by the Company from HwangIB of its 51% equity interest in HwangDBS Vickers Research Sdn Bhd. The HwangIB Disposal was completed on 7 April 2014. Total cash consideration received including price adjustment was RM1,360.58 million which represents a price-to-book ratio of approximately 1.51 times and 1.40 times based on the aggregate net assets of HwangIB and its subsidiaries and associated company as at 31 January 2013 (benchmark used for negotiation) and 31 March 2014 (date of completion accounts) respectively.

The Company had on 8 November 2013 entered into a Share Sale and Purchase Agreement with Phillip MFIs Pte Ltd for the sale of its entire equity interest in HDBSCB for a cash consideration of USD40 million. The sale was completed on 14 March 2014.

The Company had also entered into a conditional Share Sale and Purchase Agreement with Alliance Investment Bank Berhad for the sale of its 51% equity interest in HwangDBS Vickers Research Sdn Bhd for a cash consideration of RM393,945. The sale was completed on 6 May 2014.

As disclosed to shareholders earlier, the decision to exit the banking industry was undertaken due to the changing landscape of the industry which has become highly competitive accentuated by industry consolidation. With the HwangIB Disposal, the Company had successfully unlocked the value of its investments and realised the intrinsic value of its businesses. Following the completion of HwangIB Disposal, the Company had distributed part of the disposal consideration amounting to RM637.90 million by way of a special dividend of RM2.50 per share to its shareholders. This has enabled shareholders to realise RM2.50 per share from their investment in the Company in addition to the appreciation in the share price compared to the share price prior to the HwangIB Disposal.

Upon completion of HwangIB Disposal, an application for concurrence not to be classified as a Practice Note 16 company and a waiver from Practice Note 17 was submitted to Bursa Malaysia Securities Berhad ("Bursa Securities"). Bursa Securities had on 9 July 2014 concurred that the Company is not a Practice Note 16 company and had granted the Company the waiver from being classified as a Practice Note 17 company.

With the HwangIB Disposal, the Company changed its name to Hwang Capital (Malaysia) Berhad with the principal activities of the Group in money-lending, property letting and investment holding.

FINANCIAL AND BUSINESS REVIEW

For the financial year ended 31 July 2014 ("FY2014"), the Group's continuing operations which comprised money-lending, property letting and investment holding activities registered a marginally higher operating revenue of RM48.65 million compared to RM47.12 million recorded in the financial year 2013 ("FY2013"). The higher operating revenue was primarily contributed by an increase in income arising from investment of proceeds from HwangIB Disposal.

The pre-tax profit of the continuing operations for FY2014 of RM17.88 million represents a year-on-year increase of 77% compared to the pre-tax profit of RM10.10 million recorded for FY2013. The improved earnings were largely attributable to increase in income arising from investment of proceeds from HwangIB Disposal as well as net gain on disposal of securities and lower loan loss impairment.

Following the completion of the Disposal of Subsidiaries and Associated Company, the relevant financial results are classified under discontinued operations. Total operating revenue of the discontinued operations for FY2014 was RM300.05 million compared to RM426.32 million recorded in FY2013 mainly due to the completion of HwangIB Disposal in April 2014. Excluding the exceptional gains, the discontinued operations posted a higher pre-tax profit of RM79.35 million for FY2014 from RM76.40 million in FY2013. The improved performance was mainly due to higher stockbroking brokerage income, income from investment management activities and net gain on securities trading.

DIVIDEND

In May 2014, the Company distributed approximately 47% of the cash proceeds received from HwangIB Disposal to all entitled shareholders in the form of a single tier special dividend of RM2.50 per share.

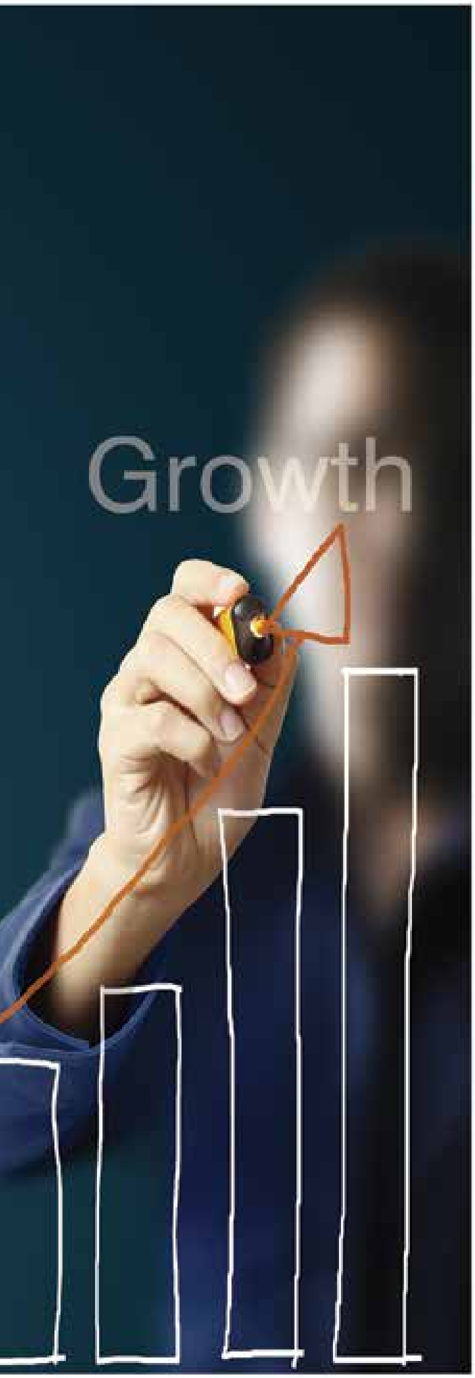
The Board is pleased to recommend a final single tier dividend of 2.5 sen per share for approval by shareholders at the forthcoming Annual General Meeting, thus bringing the total dividend payable to RM2.525 per share (2013: 5 sen).

PROSPECTS

Loan growth in the consumer financing business is expected to moderate in the financial year ending 31 July 2015 in response to the various macroprudential measures implemented by the regulatory authority to address household debt concerns, coupled with further compression of interest margin arising from upward revision in benchmark overnight policy rate (OPR) by the Central Bank in mid-July 2014. Interest margin is expected to remain under pressure due to the rising competition in the consumer financing industry.

The Group is still in the process of identifying potential new business to further enhance the Group's performance.

Barring unforeseen circumstances, the Board of Directors expects the Group's performance for the financial year ending 31 July 2015 to be satisfactory.



A NOTE OF APPRECIATION

Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar, Mr. Ng Wai Hung Andrew, Encik Mohamed Tarmizi Tun Dr Ismail, Mr. Choe Tse Wei and Mr. Tham Kwok Meng have resigned from the Board on 23 April 2014, after the completion of HwangIB Disposal and on behalf of the Board, I would like to extend our appreciation for their contribution to the Group.

The Board is also pleased to welcome Ms. Ooi Chooi Li who joined the Board on 23 April this year and we look forward to her counsel and support.

On behalf of the Board of Directors, I would like to take this opportunity to express my sincere thanks and appreciation to the staff of the Group including all former staff and dealers of our Investment Bank, Stockbroking, Investment Management, Futures, Research and Commercial Bank for their contributions, commitment, dedication and loyalty. I wish all of you every success in the years to come.

Last but not least, I would also like to thank all regulatory authorities for their wise counsel and assistance and all our valued clients and shareholders for their continued support.

Hwang Lip Teik
Chairman

GROUP 5-YEAR FINANCIAL HIGHLIGHTS
FINANCIAL YEAR ENDED 31 JULY

RESULTS

	Operating Revenue (RM'000)	Profit Before Tax (RM'000)	Profit After Tax (RM'000)
'10	346,942	85,742	64,434
'11	399,333	119,651	91,464
'12	397,958	98,871[1]	75,491[1]
'13	473,439	86,505	65,956
'14	**348,701**	**96,521**[2]	**73,284**[3]

CAPITAL EMPLOYED

	Paid-up Capital (RM'000)	Shareholders' Funds (RM'000)	Assets Employed (RM'000)
'10	265,845	809,848	3,917,407
'11	265,845	871,580[1]	4,054,418[1]
'12	265,845	926,875[1]	4,228,569[1]
'13	265,845	961,706	4,811,104
'14	**255,159**	**783,627**	**844,261**

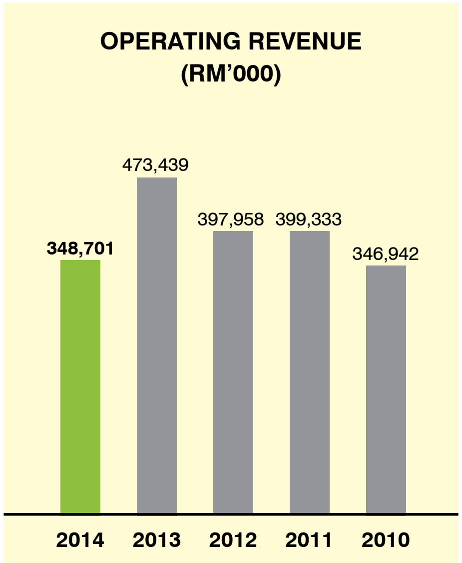
FINANCIAL RATIOS

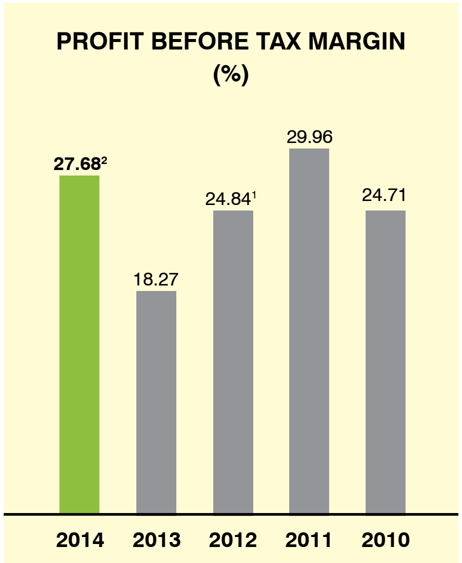
	Earnings Per Share (Sen)	Net Tangible Assets Per Share (RM)	Gross Dividends Per Share (Sen)	Profit Before Tax Margin (%)	Return on Shareholders' Funds (%)
'10	23.86	2.54	7.5	24.71	7.96
'11	33.95	2.78	10.0	29.96	10.50
'12	26.17[1]	2.99	10.0	24.84[1]	8.14[1]
'13	20.06	3.13	5.0	18.27	6.86
'14	**22.93**[3]	**3.07**	**252.50**[4]	**27.68**[2]	**9.35**[3]

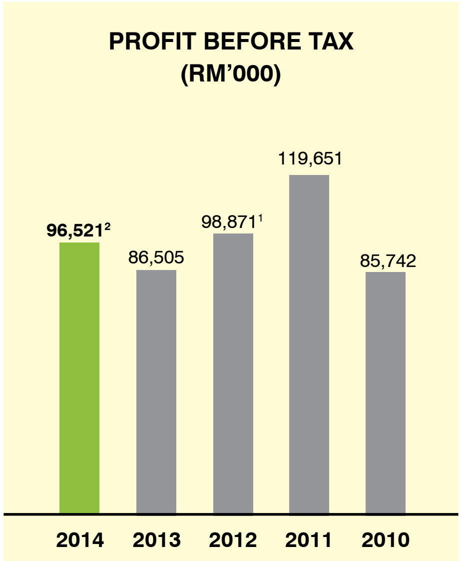
[1] Restated as a result of retrospective application of MFRS 139 and/or FRSIC Consensus 18.
[2] Excluded the effects of net gain on disposals of investment properties (before taxation), subsidiaries and associate of RM401,636,000.
[3] Excluded the effects of net gain on disposals of investment properties (net of taxation), subsidiaries and associate of RM398,196,000.
[4] Included a special single tier dividend of RM2.50 per ordinary share.

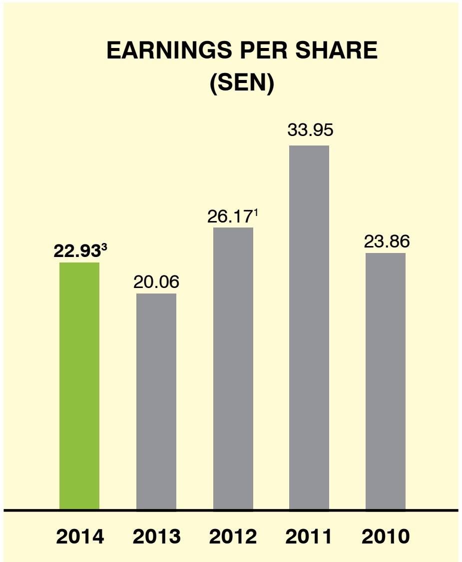
GROUP 5-YEAR FINANCIAL HIGHLIGHTS (CONT'D)

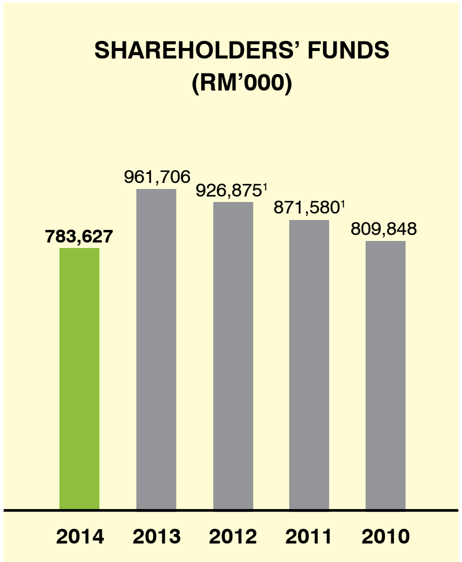
FINANCIAL YEAR ENDED 31 JULY

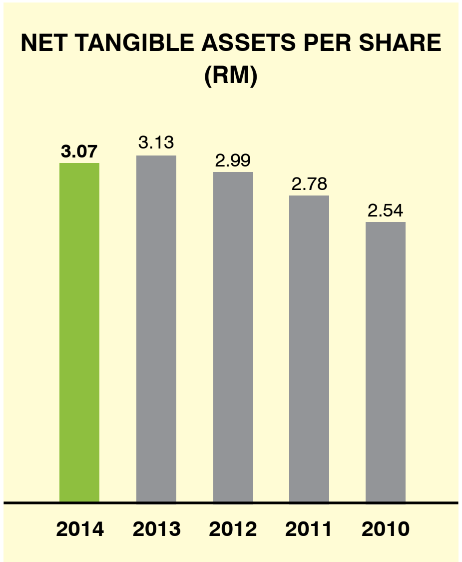












[1] Restated as a result of retrospective application of MFRS 139 and/or FRSIC Consensus 18.

[2] Excluded the effects of net gain on disposals of investment properties (before taxation), subsidiaries and associate of RM401,636,000.

[3] Excluded the effects of net gain on disposals of investment properties (net of taxation), subsidiaries and associate of RM398,196,000.

PROFILE OF DIRECTORS

HWANG LIP TEIK

Hwang Lip Teik, aged 57, a Malaysian, was appointed to the Board as an Executive Director on 1 December 1992 and thereafter as Managing Director of the Company in December 2005. He was redesignated to a Non-Independent Non-Executive Director of the Company on 31 January 2007 and assumed the position as Non-Executive Chairman on 1 November 2012. He is the Chairman of the Executive Committee and a member of the Remuneration Committee and Nomination Committee of the Company.

Mr. Hwang joined HwangDBS Investment Bank Berhad (now known as Affin Hwang Investment Bank Berhad) in 1983 as Senior Manager (Trading) in charge of the trading activities of the company and was promoted to an Executive Director in January 1996 and served as Managing Director/Chief Executive Officer from 2007 to January 2011 when he was redesignated to Non-Executive Director. Mr. Hwang is currently the Executive Chairman of HDM Capital Sdn Bhd, a subsidiary of the Company, responsible for the overall strategy and direction of HDM Capital Sdn Bhd.

Mr. Hwang is a deemed major shareholder of the Company and brother of Mr. Hwang Lip Koon, who is also a deemed major shareholder of the Company. He is also the brother in law of Mr. Teoh Teik Kee, a Non-Independent Non-Executive Director of the Company. Mr. Hwang has no conflict of interest with the Company and has not been convicted of any offences in the past 10 years.

Mr. Hwang attended all 6 Board Meetings of the Company held during the financial year.

ANG TEIK SIEW (ANG TEIK LIM ERIC)

Ang Teik Siew (Ang Teik Lim Eric), aged 61, a national of Singapore, was appointed to the Board of the Company on 2 April 2001 as a Non-Independent Non-Executive Director. He serves as a member of the Executive Committee and Remuneration Committee of the Company.

Mr. Ang graduated with a Bachelor of Business Administration (Honours) from the University of Singapore in 1976. His career in the banking industry commenced in 1978 when he joined DBS Bank, Singapore as a Corporate Banking Officer. Since then, he has held various other positions in DBS Bank and is currently the Senior Executive Advisor. Mr. Ang sits on the Board of companies within the DBS Group namely The Islamic Bank of Asia Ltd and DBS Foundation Ltd. He also sits on the Board of Sembcorp Marine Ltd, a Singapore listed company.

Mr. Ang has not been convicted of any offences in the past 10 years and has no conflict of interest with the Company. He also does not have any family relationship with any other Directors or major shareholders of the Company.

Mr. Ang attended 5 out of 6 Board Meetings of the Company held during the financial year.

Y.A.M. TENGKU SYED BADARUDIN JAMALULLAIL

Y.A.M. Tengku Syed Badarudin Jamalullail, aged 69, a Malaysian, was appointed as an Independent Non-Executive Director of the Company on 28 February 2003. Tengku is the Chairman of the Nomination Committee, Audit Committee and Remuneration Committee of the Company. He is also a member of the Executive Committee of the Company.

Tengku graduated from Cambridge University in 1968 with a Master of Arts degree in Law and History. From 1968-1978, he was employed and held various executive positions in Fraser & Neave (Malaya) Sdn Bhd. Currently, Tengku is involved in his family businesses and is the Independent Non-Executive Chairman of Fraser & Neave Holdings Berhad as well as a Director of Fraser & Neave Limited.

Tengku does not have any family relationship with any other Directors or major shareholders of the Company, has no conflict of interest with the Company and has also not been convicted of any offences in the past 10 years.

Tengku attended all 6 Board Meetings of the Company held during the financial year.

TEOH TEIK KEE

Teoh Teik Kee, aged 55, a national of Singapore, was appointed to the Board of the Company on 1 April 2013 as a Non-Independent Non-Executive Director. He serves as a member of the Audit Committee of the Company.

Mr. Teoh graduated with a Bachelor of Science (Honours) in Managerial and Administrative Studies from Aston University, Birmingham, United Kingdom and is a member of The Institute of Chartered Accountants in England and Wales.

Mr. Teoh started his career with KPMG Peat Marwick McLintock, London in 1986 before moving to join Pricewaterhouse, Singapore in 1989. In 1990, he joined DBS Bank as Treasurer and thereafter in 1993 as Senior Manager of DBS Securities Pte Ltd where he served as Head of China desk responsible for the corporate finance activities in China, Hong Kong and Taiwan. From DBS Securities, he joined Hwang-DBS Securities Berhad (now known as Affin Hwang Investment Bank Berhad) in 1996 and had served as General Manager (Shah Alam Branch) before venturing into his own business in 2001. From November 2004 to 2010, he was the Executive Director of ecoWise Holdings Limited, a public listed company in Singapore. Mr. Teoh also currently sits on the Board of Luzhou Bio-Chem Technology Limited, a Singapore listed company as well as City e-Solutions Limited, a Hong Kong listed company.

Mr. Teoh is the brother in law of Mr. Hwang Lip Teik and Mr. Hwang Lip Koon, both of whom are deemed major shareholders of the Company.

Mr. Hwang Lip Teik is the Non-Executive Chairman of the Company. Mr. Teoh has no conflict of interest with the Company and has not been convicted of any offences in the past 10 years.

Mr. Teoh attended all 6 Board Meetings of the Company held during the financial year.

OOI CHOOI LI

Ooi Chooi Li, aged 51, a Malaysian, was appointed to the Board of the Company on 23 April 2014 as an Independent Non-Executive Director. She serves as a member of the Audit Committee and Nomination Committee of the Company.

Ms. Ooi graduated from the National University of Singapore in 1987 with a Bachelor of Laws LL.B (Hons) and was admitted as an advocate and solicitor of the Supreme Court of Singapore in March 1988. She was called to the Malaysian Bar in February 1989. She has been practicing law in Malaysia for more than 25 years. Currently, she is a partner of a legal firm in Penang and her areas of practice are in conveyancing and banking laws.

Ms. Ooi has not been convicted of any offences in the past 10 years and has no conflict of interest with the Company. She also does not have any family relationship with any other Directors or major shareholders of the Company.

Ms. Ooi attended a Board Meeting of the Company held during the financial year since her appointment to the Board.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors ("the Board") supports and is committed to the principles of corporate governance as embodied in the Malaysian Code on Corporate Governance 2012 ("the Code"). Towards this end, the Board takes every step to ensure that the principles of corporate governance and best practices are observed and practiced throughout the Group.

The Board is pleased to provide the following statement, which outlines the corporate governance practices that are in place and which sets out how the Company has applied the principles of the Code. Any recommendations of the Code which have not been complied or practiced by the Company are indicated in the body of this statement.

1. CLEAR ROLES AND RESPONSIBILITIES

(a) Board Charter

The Board is guided by its Charter which sets out amongst others the roles, composition and responsibilities of the Board of Directors of the Company, the Board Committees, proceedings of the Board, time commitment, assessment of Directors and training. The conduct of the Board is also governed by the Memorandum & Articles of Association ("M&A") of the Company and the relevant laws and regulations in Malaysia.

A copy of the Board Charter is available on the Company's website.

(b) Responsibilities Of The Board And Management

The Board is charged with the responsibility of leading and managing the Group and setting the strategic directions of the Group. The responsibilities of the Board includes:-

- overseeing the conduct of the Group's businesses;
- reviewing and adopting strategic business plans for key subsidiaries of the Group;
- identifying principal risks and ensures the implementation of appropriate systems to manage these risks;
- succession planning, including appointing, assessing training needs and fixing the compensation of Directors;
- ensures senior management are of sufficient calibre and provide for orderly succession of senior management;
- reviewing the adequacy and the integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines; and
- reviewing financial statements.

The Company which is an investment holding company, does not have an Executive Director on its Board. However, the Board of the Company provides leadership, discusses strategic business directions and plans for the Group.

The Board monitors the performance of subsidiaries and their business strategies through various management reports which are tabled to the Board and Audit Committee for discussion during Board's and Audit Committee's Meetings to ensure that the direction and control of the Group's businesses are firmly in hand.

1. CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

(b) Responsibilities Of The Board And Management (cont'd)

The Company is led and managed by an experienced Board comprising members with a wide range of business, banking, audit and legal background. As at the FY2014, the Board comprised 5 Non-Executive Directors, 2 of whom are independent. The Code recommends that the Board should comprise a majority of Independent Directors where the Chairman of the Board is not an Independent Director. The Chairman of the Company, Mr. Hwang Lip Teik, is not an Independent Chairman. The Board is comfortable that the current composition of the Board which comprises all Non-Executive Directors, out of which 1/3 are independent is able to exercise objective judgment. The strong composition of Non-Executive Directors coupled with Directors who have in depth knowledge of businesses of the Group provides an effective check and balance to the decision-making process of the Board and to the overall management of the Group. The Board is also satisfied with Mr. Hwang Lip Teik's performance, who has shown strong leadership as Chairman of the Company and ensures the smooth functioning of the Board including providing avenues for all Directors to participate openly in discussion of issues.

(c) Code Of Ethics And Business Conduct

The Board has formalised a Code Of Ethics And Business Conduct which sets forth the expectations of the Company for its Directors and describes sound principles and standards of good practice that each Director is expected to uphold. It is formulated to enhance the standard of corporate governance and promote ethical conduct of the Directors with a view to achieve the following objectives:-

- to establish a uniform ethical standard for Directors emphasising conduct free from conflicts of interest; and
- to uphold the spirit of corporate responsibility and accountability in line with the governing laws, regulations and guidelines.

Directors are required to uphold the highest integrity in discharging their duties and in dealing with stakeholders, customers, employees and regulators. Each Director must comply not only with the letter but also the spirit of the Code Of Ethics And Business Conduct.

A summary of the Code Of Ethics And Business Conduct is available on the Company's website.

(d) Promoting Sustainability

The Board is committed to promote sustainability practices in the Group with a good balance of environmental, social and governance aspects of business. A report of the Group's corporate responsibility initiatives are set out in page 35 of this Annual Report.

(e) Board Meetings And Access To Information And Advice

The Board met for a total of 6 times during the FY2014. All Directors fulfilled the requirement of Bursa Securities in relation to their attendance at Board Meetings. Details of Directors' attendance at Board Meetings are outlined in the Profile of Directors section of this Annual Report.

Directors are provided with Notice of the Board Meetings and board papers for each agenda item in advance of each Board Meeting to ensure that Directors have sufficient time to study them and be prepared for discussion. Any additional information requested by Directors is readily available. The Board also has a formal schedule of matters reserved to it for deliberation and decision. Minutes of Meetings are maintained.

1. CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

(e) Board Meetings And Access To Information And Advice (cont'd)

The Group has a policy on information to be brought to the Board's attention. In accordance to the policy, all material information are to be tabled to the Board on a timely basis in order for the Board to be kept abreast with the performance and business activities of the Group.

Directors have access to the advice and services of the Company Secretary who is responsible for ensuring that Board procedures are followed and all necessary information are obtained from Directors both for the Company's own records and for purposes of meeting statutory obligations. The Company Secretary played an advisory role to the Board, updates the Board on material changes in the laws and assists the Board in meeting its regulatory obligations.

Directors also have access to independent professional advice at the Company's expense in furtherance of their duties.

2. STRENGTHEN COMPOSITION

The Board has set up various Committees to assist the Board in the management of the Group's businesses and discharge of its duties. The functions and terms of reference of the Committees as well as authority delegated by the Board to these Committees have been clearly defined by the Board.

The Committees set up by the Board are:-

Committee
(a) Executive Committee
(b) Audit Committee
(c) Nomination Committee
(d) Remuneration Committee

(a) Executive Committee

The Executive Committee comprises of 2 Non-Independent Non-Executive Directors and 1 Independent Non-Executive Director. It meets as and when necessary.

The Executive Committee evaluates the Group's strategic plans and recommends to the Board new business ventures, expansion and diversification opportunities. It generally assists the Board in overseeing the business affairs of the Group.

(b) Audit Committee

The terms of reference of the Audit Committee, composition of its membership and other pertinent information about the Audit Committee and its activities are highlighted in the Audit Committee Report set out in pages 28 to 32 of this Annual Report.

2. STRENGTHEN COMPOSITION (CONT'D)

(c) Nomination Committee

The Nomination Committee comprises 2 Independent Non-Executive Directors and 1 Non-Independent Non-Executive Director. The Nomination Committee is chaired by a Senior Independent Director of the Company. It meets as and when required but the full Committee shall meet at least once a year.

The Nomination Committee is authorized by the Board to:-

- review annually the composition and size of the respective Boards of the Group and determine the appropriate Board balance;
- review and recommend to the respective Boards the required mix of skills, experience, qualification and other core competencies required of a Director and CEO(s)(if any);
- recommend and assess nominees for directorship, Board committees and CEO(s)(if any). This includes taking into consideration Boardroom diversity by ensuring that suitably qualified women candidates are sought as part of its recruitment exercise;
- recommend to the respective Boards the removal of Directors and CEO(s)(if any) if they are ineffective, errant or negligent in discharging their responsibilities;
- establish a mechanism for the annual assessment of the effectiveness of the Board as a whole, the contribution of each Director, the contribution of the Board's various committees;
- ensure that all Directors receive appropriate continuous training; and
- oversee the appointment, management succession planning and performance evaluation of the CEO(s)(if any).

The Nomination Committee is entrusted with the responsibility of conducting an annual evaluation of each Director on their effectiveness and independence. This assessment process includes discussion by the Nomination Committee on the performance of each Director and results of the assessment will be recorded in the respective Evaluation Forms to be kept by the Company Secretary. The recommendations of the Nomination Committee will be presented to the Board for consideration. The Board has adopted the Policy On Directors' Tenure And Effectiveness ("the Policy") which serves as a guide for the Nomination Committee when assessing the effectiveness of each Director and their independence (in the case of Independent Directors). As outlined in the Policy, the following factors would be taken into consideration by the Nomination Committee when evaluating the performance and effectiveness of a Director:-

- depth of knowledge and understanding of the businesses of the Group and whether equipped with appropriate skills to meet job requirements;
- ability to contribute towards the setting of strategic direction of the Group and achievement of the Group's goals;
- time commitment including attendance and participation in Board/Committees' meetings and directorships held in other companies;
- ability to constructively challenge business propositions put forward by Management;
- ensures that adequate systems and controls to safeguard the interests of the Group are in place;
- continuous updating of knowledge and enhancing of skills through attendance of business related trainings; and
- in the case of Independent Directors, met the criteria of independence outlined in the Policy and able to ensure effective checks and balances in the Board's decision making process.

2. STRENGTHEN COMPOSITION (CONT'D)

(c) Nomination Committee (cont'd)

The Board has yet to formalize a policy on boardroom gender diversity. Nonetheless, the Board recognizes the importance and benefits of gender diversity at the boardroom and has amended the Terms of Reference of the Nomination Committee mandating the Nomination Committee to seek as part of the recruitment exercise suitably qualified women candidates. Accordingly, the Nomination Committee has identified and recommended the appointment of Ms. Ooi Chooi Li as an Independent Non-Executive Director of the Company during the financial year. Ms. Ooi Chooi Li brings with her more than 25 years experience in legal practice and this complements the skill sets of the Board.

(d) Remuneration Committee

The Remuneration Committee comprises 1 Independent Non-Executive Director and 2 Non-Independent Non-Executive Directors and is chaired by an Independent Non-Executive Director. It meets as and when required but the full Committee shall meet not less than once a year.

The Remuneration Committee's objective is to provide a formal and transparent procedure for developing remuneration policy for Directors and CEO(s)(if any) and ensure that compensation is competitive and consistent with the Group's culture, objectives and strategy. The Remuneration Committee is authorised by the Board to:-

- recommend a framework for the remuneration of Directors and CEO(s)(if any) for the Board's approval;
- recommend specific remuneration package for Executive Director(s) and CEO(s)(if any) of the Group; and
- recommend remuneration package for Non-Executive Directors.

All Directors are provided with directors' fees. The directors' fees are approved by the shareholders at the Annual General Meeting ("AGM"). The shareholders had at an Extraordinary General Meeting of the Company held on 27 March 2014 approved the payment of Directors' fees of RM288,000 for services rendered by:-

(a) Directors who had resigned following completion of the HwangIB Disposal in respect of financial period commencing from 1 August 2013 till their date of resignation i.e. 23 April 2014; and
(b) Directors who continue to remain in office in respect of financial period commencing from 1 August 2013 to 30 April 2014.

Independent Directors are also remunerated with meeting allowances. The Group also reimburses reasonable expenses incurred by Directors in the course of carrying out their duties as Directors.

The details of the remuneration of the Directors on Group basis for the FY2014 are as follows:-

	Salary (RM)	Fee & Meeting Allowance (RM)	Other Emoluments* (RM)	Total (RM)
Non- Executive Directors#	1,296,000	896,148	4,481,695	6,673,843

2. STRENGTHEN COMPOSITION (CONT'D)

(d) Remuneration Committee (cont'd)

The number of Directors whose remuneration falls into the following bands is as shown below:-

	No. of Directors@
Non-Executive Directors:	
RM1 – RM50,000	1
RM50,001 – RM100,000	4
RM100,001 – RM150,000	1
RM150,001 – RM200,000	3
RM5,750,001 – RM5,800,000	1
Total	**10**

Notes:-

2 Non-Executive Directors of the Company also serve as Executive Directors of principal subsidiaries of the Company. 1 of the Director has since resigned with effect from 23 April 2014.

* Other emoluments comprise bonuses, ex-gratia payment, allowances, EPF and SOCSO contributions and monetary value of benefits in kind.

@ this includes 5 Directors whose resignation took effect on 23 April 2014 and a Director whose appointment took effect on 23 April 2014.

3. REINFORCE INDEPENDENCE

(a) Assessment Of Independent Directors

During the financial year, the Nomination Committee has conducted an assessment of the performance of all Directors save and except for the performance of Ms. Ooi Chooi Li who is appointed to the Board only on 23 April 2014. The assessment of the Independent Directors also took into consideration whether they were able to exercise independent judgment objectively and whether they met the criteria of independence as prescribed by the Main Market Listing Requirements ("LR") of Bursa Securities. The Nomination Committee was satisfied with the results of the assessment on individual Directors.

(b) Tenure Of Independent Directors

The Code recommends that the tenure of an Independent Director should not exceed a cumulative term of 9 years. The Board must justify and seek shareholders' approval in the event it retains as an Independent Director, a person who has served in that capacity for more than 9 years. Y.A.M. Tengku Syed Badarudin Jamalullail, an Independent Director of the Company has served the Company for over 11 years since February 2003. The Nomination Committee has assessed and is satisfied that Y.A.M. Tengku Syed Badarudin Jamalullail:-

(a) has the capacity to defend his view without any influence of Management and has retained independence of character and judgment;

3. REINFORCE INDEPENDENCE (CONT'D)

(b) Tenure Of Independent Directors (cont'd)

(b) understands the businesses of the Group, the operating environment and challenges and therefore is able to contribute to the development of strategies and direction of the Group; and

(c) is able to devote time and commitment to attend to the performance of the functions and duties as an Independent Director, including attendance at Board and Board's Committees Meetings.

The Board is also satisfied that the length of service of Y.A.M. Tengku Syed Badarudin Jamalullail will not compromise his independence nor impede his duties as an Independent Director and hence will be seeking shareholders' approval at the forthcoming AGM of the Company that Y.A.M. Tengku Syed Badarudin Jamalullail continues to serve as an Independent Director of the Company.

(c) Separation Of Roles Of Chairman And CEO

The Chairman of the Company is a Non-Executive Director and the Company being an investment holding company does not have a CEO position.

(d) Retirement and Re-election of Directors

In accordance with the Company's M&A, all Directors shall retire from office at least once in every 3 years and are eligible to offer themselves for re-election. Directors who are appointed by the Board are subject to election by the shareholders at the next AGM following their appointments. Directors over 70 years of age are required to submit themselves for re-appointment annually in accordance to Section 129(6) of the Companies Act, 1965.

4. FOSTER COMMITMENT

(a) Time Commitment

As provided in the Board Charter, the Board expects its members to allocate sufficient time to carry out their responsibilities. The Board will obtain this commitment from its members at the time of appointment. For existing Directors, they are required to notify the Chairman before accepting new directorship. The notification shall include a commitment that they will continue to be in a position to allocate sufficient time to meet the expectation of their role as a Director. In line with the LR of Bursa Securities, each Director shall not hold more than 5 directorships in listed companies.

(b) Directors' Training

The Board acknowledges the importance of continuous education and training to enable effective discharge of its duties and encourages Directors to attend talks, training programmes and seminars to update themselves on new developments in the business environment. All Directors have attended the Mandatory Accreditation Training Programme. The Board through the Nomination Committee has and will continue to evaluate and determine the training needs of its Directors on an annual basis.

4. FOSTER COMMITMENT (CONT'D)

(b) Directors' Training (cont'd)

During the FY2014, all Directors have attended training courses. Some of the training programmes/ seminars/lectures attended by Directors during the financial year were:-

- Mandatory Accreditation Programme For Directors Of Public Listed Companies
- Financial Institutions Directors' Education Programme
- Money Laundering & Terrorism Financing – Trends, Risks Implications for the Fund Management and Securities Sector
- Corporate Fraud in Action
- Advocacy Session on Corporate Disclosure For Directors
- Sembcorp Marine Board Seminar
- DBS Board Seminar
- Digital Bank Workshop
- A Spotlight on Risk and Building Trust – A Risk Series for Corporate Directors
- DBS Management Committee Seminar
- DBS Leadership Seminar
- Taxation Seminar – Tax Environment in China, Tax Incentives and Transfer Pricing Rules in China and Singapore and Updates on Tax Risk Compliance Leading Practices
- How Best to Invest in Equities – Value vs. Long/ short
- Credit Suisse Market Outlook Seminar

Visits by the Directors to the Group's businesses and meetings with senior management are also arranged for enhancement of their knowledge particularly in respect of the operations of the Group.

5. UPHOLD INTEGRITY IN FINANCIAL REPORTING

(a) Financial Reporting

The Board aims to present a balanced and clear assessment of the Group's financial positions and prospects in the financial statements and quarterly announcements to shareholders, investors and regulatory authorities in line with the financial reporting standards.

The Board is assisted by the Audit Committee to oversee the financial reporting processes and the quality of financial reporting of the Group. All quarterly financial reports and financial statements are reviewed and discussed by the Audit Committee before they are tabled to the Board for consideration.

The Statement of Directors' Responsibility in respect of the preparation of the annual audited financial statements is set out in paragraph 8 herein.

5. UPHOLD INTEGRITY IN FINANCIAL REPORTING (CONT'D)

(b) Assessment Of Independence Of External Auditors

The Company has in placed a Policy and Procedures For Engagement Of Statutory Auditors In Relation To Non-Audit Services ("Non-Audit Services Policy"). Under the Non-Audit Services Policy, the assessment of the objectivity and independence of the auditors lies with the Board which delegates the functions to the Audit Committee. Provision of non-audit services by the statutory auditors must be assessed and approved by the Audit Committee of either the Company or the Audit Committee at the subsidiaries level (prior to the disposals of the key operating subsidiaries of the Company during the financial year). The Audit Committee assesses and ensures that the provision of non-audit services by the auditors do not interfere with the exercise of independent judgment by the auditors and shall not be in conflict with its functions as statutory auditors. Factors to be considered by the Audit Committee are outlined in the Non-Audit Services Policy. The statutory auditors had given written assurance that for the audit of the financial statements of the Group for the FY2014, they have maintained their independence in accordance with their internal requirement and with the provisions of the By-Laws On Professional Independence of the Malaysian Institute of Accountants.

(c) Relationship with External Auditors

Through the Audit Committee, the Group has established a formal and transparent relationship with the external auditors.

The external auditors are invited to discuss the annual financial statements, their audit plan, audit findings and other special matters when necessary. In addition, the Independent members of the Audit Committee also meet the external auditors without the presence of Management twice a year.

6. RECOGNIZE AND MANAGE RISKS

(a) Internal Control And Risk Management

The Board recognizes that it has overall responsibility for maintaining a system of internal controls and risk management for the Group that provides reasonable assurance of effective and efficient operations, and compliance with laws and regulations, as well as with internal procedures and guidelines.

The Statement On Risk Management And Internal Control which provides an overview of the state of internal control within the Group, is set out in pages 26 to 27 of this Annual Report.

(b) Internal Audit

The Group uses the services of the internal audits of HwangIB up to 6 April 2014 to assist the Audit Committee in the discharge of its duties and responsibilities. The Head of the Internal Audit reports to the Audit Committee. For reviews undertaken by the Internal Auditors during the financial year, please refer to the Audit Committee Report found at pages 28 to 32 of this Annual Report. Following the disposal of HwangIB, the Company has outsourced the internal audit function to an external professional services firm.

7. CORPORATE DISCLOSURE AND RELATIONS WITH SHAREHOLDERS

The Board recognizes the importance of accountability to its shareholders through proper and equal dissemination of information to its shareholders. Towards this end, the Board has established a Group Policy On Corporate Disclosure which provides guidance to the Board, Management and employees on the Group's disclosure requirements and practices in disseminating material information to and in dealing with stakeholders, analysts, media and the investing public. The disclosure of material information is guided by the provisions of the LR.

The Company reaches out to its shareholders through:-

(a) the distribution of its Annual Report

(b) quarterly financial results announcements

(c) various disclosures and announcements made to Bursa Securities

(d) the Company's website at www.hwang.com.my which shareholders can access for information.

The Company's website at www.hwang.com.my contains the Company's corporate information including the Annual Reports, Board Charter, summarised version of the Directors' Code of Ethics And Business Conduct and movement of share price for the investing public's consumption.

The AGM is the principal forum for dialogue with shareholders, where shareholders are at liberty to raise questions pertaining to the agenda for discussion at the meeting. Notice of the meeting and related documents are sent to shareholders at least 21 days before the meeting is to be held.

In line with the LR, poll voting would be adopted for all resolutions involving interest of related parties.

8. STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The following statement, which should be read in conjunction with the Report of the Auditors set out in pages 46 to 47 of this Annual Report, is made with a view of enabling shareholders to distinguish the respective responsibilities of the Directors and the auditors in relation to the financial statements.

The Directors are required by the Companies Act, 1965 to prepare financial statements which give a true and fair view of the state of affairs of the Company and its subsidiaries as at the end of each financial year and of the results for the financial year.

The Directors consider that in preparing the financial statements set out in pages 48 to 179, which have been prepared on a going concern basis, appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates have been used and that accounting standards which they consider applicable have been followed.

The Directors have the responsibility for taking reasonable steps to ensure that the Company and its subsidiaries cause to be kept such accounting and other records, that will sufficiently explain the transactions of the Company and its subsidiaries, that will at any time enable the financial position of the Company and its subsidiaries to be readily and properly audited, and that will enable the Directors to ensure that the financial statements comply with the requirements of the Companies Act, 1965.

The Directors also have a general responsibility to take such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

BOARD RESPONSIBILITY

The Board recognises the importance of maintaining a sound internal control system and risk management practices as well as good corporate governance. The Board affirms its overall responsibility for the internal control system of the Group, which includes the establishment of appropriate control environment and risk management framework as well as review of its adequacy and effectiveness to ensure that the value of shareholders' investments and the assets of the Group are safeguarded.

In view of the inherent limitations in any internal control system, the system is designed to manage rather than eliminate risks. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement, fraud or loss. The internal control system includes inter alia, financial, operational, management information systems, organisation and compliance controls.

The risk management and internal control systems of the Group involve management and personnel from both business and support units. The Board is responsible for determining key strategies and policies for significant risks and control issues, whilst functional managers are responsible for the effective implementation of the Board's policies by designing, operating, monitoring and managing risks and control processes.

The Board has received assurance from the Head of Risk Management and the Senior Vice President, Finance that the risk management and internal control systems of the Group are operating adequately and effectively, in all material aspects, based on the risk management and internal control systems of the Group.

RISK MANAGEMENT FRAMEWORK

The Board regards risk management as an integral part of the Group's business operations, and that management of business risks continues to play an important role in ensuring that the business creates and protects shareholders' value.

The Group has an ongoing process in place for identifying, evaluating, managing and reporting significant risks that may affect the achievement of its business objectives throughout the financial year under review and up to the date of this report. This process is regularly reviewed by the Board to ensure proper management of risks and appropriate measures are taken timely to mitigate any identified weaknesses in the control environment.

KEY INTERNAL CONTROL PROCESSES

The key elements of the internal control system of the Group which have been reviewed by the Board are described below:

- A clearly defined organisational structure with defined lines of job responsibilities and delegation of authorities, which assists in ensuring that effective communication of risk control objectives as well as establishment of authority and accountability are in accordance with Management criteria.

- All material information, which includes material contracts and new business initiatives, are tabled/circulated to the Board on a timely basis in order for the Board to be kept abreast with the performance and business activities of the Group. Information provided includes background or explanatory information relating to the subject matter brought before the Board, financial implications and rationale for the proposal. Minutes of meetings are maintained.

- Comprehensive financial information, which covers analysis of financial performance and key financial ratios, are regularly provided to the Board. The finance functions of the Group ensure maintenance of proper accounting records and the reliability of the financial information in accordance with the statutory requirements.

KEY INTERNAL CONTROL PROCESSES (CONT'D)

The key elements of the internal control system of the Group which have been reviewed by the Board are described below (cont'd):

- Business plans and financial budgets of key operating subsidiaries of the Company are discussed and reviewed by the Board annually. Variances to the budget are reviewed periodically and the Board is updated with explanations for any major variances.

- Maintaining the professionalism and competence of the human resources of the Group through established recruitment procedures, performance appraisal system and training. All personnel are required to strictly adhere to the Code of Conduct of the Group.

- Prior to the disposals of the key operating subsidiaries of the Company during the financial year, compliance reviews on key subsidiaries, where required, are performed regularly by the Compliance Units of the respective subsidiaries to assess adherence to regulatory requirements as well as internal policies and procedures. Any deviation or breaches are reported to the Audit Committee and the respective Boards are kept informed of the causes and the remedial measures taken.

- Ongoing reviews of the internal control and risk management processes are carried out by the Group internal auditors where the results of such reviews are reported to the Audit Committee. Periodic follow-up reviews are also conducted to ensure adequate and timely implementation of the Management's action plans. The work of the internal auditors focuses on areas of priority based on their annual risk assessment and the annual strategic audit plans approved by the Audit Committee. The Group internal auditors report to the Audit Committee.

  The internal audit functions were undertaken by the in-house internal auditors of a subsidiary, HwangDBS Investment Bank Berhad prior to the completion of the disposals of key operating subsidiaries in April 2014. In June 2014, the Company outsourced the internal audit functions of the Group to BDO Governance Advisory Sdn. Bhd., which is mandated to provide periodical reviews on the adequacy and integrity of the risk management and internal control systems of the Group.

- The Audit Committee holds regular meetings to discuss findings by both the internal and external auditors on the state of the internal control system and risk management processes and to make recommendations for improvement. Thereafter, the minutes of the Audit Committee meetings are tabled to the Board for review.

EFFECTIVENESS OF RISK MANAGEMENT FRAMEWORK AND INTERNAL CONTROL SYSTEM

The Board confirms that there is an ongoing process that has been in place throughout the financial year ended 31 July 2014 for identifying, evaluating and managing significant risks faced by the Group and that it has reviewed the adequacy and effectiveness of the risk management and internal control systems within the Group for the financial year and has taken account of any material development up to the date of approval of this Statement. The process is regularly reviewed by the Board. No material losses were incurred during the financial year as a result of weaknesses in internal controls.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Recommended Practice Guide ("RPG") 5 (Revised) issued by the Malaysian Institute of Accountants. RPG 5 (Revised) does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

This statement is made in accordance with the resolution of the Board of Directors dated 25 September 2014.

AUDIT COMMITTEE REPORT

Activities Of The Audit Committee

During the FY2014, 6 meetings were held by the Audit Committee ("Committee") of the Company. The Committee comprises the following members and details of attendance of each member at the Committee's meetings held during the year are as follows: -

Composition of The Committee		No. Of Meetings Attended Whilst In Office
1.	Y.A.M Tengku Syed Badarudin Jamalullail (redesignated w.e.f. 23/4/2014) (Chairman/Independent Non-Executive Director)	6 out of 6 meetings
2.	Teoh Teik Kee (Member/Non-Independent Non-Executive Director)	6 out of 6 meetings
3.	Ooi Chooi Li (appointed w.e.f. 23/4/2014) (Member/Independent Non-Executive Director)	1 out of 1 meeting
4.	Hwang Lip Teik (resigned w.e.f. 23/4/2014) (Member/Non-Independent Non-Executive Director)	5 out of 5 meetings
5.	Tham Kwok Meng (resigned w.e.f. 23/4/2014) (Chairman/Independent Non-Executive Director)	5 out of 5 meetings
6.	Mohamed Tarmizi Tun Dr. Ismail (resigned w.e.f. 23/4/2014) (Member/Independent Non-Executive Director)	5 out of 5 meetings

During the financial year, the Committee performed the duties as set out in its Terms of Reference. The main areas of focus of the Committee are set out below and where necessary, the Committee directed actions to be taken by Management:-

- The audited financial statements for FY2014 and unaudited quarterly financial results announcements of the Group.
- The external auditor's scope of work and the audit plan, their audit fees, the results of their examination in external audit reports and management letters, as well as new developments on accounting standards and regulatory requirements.
- The adequacy of the internal audit plans, the implementation of the approved audit plans and resource requirements of the internal audit function.

Activities Of The Audit Committee (cont'd)

- Reports of the Internal Audit Department and Compliance Department of key subsidiary companies (prior to the completion of HwangIB Disposal).
- Reports on related party transactions.
- Risk management reports by the Risk Management Committee of Futures Broking subsidiary (prior to the completion of HwangIB Disposal).
- Half yearly Reports on Fraud Prevention and Detection for the Group based on feedback from senior management.
- Disclosure requirements in the Annual Report of the Company in compliance with the provisions of the LR in relation to the Corporate Governance Statement, Audit Committee Report, Statement on Risk Management and Internal Control and financial results.
- The objectivity, performance and independence of the external auditors and internal auditors.
- The appointment of Messrs BDO Governance Advisory Sdn Bhd as internal auditors of the Group.

The Committee acted as a forum for discussion of internal control, risk management, compliance issues and other related matters that contributed to the Group's overall governance profile and transparency, as well as Board's review of the effectiveness of the Group's system of internal controls.

During the financial year, the Independent members of the Committee met the external auditors twice without the presence of Management.

Internal Audit Functions

Prior to the completion of the disposal of its investment banking subsidiary on 7 April 2014, the Group used the services of the Internal Auditors of HwangIB to assist the Committee in the discharge of its duties and responsibilities. During the financial period from 1 August 2013 to 6 April 2014, the in-house Internal Auditors undertook independent reviews of the system of internal controls and risk management processes in key business units of the Group, so as to provide reasonable assurance that:-

- such systems continue to operate satisfactorily and effectively;
- assets and resources are safeguarded;
- integrity of records and information are protected;
- internal policies, procedures and standards are adhered to; and
- applicable rules and regulations are complied with.

The scope of the internal audit covered key aspects of business operations of core subsidiary companies with primary focus on HwangIB. Audit findings and areas of concern that need improvements were highlighted in the internal audit reports and reviewed by the Committee. During Board's meetings, the Board is briefed on audit matters and the Minutes of the Committee's meetings. The Internal Auditors also monitored Management's corrective action plans in order to obtain assurance that all key risks and control concerns have been duly addressed. The total cost incurred in discharging the internal audit function for the FY2014 was RM790,263.

Subsequent to the disposal of HwangIB, the Company has outsourced the internal audit function to Messrs BDO Governance Advisory Sdn Bhd.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

1. CONSTITUTION

The Audit Committee was established on 1 March 1996.

2. COMPOSITION

- The Committee shall be appointed by the Board from amongst the Directors of the Company and shall comprise not less than 3 members, all of whom shall be Non-Executive Directors and the majority of whom must be Independent Directors.

- At least 1 member of the Committee:-
  - must be a member of the Malaysian Institute of Accountants; or

  - if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years of working experience and
    - o he must have passed the examination specified in Part I of the 1st Schedule to the Accountants Act, 1967; or
    - o he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule to the Accountants Act, 1967 or

  - fulfils such other requirements as prescribed by Bursa Securities.

- The members of the Committee shall elect the Chairman from among their number who shall be an Independent Director.

3. MEETINGS

- The internal auditors and Head of Finance will attend meetings. If necessary, the Committee may request other Directors and senior management to attend any particular meeting. At least twice a year, the Independent members of the Committee shall meet with the external auditors without the presence of Management. The Company Secretary(ies) shall be the secretary(ies) of the Committee.

- Meetings will be held not less than 4 times a year. The external auditors may request a meeting if they consider that one is necessary. The quorum for any meeting shall be majority members of the Committee, with more than half of the members present being Independent Non-Executive Directors.

4. AUTHORITY

The Committee is authorized by the Board:-

(a) to investigate any activity within its Terms of Reference.

(b) to have full and unrestricted access to any information it requires from any employees.

(c) to have access to resources required to perform its duties.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE (CONT'D)

4. AUTHORITY (CONT'D)

(d) to have direct communication channels with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees whenever deemed necessary.

(e) to direct the internal auditors in its activities and resources.

(f) to obtain external legal or other independent professional advice, if it considers necessary.

5. DUTIES

The duties of the Committee are:-

(a) to recommend the appointment and reappointment of the external auditors, their audit fee and any questions of their resignation or dismissal to the Board.

(b) to assess the objectivity, performance and independence of the external auditors (e.g. by reviewing and assessing the various relationships between the external auditors and the Company or any other entity) and internal auditors.

(c) to establish policies and procedures for the provision of non-audit services by the external auditors and to ensure that there are proper checks and balances in place so that the provision of non-audit services do not interfere with the exercise of independent judgment of the external auditors.

(d) to review with the external auditors:-

- the audit plan;
- their evaluation of the system of internal controls;
- their audit reports;
- their management letter and Management's response thereto; and
- the assistance given by the employees to the external auditors.

(e) to review the financial statements of the Company and the Group before submission to the Board, focusing particularly on: -

- public announcements of results and dividend payment;
- any changes in accounting policies and practices;
- major judgmental areas;
- significant adjustments resulting from the audit;
- the going-concern assumption;
- compliance with applicable approved accounting standards; and
- compliance with regulatory and statutory requirements.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE (CONT'D)

5. DUTIES (CONT'D)

(f) to discuss problems and reservations arising from the interim and final audits and any matters the external auditors may wish to discuss (in the absence of Management where necessary).

(g) to do the following:-

- to review and approve the internal audit strategic plan, consider major findings and Management's response to findings in the Internal Audit reports and where necessary, the Committee will direct actions to be taken by Management, as well as to review the level of co-ordination between the internal and external auditors;
- to review the adequacy of the scope, functions, competency and resources of the internal audit function and to ensure that it has the necessary authority to carry out its work;
- to review the appraisal or assessment of the performance of the staff of the internal audit function;
- to approve any appointment or termination of internal auditors; and
- to be informed of the resignation of any senior members of the internal audit function.

(h) to keep under review the effectiveness and proper monitoring of internal control system.

(i) to review inspection and examination reports issued by the relevant regulatory authorities and to ensure that appropriate actions are taken in respect of the findings.

(j) to review related party transactions that may arise within the Company or Group.

(k) to review and assess with the senior management and external auditors the Statement on Risk Management and Internal Control of the Group for inclusion in the Annual Report.

(l) to submit to the Board an Audit Committee Report for inclusion in the Annual Report.

(m) to review the Corporate Governance Statement and best practices for inclusion in the Annual Report.

(n) to perform such other functions as may be agreed upon by the Committee and the Board.

6. REPORTING PROCEDURES

The Company Secretary(ies) shall circulate the Minutes of meetings of the Committee to all members of the Board.

OTHER COMPLIANCE INFORMATION

1. MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

Save as disclosed below, there were no material contracts (not being contracts entered into in the ordinary course of business) subsisting as at 31 July 2014 or if not then subsisting, entered into since the end of the previous financial year by the Company or its subsidiaries, which involved the interests of the Directors or major shareholders:-

Conditional Share Sale and Purchase Agreement dated 22 January 2014 entered into between the Company and Affin ("SPA") in respect of HwangIB Disposal for a cash consideration of RM1,300.36 million (subject to post closing adjustment). Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar (who was then a director and shareholder of both the Company and Investment Management subsidiary, HwangIM) sold his entire 17% equity interest in HwangIM to Affin based on the terms of SPA.

HwangIB Disposal was completed on 7 April 2014 and the total cash consideration received including post closing price adjustment was RM1,360.58 million.

2. SANCTIONS AND PENALTIES

There were no public sanctions/ penalties imposed on the Company, its subsidiaries, Directors or Management by the relevant regulatory bodies during the FY2014.

3. SHARE BUY-BACKS

On 14 April 2014, all 10,686,100 treasury shares held by the Company were cancelled in accordance with Section 67A of the Companies Act, 1965.

4. STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

During the FY2014, the Company had completed the:-

(a) disposal of HDBSCB and its subsidiary to Phillip MFIs Pte Ltd for a cash consideration of USD40 million (equivalent to RM131.12 million) ("HDBSCB Disposal"); and

(b) HwangIB Disposal.

4. STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS (CONT'D)

The status of utilisation of proceeds raised from the aforesaid corporate proposals as at 30 September 2014 is as follows:-

(a) HDBSCB Disposal

Purpose	Proposed Utilisation RM'000	Amount Utilised RM'000	Deviation RM'000
General working capital requirements	130,918	131,098	(180)
Expenses incurred for disposal of subsidiaries	200	20	180
	131,118	131,118	-

(b) HwangIB Disposal

Purpose	Note	Proposed Utilisation RM'000	Amount Utilised RM'000	Unutilised RM'000
Special cash dividend to shareholders		637,897	637,897	-
General working capital requirements	(i)	73,683	20,109	53,574
General investment in liquid assets		75,000	75,000	-
Potential acquisition of new business	(i)	250,000	-	250,000
Repayment of borrowings		310,000	310,000	-
Expenses incurred for disposals of subsidiaries and associate		14,000	13,345	655
		1,360,580	1,056,351	304,229

Note:-

(i) The intended timeframe for utilisation is within 12 months from the completion of HwangIB Disposal on 7 April 2014.

Proceeds not utilised as at 30 September 2014 are invested in unit trusts and deposits with financial institutions.

CORPORATE RESPONSIBILITY STATEMENT

The Group recognises the importance of Corporate Social Responsibilities ("CSR") as an integral part of business and carried out its CSR initiatives which is guided by the four core areas – environment, community, marketplace and workplace.

We believe that employees are valuable assets of the Group. Hence, we continuously promote the wellbeing of employees through a series of generous staff programmes including the provision of training and financial assistance for employees to further their education and enhance their knowledge and skills. These give employees opportunities for career advancement and self-improvement.

Management actively promote healthy, harmonious and conducive working environment. To promote interaction and develop greater bonds between staff and Management, social get-together events such as family day and staff dinner were held during the financial year.

Good business ethics and integrity is our culture and we also uphold good corporate governance. We have developed an environment of strong work ethics which has by large, contributed to a healthy workplace where all staff consistently maintain high standards of professionalism, honesty and integrity in their business dealings, both internally as well as with our external parties.

The Group continuously contributes towards the needs of the less fortunate and underprivileged group. Our staff and Management spent a meaningful day with 23 Orang Asli children and 14 guardians from the Sungai Olak Orang Asli Village near Bentong by organising an educational outing to KidZania at The Curve, Mutiara Damansara. Other events held were blood donation campaigns, participation in charity run organized by the Bursa Malaysia – The Edge-Bursa Malaysia Kuala Lumpur Rat Race 2013, and donations to charitable organisations, welfare and voluntary associations where the beneficiaries included the Persatuan Sumber dan Pendidikan Bagi Kanak-Kanak Autistik Pulau Pinang and Yayasan Bursa Malaysia.

We continue to promote our "Going Green" campaign which was initiated in 2008. We monitor our operations as we are conscious of the impact of our daily operations on the environment particularly on the consumption of energy, water and paper. To encourage the conservation of the environment, employees were encouraged to uphold the 3Rs (Reduce, Reuse and Recycle) strategy. The energy is conserved by ensuring that lights and air-conditioning systems were switched off during non-operating hours.

ANALYSIS OF SHAREHOLDINGS
AS AT 30 SEPTEMBER 2014

Authorised Capital	:	RM1,000,000,000.00
Issued and Fully Paid	:	RM255,158,900.00
Class of Shares	:	Ordinary Shares of RM1.00 each fully paid
No. of Shareholders	:	4,870
Voting Right	:	One vote per ordinary share

Distribution Schedule of Shareholders

Size of Holdings	No . of Shareholders	%	No. of Shares	% of Issued Share Capital
Less than 100	17	0.35	542	0.00
100 - 1,000	2,218	45.54	2,133,519	0.84
1,001 - 10,000	2,149	44.13	8,608,858	3.37
10,001 - 100,000	410	8.42	11,286,059	4.42
100,001 - less than 5% of issued shares	73	1.50	113,457,922	44.47
5% and above of issued shares	3	0.06	119,672,000	46.90
	4,870	100.00	255,158,900	100.00

Thirty Largest Shareholders

	Name of Shareholders	No. of Shares	% of Issued Share Capital
1	DBS Vickers Securities (Malaysia) Pte Ltd	60,000,000	23.51
2	Hwang Enterprises Sdn Bhd	39,672,000	15.55
3	HSBC Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Hwang Enterprises Sdn Bhd	20,000,000	7.84
4	Hwang Lip Teik	10,969,119	4.30
5	HDM Nominees (Asing) Sdn Bhd Al Sueban Limited Company W.L.L	10,894,000	4.27
6	Maybank Nominees (Asing) Sdn Bhd DBS Bank For DBS Bank Ltd	10,600,000	4.15
7	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Hwang Enterprises Sdn Bhd	8,000,000	3.14
8	HDM Nominees (Tempatan) Sdn Bhd Lee Hai Sherng	7,108,464	2.79
9	HDM Nominees (Asing) Sdn Bhd DBS Vickers Secs (S) Pte Ltd For Asiabelle Investment Pte.Ltd.	6,500,000	2.55

ANALYSIS OF SHAREHOLDINGS (CONT'D)
AS AT 30 SEPTEMBER 2014

Thirty Largest Shareholders (cont'd)

	Name of Shareholders	No. of Shares	% of Issued Share Capital
10	HDM Nominees (Tempatan) Sdn Bhd Tan Lee Sin	6,463,000	2.53
11	HDM Nominees (Tempatan) Sdn Bhd Tan Lee Sim	5,900,000	2.31
12	HDM Nominees (Tempatan) Sdn Bhd Yeo Chwee Kee	4,741,600	1.86
13	Chua Holdings Sdn Bhd	4,171,658	1.63
14	HDM Nominees (Tempatan) Sdn Bhd Lim Wei Yun	3,831,600	1.50
15	HDM Nominees (Tempatan) Sdn Bhd Lee Uan Cheng	3,729,500	1.46
16	Lee Hai Ying	3,232,800	1.27
17	HDM Nominees (Tempatan) Sdn Bhd Hock Kheng Industries Sdn Bhd	2,972,903	1.17
18	Wang Hui Tzu	1,950,000	0.76
19	Southern Consortium Sdn Bhd	1,772,000	0.69
20	Ong Guat Li	1,511,707	0.59
21	Citigroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lew Weng Ho	1,499,000	0.59
22	Tan Lee Peng	1,183,189	0.46
23	Citigroup Nominees (Asing) Sdn Bhd CBNY For Dimensional Emerging Markets Value Fund	930,700	0.36
24	Kenanga Nominees (Tempatan) Sdn Bhd Libra Invest Berhad For Kumpulan Wang Simpanan Pekerja (KWSP 2)	675,000	0.26
25	Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar	660,000	0.26
26	Tan Lean Phaik	600,000	0.24
27	Looi Siew Lean	586,000	0.23
28	Wong Khen Thin	572,400	0.22
29	Chui Kah Peng	551,200	0.22
30	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank For Joyce Matilda A/P James Devaraj David	549,000	0.22
	Total:	**221,826,840**	**86.93**

Substantial Shareholders

According to the Register of Substantial Shareholders, the substantial shareholders of the Company as at 30 September 2013 were as follows:-

		Direct Interest		Deemed Interest	
Name of Shareholders		**No. of Shares**	**%**	**No. of Shares**	**%**
Hwang Lip Teik	(a)	10,969,119	4.30	68,102,000	26.69
Hwang Lip Koon	(a)	25,000	0.01	68,102,000	26.69
Hwang Enterprises Sdn Bhd		67,672,000	26.52	-	-
DBS Vickers Securities (Malaysia) Pte Ltd (in liquidation)		60,000,000	23.51	-	-
DBS Securities Holding Pte Ltd (in liquidation)	(b)	-	-	60,000,000	23.51
DBS Vickers Securities Holdings Pte Ltd	(c)	-	-	60,000,000	23.51
DBS Bank Ltd	(d)	10,600,000	4.15	60,000,000	23.51
DBS Group Holdings Ltd	(e)	-	-	70,600,000	27.67
Maju Holdings Pte Ltd	(f)	-	-	70,600,000	27.67
Temasek Holdings (Private) Limited	(g)	-	-	70,600,000	27.67
Minister for Finance, Singapore	(h)	-	-	70,600,000	27.67

Notes:

(a) Deemed interested through Hwang Enterprises Sdn Bhd and Ladies' Own Sdn Bhd

(b) Deemed interested through DBS Vickers Securities (Malaysia) Pte Ltd (in liquidation)

(c) Deemed interested through DBS Securities Holding Pte Ltd (in liquidation)

(d) Deemed interested through DBS Vickers Securities Holdings Pte Ltd

(e) Deemed interested through DBS Bank Ltd

(f) Deemed interested through DBS Group Holdings Ltd

(g) Deemed interested through DBS Group Holdings Ltd and Maju Holdings Pte Ltd

(h) Deemed interested through Temasek Holdings (Private) Limited

ANALYSIS OF SHAREHOLDINGS (CONT'D)
AS AT 30 SEPTEMBER 2014

Directors' Shareholdings

In the Company

		Direct Interest		Deemed Interest	
Name of Directors		**No. of Shares**	**%**	**No. of Shares**	**%**
Hwang Lip Teik	(a)	10,969,119	4.30	68,102,000	26.69
Ang Teik Siew (Ang Teik Lim Eric)		-	-	-	-
Y.A.M. Tengku Syed Badarudin Jamalullail		-	-	-	-
Teoh Teik Kee		256,000	0.10	-	-
Ooi Chooi Li		-	-	-	-

Note:

(a) Deemed interested through Hwang Enterprises Sdn Bhd and Ladies' Own Sdn Bhd

By virtue of his interest in shares in the Company, Hwang Lip Teik is also deemed to have interest in the shares in all the subsidiaries to the extent that the Company has interest.

Save as disclosed above, none of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations.

PARTICULARS OF PROPERTIES HELD
BY HWANG CAPITAL GROUP

Location	Description of Property	Tenure	Approximate Area (Sq. Ft.)	Approximate Age (Years)	Net Book Value as at 31/07/2014 (RM)	Date of Acquisition
Levels 2, 3 & 4, Wisma Sri Pinang, 60 Green Hall, 10200 Penang	Office	Freehold	25,399	30	4,458,547	01/03/1993
Level 7, Wisma Sri Pinang, 60 Green Hall, 10200 Penang	Office	Freehold	9,483	30	1,982,588	10/03/1994
Level 8, Wisma Sri Penang, 60 Green Hall, 10200 Penang	Office	Freehold	8,568	26	1,412,970	10/03/1994
A 7-storey building bearing address Wisma Sri Penang II, 42 Green Hall, 10200 Penang	Office	Freehold	36,187	16	9,211,698	01/08/1996
18th, 19th and 20th Floor, Plaza Masalam, 2, Jalan Tengku Ampuan Zabedah E/9E, Section 9, 40100 Shah Alam, Selangor	Office	Leasehold 99 years expiring in 2094	54,069	17	7,207,837	19/05/1999
16th & 17th Floor, Plaza Masalam, 2, Jalan Tengku Ampuan Zabedah E/9E, Section 9, 40100 Shah Alam, Selangor	Office	Leasehold 99 years expiring in 2094	36,046	17	5,775,770	29/08/2000
Grant Nos. 44963, 44964 and 44965, Lot Nos. 288, 289 and 290 all of North East District, Tanjong Bungah, Penang	Vacant land	Freehold	39,460	-	1,229,810	12/06/2001
Level 7, Johor Bahru City Square (Office Tower), 106-108, Jalan Wong Ah Fook, 80000 Johor Bahru, Johor	Office	Leasehold 99 years expiring in 2091	18,648	15	5,193,114	20/06/2001
No. 2 & 4, Jalan Perda Barat, Bandar Perda, 14000 Bukit Mertajam, Penang	Shoplot	Freehold	3,930	15	1,459,167	11/06/2007
Unit 19-3A, D'Mayang Condominium, 16, Jalan Mayang, 50450 Kuala Lumpur	Residental	Freehold	1,593	20	598,249	06/10/1995

REPORTS AND FINANCIAL STATEMENTS

The directors submit their report together with the audited financial statements of the group and of the company for the financial year ended 31 July 2014.

CHANGE OF NAME

On 16 April 2014, the company changed its name from Hwang-DBS (Malaysia) Berhad to Hwang Capital (Malaysia) Berhad to complement the re-branding of the company and to better reflect the change of business focus of the company subsequent to the completion of the corporate exercise involving the disposal by the company of its core businesses.

PRINCIPAL ACTIVITIES

The principal activity of the company during the financial year is that of investment holding. The principal activities of the subsidiaries are as set out in note 16 to the financial statements. There have been no significant changes in the nature of these activities during the financial year other than as disclosed in note 16 to the financial statements. Changes in the composition of the group are disclosed in note 30(a) to the financial statements.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit for the financial year attributable to:		
Equity holders of the company	456,702	847,021
Non-controlling interests	14,778	-
	471,480	847,021

In the opinion of the directors, the results of the operations of the group and of the company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature except for the net gain on disposals of investment properties, subsidiaries and associate as disclosed in note 37 to the financial statements.

DIVIDENDS

The dividend paid by the company since the end of the previous financial year is as follows:

	RM'000
In respect of the financial year ended 31 July 2014:	
Interim single tier dividend of RM2.50 per share, paid on 12 May 2014	637,897

The directors now recommend the payment of a final single tier dividend of 2.5 sen gross per share, amounting to RM6,378,973 in respect of the financial year ended 31 July 2014, based on the issued and paid-up share capital of the company as at 31 July 2014, which is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the company. This proposed dividend will be accounted for in the shareholders' equity as an appropriation of retained profits in the financial year ending 31 July 2015 when approved by the shareholders.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year have been disclosed in the financial statements.

SHARE CAPITAL

During the financial year, the company cancelled 10,686,100 treasury shares at a nominal value of RM1 each. The adjusted issued and fully paid share capital of the company after the cancellation of the treasury shares is 255,158,900 ordinary shares at a nominal value of RM1 each. An amount equivalent to the nominal value of the share capital cancelled was transferred to the capital redemption reserve in accordance with Section 67A of the Companies Act, 1965.

There were no issue of shares in the company during the financial year.

DIRECTORS

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

Hwang Lip Teik	
Ang Teik Siew (Ang Teik Lim Eric)	
Y.A.M. Tengku Syed Badarudin Jamalullail	
Teoh Teik Kee	
Ooi Chooi Li	(appointed on 23 April 2014)
Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar	(resigned on 23 April 2014)
Ng Wai Hung Andrew	(resigned on 23 April 2014)
Mohamed Tarmizi Tun Dr. Ismail	(resigned on 23 April 2014)
Choe Tse Wei	(resigned on 23 April 2014)
Tham Kwok Meng	(resigned on 23 April 2014)

DIRECTORS' INTERESTS

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

	Number of ordinary shares of RM1 each			
	1 August 2013	Addition	Disposal	**31 July 2014**
The company				
Direct interest				
Hwang Lip Teik	10,363,033	606,086	-	**10,969,119**
Teoh Teik Kee	256,000	-	-	**256,000**
Indirect interest				
Hwang Lip Teik	68,102,000	-	-	**68,102,000**

DIRECTORS' INTERESTS (CONT'D)

By virtue of his interests in shares in the company, Hwang Lip Teik is also deemed to have interests in the shares in all the subsidiaries to the extent that the company has interests.

Other than the above, none of the other directors in office at the end of the financial year had any interest in the shares in the company and its related corporations.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than the directors' remuneration as shown in note 38 to 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 he is a member, or with a company in which he has a substantial financial interest other than benefits that may be deemed to have arisen in relation to transactions entered into in the ordinary course of business as disclosed in note 44 to the financial statements.

Neither during nor at the end of the financial year was the company a party to any arrangement whose object was 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.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the financial statements of the group and of the company were made out, the directors took reasonable steps:

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

(b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

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

(a) which would render the amounts written off or allowed for bad and doubtful debts of the group and of the company inadequate to any material extent or the values attributed to current assets of the group and of the company misleading; and

(b) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the group and of the company misleading or inappropriate.

In the interval between the end of the financial year and the date of this report:

(a) no item, transaction or event of a material and unusual nature has arisen which, in the opinion of the directors, would substantially affect the results of the operations of the group and of the company for the financial year in which this report is made; and

(b) no charge has arisen on the assets of any company in the group which secures the liability of any other person nor has any contingent liability arisen in any company in the group.

No contingent or other liability of any company in the group has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the company and its subsidiaries to meet their obligations when they fall due.

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

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are as disclosed in note 52 to the financial statements.

OTHER MATTERS

The supplementary information set out on page 180 have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants.

AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

In accordance with a resolution of the Board of Directors dated 25 September 2014.

Y.A.M. TENGKU SYED BADARUDIN JAMALULLAIL
Director

HWANG LIP TEIK
Director

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HWANG CAPITAL (MALAYSIA) BERHAD
(Formerly known as Hwang-DBS (Malaysia) Berhad)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Hwang Capital (Malaysia) Berhad (formerly known as Hwang-DBS (Malaysia) Berhad) on pages 48 to 179, which comprise the statements of financial position of the group and of the company as at 31 July 2014, and the statements of income, comprehensive income, changes in equity and 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 notes, as set out in Notes 1 to 53.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation of the 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the group and of the company as of 31 July 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 following:

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

(b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the 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.

(c) The audit reports on the financial statements 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 180 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

ONG CHING CHUAN
(No. 2907/11/15 (J))
Chartered Accountant

Penang
25 September 2014

STATEMENTS OF FINANCIAL POSITION
AS AT 31 JULY 2014

	Note	Group		Company	
		2014	2013	**2014**	2013
		RM'000	RM'000	**RM'000**	RM'000
ASSETS					
Cash and short term funds	5	**81,205**	1,251,907	**78,394**	9,809
Deposits and placements with banks and other financial institutions	6	**649**	33,475	**649**	629
Securities held-for-trading	7	**-**	55,319	**-**	-
Securities available-for-sale ("AFS")	8	**321,761**	1,413,331	**321,761**	490
Securities held-to-maturity	9	**-**	370,268	**-**	-
Loans, advances and financing	10	**393,936**	889,092	**-**	-
Clients' and brokers' balances	11	**-**	225,613	**-**	-
Derivative assets	12	**-**	36,579	**-**	-
Other assets	13	**2,807**	159,307	**255,111**	587
Statutory deposits with Central Banks	14	**-**	84,314	**-**	-
Tax recoverable		**-**	15,656	**-**	7,319
Deferred tax assets	15	**3,632**	5,585	**-**	-
Investments in subsidiaries	16	**-**	-	**32,126**	684,389
Investment in an associate	17	**-**	4,544	**-**	4,904
Property, plant and equipment	18	**3,145**	51,314	**337**	599
Investment properties	19	**24,142**	51,452	**-**	-
Intangible assets	20	**-**	162,509	**-**	-
		831,277	4,810,265	**688,378**	708,726
Non-current assets held for sale	21	**12,984**	839	**-**	-
TOTAL ASSETS		**844,261**	4,811,104	**688,378**	708,726
LIABILITIES AND EQUITY					
Deposits from customers	22	**-**	690,304	**-**	-
Deposits and placements of banks and other financial institutions	23	**-**	2,096,449	**-**	-
Clients' and brokers' balances	24	**-**	223,964	**-**	-
Derivative liabilities	12	**-**	45,883	**-**	-
Other liabilities	25	**29,034**	302,790	**14,852**	2,799
Taxation		**780**	1,624	**-**	-
Deferred tax liabilities	15	**16**	12	**16**	12
Borrowings	26	**30,804**	450,637	**-**	241,529
TOTAL LIABILITIES		**60,634**	3,811,663	**14,868**	244,340

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

STATEMENTS OF FINANCIAL POSITION (CONT'D)
AS AT 31 JULY 2014

		Group		Company	
	Note	**2014**	2013	**2014**	2013
		RM'000	RM'000	**RM'000**	RM'000
Share capital	27	**255,159**	265,845	**255,159**	265,845
Reserves	28	**528,468**	711,922	**418,351**	214,602
Treasury shares, at cost	27	**-**	(16,061)	**-**	(16,061)
		783,627	961,706	**673,510**	464,386
Non-controlling interests		**-**	37,735	**-**	-
TOTAL EQUITY		**783,627**	999,441	**673,510**	464,386
TOTAL LIABILITIES AND EQUITY		**844,261**	4,811,104	**688,378**	708,726
COMMITMENTS AND CONTINGENCIES	46(d)	**-**	3,172,817	**-**	-

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

INCOME STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2014

	Note	Group		Company	
			Restated		
		2014	2013	**2014**	2013
		RM'000	RM'000	**RM'000**	RM'000
Operating revenue	31				
- *Continuing operations*		**48,650**	47,121	**9,298**	41,267
- *Discontinued operations*		**300,051**	426,318	**-**	-
		348,701	473,439	**9,298**	41,267
Continuing operations					
Interest income	32	**36,405**	40,040	**4,132**	63
Interest expense	33	**(15,109)**	(20,454)	**(7,101)**	(10,674)
Net interest income/(expense)		**21,296**	19,586	**(2,969)**	(10,611)
Other operating income	34	**20,140**	15,074	**5,167**	41,237
		41,436	34,660	**2,198**	30,626
Other operating expenses	35	**(16,866)**	(15,760)	**(5,597)**	(4,776)
		24,570	18,900	**(3,399)**	25,850
Allowance for losses on:					
- loans, advances and financing	36	**(6,692)**	(8,799)	**-**	-
- investments in subsidiaries	16	**-**	-	**(61)**	(32)
Profit/(Loss) before taxation		**17,878**	10,101	**(3,460)**	25,818
Taxation	39	**(5,305)**	(3,043)	**(46)**	(4,178)
Profit/(Loss) for the financial year from continuing operations		**12,573**	7,058	**(3,506)**	21,640
Discontinued operations					
Profit for the financial year from discontinued operations	30(d)	**458,907**	58,898	**850,527**	-
Profit for the financial year		**471,480**	65,956	**847,021**	21,640

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

INCOME STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 JULY 2014

	Note	Group		Company	
			Restated		
		2014	2013	**2014**	2013
		RM'000	RM'000	**RM'000**	RM'000
Attributable to:					
Equity holders of the company					
- *Continuing operations*		**12,573**	7,058	**(3,506)**	21,640
- *Discontinued operations*		**444,129**	44,135	**850,527**	-
		456,702	51,193	**847,021**	21,640
Non-controlling interests					
- *Discontinued operations*		**14,778**	14,763	**-**	-
		471,480	65,956	**847,021**	21,640
Basic earnings per share attributable to equity holders of the company (sen)	40				
- *Continuing operations*		**4.93**	2.76		
- *Discontinued operations*		**174.06**	17.30		
		178.99	20.06		

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

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 JULY 2014

	Note	Group		Company	
			Restated		
		2014	2013	**2014**	2013
		RM'000	RM'000	**RM'000**	RM'000
Profit for the financial year		**471,480**	65,956	**847,021**	21,640
Other comprehensive income for the financial year:	41				
Items that may be reclassified subsequently to profit or loss					
- Discontinued operations		**3,108**	2,756	**-**	-
Total comprehensive income for the financial year		**474,588**	68,712	**847,021**	21,640
Total comprehensive income for the financial year					
- Continuing operations		**12,573**	7,058	**(3,506)**	21,640
- Discontinued operations		**462,015**	61,654	**850,527**	-
		474,588	68,712	**847,021**	21,640
Attributable to:					
Equity holders of the company					
- Continuing operations		**12,573**	7,058	**(3,506)**	21,640
- Discontinued operations		**447,245**	46,910	**850,527**	-
		459,818	53,968	**847,021**	21,640
Non-controlling interests					
- Discontinued operations		**14,770**	14,744	**-**	-
		474,588	68,712	**847,021**	21,640

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 JULY 2014

		Attributable to equity holders of the company											
		Issued and fully paid ordinary shares of RM1 each											
	Note	Number of shares '000	Nominal value RM'000	Treasury shares RM'000	Capital redemption reserve RM'000	Share premium RM'000	Statutory reserve RM'000	Available-for-sale reserve RM'000	Foreign exchange reserve RM'000	Retained profits RM'000	Sub-total RM'000	Non-controlling interests RM'000	Total equity RM'000
Group													
At 1 August 2013		**255,159**	**265,845**	**(16,061)**	**-**	**33,090**	**148,861**	**3,557**	**(6,673)**	**533,087**	**961,706**	**37,735**	**999,441**
Profit for the financial year		-	-	-	-	-	-	-	-	456,702	456,702	14,778	471,480
Other comprehensive income for the financial year, net of tax	41	-	-	-	-	-	-	(1,213)	992	-	(221)	(8)	(229)
Reclassification of reserves upon disposals of subsidiaries and associate	41	-	-	-	-	-	(148,861)	(2,344)	5,681	148,861	3,337	-	3,337
Total comprehensive income for the financial year		-	-	-	-	-	(148,861)	(3,557)	6,673	605,563	459,818	14,770	474,588
Cancellation of treasury shares	27	-	(10,686)	16,061	10,686	(16,061)	-	-	-	-	-	-	-
Dividend in respect of the financial year ended: - 31 July 2014	42	-	-	-	-	-	-	-	-	(637,897)	(637,897)	-	(637,897)
Disposals of subsidiaries		-	-	-	-	-	-	-	-	-	-	(52,505)	(52,505)
At 31 July 2014		**255,159**	**255,159**	**-**	**10,686**	**17,029**	**-**	**-**	**-**	**500,753**	**783,627**	**-**	**783,627**

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

STATEMENTS OF CHANGES IN EQUITY (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 JULY 2014

		Attributable to equity holders of the company										
		Issued and fully paid ordinary shares of RM1 each										
	Note	Number of shares '000	Nominal value RM'000	Treasury shares RM'000	Share premium RM'000	Statutory reserve RM'000	Available-for-sale reserve RM'000	Foreign exchange reserve RM'000	Retained profits RM'000	Sub-total RM'000	Non-controlling interests RM'000	Total equity RM'000
Group												
At 1 August 2012		255,159	265,845	(16,061)	33,090	133,839	6,005	(11,896)	516,053	926,875	25,341	952,216
Profit for the financial year		-	-	-	-	-	-	-	51,193	51,193	14,763	65,956
Other comprehensive income for the financial year, net of tax	41	-	-	-	-	-	(2,448)	5,223	-	2,775	(19)	2,756
Total comprehensive income for the financial year		-	-	-	-	-	(2,448)	5,223	51,193	53,968	14,744	68,712
Transfer to statutory reserve		-	-	-	-	15,022	-	-	(15,022)	-	-	-
Dividends in respect of the financial year ended:												
- 31 July 2012		-	-	-	-	-	-	-	(9,569)	(9,569)	-	(9,569)
- 31 July 2013	42	-	-	-	-	-	-	-	(9,568)	(9,568)	-	(9,568)
Dividend paid by a subsidiary to non-controlling interests	16(b)	-	-	-	-	-	-	-	-	-	(2,350)	(2,350)
At 31 July 2013		255,159	265,845	(16,061)	33,090	148,861	3,557	(6,673)	533,087	961,706	37,735	999,441

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

STATEMENTS OF CHANGES IN EQUITY (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 JULY 2014

		Issued and fully paid ordinary shares of RM1 each			Non-distributable		Distributable	
	Note	Number of shares '000	Nominal value RM'000	Treasury shares RM'000	Capital redemption reserve RM'000	Share premium RM'000	Retained profits RM'000	Total equity RM'000
Company								
At 1 August 2013		**255,159**	**265,845**	**(16,061)**	**-**	**33,090**	**181,512**	**464,386**
Profit for the financial year		**-**	**-**	**-**	**-**	**-**	**847,021**	**847,021**
Total comprehensive income for the financial year		**-**	**-**	**-**	**-**	**-**	**847,021**	**847,021**
Cancellation of treasury shares	27	**-**	**(10,686)**	**16,061**	**10,686**	**(16,061)**	**-**	**-**
Dividend in respect of the financial year ended:								
- 31 July 2014	42	**-**	**-**	**-**	**-**	**-**	**(637,897)**	**(637,897)**
At 31 July 2014		**255,159**	**255,159**	**-**	**10,686**	**17,029**	**390,636**	**673,510**
At 1 August 2012		255,159	265,845	(16,061)	-	33,090	179,009	461,883
Profit for the financial year		-	-	-	-	-	21,640	21,640
Total comprehensive income for the financial year		-	-	-	-	-	21,640	21,640
Dividends in respect of the financial year ended:								
- 31 July 2012		-	-	-	-	-	(9,569)	(9,569)
- 31 July 2013	42	-	-	-	-	-	(9,568)	(9,568)
At 31 July 2013		255,159	265,845	(16,061)	-	33,090	181,512	464,386

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2014

	Note	Group		Company	
		2014	2013	**2014**	2013
		RM'000	RM'000	**RM'000**	RM'000
OPERATING ACTIVITIES					
Profit for the financial year		**471,480**	65,956	**847,021**	21,640
Adjustments for:					
Property, plant and equipment:					
- depreciation		**3,972**	7,131	**417**	190
- net gain on disposals		**(216)**	(114)	**-**	-
- write offs		**71**	27	**-**	-
Investment properties:					
- depreciation		**399**	241	**-**	-
- net gain on disposals		**(35,615)**	(46)	**-**	-
Net (gain)/loss arising from disposal of:					
- securities held-for-trading		**(20,553)**	(18,055)	**-**	-
- derivatives		**(344)**	9,368	**-**	-
- securities AFS		**(2,824)**	(2,225)	**-**	-
- securities held-to-maturity		**(3,220)**	-	**-**	-
Net unrealised (gain)/loss on:					
- securities held-for-trading		**1,567**	2,478	**-**	-
- derivatives		**(4,192)**	(6,091)	**-**	-
Net unrealised gain on foreign exchange		**(1,831)**	(12,159)	**-**	-
Other investments:					
- net loss on disposals		**23**	-	**-**	-
- write offs		**89**	-	**-**	-
Goodwill on consolidation written off		**5**	-	**-**	-
Net gain on disposals of subsidiaries and associate		**(366,021)**	-	**(850,527)**	-
Net loss on liquidation of subsidiaries		**2**	-	**-**	-
Allowance/(Write back of allowance) for losses on:					
- loans, advances and financing		**7,827**	15,251	**-**	-
- clients' balances and receivables		**(366)**	133	**-**	-
- other assets		**(39)**	1,055	**-**	-
- investments in subsidiaries		**-**	-	**61**	32
Interest expense		**68,685**	106,981	**7,101**	10,674
Interest income on securities AFS and securities held-to-maturity		**(45,070)**	(71,628)	**-**	-
Dividends and income distributions		**(12,493)**	(7,569)	**(5,166)**	(41,204)
Rental income		**(35)**	(78)	**-**	-
Share of results of an associate, net of tax		**(2,390)**	(821)	**-**	-
Taxation		**26,677**	20,549	**46**	4,178
		(385,892)	44,428	**(848,068)**	(26,130)
		85,588	110,384	**(1,047)**	(4,490)

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

STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 JULY 2014

	Note	Group		Company	
		2014	2013	**2014**	2013
		RM'000	RM'000	**RM'000**	RM'000
OPERATING ACTIVITIES (continued)					
(Increase)/Decrease in operating assets:					
Deposits and placements with banks and other financial institutions		**10,266**	(3,306)	**(20)**	(20)
Securities held-for-trading		**(55,713)**	130,850	**-**	-
Loans, advances and financing		**(56,382)**	(213,418)	**-**	-
Clients' and brokers' balances		**(81,892)**	(46,588)	**-**	-
Derivative assets		**1,860**	21,814	**-**	-
Other assets		**19,376**	(111,869)	**(29)**	(21)
Statutory deposits with Central Banks		**12,610**	(10,722)	**-**	-
		(149,875)	(233,239)	**(49)**	(41)
Increase/(Decrease) in operating liabilities:					
Deposits from customers		**170,125**	(63,949)	**-**	-
Deposits and placements of banks and other financial institutions		**(346,641)**	398,114	**-**	-
Clients' and brokers' balances		**72,959**	48,231	**-**	-
Derivative liabilities		**(1,635)**	(2,626)	**-**	-
Other liabilities		**19,431**	79,293	**12,075**	(1,724)
		(85,761)	459,063	**12,075**	(1,724)
Cash (used in)/generated from operations		**(150,048)**	336,208	**10,979**	(6,255)
Interest paid		**(77,781)**	(79,667)	**-**	(20)
Taxation (paid)/refunded		**(8,456)**	(23,061)	**7,277**	3,591
Net operating cash flow		**(236,285)**	233,480	**18,256**	(2,684)

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

STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 JULY 2014

	Note	Group		Company	
		2014 RM'000	2013 RM'000	**2014 RM'000**	2013 RM'000
INVESTING ACTIVITIES					
Proceeds from disposals of:					
- property, plant and equipment		**517**	248	**-**	-
- investment properties		**84,050**	110	**-**	-
- other investments		**4**	-	**-**	-
Purchases of:					
- property, plant and equipment	18	**(2,152)**	(6,458)	**(155)**	(789)
- other investments		**-**	-	**-**	(436)
Net (purchase)/disposal of securities AFS		**(348,977)**	170,358	**(321,271)**	-
Proceeds from redemption of securities held-to-maturity		**69,334**	38,554	**-**	-
Interest received from securities AFS and securities held-to-maturity		**47,698**	74,141	**-**	-
Dividends and income distributions received		**12,684**	8,249	**5,166**	33,469
Rental received		**35**	78	**-**	-
Net cash inflow on disposals of subsidiaries and associate	30(e)	**356,930**	-	**1,502,526**	-
Proceeds from novation of subordinated term loan to a subsidiary	44(c)	**-**	-	**5,000**	-
Advances/(Repayment of advances) to subsidiaries		**-**	-	**(254,517)**	526
Capital distributions by subsidiaries (in liquidation)	16(a)	**-**	-	**107**	531
Net investing cash flow		**220,123**	285,280	**936,856**	33,301
FINANCING ACTIVITIES					
Dividends paid to:					
- equity holders of the company		**(637,897)**	(19,137)	**(637,897)**	(19,137)
- non-controlling interests		**-**	(2,350)	**-**	-
Interest paid on borrowings		**(15,159)**	(19,215)	**(7,730)**	(11,215)
Net (repayment)/drawdown of borrowings		**(418,700)**	60,550	**(240,900)**	5,300
Net financing cash flow		**(1,071,756)**	19,848	**(886,527)**	(25,052)
Net change in cash and cash equivalents		**(1,087,918)**	538,608	**68,585**	5,565
Foreign exchange differences		**500**	2,580	**-**	-
Cash and cash equivalents at beginning of the financial year		**1,168,433**	627,245	**9,809**	4,244
Cash and cash equivalents at end of the financial year	43	**81,015**	1,168,433	**78,394**	9,809

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

1 GENERAL INFORMATION

The principal activity of the company during the financial year is that of investment holding. The principal activities of the subsidiaries are as set out in note 16 to the financial statements. There have been no significant changes in the nature of these activities during the financial year other than as disclosed in note 16 to the financial statements. Changes in the composition of the group are disclosed in note 30(a) to the financial statements.

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 Securities").

On 16 April 2014, the company changed its name from Hwang-DBS (Malaysia) Berhad to Hwang Capital (Malaysia) Berhad to complement the re-branding of the company and to better reflect the change of business focus of the company subsequent to the completion of the corporate exercise involving the disposal by the company of its core businesses.

The company's registered office and principal place of business is located at:

Level 8 Wisma Sri Pinang
60 Green Hall
10200 Penang

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the group and of the company have been prepared under the historical cost convention except as disclosed in the summary of significant accounting policies in note 3 to the financial statements and are in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 1965 in Malaysia.

The presentation of the financial statements of the group and the company are consistent with the structure and contents of financial statements of financial institutions as the financial results of the discontinued operations, mainly comprised the former investment banking subsidiary have significant effects on the financial results of the group for the current and previous financial years. Comparative figures for the financial results together with the related explanatory notes and segmental information of the group have been restated in accordance with the disclosure requirements of Malaysian Financial Reporting Standard ("MFRS") 5, Non-current Assets Held for Sale and Discontinued Operations and to conform with the presentation for the current financial year, as explained in note 3(x) to the financial statements.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the financial year. It also requires directors to exercise their judgment in the process of applying the accounting policies of the group and of the company. Although these estimates and assumptions are based on the management and directors' best knowledge of current events and actions, actual results may differ from those estimates.

Critical accounting estimates and assumptions used that are significant to the financial statements, and an area involving a higher degree of judgment and complexity is disclosed in note 4 to the financial statements.

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

(a) New financial reporting standards, amendments to the published standards and interpretations ("MFRSs") and Consensus adopted

The relevant new/revised MFRSs and the Financial Reporting Standards Implementation Committee ("FRSIC") Consensus issued by the Malaysian Institute of Accountants ("MIA") that are effective for the financial statements of the group and of the company commencing from 1 August 2013 are as follows:

MFRS	Description
• Amendments to MFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities
• MFRS 10	Consolidated Financial Statements
• MFRS 11	Joint Arrangements
• MFRS 12	Disclosure of Interests in Other Entities
• Amendments to MFRS 10, MFRS 11 and MFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
• MFRS 13	Fair Value Measurement
• Amendment to MFRS 101	Presentation of Financial Statements
• Amendment to MFRS 116	Property, Plant and Equipment
• MFRS 119	Employee Benefits
• MFRS 127 (Revised)	Separate Financial Statements
• MFRS 128 (Revised)	Investments in Associates and Joint Ventures
• Amendment to MFRS 132	Financial Instruments: Presentation

FRSIC Consensus	Description
• FRSIC Consensus 21	Determination of Substantively Enacted Tax Rate in Measuring Deferred Tax Assets and Liabilities

The adoption of the above MFRSs and observance of FRSIC Consensus 21 do not have any significant impact on the financial statements of the group and of the company, other than the effects as disclosed in note 51 to the financial statements.

(b) MFRSs which are relevant to the group and the company and have not been early adopted

Effective for accounting period beginning on or after 1 January 2014

- Amendments to MFRS 132, Offsetting Financial Assets and Financial Liabilities
  It retains the current offsetting model in MFRS 132. It clarifies the meaning of 'currently has a legally enforceable right of set- off' that the right of set-off must not be contingent on a future event and is legally enforceable for all counterparties in the normal course of business as well as in the event of default and insolvency. It clarifies that gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the MFRS 132 offsetting criteria.

- Amendments to MFRS 10, MFRS 12 and MFRS 127, Investment Entities
  Introduce an exception to consolidation for investment entities. Investment entities are entities whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both and evaluate the performance of its investments on fair value basis. The amendments require investment entities to measure particular subsidiaries at fair value through profit or loss instead of consolidating them.

- Amendments to MFRS 136, Recoverable Amount Disclosures for Non-financial Assets
  It clarifies that recoverable amount (determined based on fair value less costs of disposal) is required to be disclosed only when an impairment loss is recognised or reversed. It also prescribes consistent disclosure requirements with MFRS 13, Fair Value Measurement when an impairment loss is recognised or reversed where the recoverable amount is determined based on fair value less costs of disposal.

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

(b) MFRSs which are relevant to the group and the company and have not been early adopted (cont'd)

Effective for accounting period beginning on or after 1 January 2014 (cont'd)

- IC Interpretation 21, Levies
  The interpretation sets out the accounting for an obligation to pay a levy, other than income tax and penalties that are imposed for breaches of legislation. It clarifies that a liability to pay a levy is recognised when the obligating event occurs. Obligating event is the event identified by the relevant legislation that triggers the payment of the levy.

Effective for accounting period beginning on or after 1 July 2014

- Amendment to MFRS 3, Business Combinations
  (Annual Improvements to MFRSs 2010-2012 Cycle)
  It clarifies that when an obligation to pay contingent consideration meets the definition of financial instrument, its classification as a liability or equity is determined by reference to MFRS 132 Financial Instruments: Presentation. Contingent consideration shall be subsequently measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss.

- Amendment to MFRS 3, Business Combinations
  (Annual Improvements to MFRSs 2011-2013 Cycle)
  It clarifies that MFRS 3 excludes from its scope the accounting for the formation of all types of joint arrangements (as defined in MFRS 11, Joint Arrangements) in the financial statements of the joint arrangement itself, but not to the parties to the joint arrangement for their interests in the joint arrangement.

- Amendments to MFRS 8, Operating Segments
  (Annual Improvements to MFRSs 2010-2012 Cycle)
  Requires disclosure of judgements made in applying the aggregation criteria to operating segments, which includes a brief description of the operating segments that have been aggregated and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics. It also clarifies that reconciliation of the total reportable segment assets to the entity's assets is required if the segment assets is regularly provided to the chief operating decision maker.

- Amendment to MFRS 13, Fair Value Measurement
  (Annual Improvements to MFRSs 2011-2013 Cycle)
  It clarifies that the scope of the exception in respect of a portfolio with offsetting position in market risk or counterparty credit risk as permitted under MFRS 13 includes all contracts accounted for within the scope of MFRS 139, Financial Instruments: Recognition and Measurement or MFRS 9, Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in MFRS 132, Financial Instruments: Presentation.

- Amendment to MFRS 124, Related Party Disclosures
  (Annual Improvements to MFRSs 2010-2012 Cycle)
  Extends the definition of 'related party' to include an entity, or any member of a group of which it is a part, that provides key management personnel services to the reporting entity or to the parent of the reporting entity.

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

(b) MFRSs which are relevant to the group and the company and have not been early adopted (cont'd)

Effective for accounting period beginning on or after 1 July 2014 (cont'd)

- Amendment to MFRS 140, Investment Property
  (Annual Improvements to MFRSs 2011-2013 Cycle)
  It clarifies that the determination of whether an acquisition of investment property meets the definition of both a business combination as defined in MFRS 3 and investment property as defined in MFRS 140 requires the separate application of both Standards independently of each other.

Effective for accounting period beginning on or after 1 January 2016

- Amendments to MFRS 116 and MFRS 138, Clarification of Acceptable Methods of Depreciation and Amortisation
  Provide additional guidance on the methods to calculate depreciation or amortisation of property, plant and equipment and intangible assets. The Amendments to MFRS 116 prohibit revenue-based depreciation because revenue does not reflect the way in which an item of property, plant and equipment is used or consumed. The Amendments to MFRS 138, on the other hand, introduce a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate.

Effective date yet to be determined

- MFRS 9, Financial Instruments - Classification and Measurement of Financial Assets and Financial Liabilities
  Replaces parts of MFRS 139 that relate to the classification and measurement of financial instruments. MFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the Standard retains most of the MFRS 139 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

- MFRS 9, Financial Instruments (Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139)
  Introduces a new hedge accounting model together with corresponding disclosures about risk management activity, in particular for hedging of non-financial risks, that will enable entities to better reflect their risk management activities in their financial statements. An entity is allowed to change the accounting for liabilities that it has elected to measure at fair value, before applying any of the other requirements in MFRS 9. This will result in gains caused by a worsening in the entity's own credit risk on such liabilities no longer being recognised in profit or loss. The Amendments also remove the mandatory effective date from MFRS 9.

The adoption of the above MFRSs is not expected to have any significant impact on the financial statements of the group and of the company except for MFRS 9. The financial effects of the adoption of MFRS 9 will be assessed by the group and the company.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

All significant accounting policies set out below are consistent with those applied in the previous financial year other than the adoption of MFRSs as disclosed in note 2(a) to the financial statements.

(a) Basis of consolidation

The consolidated financial statements of the group include the financial statements of the company and all its subsidiaries made up to the end of the financial year.

Subsidiaries are all those entities over which the group has power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

Subsidiaries are consolidated using the acquisition method. Subsidiaries are consolidated from the date the group obtains control over the subsidiaries to the date control ceases. The consideration transferred for acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The excess of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previously held equity interest in the acquiree over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. Any gain arising from bargain purchase is recognised in profit or loss.

Any contingent consideration to be transferred is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is classified as a financial instrument within the scope of MFRS 139 are recognised either in profit or loss or in other comprehensive income in accordance with MFRS 139. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gain or loss arising from inter-company transactions are eliminated and the consolidated financial statements reflect external transactions only. Losses resulting from intragroup transactions, which indicate an impairment loss, will be recognised in the consolidated income statements. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

When an entity loses control of a subsidiary, the assets and liabilities and related equity components of the former subsidiary will be derecognised. Any investment retained in a former subsidiary is measured at its fair value at the date when control is lost. Any gain or loss arising from loss of control of a subsidiary, which comprises the difference between the fair value of considerations received and the group's share of its net assets as of the date when control is lost (including the cumulative amount of any exchange differences) that relate to the former subsidiary and gain or loss arising from re-measurement of investment retained in the former subsidiary to its fair value, is recognised in profit or loss. Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

Non-controlling interests represent that portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the group. It is measured at fair value or the non-controlling interests' proportionate share of the subsidiary's net identifiable assets at the acquisition date, on a case by case basis and changes in the subsidiary's equity since that date. All earnings and losses of the subsidiary are attributed to the parent and the non-controlling interests, even if the attribution of losses to the non-controlling interests results in a debit balance in the shareholders' equity.

(b) Investments in subsidiaries

In the separate financial statements of the company, investments in subsidiaries are stated at cost less accumulated impairment losses. When the company loses control of a subsidiary, the difference between the fair value of considerations received and the carrying amount is recognised as the gain or loss on derecognition of a subsidiary in profit or loss of the company.

The accounting policy on the recognition and measurement of impairment loss is disclosed in note 3(m) to the financial statements.

(c) Associates

Associates are entities in which the group exercises significant influence, but which it does not control, generally accompanying a shareholding of between 20% to 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not power to exercise control over those policies.

In the consolidated financial statements, the group's interest in associate is accounted for using the equity method of accounting. Equity accounting involves recognising the group's share of post acquisition profit or loss of associates in the income statement and other comprehensive income. In the separate financial statements of the company, associates are stated at cost less accumulated impairment losses.

On the loss of significant influence over an associate, the difference between the fair value of any investment retained and any proceeds from disposing of part interest in the associate and the group's share of its net assets as of the date when significant influence is lost (including the cumulative amount of any exchange differences that relate to the former associates) is recognised as the group's gain or loss on derecognition of an associate in profit or loss of the group. In the separate financial statements of the company, on the loss of significant influence over an associate, the difference between the fair value of considerations received and the carrying amount of the associate is recognised as the gain or loss on derecognition of an associate in profit or loss of the company. The investment retained in a former associate, if any, shall be recognised at fair value in the financial statements of the group and of the company.

When the group's share of losses in an associate equals or exceeds its interests in the associate, the group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the associate.

The accounting policy on the recognition and measurement of impairment loss is disclosed in note 3(m) to the financial statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Intangible assets

(i) Goodwill

Goodwill represents the excess of the fair values of considerations transferred for purchase of subsidiaries or businesses, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previously held equity interest in the acquiree over the fair value of the net identifiable assets acquired at the date of acquisition.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is tested for impairment annually. Goodwill is allocated to cash-generating units ("CGUs") or groups of CGUs that are expected to benefit from the synergies of the business combination in which the goodwill arose for the purpose of impairment testing.

(ii) Other intangible assets

Other intangible assets are initially recognised when they are separable or arise from contractual or other legal rights, when it is probable that future economic benefits attributable to the assets will flow to the group and the cost can be measured reliably.

Intangible assets that have an indefinite useful life, or are not yet ready for use, are stated at cost less accumulated impairment losses and tested for impairment annually. Intangible assets are allocated to CGUs or groups of CGUs that are expected to benefit from synergies of business activities for the purpose of impairment testing.

The accounting policy on the recognition and measurement of impairment loss is disclosed in note 3(m) to the financial statements.

(e) Financial instruments

Financial instruments are recognised when the group or the company has become a party to the contractual provisions of the instruments. Financial instruments are classified as assets, liabilities or equity in accordance with the substance of the contractual arrangement. Financial instruments are offset and the net amount presented in the statement of financial position when the group or the company currently has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

All regular way purchases and sales of financial assets are recognised on the settlement date.

Interest, dividends, gains and losses relating to financial instruments classified as financial assets and liabilities are reported as income or expense. Distributions to holders of financial instruments classified as equity are debited directly to equity.

Net gains or losses on financial instruments comprise net gains or losses on disposal and net unrealised mark-to-market gains or losses.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Non-derivative financial assets

(i) Classification

Non-derivative financial assets are classified into the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity and available-for-sale. Classification of financial assets is determined at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss held by the group comprise financial assets held-for-trading which are acquired principally for the purpose of selling or repurchasing in the near term or are part of a portfolio of identified financial assets that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

The group and the company did not designate any financial assets at fair value through profit or loss at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Financial assets held-to-maturity

Financial assets held-to-maturity are non-derivative financial instruments with fixed or determinable payments and fixed maturities that the group and the company have the positive intent and ability to hold to maturity.

If more than an insignificant amount of the financial assets held-to-maturity portfolio are sold or reclassified before maturity (other than under certain specified conditions) during the current financial year or the last two preceding financial years, the entire category would be tainted and reclassified as financial assets available-for-sale at fair value. The difference between the carrying value and fair value of the financial assets at the date of reclassification is recognised in other comprehensive income.

Financial assets available-for-sale ("AFS")

Financial assets AFS are non-derivative financial assets that are designated as available-for-sale or are not classified to any other categories of financial assets.

(ii) Recognition and measurement

Financial assets are recognised initially at fair value plus, in the case of financial assets not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets.

Financial assets at fair value through profit or loss and available-for-sale are subsequently carried at fair value, except for investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured in which case the investments are stated at cost. Any gain and loss arising from changes in the fair value of the financial assets at fair value through profit or loss is included in profit or loss in the period which they arise. Any gain or loss arising from the changes in fair value of the financial assets AFS is recognised in other comprehensive income, except for impairment losses and foreign exchange gains or losses which are recognised in profit or loss.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Non-derivative financial assets (cont'd)

(ii) Recognition and measurement (cont'd)

Financial assets held-to-maturity and loans and receivables are subsequently measured at amortised cost using the effective interest method, less allowances for impairment losses.

(iii) Derecognition

Financial assets are derecognised when the contractual rights of the group or of the company to the cash flows from the financial assets expire or when the group or the company transfers the financial assets to another party without retaining control or transfers substantially all the risks and rewards of the assets.

When financial assets AFS are derecognised, the cumulative gains or losses previously recognised in other comprehensive income shall be transferred to profit or loss. Any gain or loss arising from derecognition of financial assets held-for-trading and held-to-maturity is recognised in profit or loss.

(iv) Reclassification

Non-derivative financial assets may be reclassified out of the fair value through profit or loss category only in rare circumstances if the assets are no longer held for the purposes of selling or repurchasing in the near term. In addition, financial assets that would have met the definition of loans and receivables may be reclassified out of the held-for-trading or AFS categories to loans and receivables if the group and the company have the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at the fair values of the financial assets at the date of the reclassification. The fair values of the financial assets become the new cost or amortised cost, as applicable, and the fair value gains or losses previously recognised before the reclassification date will not be reversed.

The accounting policy on the recognition and measurement of impairment losses is disclosed in note 3(i) to the financial statements.

(g) Non-derivative financial liabilities

(i) Classification

Non-derivative financial liabilities are classified into the following categories: at fair value through profit or loss, at amortised cost and financial guarantee contracts. Classification of financial liabilities is determined at initial recognition.

The group and the company did not designate any financial liabilities at fair value through profit or loss at initial recognition.

(ii) Recognition and measurement

Financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liabilities.

Financial liabilities at fair value through profit or loss are subsequently carried at fair value. Financial liabilities at amortised cost are subsequently measured at amortised cost using the effective interest method.

The accounting policy on the recognition and measurement of financial guarantee contracts is disclosed in note 3(r) to the financial statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Non-derivative financial liabilities (cont'd)

(iii) Derecognition

Financial liabilities are derecognised when the obligations of the group or the company as specified in a contract expire or are discharged or cancelled.

(h) Derivative financial instruments

Derivative financial instruments are initially recognised at fair values on the date on which derivative contracts are entered into and are subsequently remeasured at their fair values. Derivative financial instruments are presented separately in the statements of financial position as assets (positive changes in fair values) and liabilities (negative changes in fair values). Gains or losses arising from changes in the fair value of the derivatives are recognised immediately in profit or loss.

An embedded derivative is a component of a hybrid financial instrument that also contains a non-derivative host contract. An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss.

(i) Impairment of financial assets

Classification of loans and receivables as impaired

Loans, advances and financing are classified as impaired when they fulfill either of the following criteria:

- principal or interest or both are past due for 3 months or more;
- where a loan is in arrears for less than 3 months, the loan exhibits indications of credit weaknesses;
- individual impairment allowance has been made; or
- where an impaired loan and receivable has been rescheduled or restructured, the asset will continue to be classified as impaired until repayments based on the revised and/or restructured terms have been observed continuously for a period of 3 to 6 months.

Objective evidence of impairment

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

The criteria that the group and the company use to determine that there is objective evidence of impairment loss include indications that the obligor is experiencing significant financial difficulty, high probability that the obligor will enter bankruptcy or other distressed financial reorganisation, default or delinquency in interest or principal payments, breach of loan covenants, a significant downgrade in credit ratings by external rating agencies and events that would adversely affect the repayment capability of the obligor.

In the case of investments in equity instruments classified as financial assets AFS, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether objective evidence of impairment exists.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Impairment of financial assets (cont'd)

Impairment assessment

The group and the company first assess whether objective evidence of impairment exists for financial assets which are individually significant, and collectively for financial assets which are not individually significant, taking into account the historical loss experience of such assets. If the group and the company determine that no objective evidence of impairment exists for an individually assessed financial asset, the financial asset is included in a group with similar credit risk characteristics and collectively assessed for impairment.

Determination of impairment loss in respect of the relevant categories of financial assets is as follows:

(i) Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the assets' original effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss. If the assets have variable interest rates, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If, in subsequent periods, 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 by adjusting the allowance account. The amount of the reversal is recognised in profit or loss.

(ii) Financial assets carried at cost

If there is objective evidence that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the current market rate of return of similar assets. The carrying amount of the assets is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss. No reversal of impairment loss is allowed when the amount of impairment loss decreases.

(iii) Financial assets carried at fair value

When a decline in fair value of financial assets AFS has been recognised in other comprehensive income and there is objective evidence that the assets are impaired, the cumulative loss that had been recognised in other comprehensive income will be reclassified from equity to profit or loss even though the assets have not been derecognised. The amount of cumulative loss is the difference between the acquisition price (net of principal repayment and amortisation) and current fair value, less any impairment loss on those assets previously recognised in profit or loss.

If, in subsequent periods, the fair value of a debt instrument classified as financial assets AFS increases and the increase can be objectively related to an event occurring after the impairment was recognised in profit or loss, that portion of impairment loss is reversed through profit or loss. For equity instruments, no reversal of impairment loss through profit or loss is allowed when there is an increase in fair value of the equity instruments in subsequent periods.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Impairment of financial assets (cont'd)

(iii) Financial assets carried at fair value (cont'd)

When a financial asset or portion of a financial asset is uncollectible, the amount will be written off against the related allowance for impairment loss. Financial assets are written off after taking into consideration the realisable value of collateral, if any, when in the judgment of the management, there is no prospect of recovery.

(j) Property, plant and equipment

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

Capital work in progress is not depreciated. Depreciation of assets under capital work in progress commences when the assets are ready for their intended use and transferred to the respective classes of assets. Depreciation of other property, plant and equipment is calculated to write off the cost of each property, plant and equipment over its expected useful life on the straight line basis. The principal annual depreciation rates are as follows:

	%
Apartments, buildings and office units	2
Furniture, fixtures and fittings	10 - 20
Office equipment	20
Computer equipment	20 - 33 1/3
Motor vehicles	20
Renovations	10 - 20

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains or losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amounts of assets and are included in profit or loss.

The accounting policy on the recognition and measurement of impairment losses is disclosed in note 3(m) to the financial statements.

(k) Investment properties

Investment properties are properties which the group holds with the intention to earn rentals or for capital appreciation or both, and are not occupied by the group. These include land held for a currently undetermined future use. Such properties are initially recognised at cost including any directly attributable expenditure. Subsequently, investment properties are stated at cost less accumulated depreciation and impairment losses.

Freehold land is not depreciated. Buildings and office units are depreciated at a principal annual rate of 2% on the straight line basis to write off the cost of each asset over its expected useful life.

Transfer to, or from investment properties when, and only when, there is a change in use of the properties is made at the carrying amounts of the properties at the date of transfers.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Investment properties (cont'd)

Gains or losses on disposals of investment properties are determined by comparing proceeds with carrying amounts of assets and are included in profit or loss.

The accounting policy on the recognition and measurement of impairment loss is disclosed in note 3(m) to the financial statements.

(l) Other investments

Other investments, which mainly comprise investments in commemorative notes and coins, transferable corporate club memberships and preference shares of Bursa Malaysia Derivatives Berhad are stated at cost less accumulated impairment losses.

On disposal of an investment, the gain or loss representing the difference between the net disposal proceeds and the carrying amount of investment is credited or charged to profit or loss.

The accounting policy on the recognition and measurement of impairment loss is disclosed in note 3(m) to the financial statements.

(m) Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation/depreciation and are tested annually for impairment. Other non-financial assets, except for deferred tax assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows (cash-generating units). Any impairment loss is charged to profit or loss in the period in which it arises.

Non-financial assets, other than goodwill, of which an impairment loss is recognised in prior financial years, are reviewed for possible reversal of the impairment at the end of each reporting period. Reversal of impairment loss is recognised in profit or loss to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, had no impairment loss been recognised. No reversal of impairment loss on goodwill is allowed in a subsequent period.

(n) Non-current assets or disposal groups held for sale

Non-current assets, which include property, plant and equipment, investment properties, intangible assets and other investments or disposal groups, that are expected to be recovered principally through a sale transaction rather than through continuing use are classified as held for sale and are stated at the lower of the carrying amount and fair value less costs to sell. An asset classified as held for sale, or included within a disposal group that is classified as held for sale, is not depreciated.

Impairment losses on initial or subsequent write down of the assets or disposal groups are recognised in profit or loss. Gains on subsequent increase in fair value less costs to sell are recognised in profit or loss to the extent of the cumulative impairment losses previously recognised.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Clients' monies held in trust

Clients' monies held in trust pursuant to the provisions of the Capital Markets and Services Act 2007 and the Rules of Bursa Securities by the former investment banking subsidiary, which was a participating organisation of Bursa Securities, were not recognised as assets and similarly, no corresponding liabilities were accounted for in the statements of financial position of the group. The former investment banking subsidiary did not have any control over clients' trust monies held to obtain the future economic benefits embodied in the trust monies and does not have any contractual or statutory obligation to its clients on the monies deposited in the trust account that would result in an outflow of resources.

(p) Income taxes

Current tax expense is determined according to the tax laws of each jurisdiction in which the group operates and is calculated at the current tax rate based on taxable profits.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements unless the temporary differences arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is determined using tax rates that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences or unused tax losses can be utilised.

Deferred tax assets and liabilities relating to the fair value re-measurement of financial assets AFS are recognised in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax relates to the same tax authority.

(q) Provisions

Provisions are recognised when the group or the company has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made.

Where the group or the company expects a provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Financial guarantee contracts

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

Financial guarantee contracts are initially recognised as a liability at fair value, net of transaction costs on the date the guarantee was given. Subsequent to initial recognition, changes in the liability under such guarantee, which is measured at the higher of amount initially recognised less accumulated amortisation and the best estimate of the amount required to settle any present obligation arising at the end of the reporting period, are recognised in profit or loss.

(s) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of the group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the functional and presentation currency of the company.

(ii) Transactions and balances

Transactions in foreign currencies are converted into Ringgit Malaysia at rates of exchange ruling on the transaction dates. Monetary assets and liabilities denominated in foreign currencies as at the end of the reporting period are translated into Ringgit Malaysia at the rates of exchange ruling on that date. All gains and losses on foreign exchange are included in profit or loss.

(iii) Foreign operations

The results and financial position of foreign operations which have a functional currency different from the company's presentation currency and which is not a currency of a hyperinflationary economy, are translated into the presentation currency as follows:

- assets and liabilities of foreign operations are translated at the closing rate at the end of the reporting period;
- income and expenses of foreign operations are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, income and expenses are translated at the rates on the dates of the transactions);
- non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate prevailing at the date of the initial transaction; and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. When a foreign operation is disposed of, exchange differences that were recorded in other comprehensive income and accumulated in a separate component of equity are reclassified from equity to profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign operations and translated at the closing rate.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Recognition of interest income and expense

Interest income and expense are recognised on an accrual basis using effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instruments or, when appropriate, a shorter period to the net carrying amount. When calculating the effective interest rate, significant fees and transaction costs integral to the effective interest rate, as well as premiums or discounts, are considered.

For impaired financial assets where the value of the financial asset has been written down as a result of an impairment loss, interest income continues to be recognised on the recoverable amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

(u) Recognition of fees and other income

Brokerage is recognised when contracts are executed.

Advisory fees are recognised as income on completion of each stage of the engagement and issuance of invoice.

Initial service charge and fees earned from management of unit trust funds are recognised as income on an accrual basis based on the pre-agreed rates. Fees earned from provision of fund management services are recognised on an accrual basis, at the rates provided for in the investment mandates of funds managed.

Underwriting commission and placement income are recognised when all conditions precedent are fulfilled.

Rollover fee is recognised upon the rollover of specific contracts under share margin financing or upon rollover of loans.

Loan and debt security arrangement fees and commission are recognised as income when conditions precedent are fulfilled.

Portfolio management, commitment and guarantee fees are recognised as income based on time apportionment.

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

Rental income and all other income are recognised on an accrual basis.

(v) Employee benefits

(i) Short term employee benefits

Short term employee benefits are accrued in the financial year in which the associated services are rendered by employees of the group and of the company.

(ii) Post-employment benefits

The contributions by the group and the company to defined contribution plans, which comprise Employees Provident Fund and private retirement funds, are charged to profit or loss in the financial year to which they relate. Once the contributions have been paid, the group and the company have no further payment obligations.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(w) Operating lease

Leases of assets where substantially all the risks and benefits are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on the straight line basis over the period of the lease.

(x) Discontinued operations

A component of the group is classified as a discontinued operation when either it has been disposed of or is classified as held for sale and it represents a separate major line of business or geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations. When an operation is classified as a discontinued operation, the comparative income statements, statements of comprehensive income, segmental information together with the related explanatory notes are restated as if the operation had been discontinued from the start of the comparative period.

(y) Shares repurchased

Shares repurchased are accounted for using the treasury stock method. The shares repurchased are held as treasury shares at cost and set off against shareholders' equity until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in the equity. No gain or loss is recognised in profit or loss on the sale, re-issuance or cancellation of the treasury shares.

Upon cancellation of treasury shares, an amount equivalent to the nominal value of the share capital cancelled will be transferred to capital redemption reserve in accordance with Section 67A of the Companies Act, 1965.

(z) Dividends

Dividends on ordinary shares are recognised as liabilities when approved for payment.

(aa) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and short term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(ab) Contingent liabilities and contingent assets

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

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the group and the company. The group and the company do not recognise contingent assets but disclose its existence where inflows of economic benefits are probable, but not virtually certain.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(ac) Segment reporting

Disclosure of information about reportable operating segments is based on the internal reporting provided to the chief operating decision-maker. The group has determined the board of directors of the company as the chief operating decision-maker, which is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The reportable operating segments of the group are distinguishable business units engaged in providing different products or services. These businesses are managed and assessed separately as each requires a differentiated strategy focusing on the specific products or services provided for the economic, competitive and regulatory environment in which it operates.

Revenue from external customers is attributed to countries based on the locations of customers. All material transactions between operating segments are eliminated as part of the consolidation process.

(ad) Fair value measurement

Fair value of an asset or a liability is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. In addition, the fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENT

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities of the group within the next financial year are in respect of impairment of loans and receivables. The group makes allowance for impairment loss based on assessment of recoverability. Whilst management’s judgment is guided by MFRS 139, judgment is made about the future and other key factors in respect of the amount and timing of cash flows recoverable from impaired loans and receivables. Among the factors considered are the group’s aggregate exposure to the borrowers, net realisable value of the underlying collateral and the borrowers’ capacity to generate sufficient cash flows to service debt obligations.

5 CASH AND SHORT TERM FUNDS

	Group		Company	
	2014	2013	**2014**	2013
	RM'000	RM'000	**RM'000**	RM'000
Cash and balances with banks and other financial institutions	**1,187**	347,592	**327**	227
Money at call and deposit placements maturing within one month	**80,018**	904,315	**78,067**	9,582
	81,205	1,251,907	**78,394**	9,809
Included in cash and balances with banks and other financial institutions are:				
Monies held in trust for clients	**190**	190	**-**	-
Dividends received on behalf of customers by certain subsidiaries	**-**	714	**-**	-
	190	904	**-**	-
Included in money at call and deposit placements maturing within one month are:				
Monies held in trust for clients and dealer's representatives	**-**	82,570	**-**	-
	190	83,474	**-**	-

Included in cash and short term funds of the company as at the previous financial year end was RM65,000 maintained by the company with the former commercial banking subsidiary, HwangDBS Commercial Bank Plc.

6 DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Company	
	2014	2013	**2014**	2013
	RM'000	RM'000	**RM'000**	RM'000
Licensed banks	**649**	33,475	**649**	629

7 SECURITIES HELD-FOR-TRADING

	Group	
	2014 RM'000	2013 RM'000
At fair value:		
Quoted in Malaysia		
Shares, warrants and REITs	**-**	23,747
Unit trusts	**-**	11,682
	-	35,429
Unquoted		
Private debt securities	**-**	19,890
	-	55,319

8 SECURITIES AVAILABLE-FOR-SALE ("AFS")

	Group		Company	
	2014 RM'000	2013 RM'000	**2014 RM'000**	2013 RM'000
At fair value:				
Quoted in Malaysia				
REITs	**-**	33,574	**-**	-
Unit trusts	**321,271**	138,682	**321,271**	-
Quoted outside Malaysia				
REITs	**-**	34,574	**-**	-
	321,271	206,830	**321,271**	-
Unquoted				
Malaysian Government Securities	**-**	80,539	**-**	-
Malaysian Government Sukuk	**-**	6,851	**-**	-
Malaysian Government Islamic Investment Issues	**-**	250,894	**-**	-
Malaysian Government Treasury Bills	**-**	22,089	**-**	-
BNM Islamic Negotiable Notes	**-**	119,671	**-**	-
Private and Islamic debt securities	**-**	725,967	**-**	-
	-	1,206,011	**-**	-
	321,271	1,412,841	**321,271**	-
At cost:				
Unquoted				
Shares	**490**	1,140	**490**	490
Accumulated impairment loss	**-**	(650)	**-**	-
	490	490	**490**	490
	321,761	1,413,331	**321,761**	490

8 SECURITIES AVAILABLE-FOR-SALE ("AFS") (CONT'D)

Included in securities AFS of the group as at the previous financial year end were the following:

(a) investments in unit trust funds managed by a former subsidiary, Hwang Investment Management Berhad at a carrying amount of RM107,095,000.

(b) investment in a unit trust fund managed by the former associate at a carrying amount of RM5,089,000.

9 SECURITIES HELD-TO-MATURITY

	Group	
	2014	2013
	RM'000	RM'000
At amortised cost:		
Unquoted		
Private and Islamic debt securities	**-**	370,268

10 LOANS, ADVANCES AND FINANCING

	Group	
	2014	2013
	RM'000	RM'000
(a) By type		
Term loans		
- housing loans	**-**	26,049
- syndicated term loans	**-**	190,979
- other term loans	**637,069**	735,902
Overdrafts	**-**	4,423
Share margin financing	**-**	168,036
Staff loans	**-**	619
Other financing	**-**	3,876
	637,069	1,129,884
Unearned interest	**(230,227)**	(216,211)
	406,842	913,673
Allowance for losses:		
- collective impairment	**(11,680)**	(15,273)
- individual impairment	**(1,226)**	(9,308)
Net loans, advances and financing	**393,936**	889,092

10 LOANS, ADVANCES AND FINANCING (CONT'D)

	Group	
	2014	2013
	RM'000	RM'000
(b) By type of customer		
Domestic business enterprises		
- others	**78,861**	323,677
Individuals	**254,123**	366,778
Other domestic entities	**73,858**	85,437
Foreign business enterprises	**-**	33,500
Foreign individuals	**-**	104,281
	406,842	913,673
(c) By geographical distribution		
Malaysia	**406,842**	775,948
Cambodia	**-**	129,043
Hong Kong	**-**	7,564
Singapore	**-**	302
Other countries	**-**	816
	406,842	913,673
(d) By interest rate sensitivity		
Fixed rate		
- other fixed rate loans/financing	**368,648**	653,048
- housing loans	**-**	26,049
Variable rate		
- cost-plus	**38,194**	234,576
	406,842	913,673

10 LOANS, ADVANCES AND FINANCING (CONT'D)

	Group	
	2014	2013
	RM'000	RM'000
(e) By purpose		
Purchase of landed properties		
- residential	**-**	25,218
- non-residential	**-**	23,508
Construction	**-**	5,070
Real estate	**-**	4,259
Purchase of securities	**49,284**	255,607
Working capital	**29,577**	119,130
Personal use	**311,318**	279,013
Mergers and acquisitions	**-**	80,895
Others	**16,663**	120,973
	406,842	913,673
(f) By residual contractual maturity		
Within 1 year	**69,416**	349,694
1 year to 3 years	**7,920**	21,755
3 years to 5 years	**21,418**	95,343
Over 5 years	**308,088**	446,881
	406,842	913,673
(g) Impaired loans, advances and financing by purpose		
Purchase of landed properties		
- residential	**-**	371
- non-residential	**-**	164
Real estate	**-**	648
Working capital	**1,359**	9,564
Personal use	**10,238**	7,727
Others	**-**	106
	11,597	18,580

10 LOANS, ADVANCES AND FINANCING (CONT'D)

	Group 2014 RM'000	Group 2013 RM'000
(h) Impaired loans, advances and financing by geographical distribution		
Malaysia	**11,597**	12,592
Cambodia	**-**	5,988
	11,597	18,580
(i) Movements in impaired loans, advances and financing		
At beginning of the financial year	**18,580**	19,184
Classified as impaired	**12,418**	18,389
Reclassified as non-impaired	**(2,620)**	(5,170)
Amount recovered	**(828)**	(1,055)
Amount written off	**(7,941)**	(12,900)
Exchange differences	**48**	132
Disposals of subsidiaries	**(8,060)**	-
At end of the financial year	**11,597**	18,580
Gross impaired loans, advances and financing as a % of gross loans, advances and financing	**2.9%**	2.0%
(j) Movements in allowance for losses		
Collective impairment		
At beginning of the financial year	**15,273**	10,420
Net allowance made		
- *Continuing operations*	**7,114**	5,417
- *Discontinued operations*	**(1,123)**	1,772
Amount written off	**(3,654)**	(2,426)
Exchange differences	**13**	90
Disposals of subsidiaries	**(5,943)**	-
At end of the financial year	**11,680**	15,273
As a % of gross loans, advances and financing less individual impairment allowance	**2.9%**	1.7%

10 LOANS, ADVANCES AND FINANCING (CONT'D)

	Group	
	2014	2013
	RM'000	RM'000
(j) Movements in allowance for losses (cont'd)		
Individual impairment		
At beginning of the financial year	**9,308**	11,521
Allowance made		
- *Continuing operations*	**598**	4,642
- *Discontinued operations*	**1,078**	3,530
Amount written back		
- *Discontinued operations*	**(114)**	(398)
Amount written off	**(4,014)**	(10,186)
Exchange differences	**53**	199
Disposals of subsidiaries	**(5,683)**	-
At end of the financial year	**1,226**	9,308

11 CLIENTS' AND BROKERS' BALANCES

Group

	2014	2013
	RM'000	RM'000
Amounts due from clients	**-**	123,253
Allowance for losses:		
- individual impairment	**-**	(539)
	-	122,714
Amounts due from brokers	**-**	102,899
	-	225,613

11 CLIENTS' AND BROKERS' BALANCES (CONT'D)

Group

Clients' and brokers' balances represented the amounts receivable in respect of outstanding contracts and contra losses.

Included in amounts due from brokers as at the previous financial year end was net amount due from the clearing house amounted to RM84,694,000 (note 49(o)).

The credit terms in respect of clients' and brokers' balances were based on the agreements entered into between the former investment banking subsidiary and its clients and were in accordance with the Rules of Bursa Securities.

	2014 RM'000	2013 RM'000
(a) Impaired accounts		
Amounts due from clients	**-**	692
(b) Movements in allowance for losses		
Individual impairment		
At beginning of the financial year	**539**	553
Allowance made		
- *Discontinued operations*	**125**	67
Amount written back		
- *Discontinued operations*	**(361)**	(81)
Disposal of a subsidiary	**(303)**	-
At end of the financial year	**-**	539

The Directives on Suspension of Interest and Provisions for Bad and Doubtful Debts pursuant to Rule 12.04 of the Rules of Bursa Securities, where relevant were complied with as at the previous financial year end.

12 DERIVATIVE FINANCIAL INSTRUMENTS

Group

	2014 RM'000	2013 RM'000
At fair value:		
Derivative assets	-	36,579
Derivative liabilities	-	(45,883)
	-	(9,304)

		Fair value	
	Notional amount RM'000	**Derivative assets RM'000**	**Derivative liabilities RM'000**
2013			
Foreign exchange related contracts			
- Currency forwards	752,522	22,932	(1,618)
- Currency swaps	910,161	3,442	(28,817)
- Currency options	339	1	(1)
- Cross currency interest rate swaps ("CCIRS")	702,030	8,117	(14,878)
	2,365,052	34,492	(45,314)
Interest rate related contracts			
- Interest rate swaps	248,000	2,087	(569)
	2,613,052	36,579	(45,883)

12 DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

Group

Included in the foreign exchange related contracts as at the previous financial year end were contracts entered into with other related party by the former investment banking subsidiary in its ordinary course of business, analysed by remaining maturity as follows:

		Fair value	
	Notional amount RM'000	**Derivative assets RM'000**	**Derivative liabilities RM'000**
2013			
Within 1 year	67,268	1,699	(491)
1 year to 5 years	393,113	1,975	(10,618)
	460,381	3,674	(11,109)

The fair values of the following outstanding futures contracts were included in other receivables and deposits as at the previous financial year end (note 13):

		Fair value	
	Notional amount RM'000	**Derivative assets RM'000**	**Derivative liabilities RM'000**
2013			
Interest rate related contracts - Futures	105,000	298	-

13 OTHER ASSETS

		Group		Company	
	Note	**2014 RM'000**	2013 RM'000	**2014 RM'000**	2013 RM'000
Financial assets					
Trade receivables	(a)	**-**	126,490	**-**	-
Amounts due from subsidiaries	44(c)	**-**	-	**254,517**	-
Other receivables and deposits	(b)	**1,745**	15,215	**32**	7
		1,745	141,705	**254,549**	7
Non-financial assets					
Clearing Guarantee Fund	(c)	**-**	2,114	**-**	-
Clearing Fund	(d)	**-**	1,000	**-**	-
Prepayments	(e)	**505**	12,556	**62**	58
Other investments	(f)	**557**	1,932	**500**	522
		2,807	159,307	**255,111**	587

13 OTHER ASSETS (CONT'D)

(a) Trade receivables as at the previous financial year end were stated net of impairment allowances of RM510,000.

(b) Included in other receivables and deposits of the group as at the previous financial year end were clients' margin deposits held in trust by foreign brokers amounted to RM805,000.

(c) The contributions to Clearing Guarantee Fund represented interest-bearing contributions made by the former investment banking subsidiary as a trading clearing participant in accordance with the Rules of Bursa Malaysia Securities Clearing Sdn. Bhd. ("Bursa Clearing") to a fund maintained by Bursa Clearing.

(d) The contributions to Clearing Fund represented interest-bearing contributions made by a former subsidiary in accordance with the Business Rules of Bursa Malaysia Derivatives Clearing Berhad.

(e) Included in the prepayments of the group as at the previous financial year end were payments by the former investment banking subsidiary to dealer's representatives amounted to RM9,275,000 which were amortised to income statement on the straight line basis over the period in which economic benefits were derived.

(f) Other investments of the group comprise the following:

	Group		Company	
	2014 RM'000	2013 RM'000	**2014 RM'000**	2013 RM'000
At cost:				
Unquoted "A", "B" and "C" classes of preference shares in Bursa Malaysia Derivatives Berhad ("BMDB")	**-**	2,100	**-**	-
Accumulated impairment loss	**-**	(1,055)	**-**	-
	-	1,045	**-**	-
Transferable corporate club memberships	**19**	245	**-**	-
Investments in commemorative notes and coins	**500**	522	**500**	522
Others	**38**	120	**-**	-
	557	1,932	**500**	522

Impairment loss amounted to RM1,055,000 was recognised in the previous financial year in respect of unquoted preference shares in BMDB, based on the fair value less cost to sell of the assets at the estimated amount receivable arising from the proposed revamp of participantship structure of BMDB then. During the financial year, impairment loss previously recognised amounted to RM39,000 has been written back based on the expected subsequent increase in amount receivable from BMDB.

14 STATUTORY DEPOSITS WITH CENTRAL BANKS

	Note	Group 2014 RM'000	Group 2013 RM'000
Statutory deposits with:			
Bank Negara Malaysia	(a)	**-**	65,750
National Bank of Cambodia	(b)	**-**	18,564
		-	84,314

(a) The non-interest bearing statutory deposits maintained by the former investment banking subsidiary with Bank Negara Malaysia were in compliance with Section 26(2)(c) of the Central Bank of Malaysia Act, 2009, the amounts of which were determined as set percentages of total eligible liabilities.

(b) The statutory deposits maintained by the former commercial banking subsidiary with the National Bank of Cambodia ("NBC") were in compliance with capital guarantee and reserve requirements of the NBC, the amounts of which were determined as set percentages of the paid-up share capital and customers' deposits of the former subsidiary.

15 DEFERRED TAX ASSETS/(LIABILITIES)

	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Subject to income tax:				
Deferred tax assets	**3,632**	5,585	**-**	-
Deferred tax liabilities	**(16)**	(12)	**(16)**	(12)
	3,616	5,573	**(16)**	(12)
Deferred tax assets (before offsetting)				
Loans, advances and financing	**2,920**	2,055	**-**	-
Accruals	**777**	9,357	**-**	-
Foreign exchange translation loss	**-**	117	**-**	-
Others	**-**	843	**-**	-
	3,697	12,372	**-**	-
Offsetting	**(65)**	(6,787)	**-**	-
Deferred tax assets (after offsetting)	**3,632**	5,585	**-**	-

15 DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

	Group		Company	
	2014 RM'000	2013 RM'000	**2014 RM'000**	2013 RM'000
Deferred tax liabilities (before offsetting)				
Property, plant and equipment	**(81)**	(1,610)	**(16)**	(12)
Securities AFS	**-**	(1,189)	**-**	-
Foreign exchange translation gain	**-**	(4,000)	**-**	-
	(81)	(6,799)	**(16)**	(12)
Offsetting	**65**	6,787	**-**	-
Deferred tax liabilities (after offsetting)	**(16)**	(12)	**(16)**	(12)
Deferred tax assets				
- to be recovered within 12 months	**3,632**	4,778	**-**	-
- to be recovered after 12 months	**-**	807	**-**	-
	3,632	5,585	**-**	-
Deferred tax liabilities				
- to be settled after 12 months	**(16)**	(12)	**(16)**	(12)
Net	**3,616**	5,573	**(16)**	(12)

15 DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

Movements in deferred tax are as follows:

	Property, plant and equipment RM'000	Loans, advances and financing RM'000	Accruals RM'000	Securities AFS RM'000	Foreign exchange translation loss/(gain) RM'000	Others RM'000	Total RM'000
Group							
2014							
At 1 August 2013	**(1,610)**	**2,055**	**9,357**	**(1,189)**	**(3,883)**	**843**	**5,573**
Recognised in profit or loss:							
- *Continuing operations*	**(24)**	**865**	**289**	**-**	**-**	**-**	**1,130**
- *Discontinued operations*	**374**	**-**	**(232)**	**-**	**(1,502)**	**(846)**	**(2,206)**
	350	**865**	**57**	**-**	**(1,502)**	**(846)**	**(1,076)**
Recognised in other comprehensive income:							
- *Discontinued operations*	**-**	**-**	**-**	**408**	**-**	**-**	**408**
Disposals of subsidiaries (note 30(e))	**1,179**	**-**	**(8,637)**	**781**	**5,385**	**3**	**(1,289)**
At 31 July 2014	**(81)**	**2,920**	**777**	**-**	**-**	**-**	**3,616**
2013 (Restated)							
At 1 August 2012	(1,473)	1,308	7,546	(2,002)	(385)	747	5,741
Recognised in profit or loss:							
- *Continuing operations*	3	747	(857)	-	4	-	(103)
- *Discontinued operations*	(135)	-	2,667	-	(3,502)	62	(908)
	(132)	747	1,810	-	(3,498)	62	(1,011)
Recognised in other comprehensive income:							
- *Discontinued operations*	-	-	-	813	-	-	813
Exchange differences	(5)	-	1	-	-	34	30
At 31 July 2013	(1,610)	2,055	9,357	(1,189)	(3,883)	843	5,573

15 DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

Movements in deferred tax are as follows (cont'd):

	Property, plant and equipment RM'000	Loans, advances and financing RM'000	Accruals RM'000	Securities AFS RM'000	Foreign exchange translation loss/(gain) RM'000	Others RM'000	Total RM'000
Company							
2014							
At 1 August 2013	**(12)**	**-**	**-**	**-**	**-**	**-**	**(12)**
Recognised in profit or loss	**(4)**	**-**	**-**	**-**	**-**	**-**	**(4)**
At 31 July 2014	**(16)**	**-**	**-**	**-**	**-**	**-**	**(16)**
2013							
At 1 August 2012	1	-	-	-	(4)	-	(3)
Recognised in profit or loss	(13)	-	-	-	4	-	(9)
At 31 July 2013	(12)	-	-	-	-	-	(12)

The deductible temporary differences and unutilised tax losses for which no deferred tax assets are recognised in the financial statements are as follows:

	Group	
	2014 RM'000	2013 RM'000
Tax losses	**-**	512
Deductible temporary differences	**999**	1,710
	999	2,222

16 INVESTMENTS IN SUBSIDIARIES

Company

	Note	**2014 RM'000**	2013 RM'000
At cost:			
Unquoted shares			
- in Malaysia		**33,561**	543,991
- outside Malaysia		**-**	136,795
		33,561	680,786
Accumulated impairment losses		**(1,435)**	(1,397)
		32,126	679,389
Subordinated term loan to a subsidiary	44(c)	**-**	5,000
		32,126	684,389

Impairment losses recognised are in respect of certain subsidiaries, which are dormant or under member's voluntary winding-up, based on the fair value less cost to sell estimated using the net assets of the subsidiaries as at the end of the reporting period. Additional impairment loss made during the financial year amounted to RM61,000 (2013: RM32,000).

(a) Details of subsidiaries

		Equity ownership interest/voting rights				
		Group		**Non-controlling interests**		
Name of subsidiary	**Country** (1)	**2014 %**	2013 %	**2014 %**	2013 %	**Principal activity**
Direct subsidiaries:						
HwangDBS Investment Bank Berhad (2)	Malaysia	**-**	100	**-**	-	Investment banking, stockbroking and related financial services
HDM Futures Sdn. Bhd. (2),(6)	Malaysia	**-**	100	**-**	-	Licensed futures broker dealing in options and futures
HDM Properties Sdn. Bhd.	Malaysia	**100**	100	**-**	-	Letting of properties and investment holding

16 INVESTMENTS IN SUBSIDIARIES (CONT'D)

Company

(a) Details of subsidiaries (cont'd)

		Equity ownership interest/voting rights				
		Group		Non-controlling interests		
Name of subsidiary	**Country** [1]	**2014 %**	2013 %	**2014 %**	2013 %	**Principal activity**
Direct subsidiaries:						
HDM Capital Sdn. Bhd.	Malaysia	**100**	100	**-**	-	Moneylending, credit financing and investment in listed and unlisted companies
Hwang Investment Management Berhad [2],[6]	Malaysia	**-**	53	**-**	47	Management of unit trust funds and provision of fund management services
HwangDBS Commercial Bank Plc [2],[3]	Cambodia	**-**	100	**-**	-	Commercial banking
HDM Private Equity Sdn. Bhd. (In Liquidation) [4]	Malaysia	**100**	100	**-**	-	Dormant
HDM Capital Management Sdn. Bhd. (In Liquidation) [4]	Malaysia	**100**	100	**-**	-	Dormant
HDM Management Services Sdn. Bhd. (In Liquidation) [5]	Malaysia	**-**	100	**-**	-	Dormant
HDM Research & Publication Sdn. Bhd. (In Liquidation) [5]	Malaysia	**-**	100	**-**	-	Dormant
Held under HwangDBS Investment Bank Berhad:						
HDM Nominees (Asing) Sdn. Bhd. [2]	Malaysia	**-**	100	**-**	-	Provision of nominee services to foreign clients
HDM Nominees (Tempatan) Sdn. Bhd. [2]	Malaysia	**-**	100	**-**	-	Provision of nominee services to local clients
HwangDBS Vickers Research Sdn. Bhd. [2],[7]	Malaysia	**-**	51	**-**	49	Provision of research and stock analysis
HwangDBS Custodian Services Sdn. Bhd. (In Liquidation) [5]	Malaysia	**-**	100	**-**	-	Dormant

16 INVESTMENTS IN SUBSIDIARIES (CONT'D)

Company

(a) Details of subsidiaries (cont'd)

		Equity ownership interest/voting rights				
		Group		Non-controlling interests		
Name of subsidiary	**Country** [(1)]	**2014 %**	2013 %	**2014 %**	2013 %	**Principal activity**
Held under HwangDBS Commercial Bank Plc:						
HwangDBS Securities (Cambodia) Plc [(2),(3)]	Cambodia	**-**	100	**-**	-	Dormant

[(1)] Principal place of business/Country of incorporation
[(2)] Subsidiaries disposed of during the financial year, as disclosed in note 30(a) to the financial statements.
[(3)] Audited by an affiliate of PricewaterhouseCoopers, Malaysia.
[(4)] The subsidiaries have commenced member's voluntary winding-up pursuant to Section 254(1)(b) of the Companies Act, 1965 on 27 November 2013.
[(5)] The subsidiaries, which commenced member's voluntary winding-up pursuant to Section 254(1)(b) of the Companies Act, 1965 on 31 January 2013, have been dissolved on 22 February 2014 upon the expiry of 3 months from date of lodgement of the Return by Liquidator relating to Final Meeting with the Companies Commission of Malaysia and the Official Receiver pursuant to Section 272(5) of the Companies Act, 1965. Capital distributions made to the company during the financial year amounted to RM107,000 (2013: RM531,000).
[(6)] The direct subsidiaries were disposed of by the company to the former investment banking subsidiary, HwangDBS Investment Bank Berhad ("HDBSIB") at the Pre-Closing Reorganisation, as defined in note 52(b) to the financial statements, on 7 April 2014 prior to the completion of disposals of HDBSIB together with its subsidiaries and associate to Affin Holdings Berhad on the same date.
[(7)] The indirect subsidiary was disposed of by the former investment banking subsidiary, HDBSIB to the company at the Pre-Closing Reorganisation, as defined in note 52(b) to the financial statements, on 7 April 2014 prior to the completion of disposal of the subsidiary on 6 May 2014 (note 52(c)).

16 INVESTMENTS IN SUBSIDIARIES (CONT'D)

Company

(b) Details of a subsidiary with material non-controlling interests ("NCI")

The summarised financial information of a former investment management subsidiary, Hwang Investment Management Berhad ("HwangIM") which has material NCI to the group is set out below.

	2014 RM'000	2013 RM'000
Summarised financial position (before intra-group elimination):		
Non-current assets	-	8,478
Current assets	-	274,097
Current liabilities	-	(203,094)
	-	79,481
Carrying amount of NCI	-	37,356
Dividend paid to NCI	-	2,350
Summarised financial results (before intra-group elimination):		
Revenue	**135,214**	183,948
Profit for the financial year	**31,050**	31,395
Total comprehensive income for the financial year	**31,033**	31,354
Attributable to NCI:		
Profit for the financial year	**14,593**	14,755
Other comprehensive income for the financial year	**(8)**	(19)
Total comprehensive income for the financial year	**14,585**	14,736
Summarised cash flows:		
Net operating cash flow	**52,027**	27,079
Net investing cash flow	**(29,057)**	(10,275)
Net financing cash flow	-	(5,000)
	22,970	11,804

17 INVESTMENT IN AN ASSOCIATE

	2014 RM'000	2013 RM'000
Group		
Share of net assets in an associate	-	4,489
Goodwill on acquisition	-	55
	-	4,544
Company		
Unquoted shares, at cost	-	4,904

Details of the associate are as follows:

Name of associate	Country (1)	Equity interest (2) 2014 %	2013 %	Principal activity
Held by the company:				
Asian Islamic Investment Management Sdn. Bhd. (3)	Malaysia	-	49	**Islamic fund management**

(1) Principal place of business/Country of incorporation
(2) Effective ownership interest/voting rights of the company in the associate.
(3) The associate was disposed of by the company to the former investment banking subsidiary, HDBSIB at the Pre-Closing Reorganisation, as defined in note 52(b) to the financial statements, on 7 April 2014 prior to the completion of disposals of HDBSIB together with its subsidiaries and associate to Affin Holdings Berhad on the same date.

The group's share of results of the associate, which is not material to the group, is as follows:

	2014 RM'000	2013 RM'000
Discontinued operations		
Profit for the financial year	**2,390**	821
Other comprehensive income	**20**	15
Total comprehensive income	**2,410**	836

18 PROPERTY, PLANT AND EQUIPMENT

Details of property, plant and equipment are as follows:

	Apartments, buildings and office units RM'000	Furniture, fixtures and fittings RM'000	Office equipment RM'000	Computer equipment RM'000	Motor vehicles RM'000	Renovations RM'000	Total RM'000
Group							
2014							
Cost							
At 1 August 2013	49,998	12,088	12,971	45,078	9,950	12,789	142,874
Additions	-	222	263	1,483	12	207	2,187
Disposals/Write offs	-	(1,607)	(1,400)	(10,468)	(555)	(2,916)	(16,946)
Disposals of subsidiaries (note 30(e))	-	(10,299)	(11,473)	(34,401)	(4,067)	(9,609)	(69,849)
Reclassified to investment properties (note 19)	(46,281)	-	-	-	-	-	(46,281)
Reclassified to non-current assets held for sale (note 21)	(364)	-	-	-	-	-	(364)
Exchange differences	-	12	15	19	(2)	8	52
At 31 July 2014	3,353	416	376	1,711	5,338	479	11,673
Accumulated depreciation							
At 1 August 2013	14,450	9,024	11,210	38,509	7,858	10,509	91,560
Charge for the financial year	687	406	359	1,552	588	380	3,972
Disposals/Write offs	-	(1,575)	(1,392)	(10,455)	(458)	(2,885)	(16,765)
Disposals of subsidiaries (note 30(e))	-	(7,595)	(9,920)	(28,192)	(3,090)	(7,683)	(56,480)
Reclassified to investment properties (note 19)	(13,716)	-	-	-	-	-	(13,716)
Reclassified to non-current assets held for sale (note 21)	(79)	-	-	-	-	-	(79)
Exchange differences	-	7	10	15	(1)	5	36
At 31 July 2014	1,342	267	267	1,429	4,897	326	8,528
Net book value							
At 31 July 2014	2,011	149	109	282	441	153	3,145

18 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Details of property, plant and equipment are as follows (cont'd):

	Apartments, buildings and office units RM'000	Furniture, fixtures and fittings RM'000	Office equipment RM'000	Computer equipment RM'000	Motor vehicles RM'000	Renovations RM'000	Total RM'000
Group							
2013							
Cost							
At 1 August 2012	49,998	11,784	12,420	42,677	10,940	12,793	140,612
Additions	-	579	860	3,481	450	257	5,627
Disposals/Write offs	-	(341)	(396)	(1,176)	(1,450)	(305)	(3,668)
Exchange differences	-	66	87	96	10	44	303
At 31 July 2013	49,998	12,088	12,971	45,078	9,950	12,789	142,874
Accumulated depreciation							
At 1 August 2012	13,450	8,530	10,860	36,797	8,148	9,968	87,753
Charge for the financial year	1,000	793	698	2,808	1,019	813	7,131
Disposals/Write offs	-	(330)	(393)	(1,171)	(1,316)	(297)	(3,507)
Exchange differences	-	31	45	75	7	25	183
At 31 July 2013	14,450	9,024	11,210	38,509	7,858	10,509	91,560
Net book value							
At 31 July 2013	35,548	3,064	1,761	6,569	2,092	2,280	51,314

18 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Details of property, plant and equipment are as follows (cont'd):

	2014			2013		
	Computer equipment RM'000	**Motor vehicles RM'000**	**Total RM'000**	Computer equipment RM'000	Motor vehicles RM'000	Total RM'000
Company						
Cost						
At 1 August	**119**	**1,366**	**1,485**	-	696	696
Additions	**-**	**155**	**155**	119	670	789
At 31 July	**119**	**1,521**	**1,640**	119	1,366	1,485
Accumulated depreciation						
At 1 August	**2**	**884**	**886**	-	696	696
Charge for the financial year	**50**	**367**	**417**	2	188	190
At 31 July	**52**	**1,251**	**1,303**	2	884	886
Net book value						
At 31 July	**67**	**270**	**337**	117	482	599

(a) During the financial year, the group acquired property, plant and equipment with an aggregate cost of RM2,187,000 (2013: RM5,627,000) of which RM35,000 (2013: RM Nil) was accrued for. Cash payments made by the group for purchase of assets amounted to RM2,152,000 (2013: RM6,458,000).

(b) Included in the net book value of apartments, buildings and office units of the group as at the previous financial year end were 99-year leasehold office units at a carrying amount of RM15,660,000.

(c) During the financial year, plant and equipment amounted to RM155,000 (2013: RM789,000) were transferred from the former investment banking subsidiary to the company.

19 INVESTMENT PROPERTIES

Group

	Note	Freehold land RM'000	Buildings and office units RM'000	Total RM'000
2014				
Cost				
At 1 August 2013		**41,113**	**12,024**	**53,137**
Reclassified from property, plant and equipment	18	**-**	**46,281**	**46,281**
Reclassified to non-current assets held for sale	21	**(39,883)**	**(25,231)**	**(65,114)**
At 31 July 2014		**1,230**	**33,074**	**34,304**
Accumulated depreciation				
At 1 August 2013		**-**	**1,685**	**1,685**
Charge for the financial year		**-**	**399**	**399**
Reclassified from property, plant and equipment	18	**-**	**13,716**	**13,716**
Reclassified to non-current assets held for sale	21	**-**	**(5,638)**	**(5,638)**
At 31 July 2014		**-**	**10,162**	**10,162**
Net book value				
At 31 July 2014		**1,230**	**22,912**	**24,142**
2013				
Cost				
At 1 August 2012		41,952	12,114	54,066
Reclassified to non-current assets held for sale	21	(839)	(90)	(929)
At 31 July 2013		41,113	12,024	53,137
Accumulated depreciation				
At 1 August 2012		-	1,470	1,470
Charge for the financial year		-	241	241
Reclassified to non-current assets held for sale	21	-	(26)	(26)
At 31 July 2013		-	1,685	1,685
Net book value				
At 31 July 2013		41,113	10,339	51,452

19 INVESTMENT PROPERTIES (CONT'D)

Group

(a) Included in the net book value of buildings and office units of the group are 99-year leasehold office units amounting to RM5,740,000 as at the end of the reporting period (2013: RM3,550,000).

(b) The direct operating expenses incurred on the investment properties held by the group which are rented to third parties during the financial year amounted to RM262,000 for the financial year (2013: RM197,000). The expenses incurred by the group on other investment properties amounted to RM9,000 for the financial year (2013: RM4,000).

20 INTANGIBLE ASSETS

Group

	Note	Goodwill on consolidation RM'000	Purchased goodwill RM'000	Merchant bank licence RM'000	Total RM'000
2014					
Cost					
At 1 August 2013		**7**	**130,202**	**52,500**	**182,709**
Disposals of subsidiaries	30(e)	**-**	**(130,202)**	**(52,500)**	**(182,702)**
Winding-up of subsidiaries		**(2)**	**-**	**-**	**(2)**
Write offs		**(5)**	**-**	**-**	**(5)**
At 31 July 2014		**-**	**-**	**-**	**-**
Accumulated impairment loss					
At 1 August 2013		**-**	**(20,200)**	**-**	**(20,200)**
Disposals of subsidiaries	30(e)	**-**	**20,200**	**-**	**20,200**
At 31 July 2014		**-**	**-**	**-**	**-**
Net carrying amount					
At 31 July 2014		**-**	**-**	**-**	**-**

20 INTANGIBLE ASSETS (CONT'D)

Group

	Goodwill on consolidation RM'000	Purchased goodwill RM'000	Merchant bank licence RM'000	Total RM'000
2013				
Cost				
At 1 August 2012/31 July 2013	7	130,202	52,500	182,709
Accumulated impairment loss				
At 1 August 2012/31 July 2013	-	(20,200)	-	(20,200)
Net carrying amount				
At 31 July 2013	7	110,002	52,500	162,509

The merchant bank licence, which represented contribution by the former investment banking subsidiary, HwangDBS Investment Bank Berhad ("HDBSIB") to the Government of Malaysia for a licence to carry on merchant banking business, was considered to have an indefinite useful life and was not amortised but subject to annual assessment of impairment.

For impairment test purposes in the previous financial year, the carrying amount of purchased goodwill of RM110 million was allocated to HDBSIB's stockbroking operating unit, being regarded as a separate cash-generating unit ("CGU") and the carrying amount of merchant bank licence of RM52.5 million was allocated to the operating unit of the investment banking division respectively.

The recoverable amounts of CGUs were determined based on the value in use calculations. These calculations used pre-tax cash flow projections based on the financial budgets and forecasts approved by the management covering a five-year period. Cash flows beyond the five-year period were projected using the estimated growth rate to perpetuity. The cash flow projections were derived based on a number of key factors, including past performance as well as management's expectations of market developments and assessment of future trends, taking into consideration the prevailing stock market conditions as at the date of assessment.

The key assumptions for the computation of value in use included growth rate and pre-tax discount rate, which were applied to the cash flow projections and reflected the risks relating to the CGUs. The discount rates applied for the previous financial year was 7.33% for both the stockbroking and investment banking operating units. The growth rate of 5.75% was within the long-term average growth rate for the industry in which the former investment banking subsidiary operated.

No impairment charge was required for the previous financial year in respect of the intangible assets accruing to the CGUs. Management believed that any reasonably possible change to the key assumptions applied was not likely to cause the recoverable amounts to be lower than their carrying amounts.

21 NON-CURRENT ASSETS HELD FOR SALE

Group

	Note	Freehold land RM'000	Apartments, buildings and office units RM'000	Total RM'000
2014				
At 1 August 2013		**839**	**-**	**839**
Reclassified from property, plant and equipment	18	**-**	**285**	**285**
Reclassified from investment properties	19	**39,883**	**19,593**	**59,476**
Disposals:				
- property, plant and equipment		**-**	**(191)**	**(191)**
- investment properties		**(40,722)**	**(6,703)**	**(47,425)**
		(40,722)	**(6,894)**	**(47,616)**
At 31 July 2014		**-**	**12,984**	**12,984**
2013				
At 1 August 2012		-	-	-
Reclassified from investment properties	19	839	64	903
Disposals:				
- investment properties		-	(64)	(64)
At 31 July 2013		839	-	839

(a) During the financial year, a wholly-owned subsidiary of the company, HDM Properties Sdn. Bhd. ("HDMP") entered into a sale and purchase agreement ("SPA") with a third party to dispose of leasehold office units previously held as investment properties, at a carrying amount of RM12,984,000 for a total cash consideration of RM24,331,000. A 10% deposit has been received from the purchaser. The transaction is expected to be completed within one year from the end of the reporting period.

(b) During the financial year, HDMP entered into a SPA with a third party to dispose of a freehold apartment previously held as property, plant and equipment, at a carrying amount of RM191,000 for a total cash consideration of RM330,000. The disposal was completed in November 2013.

(c) During the financial year, a wholly-owned subsidiary of the company, HwangDBS Investment Bank Berhad entered into a SPA with a third party to dispose of a freehold investment property at a carrying amount of RM46,586,000 for a total cash consideration of RM82,500,000. The disposal was completed in January 2014.

(d) In the previous financial year, HDMP entered into a SPA with a third party to dispose of a freehold land at a carrying amount of RM839,000 for a total cash consideration of RM1,550,000. The disposal was completed in November 2013.

(e) In the previous financial year, HDMP entered into a SPA with a third party to dispose of a freehold building at a carrying amount of RM64,000 for a total cash consideration of RM110,000. The disposal was completed in April 2013.

22 DEPOSITS FROM CUSTOMERS

	Group 2014 RM'000	Group 2013 RM'000
(a) By type of deposit		
Demand deposits	-	2,332
Savings deposits	-	4,700
Fixed deposits	-	675,634
Negotiable instruments of deposits	-	3,481
Other deposits	-	4,157
	-	690,304
(b) By type of customer		
Government and statutory bodies	-	310,555
Business enterprises	-	284,000
Individuals	-	80,358
Others	-	15,391
	-	690,304
(c) By maturity structure of term deposits		
Within 6 months	-	545,797
6 months to 1 year	-	137,475
	-	683,272

23 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group 2014 RM'000	Group 2013 RM'000
Licensed banks	-	484,047
Licensed investment banks	-	67,283
Central Banks	-	280,448
Other financial institutions	-	1,264,671
	-	2,096,449

24 CLIENTS' AND BROKERS' BALANCES

	Group	
	2014 **RM'000**	2013 RM'000
Amounts due to:		
- Clients	**-**	180,632
- Brokers	**-**	43,332
	-	223,964

Clients' and brokers' balances represented amounts payable to clients of the former investment banking and derivatives trading subsidiaries and outstanding contracts entered into on behalf of these clients where settlements have yet to be made as at the previous financial year end.

Included in amounts due to clients as at the previous financial year end were amounts held in trust by the former derivatives trading subsidiary amounted to RM44,004,000.

25 OTHER LIABILITIES

		Group		Company	
	Note	**2014** **RM'000**	2013 RM'000	**2014** **RM'000**	2013 RM'000
Trade payables	(a)	**-**	182,613	**-**	-
Amounts due to clients	(b)	**190**	1,808	**-**	-
Dealer's representatives' trust accounts	(c)	**-**	37,749	**-**	-
Amounts payable to dealer's representatives	(d)	**-**	7,942	**-**	-
Contributions payable to a defined contribution plan		**773**	1,920	**457**	310
Deposit received for non-current assets held for sale		**2,433**	155	**-**	-
Accrued ancillary costs arising from disposal of business		**11,300**	-	**11,300**	-
Other payables and accruals	(e)	**14,338**	70,603	**3,095**	2,489
		29,034	302,790	**14,852**	2,799

25 OTHER LIABILITIES (CONT'D)

(a) Trade payables of the group comprised the following:

	2014 RM'000	2013 RM'000
Amounts payable to:		
- unit trust funds	**-**	67,784
- unit holders	**-**	114,485
- external fund managers	**-**	344
	-	182,613

(b) Amounts due to clients comprise monies held in trust for clients of the moneylending subsidiary.

(c) The dealer's representatives' trust accounts represent trust monies held on behalf of dealer's representatives.

(d) Amounts payable to dealer's representatives mainly comprised net commission payable.

(e) Other payables and accruals of the group and of the company represent amounts payable arising from the daily operations of the group and of the company. Included in other payables and accruals of the group as at the previous financial year end were dividends received on behalf of customers by certain subsidiaries amounted to RM714,000.

26 BORROWINGS

	Group		**Company**	
	2014 RM'000	2013 RM'000	**2014 RM'000**	2013 RM'000
Unsecured				
Revolving credits	30,804	450,637	**-**	241,529

Borrowings of the group amounting to RM31 million (2013: RM209 million) are covered by corporate guarantees issued by the company for a subsidiary.

27 SHARE CAPITAL

Group and Company

	2014 RM'000	2013 RM'000
Authorised:		
Ordinary shares of RM1 each	**1,000,000**	1,000,000
Issued and fully paid:		
Ordinary shares of RM1 each	**255,159**	265,845

Movements in issued and fully paid share capital are as follows:

	2014 RM'000	2013 RM'000
At beginning of the financial year	**265,845**	265,845
Cancellation of treasury shares	**(10,686)**	-
At end of the financial year	**255,159**	265,845

On 14 April 2014, the company cancelled 10,686,100 treasury shares at a nominal value of RM1 each. The adjusted issued and fully paid share capital of the company after the cancellation of the treasury shares is 255,158,900 ordinary shares at a nominal value of RM1 each. An amount equivalent to the nominal value of the share capital cancelled was transferred to the capital redemption reserve in accordance with Section 67A of the Companies Act, 1965. The transfer to capital redemption reserve and the premium paid on the shares repurchased were made out of the share premium.

27 SHARE CAPITAL (CONT'D)

Group and Company

Treasury shares

Details of shares repurchased by the company from the open market and held as treasury shares in accordance with Section 67A of the Companies Act, 1965 are as follows:

	No. of shares '000	Cost RM'000	Average price * RM
2014			
At beginning of the financial year	**10,686**	**16,061**	**1.50**
Cancellation of treasury shares	**(10,686)**	**(16,061)**	
At end of the financial year	-	-	
2013			
At beginning/end of the financial year	10,686	16,061	1.50

* Average price includes stamp duty, brokerage and clearing fees.

28 RESERVES

		Group		Company	
	Note	**2014 RM'000**	2013 RM'000	**2014 RM'000**	2013 RM'000
Capital redemption reserve		**10,686**	-	**10,686**	-
Share premium		**17,029**	33,090	**17,029**	33,090
Statutory reserve	(a)	**-**	148,861	**-**	-
Available-for-sale ("AFS") reserve	(b)	**-**	3,557	**-**	-
Foreign exchange reserve	(c)	**-**	(6,673)	**-**	-
		27,715	178,835	**27,715**	33,090
Retained profits	(d)	**500,753**	533,087	**390,636**	181,512
		528,468	711,922	**418,351**	214,602

28 RESERVES (CONT'D)

(a) The statutory reserve was maintained by the former investment banking subsidiary in compliance with the requirements of the BNM Guidelines on Capital Funds, pursuant to Section 47(2)(f) of the Financial Services Act 2013 and was not distributable as cash dividends.

(b) AFS reserve represented unrealised gains or losses arising from changes in fair values of securities classified as available-for-sale, net of tax.

(c) Foreign exchange reserve represented exchange differences arising from translation of financial statements of foreign operations into the presentation currency of the group.

(d) Under the single-tier tax system which came into effect from the year of assessment 2008, dividends paid, credited or distributed to shareholders are exempted from tax in the hands of the shareholders as single-tier dividends. Upon expiry of the 6-year transitional period on 31 December 2013 for companies with Section 108 tax credits as at 31 December 2007 to frank dividend payments, the unutilised balance of tax credits under Section 108 of Income Tax Act, 1967 as at 31 December 2013 have been disregarded.

The company has sufficient tax exempt income to pay tax exempt dividend amounting to RM104,276,000 out of its retained profits as at the end of the reporting period. The remaining portion of the retained profits can be distributed as dividends under the single-tier tax system.

29 CLIENTS' MONIES HELD IN TRUST

Group

The clients' monies held in trust by the former investment banking subsidiary, which were not recognised in the financial statements in accordance with FRSIC Consensus 18, Monies Held in Trust by Participating Organisations of Bursa Securities are as follows:

	2014 RM'000	2013 RM'000
Balances with banks	-	15,592
Money at call and deposit placements maturing within one month	-	305,144
	-	320,736
Deposits and placements with banks	-	2,370
	-	323,106

30 DISPOSALS OF SUBSIDIARIES AND ASSOCIATE

(a) Subsidiaries and associate disposed of

(i) On 14 March 2014, the company completed the disposals of the following entities for a total cash consideration of USD40 million (equivalent to RM131.12 million), as disclosed in note 52(a) to the financial statements:

- 100% direct equity interest in a subsidiary, HwangDBS Commercial Bank Plc ("HDCB"); and
- 100% indirect equity interest held by HDCB in a subsidiary, HwangDBS Securities (Cambodia) Plc ("HSC").

(ii) On 7 April 2014, the company completed the disposals of the following entities for a total cash consideration of RM1,395.72 million, as disclosed in note 52(b) to the financial statements:

- 100% direct equity interest in a subsidiary, HwangDBS Investment Bank Berhad ("HDBSIB");
- 100% indirect equity interest held by HDBSIB in a subsidiary, HDM Nominees (Tempatan) Sdn. Bhd.;
- 100% indirect equity interest held by HDBSIB in a subsidiary, HDM Nominees (Asing) Sdn. Bhd.;
- 100% direct equity interest in a subsidiary, HDM Futures Sdn. Bhd.;
- 53% direct equity interest in a subsidiary, Hwang Investment Management Berhad; and
- 49% direct equity interest in an associate, Asian Islamic Investment Management Sdn. Bhd.

(iii) On 6 May 2014, the company completed the disposal of its 51% direct equity interest in a subsidiary, HwangDBS Vickers Research Sdn. Bhd. ("HDBS Vickers") for a cash consideration of RM394,000, as disclosed in note 52(c) to the financial statements.

The group has classified the entities disposed of, which are part of a single co-ordinated plan to dispose of major line of business of the group, as discontinued operations.

(b) Applicable reportable segments of subsidiaries disposed of

The applicable reportable segments of the subsidiaries disposed of, as presented in note 47 to the financial statements are as follows:

Entity	**Reportable segment**
HwangDBS Investment Bank Berhad	Stockbroking and Investment banking
HwangDBS Commercial Bank Plc	Commercial banking
Hwang Investment Management Berhad	Investment management

Other subsidiaries disposed of comprising HDM Nominees (Asing) Sdn. Bhd., HDM Nominees (Tempatan) Sdn. Bhd., HwangDBS Securities (Cambodia) Plc, HDM Futures Sdn. Bhd. and HDBS Vickers are included in other segments of the group.

30 DISPOSALS OF SUBSIDIARIES AND ASSOCIATE (CONT'D)

(c) Effects of disposals of subsidiaries and associate

	RM'000
Total cash consideration	**1,527,231**
Expenses incurred on disposals	**(24,705)**
Net cash consideration	**1,502,526**
Cost of investments in subsidiaries and associate	**(651,999)**
Net gain on disposals of subsidiaries and associate - company level	**850,527**
Inter-company elimination of net gain on disposal of a subsidiary	**(394)**
Post-acquisition reserves of subsidiaries and associate	**(480,775)**
Reclassification of AFS reserve to profit or loss	**2,344**
Reclassification of foreign exchange reserve to profit or loss	**(5,681)**
Net gain on disposals of subsidiaries and associate - group level	**366,021**

Included in the expenses incurred on disposals is auditors' remuneration (non-statutory audit) amounting to RM350,000.

30 DISPOSALS OF SUBSIDIARIES AND ASSOCIATE (CONT'D)

(d) Discontinued operations

The analysis of financial results of the discontinued operations, which are included in the results of the group up to the respective dates of disposal of the entities, is as follows:

		Group	
	Note	**2014 RM'000**	2013 RM'000
Operating revenue	31	**300,051**	426,318
Interest income		**97,869**	150,946
Interest expense		**(54,658)**	(88,171)
Net interest income		**43,211**	62,775
Other operating income		**616,368**	293,419
		659,579	356,194
Other operating expenses		**(182,723)**	(274,738)
		476,856	81,456
Write back of allowance/(allowance) for losses on:			
- loans, advances and financing		**159**	(4,904)
- clients' balances and receivables	37	**835**	86
- other assets	13(f)	**39**	(1,055)
		477,889	75,583
Share of results of an associate, net of tax	17	**2,390**	821
Profit before taxation		**480,279**	76,404
Taxation	39	**(21,372)**	(17,506)
Profit for the financial year from discontinued operations		**458,907**	58,898

30 DISPOSALS OF SUBSIDIARIES AND ASSOCIATE (CONT'D)

(d) Discontinued operations (cont'd)

The analysis of financial results of the discontinued operations, which are included in the results of the group up to the respective dates of disposal of the entities, is as follows (cont'd):

	Note	Group 2014 RM'000	Group 2013 RM'000
Profit for the financial year from discontinued operations comprises:			
Financial results of discontinued operations		**92,886**	58,898
Net gain on disposals of subsidiaries and associate		**366,021**	-
		458,907	58,898
Profit for the financial year from discontinued operations		**458,907**	58,898
Other comprehensive income for the financial year from discontinued operations:	41		
Items that may be reclassified subsequently to profit or loss			
Currency translation differences arising from foreign operations		**992**	5,223
Securities AFS:			
- net change in fair value		**(1,253)**	(1,170)
- net gain transferred to profit or loss on disposal		**(396)**	(2,125)
Share of AFS reserve of an associate		**20**	15
Income tax relating to components of other comprehensive income		**408**	813
Reclassification adjustments upon disposals of subsidiaries and associate		**3,337**	-
		3,108	2,756
Total comprehensive income for the financial year from discontinued operations		**462,015**	61,654

	Company 2014 RM'000
Profit for the financial year from discontinued operations comprises:	
Net gain on disposals of subsidiaries and associate	**850,527**

30 DISPOSALS OF SUBSIDIARIES AND ASSOCIATE (CONT'D)

(e) Net cash inflow on disposals of subsidiaries and associate

	At date of disposal RM'000
Cash and short term funds	1,230,227
Deposits and placements with banks and other financial institutions	22,968
Securities held-for-trading	130,018
Securities AFS	1,442,023
Securities held-to-maturity	304,602
Loans, advances and financing	544,576
Clients' and brokers' balances (Dr.)	307,680
Derivative assets	21,178
Other assets	137,318
Statutory deposits with Central Banks	71,854
Tax recoverable	93
Deferred tax assets	1,289
Investment in an associate	6,954
Property, plant and equipment	13,369
Intangible assets	162,502
Deposits from customers	(854,724)
Deposits and placements of banks and other financial institutions	(1,733,007)
Clients' and brokers' balances (Cr.)	(296,795)
Derivative liabilities	(28,575)
Other liabilities	(295,451)
Taxation	(2,426)
Non-controlling interests	(52,505)
	1,133,168
Reclassification of AFS reserve to profit or loss	(2,344)
Reclassification of foreign exchange reserve to profit or loss	5,681
	1,136,505
Net gain on disposals of subsidiaries and associate	366,021
Net disposal consideration	**1,502,526**
Cash and cash equivalents of subsidiaries disposed of	(1,145,596)
Net cash inflow on disposals of subsidiaries and associate	**356,930**

30 DISPOSALS OF SUBSIDIARIES AND ASSOCIATE (CONT'D)

(f) Net cash flows attributable to the discontinued operations

The net cash flows attributable to the discontinued operations up to the respective dates of disposals of the entities, are as follows:

	Group	
	2014	2013
	RM'000	RM'000
Net operating cash flow	**(189,932)**	272,710
Net investing cash flow	**181,347**	290,205
Net financing cash flow	**-**	(2,350)
	(8,585)	560,565

31 OPERATING REVENUE

	Continuing operations		*Discontinued operations*		Total	
		Restated		Restated		
	2014	2013	**2014**	2013	**2014**	2013
	RM'000	RM'000	**RM'000**	RM'000	**RM'000**	RM'000
Group						
Interest income	**36,315**	39,924	**93,920**	145,403	**130,235**	185,327
Brokerage and commission	**515**	1,017	**39,802**	58,456	**40,317**	59,473
Fund management and incentive fees	**-**	-	**83,135**	105,912	**83,135**	105,912
Advisory and arranger fees	**41**	135	**1,174**	3,368	**1,215**	3,503
Initial service charge	**-**	-	**50,786**	76,343	**50,786**	76,343
Underwriting commission and placement income	**-**	-	**1,396**	1,921	**1,396**	1,921
Rollover fees	**798**	1,691	**430**	759	**1,228**	2,450
Gains arising from disposals of securities and derivatives	**-**	-	**30,179**	17,607	**30,179**	17,607
Dividends and income distributions	**5,166**	235	**-**	-	**5,166**	235
Rental income	**2,466**	834	**-**	-	**2,466**	834
Other revenue	**3,349**	3,285	**(771)**	16,549	**2,578**	19,834
	48,650	47,121	**300,051**	426,318	**348,701**	473,439

31 OPERATING REVENUE (CONT'D)

	2014 RM'000	2013 RM'000
Company		
Interest income	**4,132**	63
Dividends and income distributions	**5,166**	41,204
	9,298	41,267

32 INTEREST INCOME

	Group		**Company**	
	2014 RM'000	Restated 2013 RM'000	**2014 RM'000**	2013 RM'000
Loans, advances and financing	**35,837**	39,884	**-**	-
Money at call and deposit placements with financial institutions	**568**	156	**478**	39
Advances to subsidiaries	**-**	-	**3,654**	24
	36,405	40,040	**4,132**	63

During the financial year, interest income earned on impaired loans and receivables of the continuing operations of the group of which impairment allowance has been made amounted to RM72,000 (2013: RM60,000).

33 INTEREST EXPENSE

	Group		**Company**	
	2014 RM'000	Restated 2013 RM'000	**2014 RM'000**	2013 RM'000
Borrowings	**(15,109)**	(20,454)	**(7,101)**	(10,655)
Advances from subsidiaries	**-**	-	**-**	(19)
	(15,109)	(20,454)	**(7,101)**	(10,674)

34 OTHER OPERATING INCOME

	Group		Company	
		Restated		
	2014	2013	**2014**	2013
	RM'000	RM'000	**RM'000**	RM'000
Fee and commission income:				
Arranger fees	**41**	135	**-**	-
Rollover fees	**798**	1,691	**-**	-
Commission	**515**	1,018	**-**	-
Other fees	**3,349**	3,285	**-**	-
	4,703	6,129	**-**	-
Net gain/(loss) on securities held-for-trading:				
- net loss on disposal	**-**	(344)	**-**	-
- net unrealised gain	**-**	280	**-**	-
	-	(64)	**-**	-
Net gain on securities AFS:				
- net gain on disposal	**2,420**	-	**-**	-
Gross dividends/income distributions:				
- securities AFS (quoted)	**5,068**	-	**5,068**	-
- securities AFS (unquoted)	**98**	235	**98**	235
- subsidiaries	**-**	-	**-**	40,969
	5,166	235	**5,166**	41,204
Other income:				
Net foreign exchange gain	**1**	33	**1**	33
Rental income				
- investment properties	**5,608**	5,501	**-**	-
Net gain on disposal of an investment property	**711**	46	**-**	-
Others	**1,531**	3,194	**-**	-
	7,851	8,774	**1**	33
	20,140	15,074	**5,167**	41,237

35 OTHER OPERATING EXPENSES

	Group		Company	
		Restated		
	2014	2013	**2014**	2013
	RM'000	RM'000	**RM'000**	RM'000
Personnel costs:				
Salaries, allowances and bonus	**(7,637)**	(7,424)	**(3,309)**	(3,019)
Contributions to defined contribution plans	**(1,109)**	(864)	**(457)**	(310)
Others	**(310)**	(237)	**-**	-
	(9,056)	(8,525)	**(3,766)**	(3,329)
Establishment related costs:				
Depreciation:				
- property, plant and equipment	**(1,697)**	(1,311)	**(417)**	(190)
- investment properties	**(375)**	(98)	**-**	-
Rental of:				
- premises	**(166)**	(159)	**-**	-
Repairs and maintenance of premises and equipment	**(41)**	(39)	**-**	-
Information technology expenses	**(142)**	(123)	**(8)**	(16)
Others	**(755)**	(382)	**-**	-
	(3,176)	(2,112)	**(425)**	(206)
Promotion and marketing related expenses:				
Promotion and business development	**(206)**	(309)	**(206)**	(309)
Incentives and commission	**(1,803)**	(2,211)	**-**	-
Others	**(125)**	(126)	**(26)**	-
	(2,134)	(2,646)	**(232)**	(309)
Administrative and general expenses:				
Auditors' remuneration:				
- statutory audit	**(107)**	(91)	**(60)**	(54)
- audit related	**(25)**	(9)	**(20)**	(6)
- others	**(12)**	(9)	**(8)**	(6)
Other professional and consultancy fees	**(286)**	(429)	**8**	(113)
Communication expenses	**(126)**	(95)	**(5)**	(5)
Regulatory charges	**(54)**	(28)	**(52)**	(28)
Net gain on disposals of:				
- property, plant and equipment	**139**	-	**-**	-
Directors' fees	**(334)**	(313)	**(334)**	(313)
Property, plant and equipment written off	**(3)**	(7)	**-**	-
Others	**(1,692)**	(1,496)	**(703)**	(407)
	(2,500)	(2,477)	**(1,174)**	(932)
	(16,866)	(15,760)	**(5,597)**	(4,776)

36 ALLOWANCE FOR LOSSES ON LOANS, ADVANCES AND FINANCING

	Group	
	2014	Restated 2013
	RM'000	RM'000
Individual impairment		
- made	**(598)**	(4,642)
Collective impairment		
- made	**(7,114)**	(5,417)
Bad debts:		
- recovered	**1,294**	1,548
- written off	**(274)**	(288)
	(6,692)	(8,799)

37 ITEMS OF INCOME AND EXPENSES

Profit before taxation of the group (which comprises continuing and discontinued operations) is stated after crediting/(charging):

	Group	
	2014	2013
	RM'000	RM'000
Auditors' remuneration:		
- statutory audit	**(133)**	(469)
- audit related	**(25)**	(22)
- others	**(61)**	(128)
	(219)	(619)
Directors' remuneration (note 38)	**(6,674)**	(7,276)
Personnel costs:		
- salaries, allowances and bonus	**(64,911)**	(85,461)
- contributions to defined contribution plans	**(9,783)**	(12,665)
- others	**(16,901)**	(23,766)
	(91,595)	(121,892)
Interest income *	**133,192**	189,342
Interest expense	**(68,685)**	(106,981)

37 ITEMS OF INCOME AND EXPENSES (CONT'D)

Profit before taxation of the group (which comprises continuing and discontinued operations) is stated after crediting/(charging) (cont'd):

	Group	
	2014	2013
	RM'000	RM'000
Depreciation:		
- property, plant and equipment	**(3,972)**	(7,131)
- investment properties	**(399)**	(241)
Net gain/(loss) on disposals of:		
- property, plant and equipment	**216**	114
- investment properties	**35,615**	46
- other investments	**(23)**	-
- subsidiaries and associate	**366,021**	-
Net loss on liquidation of subsidiaries	**(2)**	-
Property, plant and equipment written off	**(71)**	(27)
Other investments written off	**(89)**	-
Rental of:		
- premises	**(3,675)**	(5,257)
- equipment	**(1,606)**	(2,546)
Net gain/(loss) on securities held-for-trading:		
- net gain on disposal	**20,553**	18,055
- net unrealised loss	**(1,567)**	(2,478)
Net gain/(loss) on derivatives:		
- net gain/(loss) on disposal	**344**	(9,368)
- net unrealised (loss)/gain	**(4,192)**	6,091
Net gain on disposal of securities AFS	**2,824**	2,225
Net gain on disposal of securities held-to-maturity	**3,220**	-
Gross dividends/income distributions:		
- securities held-for-trading	**1,950**	1,249
- securities AFS (quoted in Malaysia)	**8,878**	5,701
- securities AFS (quoted outside Malaysia)	**1,567**	384
- securities AFS (unquoted)	**98**	235
	12,493	7,569

37 ITEMS OF INCOME AND EXPENSES (CONT'D)

Profit before taxation of the group (which comprises continuing and discontinued operations) is stated after crediting/(charging) (cont'd):

	Group	
	2014	2013
	RM'000	RM'000
Rental income		
- investment properties	**2,502**	912
Net foreign exchange (loss)/gain	**(937)**	16,129
Loans, advances and financing:		
- net individual impairment allowance made	**(1,562)**	(7,774)
- collective impairment allowance made	**(5,991)**	(7,189)
- bad debts written off	**(274)**	(288)
- bad debts recovered	**1,294**	1,548
	(6,533)	(13,703)
Clients' balances and receivables:		
- net individual impairment allowance written back/(made)	**407**	(133)
- bad debts written off	**(41)**	-
- bad debts recovered	**469**	219
	835	86
Write back of impairment loss/(impairment loss) on other assets (note 13(f))	**39**	(1,055)
Goodwill on consolidation written off	**(5)**	-

* Included interest earned on impaired loans and receivables of the group of which impairment allowance has been made amounted to RM127,000 (2013: RM76,000).

38 DIRECTORS' REMUNERATION

	Group		Company	
	2014 RM'000	2013 RM'000	**2014 RM'000**	2013 RM'000
Non-Executive Directors*:				
Fees	**(748)**	(725)	**(334)**	(313)
Other emoluments:				
- salary, bonus and other remuneration	**(5,152)**	(5,867)	**(3,219)**	(2,885)
- contributions to a defined contribution plan	**(754)**	(662)	**(457)**	(310)
	(5,906)	(6,529)	**(3,676)**	(3,195)
	(6,654)	(7,254)	**(4,010)**	(3,508)
Estimated monetary value of benefits-in-kind	**(20)**	(22)	**(13)**	(13)
	(6,674)	(7,276)	**(4,023)**	(3,521)

* Certain non-executive directors served as executive directors of principal subsidiaries of the company. The company does not have any executive director during the financial year.

The directors' remuneration which is included in personnel costs of the group and of the company amounted to RM5,906,000 (2013: RM6,529,000) and RM3,676,000 (2013: RM3,195,000) respectively.

39 TAXATION

	Group		Company	
	2014 RM'000	Restated 2013 RM'000	**2014 RM'000**	2013 RM'000
Continuing operations				
In respect of the current financial year:				
Malaysian income tax	**(6,223)**	(2,929)	**-**	(4,156)
Deferred tax	**1,155**	(103)	**18**	(9)
	(5,068)	(3,032)	**18**	(4,165)
In respect of prior financial years:				
Malaysian income tax	**(212)**	(11)	**(42)**	(13)
Deferred tax	**(25)**	-	**(22)**	-
	(237)	(11)	**(64)**	(13)
	(5,305)	(3,043)	**(46)**	(4,178)

39 TAXATION (CONT'D)

	Group		Company	
		Restated		
	2014	2013	**2014**	2013
	RM'000	RM'000	**RM'000**	RM'000
Discontinued operations				
In respect of the current financial year:				
Malaysian income tax	**(15,850)**	(15,621)	**-**	-
Foreign income tax	**(71)**	(118)	**-**	-
Real property gains tax	**(3,440)**	-	**-**	-
Deferred tax	**(1,968)**	(2,256)	**-**	-
	(21,329)	(17,995)	**-**	-
In respect of prior financial years:				
Malaysian income tax	**195**	(859)	**-**	-
Deferred tax	**(238)**	1,348	**-**	-
	(43)	489	**-**	-
	(21,372)	(17,506)	**-**	-
Total	**(26,677)**	(20,549)	**(46)**	(4,178)
Profit/(Loss) before taxation:				
- *Continuing operations*	**17,878**	10,101	**(3,460)**	25,818
- *Discontinued operations* (note 30(d))	**480,279**	76,404	**850,527**	-
	498,157	86,505	**847,067**	25,818
Effective tax rate (%)	**5.4**	23.8	**-**	16.2

39 TAXATION (CONT'D)

The numerical reconciliations between the applicable statutory income tax rate and the effective tax rate are as follows:

	Group		Company	
	2014	2013	**2014**	2013
	%	%	**%**	%
Applicable statutory income tax rate	**25.0**	25.0	**25.0**	25.0
Tax effects in respect of:				
Expenses not deductible for tax purposes	**0.6**	3.3	**0.3**	1.1
Income not subject to tax	**(21.1)**	(3.8)	**(25.3)**	(9.9)
Temporary differences and tax losses not recognised	**0.2**	(0.2)	**-**	-
Real property gains tax	**0.7**	-	**-**	-
Under/(Over) accrual for taxation in respect of prior financial years	**0.1**	(0.6)	**-**	-
Others	**(0.1)**	0.1	**-**	-
Effective tax rate	**5.4**	23.8	**-**	16.2

40 BASIC EARNINGS PER SHARE

Group

Basic earnings per share is calculated by dividing the profit for the financial year attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the financial year, excluding weighted average number of ordinary shares repurchased by the company and held as treasury shares as at the previous financial year end.

	2014	Restated 2013
Profit for the financial year attributable to equity holders of the company (RM'000)		
- *Continuing operations*	**12,573**	7,058
- *Discontinued operations*	**444,129**	44,135
	456,702	51,193
Weighted average number of ordinary shares in issue ('000)	**255,159**	255,159
Basic earnings per share attributable to equity holders of the company (sen)		
- *Continuing operations*	**4.93**	2.76
- *Discontinued operations*	**174.06**	17.30
	178.99	20.06

As at the end of the current and previous financial year, the company does not have any dilutive potential ordinary shares in issue.

41 OTHER COMPREHENSIVE INCOME

Discontinued operations

	Gross RM'000	Tax RM'000	Net RM'000
Group			
2014			
Items that may be reclassified subsequently to profit or loss			
Currency translation differences arising from foreign operations	**992**	**-**	**992**
Securities AFS:			
- net change in fair value	**(1,253)**	**309**	**(944)**
- net gain transferred to profit or loss on disposal	**(396)**	**99**	**(297)**
Share of AFS reserve of an associate	**20**	**-**	**20**
Reclassification adjustments upon disposals of subsidiaries and associate	**3,337**	**-**	**3,337**
	2,700	**408**	**3,108**
2013			
Items that may be reclassified subsequently to profit or loss			
Currency translation differences arising from foreign operations	5,223	-	5,223
Securities AFS:			
- net change in fair value	(1,170)	282	(888)
- net gain transferred to profit or loss on disposal	(2,125)	531	(1,594)
Share of AFS reserve of an associate	15	-	15
	1,943	813	2,756

42 DIVIDENDS PER SHARE

Group and Company

	2014		2013	
	Gross dividend per share RM	**Amount of net dividend RM'000**	Gross dividend per share RM	Amount of net dividend RM'000
Paid:				
Interim single tier dividend	**2.50**	**637,897**	-	-
Interim dividend, net of tax	**-**	**-**	0.05	9,568
	2.50	**637,897**	0.05	9,568

At the forthcoming Annual General Meeting of the company, a final single tier dividend of 2.5 sen gross per share, amounting to RM6,378,973 in respect of the financial year ended 31 July 2014, based on the issued and paid-up share capital of the company as at 31 July 2014, will be proposed for the shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend, which will be accounted for in the shareholders' equity as an appropriation of retained profits in the financial year ending 31 July 2015 when approved by the shareholders.

43 CASH AND CASH EQUIVALENTS

	Group		Company	
	2014 RM'000	2013 RM'000	**2014 RM'000**	2013 RM'000
Cash and short term funds	**81,205**	1,251,907	**78,394**	9,809
Less: Monies held in trust and dividends received on behalf of customers	**(190)**	(83,474)	**-**	-
	81,015	1,168,433	**78,394**	9,809

44 RELATED PARTY DISCLOSURES

In addition to the related party disclosures mentioned elsewhere in the financial statements, the other significant related party transactions and balances are as disclosed below.

(a) Related parties and relationship

The related parties of, and their relationship with the group and the company are as follows:

Relationship	Related parties
Subsidiaries	Subsidiaries of the company as disclosed in note 16 to the financial statements
Associate	Associate of the company as disclosed in note 17 to the financial statements
Other related parties	
Key management personnel	All directors of the company who make critical decisions in relation to the strategic direction of the group and of the company (including their close family members)
Deemed substantial shareholder of the company	DBS Bank Ltd.
Subsidiaries of a deemed substantial shareholder of the company	(a) DBS Vickers Securities (Singapore) Pte Ltd. (b) DBS Vickers (Hong Kong) Limited

44 RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant related party transactions

Group

	Associate		Other related parties	
	2014	2013	**2014**	2013
	RM'000	RM'000	**RM'000**	RM'000
Income				
Reimbursement of research expenses	**-**	-	**1,847**	2,158
Fee income	**-**	-	**119**	471
Brokerage	**-**	-	**441**	680
Interest income on derivatives	**-**	-	**1,512**	1,969
	-	-	**3,919**	5,278
Expenses				
Consultancy fee	**-**	-	**-**	(300)
Fund management and incentive fees	**(3,676)**	(3,457)	**-**	-
	(3,676)	(3,457)	**3,919**	4,978

Key management personnel compensation

	Group		Company	
	2014	2013	**2014**	2013
	RM'000	RM'000	**RM'000**	RM'000
Short term employee benefits	**5,974**	7,165	**3,232**	2,898
Post-employment benefits	**872**	841	**457**	310
Directors' fees	**748**	725	**334**	313
	7,594	8,731	**4,023**	3,521

44 RELATED PARTY DISCLOSURES (CONT'D)

(c) Significant related party balances

	Other related parties	
	2014	2013
	RM'000	RM'000
Group		
Due from		
Cash and short term funds	**-**	2,388
Amounts due from brokers	**-**	2,501
Collateral/Margin deposits (included in other receivables and deposits)	**-**	6,014
	-	10,903

	Note	Subsidiaries	
		2014	2013
		RM'000	RM'000
Company			
Due from			
Amounts due from subsidiaries (non-trade)	13	**254,517**	-
Subordinated term loan to a subsidiary	16	**-**	5,000
		254,517	5,000

Amounts due from subsidiaries as at the end of the reporting period are unsecured, repayable on demand and carry an effective interest rate of 4.75% per annum.

The subordinated term loan, which was approved by Bursa Malaysia Derivatives Berhad ("BMDB"), was a form of long term capital contributions by the company to a former subsidiary, HDM Futures Sdn. Bhd. ("HDM Futures"). The loan was unsecured and interest free. As at the previous financial year end, the scheduled maturity date of the loan was 25 June 2017, subject to a further extension upon maturity, with prior approval from BMDB, to a date to be mutually agreed by the company and HDM Futures. During the financial year, the loan was novated to a former investment banking subsidiary, HDBSIB upon completion of the disposals of subsidiaries and associate, as disclosed in note 30(a)(ii) to the financial statements.

45 CAPITAL MANAGEMENT

Group

The objectives of the group when managing capital are:

- To safeguard the ability of the group to continue in operations as a going concern;
- To ensure availability of funds for future business operations; and
- To comply with regulatory capital adequacy requirements imposed by the relevant authorities.

The objectives of the company when managing capital are to safeguard the ability of the company to continue as a going concern and to ensure availability of funds for future business operations.

The group and the company monitor capital based on regulatory capital requirements and using gearing ratio, where applicable. The gearing ratios of the group and of the company are calculated based on borrowings, net of cash and cash equivalents divided by total equity. As at the end of the reporting period, the gearing ratio of the group and of the company are 0 times (2013: 0 times) and 0 times (2013: 0.5 times) respectively.

Subsequent to the disposals of the banking subsidiaries, derivative trading subsidiary and investment management subsidiary during the financial year, as disclosed in note 30(a) to the financial statements, the group is no longer subject to regulatory capital adequacy requirement. Previously, the former banking subsidiaries of the company were subject to the capital adequacy requirements as prescribed by the Central Banks of the jurisdictions in which the banking subsidiaries operate. The former derivatives trading subsidiary, HDM Futures Sdn. Bhd. was required to maintain a minimum financial resource requirement as imposed by Bursa Malaysia Derivatives Berhad. The former investment management subsidiary, Hwang Investment Management Berhad was required to maintain a minimum shareholders' funds as imposed by the Securities Commission.

The regulatory capital requirements applicable to the former subsidiaries of the company were as follows:

(a) HwangDBS Investment Bank Berhad ("HDBSIB")

The former investment banking subsidiary monitored capital based on regulatory capital requirements as prescribed by Bank Negara Malaysia. Capital adequacy ratios of HDBSIB were computed in accordance with the revised Capital Adequacy Framework, as set out in the Capital Adequacy Framework (Basel II - Risk-Weighted Assets) and Capital Adequacy Framework (Capital Components) issued by BNM at both entity and consolidated levels. HDBSIB adopted the Standardised Approach for credit and market risks, and the Basic Indicator Approach for operational risk at both entity and consolidated levels.

The minimum capital adequacy ratios to be maintained by HDBSIB at both entity and consolidated levels as at the previous financial year end were as follows:

	%
Common Equity Tier I (CET 1) Capital	3.5
Tier 1 Capital ratio	4.5
Total Capital ratio	8.0

45 CAPITAL MANAGEMENT (CONT'D)

Group

(a) HwangDBS Investment Bank Berhad ("HDBSIB") (cont'd)

In addition, HDBSIB was required to maintain, at all times, minimum capital funds of RM500 million.

HDBSIB carried out stress testing, from time to time, to estimate the potential impacts of planned allocation of capital resources on its capital base and capital adequacy ratios.

The capital components and capital adequacy ratios of HDBSIB as at the previous financial year end, which were computed in accordance with the revised Capital Adequacy Framework issued by BNM, at entity and consolidated levels, were as follows:

	2013	
	Investment banking group RM'000	HDBSIB RM'000
Common Equity Tier I (CET 1) Capital		
Issued and fully paid share capital	500,000	500,000
Retained profits	216,854	214,038
AFS reserve	3,564	3,564
Statutory reserve	148,861	148,861
	869,279	866,463
Less: Regulatory adjustments		
Intangible assets	(162,502)	(162,502)
Deferred tax assets	(463)	(463)
55% of AFS reserve	(1,960)	(1,960)
	(164,925)	(164,925)
CET 1 Capital	704,354	701,538
Additional Tier 1 Capital		
Non-controlling interests	208	-
Tier 1 Capital	704,562	701,538
Tier 2 Capital		
Non-controlling interests	49	-
Collective impairment allowances	5,476	5,476
Less: Regulatory adjustment		
Investment in subsidiaries (financial entities)	-	(399)
Tier 2 Capital	5,525	5,077
Total Capital	710,087	706,615

45 CAPITAL MANAGEMENT (CONT'D)

Group

(a) HwangDBS Investment Bank Berhad (“HDBSIB”) (cont'd)

	2013	
	Investment banking group	HDBSIB
CET1 Capital ratio	30.046%	30.020%
Tier 1 Capital ratio	30.055%	30.020%
Total Capital ratio	30.291%	30.237%

(b) HwangDBS Commercial Bank Plc (“HDCB”)

The solvency ratio of the former commercial banking subsidiary, HDCB, which was the regulatory capital adequacy ratio prescribed by the National Bank of Cambodia (“NBC”), was computed based on the net worth of HDCB divided by its risk-weighted assets and items not recognised in the statement of financial position.

All commercial banks in Cambodia are required by NBC to i) hold a minimum capital , ii) maintain a net worth of at least equals to the minimum capital and iii) comply with minimum regulatory solvency ratio requirement of 15%.

The net worth and solvency ratio of HDCB as at the previous financial year end were as follows:

	2013
Net worth (RM’000)	125,455
Solvency ratio (%)	63.569%

(c) HDM Futures Sdn. Bhd.

The former derivatives trading subsidiary, HDM Futures Sdn. Bhd. was required to maintain at all times, a minimum Adjusted Net Capital (“ANC”) as imposed by Bursa Malaysia Derivatives Berhad. The ANC is determined based on permitted assets less adjusted liabilities of the former derivatives trading subsidiary. The minimum ANC required was either RM500,000 or 10% of the aggregate margin required, whichever was higher.

(d) Hwang Investment Management Berhad (“HwangIM”)

The former investment management subsidiary, HwangIM was required to maintain a minimum shareholders’ funds of RM10 million at all times as imposed by the Securities Commission.

(e) The former banking subsidiaries, former derivatives trading subsidiary and former investment management subsidiary within the group complied with the regulatory capital requirements to which they are subject to.

46 COMMITMENTS AND CONTINGENCIES

Group

	2014 RM'000	2013 RM'000
(a) Loan commitments		
Commitments to extend credits with maturity of:		
- up to 1 year	**12,000**	353,243
- over 1 year	**-**	101,522
	12,000	454,765
(b) Capital expenditure commitments		
In respect of property, plant and equipment:		
Contracted but not provided for	**189**	221
Approved but not contracted for	**-**	15,119
	189	15,340
(c) Non-cancellable operating lease commitments		
Future minimum lease payable:		
- not later than 1 year	**217**	4,857
- later than 1 year but not later than 5 years	**-**	1,617
	217	6,474
Future minimum lease receivable:		
- not later than 1 year	**4,659**	963
- later than 1 year but not later than 5 years	**1,223**	1,849
	5,882	2,812

46 COMMITMENTS AND CONTINGENCIES (CONT"D)

Group

(d) The related risk-weighted exposures of the group in respect of the former banking subsidiaries as at the previous financial year end were as follows:

	Principal amount RM'000	Credit equivalent amount * RM'000	Risk-weighted amount RM'000
2013			
Commitments			
Commitments to extend credits with maturity of #:			
- up to 1 year	353,243	5,385	5,385
- over 1 year	101,522	53,033	50,760
	454,765	58,418	56,145
Derivative financial instruments			
Foreign exchange related contracts:			
- up to 1 year	1,573,044	49,452	34,946
- over 1 year to 5 years	792,008	94,027	31,881
Interest rate related contracts:			
- up to 1 year	253,000	180	180
- over 1 year to 5 years	100,000	5,892	2,946
	2,718,052	149,551	69,953
Total	3,172,817	207,969	126,098

* The credit equivalent amounts in respect of contingencies and commitments of the former investment banking subsidiary were arrived at using the credit conversion factors as specified by BNM.

Included in the commitments to extend credits were loan commitments of the former commercial banking subsidiary, of which the credit equivalent amount and risk-weighted amount were computed in accordance with the relevant guidelines issued by the National Bank of Cambodia.

46 COMMITMENTS AND CONTINGENCIES (CONT"D)

Company

	Note	**2014 RM'000**	2013 RM'000
(e) Capital expenditure commitments			
Committed capital in a subsidiary, HDM Private Equity Sdn. Bhd. (In Liquidation) ("HPE") in accordance with the Subscription Agreements between the company and HPE		**-**	47,532
(f) Contingencies			
Corporate guarantees provided by the company to cover outstanding borrowings of a subsidiary	26	**30,804**	209,108

47 SEGMENTAL INFORMATION

Group

The group determines reportable segments and presents measure of segment profit or loss in respect of the reportable segments based on information that are internally provided to the board of directors of the company.

The group is organised into the following operating segments:

- Stockbroking - stockbroking, share margin financing and dealing in securities
- Investment banking - debt and equity capital market services, corporate banking, corporate finance advisory and treasury and market activities
- Investment management - management of unit trust funds and provision of fund management services
- Moneylending - moneylending and credit financing activities
- Commercial banking - commercial banking activities
- Others - include investment holding and other non-core operations of the group

47 SEGMENTAL INFORMATION (CONT'D)

Group

No operating segments have been aggregated to form the reportable segments of the group.

The revenue of other segments of the group is mainly derived from dealings in options and futures, nominees services, research activities, investment holding and property letting, none of which constitutes a separate reportable segment.

Basis of measurement

The segment performance reported to the board of directors of the company is measured in a manner consistent with the amounts reported in the consolidated financial statements.

Major customers

During the financial year, revenue amounting to RM11,016,000 (2013: RM18,476,000) is derived from transactions with two single external customers (2013: a single external customer) reported in the moneylending segment.

The comparative segmental information of the group has been restated in accordance with the disclosure requirements of MFRS 5, Non-current Assets Held for Sale and Discontinued Operations and to conform with the presentation for the current financial year, as explained in note 3(x) to the financial statements.

47 SEGMENTAL INFORMATION (CONT'D)

Group

Segment performance

	Continuing operations				Discontinued operations									
	Money-lending RM'000	Others RM'000	Eliminations RM'000	Sub-total RM'000	Stock-broking RM'000	Investment banking RM'000	Investment manage-ment RM'000	Commercial banking RM'000	Others RM'000	Eliminations RM'000	Sub-total RM'000	Total RM'000	Eliminations RM'000	Group RM'000
2014														
External revenue	40,540	8,110	-	48,650	85,061	67,960	135,391	7,725	3,914	-	300,051	348,701	-	348,701
Inter-segment revenue	-	6,970	(3,829)	3,141	-	1,083	(177)	-	2,218	(2,041)	1,083	4,224	(4,224)	-
Total revenue	40,540	15,080	(3,829)	51,791	85,061	69,043	135,214	7,725	6,132	(2,041)	301,134	352,925	(4,224)	348,701
Net interest income/ (expense)	25,765	(4,469)	-	21,296	14,163	20,026	2,008	5,984	1,030	-	43,211	64,507	-	64,507
Other operating income	8,657	11,748	(265)	20,140	99,964	12,244	136,983	377	372,161	(5,361)	616,368	636,508	(3,347)	633,161
	34,422	7,279	(265)	41,436	114,127	32,270	138,991	6,361	373,191	(5,361)	659,579	701,015	(3,347)	697,668
Other operating expenses	(9,700)	(7,073)	(93)	(16,866)	(63,579)	(10,103)	(99,731)	(4,573)	(7,075)	2,338	(182,723)	(199,589)	3,347	(196,242)
	24,722	206	(358)	24,570	50,548	22,167	39,260	1,788	366,116	(3,023)	476,856	501,426	-	501,426
(Allowance)/Write back of allowance for losses on:														
- loans, advances and financing	(6,692)	-	-	(6,692)	18	1,158	-	(1,017)	-	-	159	(6,533)	-	(6,533)
- clients' balances and receivables	-	(50)	50	-	664	171	-	-	-	-	835	835	-	835
- other assets	-	-	-	-	-	-	-	-	39	-	39	39	-	39
- investments in subsidiaries	-	(61)	61	-	-	-	-	-	-	-	-	-	-	-
Segment profit/(loss)	18,030	95	(247)	17,878	51,230	23,496	39,260	771	366,155	(3,023)	477,889	495,767	-	495,767
Share of results of an associate, net of tax											2,390	2,390		2,390
Profit before taxation											480,279	498,157		498,157
Depreciation	(589)	(1,479)	(4)	(2,072)	(812)	(171)	(1,127)	(649)	(80)	1	(2,838)	(4,910)	539	(4,371)
Additions to non-current assets	1,093	155	(802)	446	241	-	1,317	166	17	-	1,741	2,187	-	2,187

47 SEGMENTAL INFORMATION (CONT'D)

Group

Segment performance (cont'd)

	Continuing operations				Discontinued operations									
	Money-lending RM'000	Others RM'000	Elimi-nations RM'000	Sub-total RM'000	Stock-broking RM'000	Investment banking RM'000	Investment manage-ment RM'000	Commercial banking RM'000	Others RM'000	Elimi-nations RM'000	Sub-total RM'000	Total RM'000	Elimi-nations RM'000	Group RM'000
2013 (Restated)														
External revenue	46,014	1,107	-	47,121	102,709	121,839	184,227	11,795	5,748	-	426,318	473,439	-	473,439
Inter-segment revenue	-	45,701	(41,033)	4,668	-	1,644	(278)	-	3,113	(2,835)	1,644	6,312	(6,312)	-
Total revenue	46,014	46,808	(41,033)	51,789	102,709	123,483	183,949	11,795	8,861	(2,835)	427,962	479,751	(6,312)	473,439
Net interest income/ (expense)	31,721	(12,135)	-	19,586	21,563	27,669	2,263	9,361	1,919	-	62,775	82,361	-	82,361
Other operating income	9,259	46,824	(41,009)	15,074	76,551	26,257	185,064	884	8,904	(4,241)	293,419	308,493	(4,977)	303,516
	40,980	34,689	(41,009)	34,660	98,114	53,926	187,327	10,245	10,823	(4,241)	356,194	390,854	(4,977)	385,877
Other operating expenses	(9,414)	(6,387)	41	(15,760)	(91,450)	(21,274)	(147,167)	(7,823)	(10,358)	3,334	(274,738)	(290,498)	4,977	(285,521)
	31,566	28,302	(40,968)	18,900	6,664	32,652	40,160	2,422	465	(907)	81,456	100,356	-	100,356
(Allowance)/Write back of allowance for losses on:														
- loans, advances and financing	(8,799)	-	-	(8,799)	570	(1,535)	-	(3,903)	-	(36)	(4,904)	(13,703)	-	(13,703)
- clients' balances and receivables	-	(6)	6	-	233	(147)	-	-	-	-	86	86	-	86
- other assets	-	-	-	-	-	-	-	-	(1,055)	-	(1,055)	(1,055)	-	(1,055)
- investments in subsidiaries	-	(32)	32	-	318	-	-	-	-	(318)	-	-	-	-
Segment profit/(loss)	22,767	28,264	(40,930)	10,101	7,785	30,970	40,160	(1,481)	(590)	(1,261)	75,583	85,684	-	85,684
Share of results of an associate, net of tax											821	821		821
Profit before taxation											76,404	86,505		86,505
Depreciation	(120)	(1,289)	-	(1,409)	(2,051)	(457)	(2,239)	(1,159)	(150)	3	(6,053)	(7,462)	90	(7,372)
Additions to non-current assets	114	1,225	(1,230)	109	2,057	217	2,132	983	129	-	5,518	5,627	-	5,627

47 SEGMENTAL INFORMATION (CONT'D)

Group

Geographical information

	Revenue	
	2014	2013
	RM'000	RM'000
Malaysia		
- *Continuing operations*	**48,650**	47,121
- *Discontinued operations*	**271,721**	385,546
	320,371	432,667
Foreign countries		
- *Discontinued operations*	**28,330**	40,772
	348,701	473,439

	Non-current assets *	
	2014	2013
	RM'000	RM'000
Malaysia	**40,828**	265,324
Foreign countries	**-**	2,722
	40,828	268,046

* Non-current assets include property, plant and equipment, investment properties, intangible assets, non-current assets held for sale and other investments (note 13(f)).

48 FINANCIAL RISK MANAGEMENT

The operations of the group are subject to a variety of financial risks, including credit risk, market risk and liquidity risk. The group has formulated financial risk management framework and policies which are guided by the principal objective of minimising exposure to the risks associated with the operating, investing and financing activities of the group. Prudent risk management policies and procedures are in place for the control and management of risks associated with the day-to-day operations of the group and of the company.

The risk governance structure is cascaded throughout all levels of the organisation, which comprises the board of directors, executive management, business units and support units of the respective companies.

The board of directors is ultimately responsible for assuming the risks inherent in the business activities and defining the policies for governing those activities. The Board committees that are responsible to support the Board in the oversight of the group's risk management are the Executive Committee ("EXCO") and the board risk management committees of certain former key operating subsidiaries. Internal risk management reports are submitted to the board risk management committees on a periodic basis.

(a) Credit risk

Credit risk refers to the potential risk of financial loss arising from defaults by counterparties in meeting their obligations and is controlled by management through the application of credit approvals, revision of credit limits and monitoring procedures. The group's exposure to credit risks arises primarily from share trading, share margin financing, lending activities, bonds and foreign exchange trading, investments as well as equity and debt underwriting, fund management and investment activities. The primary objective of credit risk management is to ensure that exposure to credit risk is always kept within the group's capacity to withstand potential financial losses.

The management of credit risk of the subsidiaries are governed by the credit management policies and procedures approved by the respective subsidiaries' board of directors. Daily management and monitoring of credit risk is undertaken by credit control teams working within each business unit to ensure compliance with approved policies and regulatory requirements.

All credit applications are subject to credit evaluation by the originating business units and independently reviewed and approved by authorised personnel and/or committees, within the specified authority limits. The character, integrity, credibility and reputation of the borrowers are reviewed by management to judge the borrower's reliability and capability to fulfill the financial obligations to the group.

In respect of the former investment banking subsidiary, lending activities are governed by the Core Credit Risk Policy which ensures that the overall lending objectives achieved are in compliance with the internal and regulatory requirements. Counterparty risk rating system is adopted whereby each corporate borrower is assigned a rating based on the assessment of relevant factors, including the borrower's financial conditions, market position, access to capital and management strength. The internal credit ratings are reviewed at least annually and more frequently when conditions warrant. Credit reviews on corporate borrowers and monitoring of credit risk exposures arising from stockbroking business are performed on regular basis to enable identification of indications of impairment and early warnings detection. Credit concentration risks are managed via sector concentration limits which are regularly monitored to ensure sufficient diversification of credit exposures. Common approaches to assessing credit risk concentrations involve review of the credit portfolios by borrowers' risk ratings, group relationship, industry concentration, business group/geographic market and country exposures. Portfolio stress testing for credit risk is conducted at least bi-annually as part of the risk measurement activities.

48 FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Credit risk (cont'd)

In respect of the former commercial banking subsidiary, extension of credit is governed by credit programmes, which set out the plan for a particular product or portfolio, including the target market, terms and conditions, documentation and procedures under which a product will be offered. The former commercial banking subsidiary also structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and industry segments. Concentration of credit risk is monitored and subject to an annual or a more frequent review, when considered necessary. Limits on level of credit risk by product and industry sector are approved by the board of directors. Policies and practices to mitigate credit risk, including requiring borrowers to pledge collateral against loans and advances granted are also being employed by the former commercial banking subsidiary. For larger credit facilities which exceed a prescribed threshold, the counterparty risk rating system is adopted whereby each borrower is assigned a rating based on the assessment of relevant factors, including the borrower’s financial conditions and outlook, industry and economic conditions, market position, access to capital and management strength.

Credit risk arising from fund management activities of the former investment management subsidiary, is mitigated to a certain extent as settlement is regulated by the Securities Commission.

(b) Market risk

Market risk is the risk of losses arising from changes in market prices or rates, such as interest rates, foreign exchange rates and equity prices.

The risk of unfavourable price changes is managed by cautious review of the investments and collateral held with continuous monitoring of their performance and risk profiles by qualified personnel.

Significant foreign exchange exposures arising from the holding of monetary assets and liabilities of which cash flows are denominated in a currency other than the group’s functional currency are generally covered using derivative financial instruments, such as foreign exchange forward contracts.

For the former investment banking subsidiary, the market risk framework comprises the Core Market Risk Policy (“CMRP”) that establishes the base standards on management of market and liquidity risks as well as sets out policies at a more detailed level for specific subject matters.

The CMRP comprises the following elements:

- Market risk management principles;
- Market risk measurement techniques;
- Valuation methodology;
- Market risk limit structure and management;
- Guidelines on validation of valuation models and market risk models; and
- New product/service process whereby risk issues are identified and managed with robust control measures before new products are launched.

48 FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Market risk (cont'd)

The former investment banking subsidiary adopts a Value-at-Risk (“VaR”) methodology using a variance-covariance method, which measures the interest rate and foreign exchange exposures arising from trading book portfolio. The VaR model is back-tested against actual results to validate its robustness. To complement the VaR framework, sensitivity measures, such as stop loss, present value basis point (“PVBP”) and stress testing are also being used by the former investment banking subsidiary to manage market risk.

Management of interest rate risk in the banking book by the former investment banking subsidiary is governed by the Asset and Liability Management (“ALM”) Policy. The former investment banking subsidiary adopts both the earnings and economic value approaches in managing the interest rate risk. The earnings approach focuses on the impact of interest rate movements on the near term earnings. The economic value approach provides a more comprehensive view of the impact of interest rate movements on the economic value of the overall position of the former investment banking subsidiary.

The former investment banking subsidiary is exposed to equity risk arising from investment in equity-based instruments and collective investment schemes held for trading and/or yield purpose, as well as from equity underwriting business. Equity risk is managed and monitored by the said former subsidiary through stop loss limits as well as limits set based on the issued share capital/fund size of issuers and its total capital.

The former investment management subsidiary minimises its exposure to market risk arising from holding of manager’s stocks by imposing exposure, investment and concentration limits on the funds managed as well as having in place cut-loss policies to reduce the potential loss in the event of systemic market risk.

(c) Liquidity risk

Liquidity risk is the risk of loss due to inability of the group to access to sufficient funds at a reasonable cost, to meet payment obligations when they fall due.

The group manages the funding needs and allocates funds in such a manner that all business units maintain optimum levels of liquidity sufficient for their operations. Any excess funds from operating cash cycles, which are temporary in nature, are invested in short term deposits with other financial institutions at competitive interest rates.

The group practises prudent liquidity risk management to ensure that there is adequate cash flow to meet all its obligations. Sufficient credit facilities are maintained with other financial institutions for contingent working capital and funding requirements.

The former investment banking subsidiary’s liquidity risk management is governed by the guidelines as stipulated in the ALM Policy. The primary tool adopted by the former investment banking subsidiary in monitoring liquidity risk is via liquidity gap profile, which measures the projected maturity mismatch of its assets, liabilities and other financial commitments by matching the expected cash inflows and outflows into the relevant time bands based on the behavioural patterns of certain financial instruments. In addition, various liquidity and concentration ratios are also being employed to manage funding liquidity risk. Regular stress testing on liquidity risk is also conducted on the liquidity risk profile to assess the potential impact on funding liquidity and a contingency funding plan is also in place. The former investment banking subsidiary complies with the BNM Liquidity Framework in assessing its soundness of liquidity standing.

48 FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk (cont'd)

The former commercial banking subsidiary practises regular review and monitoring of the funding liquidity as well as manages concentration and movements of main depositors and projection of their withdrawals. Management Asset and Liability Committee established at the former commercial banking subsidiary assists the Board in maintaining an effective oversight over the effectiveness of its risk management infrastructure.

(d) Internal Capital Adequacy Assessment Process (ICAAP)

The former investment banking subsidiary, HDBSIB has implemented the ICAAP in accordance to BNM's Risk-Weighted Capital Adequacy Framework (Basel II), which aims to ensure that banking institutions maintain adequate capital levels to support their business activities beyond the minimum regulatory capital requirements as dictated under Pillar 1.

Based on Pillar 1 risks and other material risks identified under Pillar 2, the overall capital adequacy of HDBSIB shall be assessed in a forward-looking manner that is consistent with its risk profile and business plan, including stressed conditions.

HDBSIB performs the ICAAP on a half-yearly basis and the results are tabled at its executive management Risk Oversight Committee and the Board Risk Management Committee for deliberations and remedial actions to be taken, if any. Broadly, the ICAAP methodology involves risk assessment, risk measurement, stress testing and integrated risk & capital planning and reporting.

49 FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

The carrying amounts of financial assets available-for-sale and held-to-maturity are as disclosed in the statements of financial position of the group and of the company.

Financial assets and financial liabilities held-for-trading of the group consist of the following:

	Group	
	2014	2013
	RM'000	RM'000
Financial assets		
Securities held-for-trading	**-**	55,319
Derivative assets	**-**	36,579
	-	91,898
Financial liabilities		
Derivative liabilities	**-**	(45,883)

49 FINANCIAL INSTRUMENTS (CONT'D)

(a) Classification of financial instruments (cont'd)

Loans and receivables of the group and of the company consist of the following:

	Group		Company	
	2014	2013	**2014**	2013
	RM'000	RM'000	**RM'000**	RM'000
Financial assets				
Cash and short term funds	**81,205**	1,251,907	**78,394**	9,809
Deposits and placements with banks and other financial institutions	**649**	33,475	**649**	629
Loans, advances and financing	**393,936**	889,092	**-**	-
Clients' and brokers' balances	**-**	225,613	**-**	-
Other financial assets (note 13)	**1,745**	141,705	**254,549**	7
	477,535	2,541,792	**333,592**	10,445

Financial liabilities at amortised cost of the group and of the company consist of the following:

	Group		Company	
	2014	2013	**2014**	2013
	RM'000	RM'000	**RM'000**	RM'000
Financial liabilities				
Deposits from customers	**-**	(690,304)	**-**	-
Deposits and placements of banks and other financial institutions	**-**	(2,096,449)	**-**	-
Clients' and brokers' balances	**-**	(223,964)	**-**	-
Other financial liabilities	**(29,034)**	(302,790)	**(14,852)**	(2,799)
Borrowings	**(30,804)**	(450,637)	**-**	(241,529)
	(59,838)	(3,764,144)	**(14,852)**	(244,328)

49 FINANCIAL INSTRUMENTS (CONT'D)

(b) Maximum exposure to credit risk

The financial assets of the group and of the company are subject to credit risk except for actively traded quoted securities held-for-trading, which are subject to price risk and cash in hand.

For financial assets recognised in the statements of financial position which are subject to credit risk, the maximum exposure to credit risk equals their carrying amounts. For credit related commitments or contingencies not recognised in the statements of financial position, the maximum exposure to credit risk is the full amount of the irrevocable committed facilities or the maximum amount the group would have to pay if the obligations arising from financial instruments issued being called upon. The table below presents the maximum exposure to credit risk of the group as at the end of the reporting period (without taking into account of any collateral held or other credit enhancements) in respect of items not recognised in the statements of financial position:

	Group	
	2014	2013
	RM'000	RM'000
Commitments	**12,000**	57,469

The maximum exposure to credit risk of the company arising from corporate guarantees issued by the company to cover outstanding borrowings of a subsidiary (note 46(f)) amounted to RM30,804,000 as at the end of the reporting period (2013: RM209,108,000). There is no indication that the subsidiary will default on the borrowings as at the end of the reporting period.

(c) Collateral and other credit enhancements obtained

The main types of collateral and other credit enhancements obtained by the group in respect of loans and receivables are as follows:

Classes of loans and receivables	**Types of collateral**
Corporate loans/financing	• Properties and other assets • Securities quoted on Bursa Securities • Unquoted securities • Cash deposits • Debentures and guarantees
Retail loans/financing	• Properties • Securities quoted on Bursa Securities • Cash deposits • Guarantees
Share margin financing	• Securities quoted on Bursa Securities • Cash deposits
Clients' and brokers' balances	• Securities quoted on Bursa Securities • Cash deposits

Consumer loans/financing, trade and other receivables are generally unsecured.

49 FINANCIAL INSTRUMENTS (CONT'D)

(c) Collateral and other credit enhancements obtained (cont'd)

Pledges of collateral are negotiated with the counterparties for the purpose of reducing credit risk. The group takes into consideration the marketability and counterparty of the collateral as well as the adequacy of debt coverage in assessing the acceptability of collateral. The collateral obtained by the group is valued periodically depending on the types of collateral. Quoted securities are valued based on quoted and observable market prices. Properties are valued based on valuation by independent professional valuers or recent transacted prices of properties in the adjacent locations.

(d) Credit quality of financial assets

Exposures of the group and of the company to credit risk as at the end of the reporting period (without taking into account of any collateral held or other credit enhancements and allowances for impairment losses) are as follows:

	Neither past due nor impaired RM'000	Past due but not impaired RM'000	Impaired RM'000
Group			
2014			
Short term funds and deposit placements with financial institutions (exclude cash in hand)	**81,850**	**-**	**-**
Securities AFS	**321,761**	**-**	**-**
Loans, advances and financing	**377,952**	**17,293**	**11,597**
Other financial assets	**1,745**	**-**	**-**
	783,308	**17,293**	**11,597**
2013			
Short term funds and deposit placements with financial institutions (exclude cash in hand)	1,278,233	-	-
Securities held-for-trading (exclude quoted securities)	19,890	-	-
Securities AFS	1,413,331	-	650
Securities held-to-maturity	370,268	-	-
Loans, advances and financing	835,461	59,632	18,580
Clients' and brokers' balances	224,041	1,419	692
Derivative assets	36,579	-	-
Other financial assets	141,590	52	573
	4,319,393	61,103	20,495

49 FINANCIAL INSTRUMENTS (CONT'D)

(d) Credit quality of financial assets (cont'd)

All financial assets held by the company as at the end of the reporting period are neither past due nor individually impaired.

The financial effect of collateral (quantification of the extent to which collateral and other credit enhancements mitigate credit risk) held for loans, advances and financing of the group is 26% (2013: 54%). The financial effect of collateral held for other financial assets is not significant.

(e) Credit quality of financial assets that are neither past due nor impaired

Short term funds and deposit placements with financial institutions (exclude cash in hand)

Analysis of short term funds and deposit placements with financial institutions of the group and of the company (exclude cash in hand) by counterparty is as follows:

	Group		Company	
	2014	2013	**2014**	2013
	RM'000	RM'000	**RM'000**	RM'000
Bank balances and deposit placements with:				
Central Banks	**-**	13,502	**-**	-
Licensed banks in Malaysia	**3,783**	753,167	**975**	791
Licensed investment banks in Malaysia	**78,067**	445,535	**78,067**	9,582
Other financial institutions in Malaysia	**-**	1,509	**-**	-
Foreign financial institutions	**-**	64,520	**-**	65
	81,850	1,278,233	**79,042**	10,438

49 FINANCIAL INSTRUMENTS (CONT'D)

(e) Credit quality of financial assets that are neither past due nor impaired (cont'd)

Securities portfolio

Analysis of securities portfolio of the group by external credit rating (without taking into account of allowances for impairment losses) is as follows:

	External credit rating *					
	AAA to AA- RM'000	**A+ to A- RM'000**	**BBB+ to BBB- RM'000**	**Unrated - sovereign RM'000**	**Unrated - others RM'000**	**Total RM'000**
Group						
2014						
Securities AFS						
Quoted securities	**-**	**-**	**-**	**-**	**321,271**	**321,271**
Unquoted equity instruments	**-**	**-**	**-**	**-**	**490**	**490**
	-	**-**	**-**	**-**	**321,761**	**321,761**
2013						
Securities held-for-trading						
Unquoted debt securities	19,890	-	-	-	-	19,890
Securities AFS						
Quoted securities	-	-	-	-	206,830	206,830
Unquoted debt securities	458,551	25,183	102,455	473,193	146,629	1,206,011
Unquoted equity instruments	-	-	-	-	1,140	1,140
Securities held-to-maturity						
Unquoted debt securities	131,391	31,860	207,017	-	-	370,268
	609,832	57,043	309,472	473,193	354,599	1,804,139

* The credit ratings cited represented ratings by the Malaysian Rating Corporation Berhad with equivalent ratings by other rating agencies being classified similarly.

The unquoted equity instruments held by the company at a carrying amount of RM490,000 as at the end of the reporting period (2013: RM490,000) are unrated.

49 FINANCIAL INSTRUMENTS (CONT'D)

(e) Credit quality of financial assets that are neither past due nor impaired (cont'd)

Loans, advances and financing

The credit quality of the loans, advances and financing of the group that are neither past due nor impaired (without taking into account of any collateral held or other credit enhancements and allowances for impairment losses) is analysed as follows:

(i) Share margin financing

	Group	
	2014	2013
	RM'000	RM'000
Equity margin		
- 150% or more	**-**	168,036
- 130% to less than 150%	**-**	-
	-	168,036

(ii) Other loans, advances and financing [1]

	Group	
	2014	2013
	RM'000	RM'000
Loans, advances and financing which were:		
- neither past due nor impaired in the preceding 6 months	**321,944**	642,142
- past due or impaired in the preceding 6 months	**56,008**	25,283
	377,952	667,425

[1] Include corporate loans/financing, consumer loans/financing and retail loans/financing.

Clients' and brokers' balances

As at the previous financial year end, approximately 99% of the amounts due from clients and brokers arose from regular way purchase contracts whereby delivery of assets purchased was subject to time frame established generally by regulations or convention in the market place.

49 FINANCIAL INSTRUMENTS (CONT'D)

(e) Credit quality of financial assets that are neither past due nor impaired (cont'd)

Derivative assets

Analysis of derivative assets held by the group by counterparty is as follows:

	Group	
	2014	2013
	RM'000	RM'000
In Malaysia		
Licensed banks	**-**	8,324
Licensed investment banks	**-**	1,444
Other financial institutions	**-**	22,904
Business enterprises	**-**	230
Individuals	**-**	1
	-	32,903
Outside Malaysia		
Foreign financial institutions	**-**	3,676
	-	36,579

Other financial assets

Analysis of other financial assets of the group and of the company that are neither past due nor impaired by classes of assets is as follows:

	Group		Company	
	2014	2013	**2014**	2013
	RM'000	RM'000	**RM'000**	RM'000
Trade receivables:				
- investment management	**-**	126,192	**-**	-
- others	**-**	181	**-**	-
	-	126,373	**-**	-
Collateral/Margin deposits for derivative transactions	**-**	6,125	**-**	-
Clients' margin deposits	**-**	805	**-**	-
Amounts due from subsidiaries	**-**	-	**254,517**	-
Others	**1,745**	8,287	**32**	7
	1,745	141,590	**254,549**	7

49 FINANCIAL INSTRUMENTS (CONT'D)

(e) Credit quality of financial assets that are neither past due nor impaired (cont'd)

Other financial assets (cont'd)

Credit risk of the former investment management subsidiary which was mainly in respect of receivables arising from sales and cancellation of unit trusts is minimal as the settlement periods were based on market convention and regulated by the Securities Commission respectively. Other trade receivables of the group as at the previous financial year end mainly arose from corporate finance advisory and research activities.

Collateral/Margin deposits for derivative transactions were placed by the former investment banking subsidiary with other financial institutions in the ordinary course of its business. Clients' margin deposits were clients' monies held in trust by foreign brokers.

Other financial assets of the group as at the end of the reporting period mainly comprise consumer loans/financing repayments receivable from a collection agent and real property gains tax retention sum in respect of non-current assets held for sale as at the end of the reporting period. As at the previous financial year end, other financial assets of the group mainly consisted of deposits placed by the group with service providers.

(f) Aging analysis of financial assets that are past due but not impaired

The aging analysis of loans and receivables that are past due but not impaired as at the end of the reporting period (without taking into account of any collateral held or other credit enhancements and allowances for impairment losses) are as follows:

	Past due period			
	Less than 1 month RM'000	1 month to < 2 months RM'000	2 months to < 3 months RM'000	Total RM'000
Group				
2014				
Loans, advances and financing				
Consumer loans/financing	**1,588**	**6,738**	**2,385**	**10,711**
Retail loans	**6,582**	**-**	**-**	**6,582**
	8,170	**6,738**	**2,385**	**17,293**
2013				
Loans, advances and financing				
Corporate loans/financing	24,526	-	-	24,526
Consumer loans/financing	1,544	4,556	1,580	7,680
Retail loans/financing	27,426	-	-	27,426
Clients' and brokers' balances	1,419	-	-	1,419
Other financial assets				
Trade receivables - others	52	-	-	52
	54,967	4,556	1,580	61,103

49 FINANCIAL INSTRUMENTS (CONT'D)

(f) Aging analysis of financial assets that are past due but not impaired (cont'd)

The company does not have any financial assets which are past due but not impaired as at the end of the reporting period.

Loans and receivables, which are past due for less than 3 months are not usually considered impaired unless the loans and receivables exhibit indications of credit weaknesses. Past due loans and receivables are closely monitored by management to secure debt repayment.

(g) Analysis of individually impaired financial assets

	Gross impaired accounts RM'000	Individually assessed impaired accounts RM'000	Individual impairment allowance RM'000
Group			
2014			
Loans, advances and financing			
Corporate loans	**1,359**	**1,359**	**1,226**
Consumer loans/financing	**10,238**	**-**	**-**
	11,597	**1,359**	**1,226**
2013			
Securities AFS			
Unquoted equity instruments	650	650	650
Loans, advances and financing			
Corporate loans/financing	6,012	6,012	5,203
Consumer loans/financing	7,141	-	-
Retail loans/financing	5,427	5,427	4,105
Clients' and brokers' balances	692	692	539
Other financial assets			
Trade receivables - others	573	573	510
	20,495	13,354	11,007

49 FINANCIAL INSTRUMENTS (CONT'D)

(h) Movements in impairment allowances by classes of financial assets

Collective impairment allowance

	Loans, advances and financing				
	Share margin financing RM'000	Corporate loans/ financing RM'000	Consumer loans/ financing RM'000	Retail loans/ financing RM'000	Total RM'000
Group					
2014					
At beginning of the financial year	**1,849**	**3,661**	**8,221**	**1,542**	**15,273**
Net allowance (written back)/made	**(18)**	**(1,050)**	**7,113**	**(54)**	**5,991**
Amount written off	**-**	**-**	**(3,654)**	**-**	**(3,654)**
Exchange differences	**-**	**3**	**-**	**10**	**13**
Disposals of subsidiaries	**(1,831)**	**(2,614)**	**-**	**(1,498)**	**(5,943)**
At end of the financial year	**-**	**-**	**11,680**	**-**	**11,680**
2013					
At beginning of the financial year	2,419	1,722	5,230	1,049	10,420
Net allowance (written back)/made	(570)	1,935	5,417	407	7,189
Amount written off	-	-	(2,426)	-	(2,426)
Exchange differences	-	4	-	86	90
At end of the financial year	1,849	3,661	8,221	1,542	15,273

49 FINANCIAL INSTRUMENTS (CONT'D)

(h) Movements in impairment allowances by classes of financial assets (cont'd)

Individual impairment allowance

	Loans, advances and financing				
	Corporate loans/ financing RM'000	Retail loans/ financing RM'000	Clients' and brokers' balances RM'000	Trade receivables - others * RM'000	Securities AFS RM'000
Group					
2014					
At beginning of the financial year	**5,203**	**4,105**	**539**	**510**	**650**
Allowance made	**608**	**1,068**	**125**	**-**	**-**
Amount written back	**(5)**	**(109)**	**(361)**	**(171)**	**(650)**
Amount written off	**(4,014)**	**-**	**-**	**(339)**	**-**
Exchange differences	**5**	**48**	**-**	**-**	**-**
Disposals of subsidiaries	**(571)**	**(5,112)**	**(303)**	**-**	**-**
At end of the financial year	**1,226**	**-**	**-**	**-**	**-**
2013					
At beginning of the financial year	8,305	3,216	553	363	650
Allowance made	5,145	3,027	67	147	-
Amount written back	(86)	(312)	(81)	-	-
Amount written off	(8,186)	(2,000)	-	-	-
Exchange differences	25	174	-	-	-
At end of the financial year	5,203	4,105	539	510	650

* Included in other assets (note 13).

49 FINANCIAL INSTRUMENTS (CONT'D)

(i) Credit risk concentration

The group and the company determine credit risk concentration by industry sector as disclosed below.

	Short term funds and deposit placements with financial institutions RM'000	Securities held-for-trading RM'000	Securities AFS RM'000	Securities held-to-maturity RM'000	Loans, advances and financing RM'000	Clients' and brokers' balances RM'000	Other financial assets (note 13) RM'000	Total exposure arising from financial assets RM'000	Commitments and contingencies RM'000
Group									
2014									
Manufacturing	-	-	-	-	133	-	-	133	-
Electricity, gas and water	-	-	-	-	-	-	36	36	-
Real estate	-	-	-	-	-	-	94	94	-
Finance and insurance	81,850	-	321,271	-	295	-	943	404,359	-
Government and government agencies	-	-	-	-	-	-	5	5	-
Wholesale & retail trade and restaurants & hotels	-	-	-	-	24,925	-	1	24,926	5,000
Transport, storage and communication	-	-	-	-	-	-	174	174	-
Purchase of securities	-	-	-	-	11,090	-	-	11,090	7,000
Personal use	-	-	-	-	337,832	-	-	337,832	-
Others	-	-	490	-	19,661	-	492	20,643	-
	81,850	-	321,761	-	393,936	-	1,745	799,292	12,000

Risk concentration for commitments and contingencies represents the full amount of the irrevocable committed facilities or the maximum amount the group would have to pay if the obligations arising from financial instruments issued being called upon.

49 FINANCIAL INSTRUMENTS (CONT'D)

(i) Credit risk concentration (cont'd)

	Short term funds and deposit placements with financial institutions RM'000	Securities held-for-trading RM'000	Securities AFS RM'000	Securities held-to-maturity RM'000	Loans, advances and financing RM'000	Clients' and brokers' balances RM'000	Other financial assets[1] RM'000	Total exposure arising from financial assets RM'000	Commitments and contingencies RM'000
Group									
2013									
Agriculture and forestry	-	-	9,992	-	4,196	-	-	14,188	631
Mining and quarrying	-	-	67,914	93,002	23,796	-	-	184,712	83
Manufacturing	-	-	51,661	-	46,245	-	26	97,932	229
Electricity, gas and water	-	-	12,658	131,391	118,236	-	565	262,850	87
Construction	-	-	71,497	-	1,729	-	-	73,226	-
Real estate	-	-	125,322	-	33,116	-	2,099	160,537	1,318
Finance and insurance	1,263,222	19,890	309,561	31,860	14,260	-	170,577	1,809,370	3,218
Government and government agencies	15,011	-	557,815	-	-	-	70	572,896	-
Wholesale & retail trade and restaurants & hotels	-	-	96,826	114,015	118,118	-	1	328,960	46,873
Transport, storage and communication	-	-	62,062	-	1,143	-	346	63,551	1,694
Purchase of securities	-	-	-	-	187,127	225,613	3,732	416,472	-
Personal use	-	-	-	-	267,924	-	-	267,924	1,076
Education and health	-	-	-	-	13,447	-	-	13,447	1,345
Others	-	-	48,023	-	59,755	-	868	108,646	915
	1,278,233	19,890	1,413,331	370,268	889,092	225,613	178,284	4,374,711	57,469

[1] Other financial assets include derivative assets and other financial assets (note 13).

Risk concentration for commitments and contingencies represents the full amount of the irrevocable committed facilities or the maximum amount the group would have to pay if the obligations arising from financial instruments issued being called upon.

49 FINANCIAL INSTRUMENTS (CONT'D)

(i) Credit risk concentration (cont'd)

	Short term funds and deposit placements with financial institutions RM'000	Securities AFS RM'000	Other financial assets (note13) RM'000	Total exposure arising from financial assets RM'000	Commitments and contingencies (note 49(b)) RM'000
Company					
2014					
Real estate	**-**	**-**	**32,450**	**32,450**	**-**
Finance and insurance	**79,042**	**321,271**	**222,099**	**622,412**	**30,804**
Others	**-**	**490**	**-**	**490**	**-**
	79,042	**321,761**	**254,549**	**655,352**	**30,804**
2013					
Finance and insurance	10,438	-	2	10,440	209,108
Others	-	490	5	495	-
	10,438	490	7	10,935	209,108

As at the end of the reporting period, the group and the company have no significant concentration of credit risk that may arise from exposures to a single counterparty other than the aggregate exposure to two major customers (2013: three major customers) which account for approximately 28% (2013: 28%) of the loans, advances and financing of the group.

49 FINANCIAL INSTRUMENTS (CONT'D)

(j) Interest rate risk

The tables below summarise the exposure of the group and of the company to interest rate risk. The non-derivative financial assets and financial liabilities at carrying amount are categorised by the earlier of contractual re-pricing or maturity dates. The interest rate sensitivity gap in respect of derivative financial instruments represented the net notional amounts of interest sensitive derivative financial instruments.

	Non-trading book								Effective
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000	Trading book RM'000	Total RM'000	interest rate %
Group									
2014									
Financial assets									
Cash and short term funds	80,018	-	-	-	-	1,187	-	81,205	3.14
Deposits and placements with banks and other financial institutions	-	-	649	-	-	-	-	649	3.20
Securities AFS	-	-	-	-	-	321,761	-	321,761	-
Loans, advances and financing:									
- non-impaired	66,978	38,237	603	26,963	262,464	(11,680)*	-	383,565	10.22
- impaired	-	-	-	-	-	10,371	-	10,371	-
Other financial assets (note 13)	487	-	109	-	-	1,149	-	1,745	3.23
	147,483	38,237	1,361	26,963	262,464	322,788	-	799,296	
Financial liabilities									
Other financial liabilities	-	-	-	-	-	29,034	-	29,034	-
Borrowings	30,804	-	-	-	-	-	-	30,804	4.62
	30,804	-	-	-	-	29,034	-	59,838	
Interest sensitivity gap	116,679	38,237	1,361	26,963	262,464	293,754	-	739,458	

* The negative balance represents collective impairment allowance on loans, advances and financing.

49 FINANCIAL INSTRUMENTS (CONT'D)

(j) Interest rate risk (cont'd)

	Non-trading book								Effective
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000	Trading book RM'000	Total RM'000	interest rate %
Group									
2013									
Financial assets									
Cash and short term funds	1,169,604	-	-	-	-	82,303	-	1,251,907	2.94
Deposits and placements with banks and other financial institutions	-	26,195	7,280	-	-	-	-	33,475	2.76
Securities held-for-trading	-	-	-	-	-	-	55,319	55,319	3.67
Securities AFS	54,977	90,058	159,205	808,622	93,149	207,320	-	1,413,331	3.77
Securities held-to-maturity	-	-	-	370,268	-	-	-	370,268	6.62
Loans, advances and financing:									
- non-impaired	429,978	63,303	1,045	61,202	339,565	(15,273)*	-	879,820	8.56
- impaired	-	-	-	-	-	9,272	-	9,272	-
Clients' and brokers' balances	2,250	-	-	-	-	223,363	-	225,613	8.00
Other financial assets (note 13)	6,125	-	106	-	-	135,474	-	141,705	0.16
	1,662,934	179,556	167,636	1,240,092	432,714	642,459	55,319	4,380,710	

* The negative balance represents collective impairment allowance on loans, advances and financing.

49 FINANCIAL INSTRUMENTS (CONT'D)

(j) Interest rate risk (cont'd)

	Non-trading book								Effective
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000	Trading book RM'000	Total RM'000	interest rate %
Group									
2013									
Financial liabilities									
Deposits from customers	(313,188)	(154,016)	(220,769)	-	-	(2,331)	-	(690,304)	3.34
Deposits and placements of banks and other financial institutions	(742,683)	(652,356)	(701,148)	-	-	(262)	-	(2,096,449)	2.85
Clients' and brokers' balances	(42,473)	-	-	-	-	(181,491)	-	(223,964)	2.73
Other financial liabilities	(39,371)	-	-	-	-	(263,419)	-	(302,790)	3.01
Borrowings	(350,399)	(100,238)	-	-	-	-	-	(450,637)	4.68
	(1,488,114)	(906,610)	(921,917)	-	-	(447,503)	-	(3,764,144)	
Interest sensitivity gap									
- financial assets and liabilities	174,820	(727,054)	(754,281)	1,240,092	432,714	194,956	55,319	616,566	
- derivative financial instruments	-	101,454	-	3,546	-	-	-	105,000	
	174,820	(625,600)	(754,281)	1,243,638	432,714	194,956	55,319	721,566	

49 FINANCIAL INSTRUMENTS (CONT'D)

(j) Interest rate risk (cont'd)

	Non-trading book					
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	Non-interest sensitive RM'000	Total RM'000	Effective interest rate %
Company						
2014						
Financial assets						
Cash and short term funds	**78,067**	**-**	**-**	**327**	**78,394**	**3.15**
Deposits and placements with banks and other financial institutions	**-**	**-**	**649**	**-**	**649**	**3.20**
Securities AFS	**-**	**-**	**-**	**321,761**	**321,761**	**-**
Other financial assets (note 13)	**254,517**	**-**	**-**	**32**	**254,549**	**4.75**
	332,584	**-**	**649**	**322,120**	**655,353**	
Financial liabilities						
Other financial liabilities	**-**	**-**	**-**	**(14,852)**	**(14,852)**	**-**
Interest sensitivity gap	**332,584**	**-**	**649**	**307,268**	**640,501**	
2013						
Financial assets						
Cash and short term funds	9,582	-	-	227	9,809	2.85
Deposits and placements with banks and other financial institutions	-	-	629	-	629	3.20
Securities AFS	-	-	-	490	490	-
Other financial assets (note 13)	-	-	-	7	7	-
	9,582	-	629	724	10,935	
Financial liabilities						
Other financial liabilities	-	-	-	(2,799)	(2,799)	-
Borrowings	(141,291)	(100,238)	-	-	(241,529)	4.77
	(141,291)	(100,238)	-	(2,799)	(244,328)	
Interest sensitivity gap	(131,709)	(100,238)	629	(2,075)	(233,393)	

49 FINANCIAL INSTRUMENTS (CONT'D)

(k) Exposure to foreign exchange risk

As at the end of the reporting period, all financial assets and liabilities held by the group and the company are denominated in the functional currency of the company.

The table below sets out the RM equivalent amounts of financial assets, financial liabilities and derivative financial instruments of the group and of the company, which were denominated in foreign currencies as at the previous financial year end. Non-derivative financial assets and financial liabilities are stated at carrying amounts. Derivative financial instruments were stated at net notional amounts of derivative contracts.

	US Dollar RM'000	Singapore Dollar RM'000	Australian Dollar RM'000	Hong Kong Dollar RM'000	Other currencies RM'000	Total RM'000
Group						
2013						
Financial assets						
Cash and short term funds	12,365	8,368	7,827	653	1,430	30,643
Securities held-for-trading	15	3	2	-	-	20
Securities AFS	72,202	258,975	-	-	-	331,177
Securities held-to-maturity	207,017	-	-	-	-	207,017
Clients' and brokers' balances	694	374	345	7,117	198	8,728
Other financial assets	7,301	915	2,224	135	6	10,581
	299,594	268,635	10,398	7,905	1,634	588,166
Financial liabilities						
Deposits from customers	(372)	(207)	(1,129)	-	(638)	(2,346)
Deposits and placements of banks and other financial institutions	(330,255)	(3,833)	-	-	-	(334,088)
Clients' and brokers' balances	(6,315)	(528)	(343)	(607)	-	(7,793)
Other financial liabilities	(345)	(790)	(6,320)	-	(191)	(7,646)
	(337,287)	(5,358)	(7,792)	(607)	(829)	(351,873)
Net open position	(37,693)	263,277	2,606	7,298	805	236,293
Derivative financial instruments	76,858	(258,906)	-	-	-	(182,048)
Net open position and derivative financial instruments	39,165	4,371	2,606	7,298	805	54,245

49 FINANCIAL INSTRUMENTS (CONT'D)

(k) Exposure to foreign exchange risk (cont'd)

	US Dollar RM'000	Singapore Dollar RM'000	Australian Dollar RM'000	Hong Kong Dollar RM'000	Other currencies RM'000	Total RM'000
Company						
2013						
Financial assets						
Cash and short term funds	65	-	-	-	-	65
Net open position	65	-	-	-	-	65

(l) Market risk sensitivity analysis

Interest rate risk

The table below shows the sensitivity of the financial assets and liabilities of the group and of the company as at the end of the reporting period to reasonably possible changes in interest rates, on the basis that all other variables remain constant.

	Group Increase/(Decrease)		Company Increase/(Decrease)	
	+ 100 basis points RM'000	- 100 basis points RM'000	+ 100 basis points RM'000	- 100 basis points RM'000
2014				
Impact on profit before taxation	**72**	**(72)**	**2,545**	**(2,545)**
2013				
Impact on profit before taxation	(4,879)	(4,882)	(2,409)	2,409
Impact on other comprehensive income	(23,688)	(24,680)	-	-

49 FINANCIAL INSTRUMENTS (CONT'D)

(l) Market risk sensitivity analysis (cont'd)

Foreign exchange risk

The table below shows the analysis of the impacts arising from reasonable possible changes in the foreign exchange rates to which the group and the company have significant exposure as at the previous financial year end, on the basis that all other variables remained constant.

	Changes in foreign exchange rates	Increase/(Decrease) in profit before taxation Group RM'000	Company RM'000
2013			
US Dollar	+/- 5%	+/- 1,697	+/- 3
Singapore Dollar	+/- 5%	+/- 113	-
Australian Dollar	+/- 5%	+/- 130	-
Hong Kong Dollar	+/- 5%	+/- 31	-
		+/- 1,971	+/- 3

Price risk

The table below shows the analysis of the impacts arising from reasonable possible changes in the prices of the equity instruments (including unit trust funds) which are held by group as at the end of the reporting period.

	Changes in equity prices	Group Increase/(Decrease) in Profit before taxation RM'000	Other comprehensive income RM'000
2014			
Quoted unit trust funds	**+/- 1%**	**-**	**+/- 3,213**
2013			
Quoted shares, warrants and REITs	+/- 5%	+/- 1,187	+/- 3,407
Quoted unit trust funds	+/- 1%	+/- 117	+/- 1,387
		+/- 1,304	+/- 4,794

49 FINANCIAL INSTRUMENTS (CONT'D)

(m) Contractual maturity analysis of financial assets and liabilities

The table below analyses the carrying amounts of the financial assets and financial liabilities of the group and of the company based on the remaining contractual maturity.

	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	Total RM'000
Group							
2014							
Financial assets							
Cash and short term funds	81,205	-	-	-	-	-	81,205
Deposits and placements with banks and other financial institutions	-	-	649	-	-	-	649
Securities AFS	-	-	-	-	-	321,761	321,761
Loans, advances and financing	59	47,713	19,982	26,829	299,353	-	393,936
Other financial assets (note 13)	801	-	596	-	-	348	1,745
	82,065	47,713	21,227	26,829	299,353	322,109	799,296
Financial liabilities							
Other financial liabilities	(1,350)	(11,354)	(6,723)	-	-	(9,607)	(29,034)
Borrowings	(30,804)	-	-	-	-	-	(30,804)
	(32,154)	(11,354)	(6,723)	-	-	(9,607)	(59,838)
Net liquidity gap	49,911	36,359	14,504	26,829	299,353	312,502	739,458

49 FINANCIAL INSTRUMENTS (CONT'D)

(m) Contractual maturity analysis of financial assets and liabilities (cont'd)

	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	Total RM'000
Group							
2013							
Financial assets							
Cash and short term funds	1,251,907	-	-	-	-	-	1,251,907
Deposits and placements with banks and other financial institutions	-	26,195	7,280	-	-	-	33,475
Securities held-for-trading	-	19,890	-	-	-	35,429	55,319
Securities AFS	54,977	90,058	159,205	808,622	93,149	207,320	1,413,331
Securities held-to-maturity	-	-	-	370,268	-	-	370,268
Loans, advances and financing	177,121	41,725	87,850	146,553	435,843	-	889,092
Clients' and brokers' balances	225,613	-	-	-	-	-	225,613
Derivative assets	1,880	12,223	10,728	11,748	-	-	36,579
Other financial assets (note 13)	130,138	2,350	-	6,014	-	3,203	141,705
	1,841,636	192,441	265,063	1,343,205	528,992	245,952	4,417,289
Financial liabilities							
Deposits from customers	(315,519)	(154,016)	(220,769)	-	-	-	(690,304)
Deposits and placements of banks and other financial institutions	(742,945)	(652,356)	(701,148)	-	-	-	(2,096,449)
Clients' and brokers' balances	(223,964)	-	-	-	-	-	(223,964)
Derivative liabilities	(1,685)	(14,634)	(11,778)	(17,786)	-	-	(45,883)
Other financial liabilities	(236,207)	(3,417)	(12,543)	-	-	(50,623)	(302,790)
Borrowings	(350,399)	(100,238)	-	-	-	-	(450,637)
	(1,870,719)	(924,661)	(946,238)	(17,786)	-	(50,623)	(3,810,027)
Net liquidity gap	(29,083)	(732,220)	(681,175)	1,325,419	528,992	195,329	607,262

49 FINANCIAL INSTRUMENTS (CONT'D)

(m) Contractual maturity analysis of financial assets and liabilities (cont'd)

	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	Total RM'000
Company							
2014							
Financial assets							
Cash and short term funds	**78,394**	**-**	**-**	**-**	**-**	**-**	**78,394**
Deposits and placements with banks and other financial institutions	**-**	**-**	**649**	**-**	**-**	**-**	**649**
Securities AFS	**-**	**-**	**-**	**-**	**-**	**321,761**	**321,761**
Other financial assets (note 13)	**254,517**	**-**	**-**	**-**	**-**	**32**	**254,549**
	332,911	**-**	**649**	**-**	**-**	**321,793**	**655,353**
Financial liabilities							
Other financial liabilities	**-**	**(11,300)**	**(3,316)**	**-**	**-**	**(236)**	**(14,852)**
Net liquidity gap	**332,911**	**(11,300)**	**(2,667)**	**-**	**-**	**321,557**	**640,501**
2013							
Financial assets							
Cash and short term funds	9,809	-	-	-	-	-	9,809
Deposits and placements with banks and other financial institutions	-	-	629	-	-	-	629
Securities AFS	-	-	-	-	-	490	490
Other financial assets (note 13)	-	-	-	-	-	7	7
	9,809	-	629	-	-	497	10,935
Financial liabilities							
Other financial liabilities	-	(36)	(2,561)	-	-	(202)	(2,799)
Borrowings	(141,291)	(100,238)	-	-	-	-	(241,529)
	(141,291)	(100,274)	(2,561)	-	-	(202)	(244,328)
Net liquidity gap	(131,482)	(100,274)	(1,932)	-	-	295	(233,393)

49 FINANCIAL INSTRUMENTS (CONT'D)

(n) Liquidity risk disclosure based on remaining contractual maturity

The table below analyses the undiscounted cash flows obligations of the financial liabilities of the group and of the company based on the remaining contractual maturity.

Non-derivative financial liabilities

	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	Total RM'000
Group							
2014							
Other financial liabilities	**(1,350)**	**(11,354)**	**(6,723)**	**-**	**-**	**(9,607)**	**(29,034)**
Borrowings	**(30,804)**	**-**	**-**	**-**	**-**	**-**	**(30,804)**
	(32,154)	**(11,354)**	**(6,723)**	**-**	**-**	**(9,607)**	**(59,838)**
Commitments	**(12,000)**	**-**	**-**	**-**	**-**	**-**	**(12,000)**
Total	**(44,154)**	**(11,354)**	**(6,723)**	**-**	**-**	**(9,607)**	**(71,838)**
2013							
Deposits from customers	(315,877)	(154,734)	(225,067)	-	-	-	(695,678)
Deposits and placements of banks and other financial institutions	(743,470)	(655,429)	(714,277)	-	-	-	(2,113,176)
Clients' and brokers' balances	(223,964)	-	-	-	-	-	(223,964)
Other financial liabilities	(236,207)	(3,417)	(12,543)	-	-	(50,623)	(302,790)
Borrowings	(350,709)	(101,172)	-	-	-	-	(451,881)
	(1,870,227)	(914,752)	(951,887)	-	-	(50,623)	(3,787,489)
Commitments	(56,380)	(1,089)	-	-	-	-	(57,469)
Total	(1,926,607)	(915,841)	(951,887)	-	-	(50,623)	(3,844,958)

49 FINANCIAL INSTRUMENTS (CONT'D)

(n) Liquidity risk disclosure based on remaining contractual maturity (cont'd)

Non-derivative financial liabilities (cont'd)

	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	Total RM'000
Company							
2014							
Other financial liabilities	**-**	**(11,300)**	**(3,316)**	**-**	**-**	**(236)**	**(14,852)**
Commitments (note 49(b))	**(30,804)**	**-**	**-**	**-**	**-**	**-**	**(30,804)**
Total	**(30,804)**	**(11,300)**	**(3,316)**	**-**	**-**	**(236)**	**(45,656)**
2013							
Other financial liabilities	-	(36)	(2,561)	-	-	(202)	(2,799)
Borrowings	(141,391)	(101,172)	-	-	-	-	(242,563)
	(141,391)	(101,208)	(2,561)	-	-	(202)	(245,362)
Commitments (note 49(b))	(209,108)	-	-	-	-	-	(209,108)
Total	(350,499)	(101,208)	(2,561)	-	-	(202)	(454,470)

49 FINANCIAL INSTRUMENTS (CONT'D)

(n) Liquidity risk disclosure based on remaining contractual maturity (cont'd)

Derivative liabilities (2013 only)

	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	Total RM'000
Group							
2013							
Net settled	(88)	(483)	-	-	-	-	(571)
Gross settled							
Inflow	103,177	395,668	275,322	402,210	-	-	1,176,377
Outflow	(104,625)	(407,885)	(283,471)	(414,820)	-	-	(1,210,801)
	(1,448)	(12,217)	(8,149)	(12,610)	-	-	(34,424)
Total	(1,536)	(12,700)	(8,149)	(12,610)	-	-	(34,995)

(o) Offsetting of financial assets and financial liabilities

As at the end of the reporting period, the financial instruments held by the group and the company are not subject to any netting arrangement.

The carrying amounts of recognised financial instruments of the group that are subject to netting arrangements as at the previous financial year end are as follows:

	Gross amount			Related financial instruments subject to master netting agreement		
	Financial assets RM'000	Financial liabilities RM'000	Net amount presented RM'000	Amount not offset RM'000	Cash collateral received RM'000	Net amount RM'000
Group						
2013						
Clients' and brokers' balances (note 11)	497,455	(412,761)	84,694	-	-	84,694
Derivative financial assets	36,579	-	36,579	(3,634)	-	32,945
	534,034	(412,761)	121,273	(3,634)	-	117,639

The financial instruments held by the company as at the previous financial year end were not subject to any netting arrangement.

50 FAIR VALUE MEASUREMENT

(a) Estimation of fair values

The methods and assumptions used in estimating the fair values of financial instruments and non-financial instruments not measured at fair value but for which fair value is disclosed are as follows:

(i) Cash and short term funds

The carrying amount of cash and short term funds is a reasonable estimate of fair value.

(ii) Deposits and placements with banks and other financial institutions

For deposits and placements with banks and other financial institutions with maturities of less than one year, the carrying amount is a reasonable estimate of fair value. For deposits and placements with maturities of one year and above, the estimated fair value is based on discounted cash flows using prevailing money market interest rates at which similar deposits and placements would be made with financial institutions of similar credit risk and remaining period to maturity.

(iii) Securities portfolio

The estimated fair values of securities are generally based on quoted and observable market prices. In the absence of such quoted prices, the fair values are based on the expected cash flows of the securities discounted by indicative market yields for similar instruments as at the end of the reporting period.

(iv) Loans, advances and financing

For floating rate loans and fixed rate loans with remaining period to maturity of less than one year, the carrying amounts are generally reasonable estimates of their fair values.

For fixed rate loans with remaining period to maturity of one year and above, fair values are estimated by discounting the estimated future cash flows using the prevailing market rates of loans with similar credit risks and maturities.

The estimated fair value of fixed rated share margin financing approximated the carrying amount as the amount was deemed repayable on demand.

The fair values of impaired loans are represented by their carrying amounts, net of impairment allowances, being the expected recoverable amounts of the loans.

(v) Clients' and brokers' balances

The carrying amount of clients' and brokers' balances was a reasonable estimate of fair value due to their short term tenure of less than one year.

50 FAIR VALUE MEASUREMENT (CONT'D)

(a) Estimation of fair values (cont'd)

The methods and assumptions used in estimating the fair values of financial instruments and non-financial instruments not measured at fair value but for which fair value is disclosed are as follows (cont'd):

(vi) Derivative financial instruments

The fair values of derivative financial instruments were obtained from quoted market rates in active markets, including recent market transactions, and using valuation techniques, including discounted cash flow models and option pricing models, as appropriate.

(vii) Deposits from customers

For deposits from customers with maturities of less than one year, the carrying amounts were a reasonable estimate of their fair values. For deposits with maturities of one year or more, fair values were estimated based on discounted cash flows using prevailing market interest rates for deposits with similar remaining period to maturity.

(viii) Deposits and placements of banks and other financial institutions

The estimated fair values of deposits and placements of banks and other financial institutions with maturities of less than one year approximated the carrying values. For deposits and placements with maturities of one year or more, the fair values were estimated based on discounted cash flows using prevailing money market interest rates for deposits and placements with similar remaining period to maturity.

(ix) Borrowings

The estimated fair values of borrowings with maturities of less than one year approximate the carrying values.

(x) Other financial assets and liabilities

The estimated fair values of the amounts due from subsidiaries, which are repayable on demand, approximate the carrying amounts.

The carrying amounts of other financial assets and liabilities less any impairment allowances included in other assets and liabilities respectively are assumed to approximate their fair values as these items are not materially sensitive to the shift in market interest rates.

(xi) Investment properties

The fair values of investment properties is estimated based on market value as determined by independent professionally qualified valuers using the comparison method, which entails comparing and adopting as a yardstick, recent transactions and sale evidences involving other properties in the vicinity.

50 FAIR VALUE MEASUREMENT (CONT'D)

(b) Fair value hierarchy

The fair value hierarchy, which reflects the significance of the inputs used in fair value measurement, is as follows:

Level 1 - Quoted price (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted price included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets and liabilities that are not based on observable market data (unobservable inputs).

Where fair value is determined using quoted prices in less active markets or quoted prices for similar assets and liabilities, such instruments are generally classified as Level 2. In cases where quoted and observable market prices are not available, fair values are estimated using valuation techniques that mainly employ observable market data, based on a range of methodologies and assumptions regarding risk characteristics of the instruments, including but not limited to yield curves, discount rates, foreign exchange rates, estimates of future cash flows, differences in conditions, location as well as tenure and other factors as inputs.

Financial instruments measured at fair value

The table below presents the financial assets and liabilities of the group, which are measured at fair value, classified by level of the fair value hierarchy.

	Fair value hierarchy			
	Level 1 RM'000	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**
Group and Company				
2014				
Financial assets				
Securities AFS				
Quoted securities	**321,271**	**-**	**-**	**321,271**
Group				
2013				
Financial assets				
Securities held-for-trading				
Quoted securities	35,429	-	-	35,429
Unquoted debt securities	-	19,890	-	19,890
Securities AFS				
Quoted securities	206,830	-	-	206,830
Unquoted debt securities	-	1,206,011	-	1,206,011
Derivative assets	-	36,579	-	36,579
	242,259	1,262,480	-	1,504,739
Financial liabilities				
Derivative liabilities	-	45,883	-	45,883

50 FAIR VALUE MEASUREMENT (CONT'D)

(b) Fair value hierarchy (cont'd)

Financial instruments measured at fair value (cont'd)

The company did not hold any financial instrument measured at fair value as at the previous financial year end.

There was no transfer between Level 1 and 2 during the current and previous financial year.

Financial instruments not measured at fair value

As at the end of the reporting period, the fair values of financial instruments of the group and of the company, which are not measured at fair value, approximate their carrying amounts, except as disclosed below:

	Carrying	Fair value hierarchy			
	amount RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group					
2014					
Financial assets					
Securities AFS					
Unquoted securities	490	2,577	-	-	2,577
Loans, advances and financing	393,936	-	388,626	-	388,626
Company					
2014					
Financial assets					
Securities AFS					
Unquoted securities	490	2,577	-	-	2,577

The unquoted securities AFS held by the group and the company as at the end of the reporting period have been disposed of subsequent to the financial year end. The fair value of unquoted shares as at the end of the reporting period is based on the sales consideration for the said shares.

50 FAIR VALUE MEASUREMENT (CONT'D)

(b) Fair value hierarchy (cont'd)

Financial instruments not measured at fair value (cont'd)

As at the previous financial year end, the fair values of financial instruments of the group and of the company, which were not measured at fair value, approximated their carrying amounts, except as disclosed below:

	Carrying amount RM'000	Fair value RM'000
Group		
2013		
Financial assets		
Securities held-to-maturity	370,268	399,827
Loans, advances and financing	889,092	897,595

Fair value information has not been disclosed for investment in unquoted shares classified as securities AFS (note 8) as at the previous financial year end because their fair values cannot be measured reliably in the absence of quoted market price in an active market. The unquoted shares were stated at a carrying amount of RM490,000, net of accumulated impairment loss of RM650,000 as at the previous financial year end. The unimpaired unquoted shares, which were held by the company, were issued by a corporation incorporated in Malaysia. Based on the most recent audited financial statements of the said corporation for year 2012, the equity attributable to the company amounted to approximately RM2,530,000.

Non-financial assets not measured at fair value but for which fair value is disclosed

As at the end of the reporting period, the fair values of investment properties of the group and of the company, which are not measured at fair value, are as follows:

	Carrying amount RM'000	Fair value hierarchy Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group					
2014					
Investment properties					
Freehold land	**1,230**	**-**	**6,700**	**-**	**6,700**
Buildings and office units	**22,912**	**-**	**29,231**	**-**	**29,231**
	24,142	**-**	**35,931**	**-**	**35,931**

50 FAIR VALUE MEASUREMENT (CONT'D)

(b) Fair value hierarchy (cont'd)

Non-financial assets not measured at fair value but for which fair value is disclosed (cont'd)

As at the previous financial year end, the fair value of the investment properties at a total carrying amount of RM51,452,000 was estimated at RM87,196,000 based on valuation by an independent professionally qualified valuer determined using the fair open market value basis.

The highest and best use of a freehold land costing RM1,230,000 as at the end of the reporting period is for commercial tourism. The freehold land is currently vacant as the group has not determined the future use of the land.

51 CHANGES IN ACCOUNTING POLICIES

(a) Amendments to MFRS 7, Disclosures - Offsetting Financial Assets and Financial Liabilities

The Amendments to MFRS 7 require more extensive disclosures focusing on quantitative information about recognised financial instruments that are offset in the statement of financial position and those that are subject to master netting or similar arrangements, irrespective of whether they are offset.

The Amendments to MFRS 7 have been applied retrospectively and the additional disclosures are in note 49(o) to the financial statements.

(b) MFRS 12, Disclosures of Interests in Other Entities

MFRS 12 sets out the required disclosures for entities reporting under the two new standards, MFRS 10 and MFRS 11, and replaces the disclosure requirements currently prescribed in MFRS 128, Investments in Associates. It requires entities to disclose information that helps readers of financial statements to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities.

MFRS 12 has been applied retrospectively and the required disclosures are in notes 16(b) and 17 to the financial statements.

(c) MFRS 13, Fair Value Measurement

MFRS 13 improves consistency and reduces complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across MFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. The enhanced disclosure requirements are similar to those in MFRS 7, Financial Instruments: Disclosures and is applicable to assets and liabilities measured at fair value, or assets and liabilities where disclosure of fair value is required, including certain non-financial assets and liabilities.

The enhanced disclosures are in note 50 to the financial statements. In accordance with the transitional provision of MFRS 13, the group applies the new fair value measurement guidance prospectively and no comparative disclosures are made.

52 SIGNIFICANT EVENTS

(a) On 8 November 2013, the company entered into a Share Sale and Purchase Agreement with a third party, Phillip MFIs Pte Ltd, a member of the PhillipCapital Group, in relation to the disposal of 40 million ordinary shares of USD1 each in a wholly-owned subsidiary, HwangDBS Commercial Bank Plc ("HDCB") for a total cash consideration of USD40 million. The proposal involved the disposal of the 100% equity interest in HDCB and its wholly-owned subsidiary, HwangDBS Securities (Cambodia) Plc.

The National Bank of Cambodia had on 11 February 2014 permitted the transfer of all HDCB shares to Phillip MFIs Pte Ltd. The Ministry of Commerce of Cambodia had on 20 February 2014 approved the registration of transfer of HDCB shares in the name of Phillip MFIs Pte Ltd. The disposal was completed on 14 March 2014.

(b) On 10 January 2014, the Minister of Finance, via Bank Negara Malaysia, has granted its approval under the Financial Services Act 2013 for the disposal by the company of its 100% equity interest in HDBSIB and its subsidiaries and associate, following the Pre-Closing Reorganisation, as defined below ("Disposal") to Affin Holdings Berhad ("Affin"), subject to the necessary approvals being obtained from other regulatory authorities. The Securities Commission, Malaysia has also granted its approval in relation to the Disposal, subject to the relevant requirements imposed by other regulatory authorities.

On 22 January 2014, the company entered into a conditional Share Sale and Purchase Agreement with Affin in relation to the Disposal which comprises the Pre-Closing Reorganisation and the HDBSIB Disposal as follows:

Pre-Closing Reorganisation

(i) HDBSIB acquiring the following entities from the company:

- 100% equity interest in HDM Futures Sdn. Bhd. ("HDM Futures");
- 53% equity interest in Hwang Investment Management Berhad ("HwangIM"); and
- 49% equity interest in Asian Islamic Investment Management Sdn. Bhd. ("AIIMAN")

(ii) the company acquiring the following entity from HDBSIB:

- 51% equity interest in HwangDBS Vickers Research Sdn. Bhd. ("HDBS Vickers").

52 SIGNIFICANT EVENTS (CONT'D)

(b)

HDBSIB Disposal

The HDBSIB Disposal entails the disposal by the company to Affin, of its 100% equity interest in HDBSIB and HDBSIB's subsidiaries and associate, after the Pre-Closing Reorganisation, consisting of:

(i) 100% direct equity interest in HDBSIB;

(ii) subsidiaries and associate of HDBSIB, following the Pre-Closing Reorganisation, consisting of:

- 100% equity interest in HDM Nominees (Tempatan) Sdn. Bhd.;
- 100% equity interest in HDM Nominees (Asing) Sdn. Bhd.;
- 100% equity interest in HDM Futures;
- 53% equity interest in HwangIM; and
- 49% equity interest in AIIMAN.

The Disposal was completed on 7 April 2014. The total cash consideration amounted to RM1,395.72 million.

(c) On 3 April 2014, the company entered into a conditional Share Sale and Purchase Agreement with Alliance Investment Bank Berhad, a wholly-owned subsidiary of Alliance Bank Malaysia Berhad, to dispose of its 51% equity interest, representing 1,275,000 ordinary shares of RM1 each in a subsidiary, HwangDBS Vickers Research Sdn. Bhd. for a cash consideration of RM394,000, subsequent to the completion of the Pre-Closing Reorganisation, as disclosed in note 52(b) to the financial statements. The disposal was completed on 6 May 2014.

(d) On 9 July 2014, Bursa Securities granted a waiver to the company from being classified as a Practice Note ("PN") 17 company and concurred that the company will not be considered as a Cash Company pursuant to PN 16 of the Bursa Securities Main Market Listing Requirements, upon completion of the Disposal, as disclosed in note 52(b) to the financial statements.

53 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors dated 25 September 2014.

SUPPLEMENTARY INFORMATION

Realised and unrealised profits or losses disclosure

The breakdown of retained profits of the group and of the company into realised and unrealised profits or losses, which is prepared in accordance with the directive issued by Bursa Malaysia Securities Berhad ("Bursa Securities") and the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Securities Listing Requirements, issued by the Malaysian Institute of Accountants, is as follows:

	Group	
	2014	2013
	RM'000	RM'000
Retained profits of the company and its subsidiaries		
- realised	**500,406**	555,512
- unrealised	**3,616**	6,328
	504,022	561,840
Share of accumulated losses of associate		
- realised	**-**	(409)
	504,022	561,431
Consolidation adjustments	**(3,269)**	(28,344)
Total retained profits	**500,753**	533,087

	Company	
	2014	2013
	RM'000	RM'000
Retained profits		
- realised	**390,652**	181,523
- unrealised	**(16)**	(11)
Total retained profits	**390,636**	181,512

The unrealised retained profits of the group as at the previous financial year end as disclosed above excluded translation gains and losses on monetary items denominated in a currency other than the functional currency and foreign exchange contracts held by the former investment banking subsidiary, as these gains and losses were incurred in its ordinary course of business, and are hence deemed as realised.

STATEMENT BY DIRECTORS

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

We, Y.A.M. Tengku Syed Badarudin Jamalullail and Hwang Lip Teik, being two of the directors of Hwang Capital (Malaysia) Berhad (formerly known as Hwang-DBS (Malaysia) Berhad), state that, in the opinion of the directors, the financial statements set out on pages 48 to 179 are drawn up so as to exhibit a true and fair view of the state of affairs of the group and of the company as at 31 July 2014 and of the financial performance and cash flows of the group and of the company for the financial year ended on that date in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 1965.

In accordance with a resolution of the Board of Directors dated 25 September 2014.

Y.A.M. TENGKU SYED BADARUDIN JAMALULLAIL
Director

HWANG LIP TEIK
Director

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

I, Lee Huey Suan, being the officer primarily responsible for the financial management of Hwang Capital (Malaysia) Berhad (formerly known as Hwang-DBS (Malaysia) Berhad), do solemnly and sincerely declare that the financial statements set out on pages 48 to 179 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

lysuan

LEE HUEY SUAN

Subscribed and solemnly declared at Penang on 25 September 2014.

Before me

PESURUHJAYA SUMPAH
No : P 006
Nama : HUANG PETER
MALAYSIA

Commissioner for Oaths
368-3-1 & 2, Belisa Row
Jalan Burma, 10350 Pulau Pinang.

bayaran: RM 4.00 diterima

PROXY FORM

Hwang Capital (Malaysia) Berhad
(formerly known as Hwang-DBS (Malaysia) Berhad)
(238969-K)

I/We, ____ NRIC No. ______________________
(IN BLOCK LETTERS)

of____
(FULL ADDRESS)

being a member of the abovenamed Company, hereby appoint ______________________________
(IN BLOCK LETTERS)

NRIC No. ________________________ of ____
(FULL ADDRESS)

or failing him____ NRIC No.____________________
(IN BLOCK LETTERS)

of____
(FULL ADDRESS)

as my/our proxy to vote for me/us on my/our behalf at the Twenty-Second Annual General Meeting of the Company, to be held at the Bayan Room, Hotel Equatorial, No. 1, Jalan Bukit Jambul, 11900 Penang on Wednesday, 26 November 2014 at 10.45 a.m. and at any adjournment thereof.

My/our proxy is to vote as indicated below with an "X":-

RESOLUTIONS		**FOR**	**AGAINST**
To approve the payment of a final single tier dividend of 2.5 sen per ordinary share	**(Resolution 1)**		
To re-elect Ooi Chooi Li as Director retiring under Article 83 of the Articles of Association of the Company	**(Resolution 2)**		
To approve the payment of Directors' fees	**(Resolution 3)**		
To re-appoint Messrs PricewaterhouseCoopers as Auditors and to authorise the Directors to fix their remuneration	**(Resolution 4)**		
As special business, to pass the ordinary resolution on Retention Of Independent Director	**(Resolution 5)**		

Dated this ___________ day of ______________ 2014.

In the event two (2) proxies are appointed, the percentage of shareholdings to be represented by each proxy is as follows:-

Name of Proxies	%

____
Signature/Common Seal

No. Of Shares Held :	

Notes :-
1. Only members whose names appear in the Record of Depositors as at 19 November 2014 shall be eligible to attend the Meeting or to appoint proxy to attend in his/ her stead.
2. A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as a member to speak at the Meeting.
3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. A member other than an exempt authorised nominee shall be entitled to appoint not more than two (2) proxies to attend and vote at the Meeting.
5. A member who wishes to appoint more than one (1) proxy to attend the Meeting must specify the proportion of the shareholdings to be represented by each proxy. If the proportion of shareholdings is not specified, the appointment shall be invalid.
6. Unless voting instructions are indicated with an "X" in the spaces provided above, the proxy may abstain from voting or vote on any resolutions as he/she thinks fit.
7. If the appointor is a corporation, this form must be executed under the Common Seal or under the hand of its duly authorised attorney.
8. To be valid, this form must be deposited at the Registered Office of the Company at Level 8, Wisma Sri Pinang, 60 Green Hall, 10200 Penang not less than forty-eight (48) hours before the time for holding the Meeting.

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affix
stamp
here

Hwang Capital (Malaysia) Berhad
(formerly known as Hwang-DBS (Malaysia) Berhad)
(238969-K)

Level 8, Wisma Sri Pinang
60 Green Hall, 10200 Penang
Malaysia

fold here

HWANG CAPITAL (MALAYSIA) BERHAD (238969-K)
(formerly known as Hwang-DBS (Malaysia) Berhad)

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60 Green Hall
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Malaysia