PJ DEVELOPMENT HOLDINGS BERHAD
(Company No. 5938-A)
(Incorporated in Malaysia)

# ANNUAL REPORT 2011

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# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Forty-Sixth Annual General Meeting of the Company will be held at Grand Hibiscus, Level 3, Swiss-Garden Hotel & Residences Kuala Lumpur, 117, Jalan Pudu, 55100 Kuala Lumpur, Malaysia on Thursday, 24 November 2011 at 10.00 a.m. for the following purposes:



**As Ordinary Business**

1. To receive the Report of the Directors and Audited Financial Statements for the year ended 30 June 2011 together with the Report of the Auditors thereon.
   **(Please refer Explanatory Note 1)**

2. To declare a first and final dividend of 5 sen per ordinary share less income tax for the year ended 30 June 2011. **(RESOLUTION 1)**

3. To re-elect the following Directors who retire under Article 114 and Article 101 of the Company's Articles of Association respectively, and who, being eligible, offer themselves for re-election:

   (a) Khor Chai Moi **(RESOLUTION 2)**

   (b) Au Chun Choong **(RESOLUTION 3)**

   (c) Ong Ju Xing **(RESOLUTION 4)**

4. To approve the payment of Directors' fees of RM93,000 for the year ended 30 June 2011. **(RESOLUTION 5)**

5. To re-appoint Messrs BDO as Auditors of the Company and to authorise the Directors to fix their remuneration. **(RESOLUTION 6)**

6. To transact any other ordinary business of which due notice shall have been given.

**As Special Business**

To consider and if thought fit, pass with or without any modification, the following resolutions:

7. **Ordinary Resolution 1**

   Authority to Issue Shares.

   "THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised with full powers to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as they may deem fit subject always to the approval of the relevant government/regulatory authorities being obtained for such issue and provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the issued and paid-up capital for the time being of the Company and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company and that the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued." **(RESOLUTION 7)**

8. **Ordinary Resolution 2**

Proposed Shareholders' Mandate For Recurrent Related Party Transactions.
("Proposed Shareholders' Mandate")

"THAT subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval is hereby given to the Company and/ or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature provided such transactions are undertaken in the ordinary course of business, on arms length basis, on ordinary commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders as set out in Section 2.1 of the Circular to Shareholders dated 31 October 2011;

AND THAT such approval shall commence immediately and shall continue to be in force until the earlier of:

(a) the conclusion of the next Annual General Meeting of the Company at which time it will lapse unless the authority is renewed by a resolution passed at the next Annual General Meeting; or

(b) the expiration of the period within which the next Annual General Meeting is to be held pursuant to Section 143(1) of the Companies Act, 1965 but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965; or

(c) the revocation or variation by resolution passed by the shareholders in general meeting before the next Annual General Meeting,

AND THAT the Directors of the Company be authorised to complete and do all such acts and things including executing such documents as may be required, necessary or expedient to give effect to the Proposed Shareholders' Mandate."

**(RESOLUTION 8)**

9. **Ordinary Resolution 3**

Proposed Renewal Of Authority For The Company to Purchase Its Own Shares. ("Proposed Share Buy-Back Renewal")

"THAT, subject always to the Companies Act, 1965, the provisions of the Memorandum and Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares of RM1.00 each in the Company as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities Berhad ( "Bursa Securities") upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

(a) the aggregate number of shares purchased does not exceed ten per centum (10%) of the total issued and paid-up capital of the Company as quoted on Bursa Securities as at the point of purchase;

(b) the maximum funds to be allocated by the Company for the purpose of purchasing its shares shall not exceed the total retained earnings and share premium reserves of the Company at the time of the purchase(s); and

(c) the Directors of the Company may decide either to retain the shares purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder and to deal with the shares so purchased in such other manner as may be permitted by the relevant legislations and regulations,

AND THAT the authority conferred by this resolution shall commence immediately and shall continue to remain in force until the conclusion of the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting is required by law to be held, or revoked or varied by ordinary resolution passed by the shareholders in general meeting, whichever occurs first, AND THAT authority be and is hereby given to the Directors of the Company to act and to take all such steps and do all things as are necessary or expedient to implement, finalise and give full effect to the aforesaid purchase." **(RESOLUTION 9)**

By Order of the Board

**LEONG KENG YUEN (MIA 6090)**
**WONG TIEW KIM (MAICSA 0766807)**
Secretaries

Kuala Lumpur
31 October 2011



**Notes:**

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies (but not more than two) to attend and vote in his stead. If two proxies are appointed, the number of shares each person is entitled to vote must be stated in the form of proxy. A proxy need not be a member of the Company.

2. All forms of proxy must be deposited at the Registered Office of the Company at 18th Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.

3. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation under its Common Seal or the hand of its attorney.

**Explanatory Notes :**

1. **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 Agenda item is not put forward for voting.

2. **Ordinary Resolution 1**
   This Ordinary Resolution, if passed, will empower the Directors to issue shares in the Company up to an amount not exceeding in total 10% of the issued and paid-up capital of the Company for the time being for such purposes as the Directors consider would be in the interests of the Company.

   As at the date of this notice, no new shares of the Company were issued pursuant to the mandate granted to the Directors at the last Annual General Meeting held on 25 November 2010 and which will lapse at the conclusion of the Forty-Sixth Annual General Meeting of the Company.

   The general mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions as well as to avoid any delay and cost in convening the general meetings to specifically approve such an issuance of shares.

3. **Ordinary Resolution 2**
   This Ordinary Resolution, if passed, will provide a new mandate for the Company and its subsidiaries to enter into recurrent related party transactions with related parties in the ordinary course of business based on commercial terms which are not more favourable to the related parties than those generally available to the public which are necessary for the Group's day-to-day operations and shall lapse at the conclusion of the next Annual General Meeting unless authority for the approval is obtained from the shareholders of the Company at a general meeting. Please refer to the Circular to Shareholders dated 31 October 2011 for further information.

4. **Ordinary Resolution 3**
   This Ordinary Resolution, if passed, will provide a new mandate for the Company to purchase its own shares up to 10% of the issued and paid-up capital of the Company and shall lapse at the conclusion of the next Annual General Meeting unless authority for the approval is obtained from the shareholders of the Company at a general meeting. Please refer to the Circular to Shareholders dated 31 October 2011 for further information.



# STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. Directors who are standing for re-election at the Forty-Sixth Annual General Meeting of the Company -

   (a) Khor Chai Moi
   (b) Au Chun Choong
   (c) Ong Ju Xing

   Further details of Directors who are standing for re-election are set out in the Profile of Directors of this Annual Report.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

1. **YM Ungku Haji Mohd Afandi bin Ungku Suleiman**
   *(Independent Non-Executive Chairman)*

2. **Wong Ah Chiew**
   *(Managing Director)*

3. **Wong Chong Shee**
   *(Deputy Managing Director)*

4. **Khor Chai Moi**
   *(Executive Director)*

5. **Yap Yoon Kong**
   *(Executive Director)*

6. **Ong Ju Xing**
   *(Executive Director)*

7. **Au Chun Choong**
   *(Independent Non-Executive Director)*

8. **Loy Tuan Bee**
   *(Independent Non-Executive Director)*

## AUDIT COMMITTEE

**Au Chun Choong**
*(Chairman and Independent Non-Executive Director)*

**YM Ungku Haji Mohd Afandi bin Suleiman**
*(Independent Non-Executive Director)*

**Loy Tuan Bee**
*(Independent Non-Executive Director)*

## SECRETARIES

Leong Keng Yuen (MIA 6090)
Wong Tiew Kim (MAICSA 0766807)

## AUDITORS

BDO (AF 0206)
12th Floor, Menara Uni.Asia
1008 Jalan Sultan Ismail
50250 Kuala Lumpur

## PRINCIPAL BANKERS

Public Bank Berhad
United Overseas Bank (Malaysia) Berhad
Malayan Banking Berhad

## REGISTERED OFFICE

18th Floor, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Malaysia
Tel No. : 03-2162 1111
Fax No. : 03-2163 3336
Website : www.pjd.com.my

## REGISTRARS

Boardroom Corporate Services (KL) Sdn. Bhd.
Lot 6.05, Level 6, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel No. : 03-7720 1188
Fax No. : 03-7720 1111

## STOCK EXCHANGE LISTING

Main Market, Bursa Malaysia Securities Berhad

## INCORPORATION

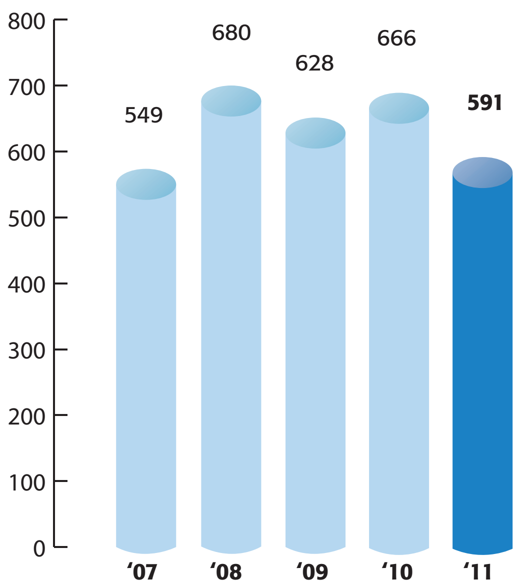
The Company is a public limited liability company, incorporated under the Companies Act, 1965 and domiciled in Malaysia.

# FIVE YEARS GROUP FINANCIAL HIGHLIGHTS

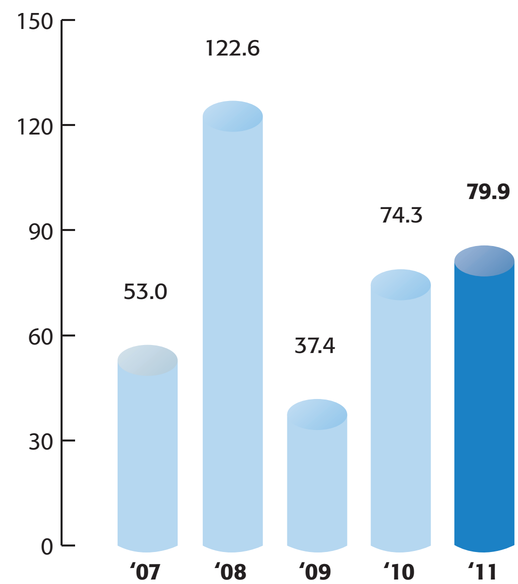
| Financial Year Ended (RM Million) | 2011 June | 2010 June | 2009 June | 2008 June | 2007 June |
|---|---|---|---|---|---|
| Revenue | **591** | 666 | 628 | 680 | 549 |
| Profit Before Tax | **79.9** | 74.3 | 37.4 | 122.6 | 53.0 |
| Profit After Tax And Non-Controlling Interests | **55.5** | 52.7 | 22.7 | 101.8 | 42.4 |
| Paid-up Capital | **456** | 456 | 456 | 456 | 456 |
| Shareholders' Funds | **895** | 826 | 787 | 793 | 702 |
| Basic Earnings Per Share (sen) | **12.5** | 11.6 | 5.0 | 22.3 | 9.3 |
| Dividends Per Share (sen) | **5.0** | 5.0 | 3.0 | 5.0 | 5.0 |
| Net Tangible Assets Per Share (RM) | **1.95** | 1.80 | 1.72 | 1.72 | 1.52 |



**Revenue (RM Million)**




**Profit before the tax (RM Million)**



YOU-CITY, Cheras - Perspective View

# CHAIRMAN'S REVIEW




**On behalf of the Board of Directors, it is my pleasure to present to you the Annual Report and Audited Financial Statements of PJ Development Holdings Berhad and the Group for the financial year ended 30 June 2011**

## FINANCIAL REVIEW

The Group recorded a turnover of RM591.3 million for the financial year under review, representing a decrease of 11.2% over the previous financial year's turnover of RM665.8 million.

For the financial year under review, the Group registered a pre-tax profit of RM79.9 million as against a pre-tax profit of RM74.3 million for the previous financial year. Net assets per share of the Group as at 30 June 2011 was RM1.96.

## DIVIDEND

The Board of Directors has recommended for your approval payment of a first and final dividend of 5 sen per ordinary share less income tax in respect of the financial year ended 30 June 2011.

## OUTLOOK

Developing economies in Asia continue to remain robust yet cautious with moderating domestic demand and rising inflationary pressures and with the advanced economies lagging behind. The global economy will continue to be influenced by the European debt crisis and volatile commodity prices. Malaysia will be affected by these adverse developments and her economic growth is expected to be slower in 2011 and 2012.

Faced with the global financial, political and environment disasters, we at PJD are fortunate to be aptly diversified to withstand the challenges with much resilience and forth-thought planning. Our strategy to invest wisely in more lucrative and high potential properties for capital appreciation in the period under review will auger well for the PJD property development into the next decade. Moving forward into the second decade of the new millennium, we will continue to cautiously pursue quality development lands in good locations to replenish our landbank.

# CHAIRMAN'S REVIEW

The Group will remain disciplined, focused and innovative while adopting proactive measures to manage costs, enhance customer loyalty and further improve operational efficiencies and productivity. In addition, management will continue to invest in building high quality properties combined with good infrastructure and attractive landscaping to enhance the value of our developments.

The Government's Economic Transformation Program with Entry Point Projects and Initiatives and the Mass Rapid Transit project will help spur and spread the pace of development in the Klang Valley. Working congruently with the property development projects and the Government's initiatives, our Construction activities and Building Materials turnover should thrive well in the next financial year.

Our Cables operations venture into Vietnam has shown some improvements. We anticipate better revenue from this overseas branch as plans for more aggressive market penetration into Cambodia and neighbouring countries are being put in place. Locally, diversification into oil and gas sectors, innovative sales strategies and production capability upgrades in our Melaka factory will certainly play a vital role in improving productivity and hence profitability in this Division.

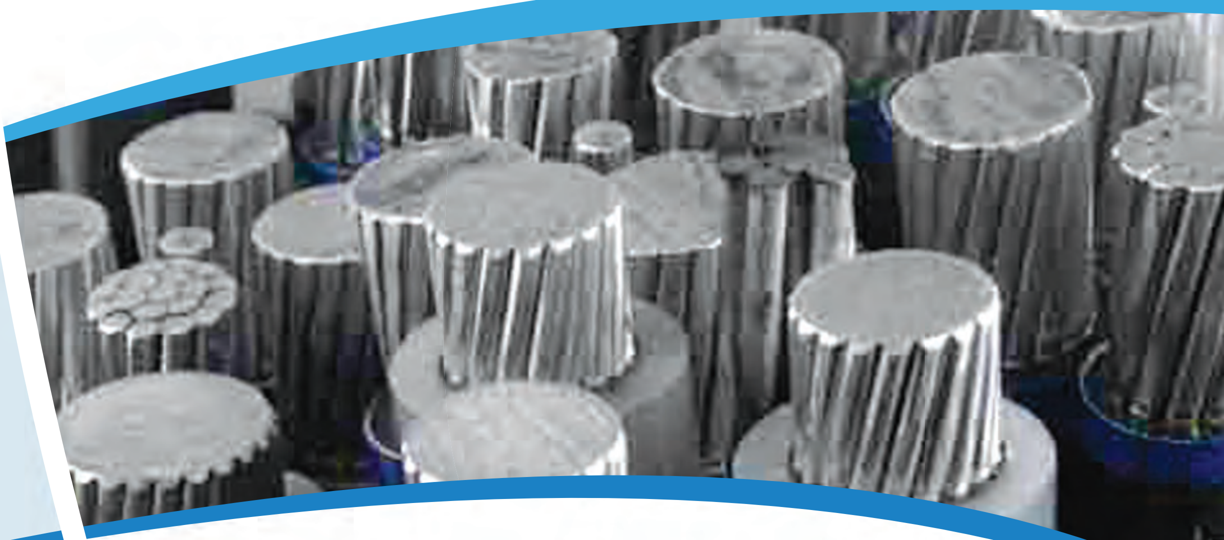
Malaysia is recognised globally as a leading tourism destination and was listed as one of the top ten countries for 'Best in Travel 2010' and one of the 'Best-Value Destination for 2010' by the Lonely Planet. We are optimistic that the upward trend will continue for 2011 and Malaysia will achieve its projected tourist arrival of 26 million, benefiting our synergistic Hotels & Leisure Divisions with good sales volume.

The PJD Board of Directors and Management will continue to put their best foot forward as done in the past and place our valued shareholders' interest and value foremost in the manner we do things in the Group.

## CORPORATE SOCIAL RESPONSIBILITY

Community engagements have been an integral part of the Group's Corporate Social Responsibility efforts. In all of our business locations, PJD Group conducts various activities involving charity homes, particularly orphanages. This year we had our annual PJD Group Kids Day for its third year running at the Forest Reserve Institute of Malaysia, involving orphans from four orphanages from the Klang Valley.

For all our property residences in Klang Valley, Selangor, Butterworth, Johor and Kuantan the maturity of each community portal for residents have resulted in strong relationships between our residents and us. Activities are frequently organized for the residents to create a pleasant and interactive communal living.



In the last financial year under review, the Group's employees participated in activities such as blood donation drives in all office locations, festive season gatherings, charity events and company trips. PJD believes that our employees are our valuable assets and engaging them in corporate social activities will inculcate a strong sense of belonging within the Group, creating a better working environment altogether.

Apart from incorporating an array of environmental products and processes in our business operations, the Group has now started to do the same in its non- business operations. Many of our residents community and employees' activities are now themed towards protecting the environment. 'Together We Build a Brighter Future' involves everyone in the PJD Group in doing their part in preserving our environment.

## HUMAN RESOURCE DEVELOPMENT

At PJD the performance of the Group is closely linked to the dedication and contribution of our employees. We recognise and value employees' strengths and are committed to providing the motivation for our employees and satisfaction in the working environment.

Performance Management Systems are continually used to align organisational goals and objectives. Our Corporate & Quality Training department is dedicated to developing and enhancing training for employees at all levels to acquire the necessary skills and knowledge to achieve career development and personal growth.

The Group and the subsidiary companies also organise various activities for employees to enhance teamwork, employee morale, foster interactions and cohesiveness amongst staff and inculcate the PJD family culture.

## ACKNOWLEDGEMENT

On behalf of the Board, I would like to express my appreciation and thanks to the Management and staff for their commendable efforts and contributions in achieving the results for the Group.

Our appreciation and thanks also to our shareholders, customers, business associates, bankers and the relevant Authorities for their confidence and support.

We also wish to extend a warm welcome to Mr Loy Tuan Bee who joined the Board as a Independent Non- Executive Director on 18 November 2010 and Mr Ong Ju Xing as an Executive Director on 3 October 2011.

**YM Ungku Haji Mohd Afandi Bin Ungku Suleiman**
Chairman
19 October 2011

Tribeca USJ - Perspective View

# OPERATIONS REVIEW BY THE MANAGING DIRECTOR



**The Malaysian economy rebounded in the fourth quarter of 2009 and the recovery was broad-based with all economic sectors registering turnaround. Consumer and business confidence improved throughout the year 2010 but recovery was intermittently interrupted with financial set backs in some countries, affecting the overall global recovery.**

### PROPERTY DEVELOPMENT

The tightening of bank lending by Bank Negara with 70% third housing loan cap limit seems to have weeded out some speculation in the property market as the number of loan applications for residential properties had reduced since end 2010. The property market is reasonably healthy with housing property prices expected to continue to rise especially for landed homes and may drive buyers, in particular first time home buyers to more affordable housing schemes in less preferred locations.

PJD seeks to adopt the Green Building Index ("GBI"), an environmental rating system for buildings developed by Pertubuhan Akitek Malaysia ("PAM"). At PJD, we remain ever watchful for innovations and systems in housing development that can improve the way we work and live. We believe that "green engineering" is the way forward. We are planning some exciting ground-breaking developments in 2011 by delivering products that will enrich our customers' overall experience. PJD continues to raise the bar in living standards whereby communities of our developments are afforded opportunity to own quality homes, stay in a safe and secured environment and enjoy a higher quality lifestyle. This is translated by changing how we define and design the properties that enhance living styles, improve security and provide beautifully designed properties with much potential for capital appreciation.

Our prestigious development, Bukit Istana in Kuantan, Pahang was awarded the 'Creative & Innovative Development Award 2010" by Majlis Perbadanan Kuantan in December 2010. As one of the premier property developer in the region, PJD's achievement and accolades have reinforced the Group's years of commitment towards innovative and sustainable building initiatives throughout the nation.

YOU-CITY, a 20.6 acres integrated mix-use development in CHERAS exemplifies transforming lifestyle 'city-within-a-city' concept that comprises residential, recreation and commercial components strategically within the routes of the upcoming MRT line. YOU-CITY offers homes that are easier for the younger generation to own whilst enjoying a comprehensive modern living solution. The Group aims to unveil Phase 1 of mixed development with a Gross Development Value ("GDV") of approximately RM 150 million by the fourth quarter of year 2011. The overall GDV of the entire YOU-CITY development may be over RM 1billion.

# OPERATIONS REVIEW BY THE MANAGING DIRECTOR



Swiss-Garden Resort Residences, Kuantan - Perspective View

Next in Subang USJ is TRIBECA, an exciting new lifestyle mix-use development that will promise a premier living experience with its design savvy residential and commercial components. This development is a new residential "green building" in the Subang vicinity where central to the concept idea is the environmental design approach to create a distinctive high quality development that responds well to the tropical climate and urban context. This development is located near the planned LRT extension to connect the area to the existing network of LRT-KTM-MRT transport services with a GDV of approximately RM 200 million. It is targeted to be launched by first quarter of year 2012.

Moving up north in HARBOUR PLACE, Butterworth's first Metrocity developed by PJD saw encouraging response during the preview launch of WELLESLEY RESIDENCES in July 2011. This development with a GDV of approximately RM 115 million on 2.28 acres comprising over 400 units condominium apartments in two tower blocks of 30 and 27 storey have a good product mix of standard units and penthouses.

Our next venture in East Coast is SWISS-GARDEN RESORT RESIDENCES in Sg. Karang, Kuantan on 22 acres, adjacent to our very own Swiss-Garden Resort & Spa Kuantan. Phase 1 of the development will consist of Resort Apartments, Town Villas, Studio units, 2-Bedroom units, Duplex Townhouses and business kiosks. This development with a GDV of approximately RM 82.5 million is targeted to be launched by the third quarter of year 2011.

Down South in Taman Putri Kulai, the 1-storey link "Botanic Homes" was completed and Parcel 10G of 2-Storey "Grow Homes" and single-storey "Melody Homes" was launched. The grand new products at Mont Callista are Phase 3 of 2-Storey Semi-Detached "Park Villas" launched in April 2011 and 3-storey Semi-Detached "Garage Homes" which will be the next launch.

www.pjdprop.com.my

YOU-CITY, Cheras - Bird's Eye Perspective View


Wellesley Residences Butterworth - Perspective View

# OPERATIONS REVIEW BY THE MANAGING DIRECTOR

## CONSTRUCTION

Despite lower revenue, the Division recorded a significantly stronger profit on the back of improved margins and stable prices of raw materials. During the year under review the Division completed and handed over two projects in Malaysia. Our construction contracts in Thailand are targeted to be completed and cease operations by the end of the year 2011.

The Division will remain focused on the domestic market and concentrate on the replenishment of its current order book with new construction works. Riding on the track records of improved quality works, the Division has widened its clientele base, further enhanced its competitiveness and moving forward, more investment in the fleet of machineries and system formwork are expected. The Division will continue the investment in human capital and improvement in safety and health by providing adequate training and promoting awareness amongst the staff, contractors and workers alike. With sound risks management and internal controls in place, the Division is confident to meet the challenges in the year ahead.

www.pjd.com.my

## CABLES

The Division recorded an increase of 30 % in Turnover over the last financial year 2010. The increase was largely attributed to strong local demand supported by buoyant construction activities in the country. The Vietnam operation also recorded an increase in sales as the Olympic Cable brand was gaining acceptance in the local market. Although the sales volume had increased, the profit increase was not in the same magnitude, reflecting the competitive nature of the industry, where margins had declined from the last financial year.

For the coming financial year 2012, we anticipate that the strong construction activities will further enhance our Turnover. New capacity from the recent expansion in the factory and machineries will also come into effect in the second quarter of financial year 2012. However, the loss of sales from a local power utility company will have an impact on financial performance. The company is trying to mitigate this by diversification into markets with new products, particularly for the oil and gas sector. Further improvement of Turnover is also expected from the Vietnam operations. The competitive market also compels us to look into all aspects of efficiency improvement.

The current strong construction activities in the housing and oil and gas sector will provide the strong demand for the industry. Barring any adverse slowdown in these sectors, we are confident of sustaining our competitive edge and contribute positively to the Division and Group.

www.olympic-cable.com.my

# OPERATIONS REVIEW BY THE MANAGING DIRECTOR

### BUILDING MATERIALS

For the period under review, the Division performed well, driven by the success in penetrating the growing private sector as well as higher sales to government projects. Our three strategically located plants in Taiping, Nilai and Johor Tenggara are well placed with logistical advantage to serve our customers in Peninsular Malaysia with excellent delivery services.

Our Acotec precast concrete wall panel has received the Singapore Green Label certification by the Singapore Environment Council for Industrialised Building Systems ("IBS") component with eco-friendly raw materials.

Going forward, our challenges are to protect our leading market position by continuing to broaden customer base and market reach.

www.pjdcpmalta.com.my

### HOTELS & LEISURE

The Hotels, Resorts & Inns Division recorded yet another year-on-year growth. There is a marginal increase in our Hotel Groups' revenue as compared to the same period last financial year. The strongest segment is from online bookings and leisure travelers from short haul sector. This is attributed to the attractive promotional rates offered by low cost carriers, online portals within the region and our extensive marketing programs.

The Hotel Groups' brand portfolio was expanded with the opening of the inaugural Swiss-Garden Residences Kuala Lumpur in March 2011. The Group's foray into serviced residences was initiated to meet the evolving travelling and hospitality trends. There is an increasing demand from both the leisure and business travelers as reflected in our first quarter performance results for Swiss-Garden Residences Kuala Lumpur. We achieved an average occupancy of 80 % and we are optimistic that the trend will continue to grow.

www.swissgarden.com

For the financial year ended 30th June 2011, our Timeshare division continued to experience a challenging and competitive environment.

Forging on, the Division will focus efforts in managing its operating costs and strengthening the delivery of its products and services. Timeshare products have been re-invented to suit customer needs, marketing strategies were evaluated and improved and tighter controls on credit were implemented. Positive results from these measures and the dedication of the team in the Division in achieving the desired budget will see the Division through into the next financial year with confidence.

www.sgivacationclub.com

**Wong Ah Chiew**
Managing Director
19 October 2011

# CSR HIGHLIGHTS



*Bukit Bintang Central Gotong Royong*

*Blood Donation*

*Deepavali Celebration*


*Help The Needy*


*Fund Raising Charity Concert*

*PJD Kids Day*


*Special Children Helping Hand*

*Staff Christmas Party*


*Staff Recognition Night*


*Support Young Local Music Talent*

*Training*

*Hari Raya Celebration*

# ULASAN PENGERUSI

**Bagi pihak Lembaga Pengarah, saya dengan sukacitanya membentangkan Laporan Tahunan dan Penyata Kewangan yang telah diaudit bagi PJ Development Holdings Berhad dan Kumpulan bagi tahun kewangan yang berakhir pada 30 Jun 2011.**

### Ulasan Kewangan

Kumpulan telah mencatatkan perolehan sebanyak RM591.3 juta bagi tahun kewangan dalam ulasan yang menunjukkan penurunan sebanyak 11.2% berbanding dengan perolehan bagi tahun kewangan yang lepas sebanyak RM665.8 juta.

Bagi tahun kewangan bawah ulasan, Kumpulan telah mencatatkan keuntungan sebelum cukai sebanyak RM79.9 juta berbanding dengan keuntungan sebelum cukai sebanyak RM74.3 juta bagi tahun kewangan yang lepas. Aset ketara bersih sesaham Kumpulan pada 30 Jun 2011 adalah RM1.96.

### DIVIDEN

Lembaga Pengarah menyokong untuk mendapatkan kelulusan anda bagi pembayaran dividen pertama dan terakhir sebanyak 5 sen sesaham biasa setelah ditolak cukai pendapatan berkenaan bagi tahun kewangan berakhir 30 Jun 2011.

### TINJAUAN

Negara membangun di Asia terus kekal teguh namun berhati-hati dengan menyederhanakan permintaan domestik dan peningkatan tekanan inflasi serta dengan negara maju yang ketinggalan. Ekonomi global akan terus dipengaruhi oleh krisis hutang Eropah dan harga komoditi yang tidak menentu. Malaysia akan terjejas oleh perkembangan buruk ini dan pertumbuhan ekonomi dijangka menjadi lebih perlahan pada tahun 2011 dan 2012.

Berhadapan dengan bencana kewangan, politik dan alam sekitar secara global kami di PJD bernasib baik tepat pelbagai untuk menghadapi cabaran ini dengan daya tahanan yang tinggi dan perancangan. Strategi kami untuk melabur dalam hartanah yang lebih lumayan dan mempunyai potensi yang tinggi dalam tempoh yang dilaporkan dijangka strategi baik bagi pembangunan hartanah di PJD pada dekad yang akan datang. Melangkah ke hadapan ke dekad kedua di alaf baru ini, kita akan terus berhati-hati dengan kualiti pembangunan tanah serta di lokasi yang baik untuk menambah simpanan tanah kami.

Kumpulan akan terus berdisiplin, fokus dan inovatif pada masa yang sama mengguna pakai langkah-langkah proaktif untuk menguruskan kos, meningkatkan kesetiaan pelanggan dan meningkatkan lagi kecekapan operasi dan produktiviti. Di samping itu, pihak pengurusan akan terus melabur dalam pembinaan hartanah berkualiti tinggi digabungkan dengan infrastruktur yang baik dan landskap yang menarik untuk meningkatkan nilai pembangunan kami.

Program Transformasi Ekonomi Kerajaan dengan Projek Entry Point dan Inisiatif dan projek Mass Rapid Transit akan membantu merangsang dan menyebarkan kadar pembangunan di Lembah Klang. Berkerja bersama dengan projek-projek pembangunan harta dan inisiatif Kerajaan, aktiviti-aktiviti Pembinaan kami dan perolehan dari Bahan Bangunan akan berkembang maju baik dalam tahun kewangan akan datang.

# ULASAN PENGERUSI

Penerokaan operasi Cables kami ke Vietnam telah menunjukkan beberapa penambahbaikan. Kami menjangkakan hasil yang lebih baik daripada cawangan ini kerana rancangan untuk menembusi pasaran yang lebih agresif ke Kemboja dan negara-negara jiran sedang dilaksanakan. Didalam negara, kepelbagaian ke sektor minyak dan gas, inovatif jualan strategi dan peningkatan keupayaan pengeluaran di kilang kami di Melaka, sudah tentu akan memainkan peranan penting dalam meningkatkan produktiviti dan seterusnya keuntungan di Bahagian ini.

Malaysia diiktiraf di seluruh dunia sebagai destinasi pelancongan terkemuka dan telah disenaraikan sebagai salah satu daripada sepuluh negara teratas for 'Best in Travel 2010' dan satu 'Destinasi Terbaik Nilai untuk 2010' oleh Lonely Planet. Kami yakin bahawa trend menaik akan berterusan untuk 2011 dan Malaysia akan mencapai ketibaan pelancong diunjurkan 26 juta, yang akan juga memberi manfaat kepada Bahagian Hotel & Leisure yang bersinergistik dengan jumlah jualan yang baik.

Lembaga Pengarah dan Pengurusan PJD akan terus berusaha seperti yang dilakukan pada masa lalu dan meletakkan kepentingan dan nilai pemegang saham kami sebagai terpenting dan utama dalam cara kita melakukan perkara-perkara di dalam Kumpulan.

## KORPORAT TANGGUNGJAWAB SOSIAL

Kegiatan Komuniti merupakan sebahagian daripada usaha Tanggungjawab Sosial Korporat Kumpulan. Dalam semua lokasi perniagaan kami, Kumpulan PJD menjalankan pelbagai aktiviti melibatkan rumah kebajikan, terutamanya rumah anak yatim. Hari Tahunan Kanak-Kanak PJD telah diadakan bagi tahun ketiga berturut turut di Forest Reserve Institute of Malaysia, melibatkan anak-anak yatim dari empat rumah anak yatim dari sekitar Lembah Klang

Untuk semua kediaman hartanah kami di Lembah Klang, Selangor, Butterworth, Johor dan Kuantan kematangan portal komuniti masing-masing bagi penduduk telah menyebabkan hubungan yang kuat antara penduduk kita dan Kumpulan. Aktiviti-aktiviti sering dianjurkan untuk mewujudkan penduduk yang hidup bermasyarakat dan lebih interaktif.

Pada tahun kewangan yang ditinjau, pekerja Kumpulan mengambil bahagian dalam aktiviti aktiviti seperti derma darah di semua lokasi pejabat, perhimpunan musim perayaan, acara-acara amal dan perjalanan syarikat. PJD percaya bahawa kakitangan kami adalah aset berharga kami dan melibatkan mereka dalam aktiviti-aktiviti sosial korporat akan memupuk semangat kekitaan dalam Kumpulan, mewujudkan persekitaran kerja yang lebih baik sama sekali. Selain dari menggabungkan pelbagai produk dan proses alam sekitar dalam operasi perniagaan kami, Kumpulan kini telah mula melakukan perkara yang sama dalam operasi bukan perniagaan. Ramai penduduk komuniti kita dan aktiviti aktiviti pekerja kini bertemakan ke arah melindungi alam sekitar. “Bersama-sama Kita Membina Masa Depan yang lebih Cerah” melibatkan semua orang dalam Kumpulan PJD dalam melakukan peranan mereka  memelihara alam sekitar kita.

## PEMBANGUNAN SUMBER

Pada PJD prestasi Kumpulan adalah berkait rapat dengan dedikasi dan sumbangan pekerja kami. Kami mengiktiraf dan menghargai semangat pekerja dan kini kami komited untuk memberi motivasi serta kepuasan pekerja kami dalam persekitaran bekerja.

Sistem Pengurusan Prestasi terus digunapakai untuk menjajarkan matlamat organisasi dan objektif. Jabatan Korporat & Latihan Kualiti kami berdedikasi untuk membangun dan meningkatkan latihan untuk para pekerja di semua peringkat untuk memperolehi kemahiran dan pengetahuan yang perlu untuk mencapai pembangunan kerjaya dan perkembangan peribadi.

Kumpulan dan syarikat-syarikat subsidiari juga menganjurkan pelbagai aktiviti untuk pekerja meningkatkan kerja berpasukan, semangat pekerja, memupuk interaksi dan perpaduan di kalangan keluarga PJD.

## PENGHARGAAN

Bagi pihak Lembaga, saya ingin merakamkan ucapan penghargaan dan terima kasih kepada pihak Pengurusan dan kakitangan di atas usaha dan kerjasama mereka yang mengagumkan dalam mencapai kejayaan untuk Kumpulan.

Penghargaan dan ucapan terima kasih juga diberikan kepada para pemegang saham, pelanggan, rakan perniagaan, pihak bank dan pihak berkuasa untuk kepercayaan dan sokongan mereka.

Kami juga ingin mengalu-alukan Encik Loy Tuan Bee yang dilantik dalam Lembaga Pengarah sebagai Pengarah Bebas Bukan Eksekutif pada 18 November 2010 dan Encik Ong Ju Xing sebagai Pengarah Eksekutif pada 3 Oktober 2011.

**YM Ungku Haji Mohd Afandi bin Ungku Suleiman**
Pengerusi
19 Oktober 2011

# ULASAN OPERASI OLEH PENGARAH URUSAN

**Ekonomi Malaysia kembali pulih pada suku keempat tahun 2009 dan pemulihan menyeluruh dengan semua sektor ekonomi mencatatkan pemulihan. Keyakinan pengguna dan perniagaan yang bertambah baik sepanjang tahun 2010 tetapi pemulihan berkala terganggu dengan kemerosotan kewangan di beberapa negara, menjejaskan pemulihan ekonomi global secara keseluruhan**

## PEMBANGUNAN HARTANAH

Memperketatkan pinjaman bank oleh Bank Negara dengan 70% terhad pinjaman perumahan ketiga seolah-olah mempunyai beberapa spekulasi dalam pasaran hartanah kerana bilangan permohonan pinjaman bagi harta kediaman telah berkurangan sejak akhir 2010. Pasaran hartanah agak sihat dengan harga hartanah perumahan yang dijangka terus meningkat terutamanya untuk rumah bertanah dan pembeli, khususnya pembeli rumah pertama akan memiliki rumah skim perumahan yang lebih mampu beli dan di lokasi yang kurang pilihan.

PJD bertujuan untuk menerima pakai Indeks Bangunan Hijau (GBI), system penarafan alam sekitar bagi bangunan yang dibangunkan oleh Pertubuhan Akitek Malaysia (PAM). Di PJD, kami sentiasa menjaga inovasi dan sistem dalam pembangunan perumahan yang dapat memperbaiki cara kita bekerja dan kehidupan. Kami percaya bahawa "kejuruteraan hijau" adalah jalan ke hadapan. Kami sedang merancang beberapa perkembangan yang menarik pada tahun 2011 dengan menyerahkan produk yang akan memperkayakan pengalaman keseluruhan pelanggan kami. PJD terus meningkatkan taraf hidup yang mana komuniti perkembangan kami diberikan peluang memiliki rumah kualiti, tinggal dalam persekitaran yang selamat dan terjamin dan menikmati kualiti gaya hidup yang lebih tinggi. Ini diterjemahkan dengan mengubah cara reka bentuk dan sifat-sifat yang meningkatkan gaya hidup, meningkatkan keselamatan dan menyediakan bentuk hartanah yang menarik dengan peluang yang lebih untuk peningkatan modal.

Pembangunan berprestij kami, Bukit Istana di Kuantan, Pahang telah dianugerahkan 'Kreatif & Anugerah Pembangunan Inovatif 2010 "oleh Majlis Perbadanan Kuantan pada bulan Disember 2010.Sebagai salah satu pemaju hartanah utama di rantau ini, pencapaian dan pengiktirafan PJD telah menguatkan lagi komitmen tahunan Kumpulan ke arah inisiatif bangunan yang inovatif dan mapan di seluruh negara.

YOU–CITY seluas 20.6 ekar bersepadu pembangunan di CHERAS merupakan contoh mengubah gaya hidup dengan konsep 'bandar-dalam-satu-bandar' yang terdiri daripada kediaman, rekreasi, dan komersil strategik dalam laluan garis MRT akan datang. YOU-CITY menawarkan rumah yang lebih mudah untuk generasi muda memiliki sambil menikmati penyelesaian kehidupan moden yang komprehensif. Kumpulan ini bertujuan untuk melancarkan Fasa 1 pembangunan bercampur dengan Nilai Pembangunan Kasar ("GDV") kira-kira RM 150 juta di suku keempat tahun 2011. GDV untuk keseluruhan projek YOU-CITY adalah dijangka bernilai berlebihan RM 1 bilion.

# ULASAN OPERASI OLEH PENGARAH URUSAN

Selain itu, di Subang USJ ialah TRIBECA, pembangunan yang menjanjikan pengalaman gaya hidup baru dan perdana dengan reka bentuk kediaman dan komersil celik. Perkembangan ini adalah bangunan kediaman 'hijau' baru di sekitar Subang penting kepada konsep bentuk alam sekitar untuk mewujudkan pembangunan kualiti yang tinggi dan bertindak balas baik kepada iklim tropika dan konteks bandar. Pembangunan ini terletak berhampiran dengan lanjutan LRT dirancang yang akan menyambung dengan perkhidmatan pengangkutan LRT-KTM-MRT yang sedia ada. Projek ini dengan GDV kira-kira RM 200 juta akan dilancarkan menjelang suku pertama tahun 2012.

Bergerak ke Utara dalam HARBOUR PLACE, Metrocity Butterworth yang pertama dibangunkan oleh PJD dilihat mendapat sambutan yang memberangsangkan semasa pra-pelancaran WELLESLEY Residences pada bulan Julai 2011. Pembangunan ini dengan GDV kira-kira RM115 juta pada 2.28 ekar yang terdiri daripada lebih 400 unit pangsapuri kondominium di dua blok menara 30 dan 27 tingkat ini mempunyai campuran produk yang baik dengan unit standard dan penthouse.

Usaha seterusnya di Pantai Timur adalah SWISS-GARDEN RESORT RESIDENCES di Sg. Karang, Kuantan atas 22 ekar, bersebelahan kepunyaan sendiri Swiss-Garden Resort & Spa Kuantan. Fasa 1 akan terdiri daripada Resort Apartments, Town Villas, unit Studio, unit 2-Bedroom, Dupleks Townhouses dan kiosk perniagaan. Pembangunan ini dengan GDV kira-kira RM82.5 juta dijangka akan dilancarkan menjelang suku ketiga tahun 2011.

Ke Selatan di Taman Putri Kulai, rumah teres satu tingkat "Botanic Homes" telah disiapkan dan dua tingkat Parcel 10G "Grow Homes" dan satu tingkat "Melody Homes" telah dilancarkan. Produk baru di Mont Callista Fasa 3 iaitu rumah berkembar dua tingkat "Park Villas" telah dilancarkan pada bulan April 2011 dan rumah berkembar tiga tingkat "Garage Homes" akan dilancarkan berikutnya.

www.pjdprop.com.my

## PEMBINAAN

Walaupun hasil yang lebih rendah, Bahagian ini mencatatkan keuntungan yang ketara yang lebih kukuh di belakang margin yang lebih baik dan harga bahan mentah yang stabil. Bagi tahun dalam ulasan Bahagian telah menyiapkan dan menyerahkan dua buah projek di Malaysia. Kontrak pembinaan di Thailand dijangka siap dan operasi akan diberhentikan pada akhir tahun 2011.

Bahagian ini akan terus memberi tumpuan kepada pasaran domestik dan menumpukan pada pengisian semula tempahan semasa dengan kerja-kerja pembinaan baru. Melalui rekod kerja-kerja yang bekualiti, Bahagian ini telah diperluaskan asas pelanggan, dipertingkatkan lagi daya saing dan bergerak ke hadapan, lebih banyak pelaburan dalam jentera jentera dan sistem 'formwork" dijangka. Bahagian ini akan meneruskan pelaburan dalam modal insan dan peningkatan dalam keselamatan serta kesihatan dengan menyediakan latihan yang mencukupi dan menggalakkan kesedaran di kalangan kakitangan, kontraktor dan pekerja bersama-sama. Dengan pengurusan risiko yang mantap dan kawalan dalaman yang sedia ada, Bahagian yakin untuk menghadapi cabaran di tahun yang akan datang.

www.pjdprop.com.my

## KABEL

Bahagian ini mencatatkan peningkatan sebanyak 30% dalam jumlah perolehan berbanding tahun kewangan terakhir 2010. Sebahagian besar peningkatan ini disebabkan oleh permintaan tempatan yang kukuh disokong oleh aktiviti pembinaan yang memberangsangkan di negara ini. Operasi di Vietnam juga mencatatkan peningkatan dalam jualan sebagai jenama kabel Olimpik semakin diterima di pasaran tempatan. Walaupun jumlah jualan telah meningkat, kenaikan keuntungan tidak berapa besar mencerminkan sifat daya saing industri, di mana margin telah menurun dari tahun kewangan yang lepas.

# ULASAN OPERASI OLEH PENGARAH URUSAN

Untuk tahun kewangan 2012 yang akan datang, kami menjangkakan bahawa aktiviti-aktiviti pembinaan yang kukuh akan terus meningkatkan jumlah perolehan kami. Kapasiti baru dari perkembangan di kilang dan jentera jentera baru juga akan mula berkuat kuasa pada suku kedua tahun kewangan 2012. Walau bagaimanapun, kerugian jualan daripada syarikat utiliti kuasa tempatan akan mempunyai kesan ke atas prestasi kewangan. Syarikat ini cuba untuk mengurangkan ini dengan kepelbagaian ke dalam pasaran dengan produk baru, terutamanya dalam sektor minyak dan gas. Penambahbaikan jumlah perolehan juga dijangka daripada operasi di Vietnam. Pasaran berdaya saing juga memaksa kita untuk melihat ke dalam semua aspek dalam meningkatan kecekapan.

Aktiviti semasa pembinaan yang kukuh dalam perumahan dan sektor minyak dan gas akan menyediakan permintaan yang kukuh terhadap industri.Tanpa menghadapi mana-mana kelembapan buruk dalam sektor-sektor ini, kita yakin untuk mengekalkan daya saing dan menyumbang secara positif kepada Bahagian dan Kumpulan.

www.olympic-cable.com.my

## BAHAN PEMBINAAN

Bagi tempoh dalam ulasan, Bahagian menunjukan penambah baikan, didorong oleh kejayaan menembusi sektor swasta yang semakin meningkat serta jualan yang lebih tinggi kepada projek-projek kerajaan. Tiga kilang kami di Taiping, Nilai dan Johor Tenggara yang terletak di lokasi yang strategik untuk melayani pelanggan-pelanggan kami di Semenanjung Malaysia dengan perkhidmatan penghantaran yang sangat baik.

Acotec pratuang konkrit dinding kami telah menerima Singapura Green Label pensijilan oleh Majlis Alam Sekitar Singapura untuk komponen Industrialised Building Systems ("IBS") dengan bahan-bahan mentah yang mesra alam.

Melangkah ke hadapan, cabaran kami adalah untuk melindungi kedudukan pasaran utama dengan terus meluaskan asas pelanggan dan mencapai pasaran.

www.pjdcpmalta.com.my

## HOTEL & REKREASI

Bahagian Hotels, Resorts & Inns telah mencatatkan pertumbuhan semula tahun demi tahun. Kumpulan Hotel kami terdapat peningkatan marginal dalam hasil berbanding dengan tempoh yang sama tahun kewangan sebelumnya. Segmen yang kuat adalah dari tempahan dalam "on-line" dan pelancong dari sektor jarak dekat. Ini adalah disebabkan oleh kadar promosi menarik yang ditawarkan oleh syarikat penerbangan kos rendah, laman-laman web di rantau ini dan program-program pemasaran extensif kami.

Portfolio jenama Kumpulan Hotel telah diperluaskan dengan pembukaan sulung Swiss - Garden Residences Kuala Lumpur pada bulan Mac 2011. Penglibatan Kumpulan ke kediaman servis dirancang supaya memenuhi perkembangan di trend perjalanan pelancong dan industri hospitaliti. Terdapat permintaan yang semakin meningkat daripada kedua-dua pelancong bercuti dan pelancong perniagaan seperti yang ditunjukkan dalam laporan kewangan suku pertama kami untuk Swiss-Garden Residences Kuala Lumpur. Kami mencapai penghunian purata sebanyak 80% dan kami yakin bahawa trend ini akan terus berkembang.

www.swissgarden.com

Bagi tahun kewangan berakhir 30 Jun 2011, Bahagian Timeshare kami terus mengalami persekitaran yang mencabar dan berdaya saing.

Terus mara, Bahagian ini akan menumpukan usaha dalam menguruskan kos operasi dan mengukuhkan penyampaian produk dan perkhidmatan. Produk timeshare telah diubahsuai untuk memenuhi keperluan pelanggan, strategi pemasaran telah dinilai dan diperbaiki dan kawalan kredit yang lebih ketat telah dilaksanakan. Hasil yang positif daripada langkah langkah ini dan dedikasi pasukan dalam Bahagian dalam mencapai bajet yang dikehendaki akan melihat Bahagian melalui ke dalam tahun kewangan yang akan datang dengan penuh keyakinan.

www.sgivacationclub.com

**Wong Ah Chiew**
Pengarah Urusan
19 Oktober 2011

# 董事
# 主席报告

**本人谨代表董事会，向各位汇报辟捷发展控股有限公司(PJ Development Holdings Berhad)集团截至2011年6月30日财政年度的常年报告及经审核财务报告。**

## 财务报告

本集团于受检讨的财政年度下所获5亿9千1百3十万令吉的营业额，较前财政年度的营业额6亿6千5百8十万令吉，下降了11.2%。

回顾本财政年度，集团的税前盈利为7千9百9十万令吉，而前财政年度税前盈利为7千4百3十万令吉。截至2011年6月30日，本集团每股有形的资产净值为1令吉96仙。

## 股息

董事会已建议截至财政年度2011年6月30日，派发每股需扣所得税的5仙首期和终期股息，此建议有待股东批准。

## 展望

根据全球经济综合表现来看，大多数亚洲发展中国家继续保持强劲的经济增长及缓和国内的需求和通货膨胀。欧洲的债务危机将影响全球经济的极不稳定的局势。因此，马来西亚的经济发展将受到不利的影响，而且2011年和2012年的经济增长率将会缓慢。

面对全球金融，政治和环境的灾难，本集团（PJD）多元化的经营很幸运的能承受及应付不同的挑战，并快速的恢复还原动力。经过本集团作出明智的周密计划之下，我们已在高潜质的房业产获得了丰厚的利润。这不但增值了我们的资本投资，也对PJD的物业发展在未来的十年更有利可图。在进入本世纪，本集团将继续谨慎地探讨及寻求优良的物业发展地段，以补充我们的地库。

本集团将继续提升自我要求，锁定目标和创新，同时也采取了积极的措施去管理成本，提高客户的忠诚度，并进一步的提高业务营运的业务经济效率和生产力。此外，管理层将继续投资和兴建优质的房地产，并结合了优质的基础设施和具有吸引力的环境，以提高本集团房地产的价值。

政府所提倡的经济改革和捷运工程的计划将有助于加速将发展的步伐延伸至巴生谷。在本集团的房地产发展和政府所实施的经济改革新方案之下，我们的建筑业和建筑材料的营业额将在明年的财政年度蓬勃发展。

我们在越南投资电缆业务已开始有进展。我们预计这个海外投资市场，将于柬埔寨及邻国获得积极的回报及增长营业率。在本地，我们已扩大电缆业务范围，延至石油和天然气领域、创新销售策略和提升在马六甲工厂的生产力率起着极其重要的回报。因此，这也无形中的提升这个部门的生产力和盈利。

马来西亚是全球公认的旅游目的地的领导者，并被“Lonely Planet”列入“2010年的最佳旅游胜地”和“2010年的最佳价值的旅游胜地”的十大国家之一。本集团非常有信心这增长的趋势将持续至2011年，而且已预计马来西亚将会达到2千6百万名游客的观光。这将为酒店及休闲领域带来极大的盈利。

PJD的董事会成员及管理层将继续全力以赴，并以尊贵的股东们的利益为首。

## 企业社会责任

社会参与活动一直是本集团通过企业社会责任(CSR)不可或缺的成果。我们在全国各地的分行地点中，PJD集团已积极地推行各种慈善活动，这包括了收容所，尤其是孤儿院。PJD集团已是第三年庆祝PJD 集团的儿童日，地点是在马来西亚的森林自然保护区。这次受惠的对象是来自巴生谷的四间孤儿院的孤儿。

对于我们在巴生谷、雪兰莪、北海、柔佛和关丹的社区门户网站令我们与购房者和居民的社区纽带关系更加密切。我们经常组织活动，为居民创造出一个愉快及有互动的社区生活。

回顾过去的财政年度，本集团的员工们也积极地参与各种公益的活动，如在所有办公的场所响应捐血运动、佳节聚会、慈善活动和公司旅游。PJD 坚信员工是宝贵的资产，让他们参与公司的社区活动能灌输他们对公司有强烈的责任感，并创造更美好的工作环境。

除了将一系列的环保产品和过程纳入我们的业务，本集团现在已开始在其非商业的活动中进行有关活动。我们的社区居民和员工们都积极地响应环保活动。我们的企业社会责任的口号“携手共建美好的未来”(Together We Build A Brighter Future)已让PJD集团的每一个人都积极地参与环保工作。

## 人力资源发展

PJD 集团的业绩与员工们的热诚和奉献有着紧密的联系。我们赏识及重视员工们的实力，并承诺为员工们提供良好的工作环境，以激发员工们的工作士气。

业绩效率管理系统一再地调整本集团的目的和目标的一致性。集团的高品质培训部门已致力地提供发展和加强各级员工的培训，以掌握必要的技能和知识及达到职业发展和个人的成长。

本集团和附属公司也举办了各种活动，以让员工增强团队精神、激发员工的士气、培养员工的互动和紧密团结的群体，并灌输PJD的企业文化。

## 鸣谢

本人谨代表董事局向各管理层和同仁表示衷心的感激，因为有他们值得赞扬的付出和贡献，本集团才能取得现有的成就。我们也感谢各位股东、客户、业务伙伴、银行及执法机构人员对我们的信任和支持。

我们也热烈的欢迎雷端美先生于2010年11月18日加入董事会成为独立的非执行董事，而王祖星先生也于2011年10月3日加入董事会成为执行董事。

YM Ungku Haji Mohd Afandi
Bin Ungku Suleiman
董事主席
2011年10月19日

# 董事经理业务检讨

**马来西亚经济的复苏已在2009年第4季出现回升，这已显示出所有的经济领域都出现好转。虽然消费者和商业已于2010年对此恢复信心，但经济的复苏是间歇性中断的，因为有些国家的经济复苏仍暂时受阻，进而影响了全球经济的复苏。**

## 房地产发展

在国家银行加强管制第三个房子贷款申请的最高限额减至70%后，自2010年起物业贷款申请也因而减少，淘汰一些炒楼投资者。有地房屋产业价格预计继续上涨，首次购物者为了可负担得起房屋贷款而放弃首选地点。

PJD试图采用绿色建筑指数(GBI)和马来西亚工程协会(PAM)所定的环境等级制度来发展有关建筑业。在PJD，我们持续地对物业发展系统的创新有所警觉，以提高我们的工作和生活方式。我们认为"绿色工程"是未来的前进方向。我们计划在2011年通过一些令人兴奋的创新发展，提供产品给客户，以丰富他们的人生经历。PJD除了继续提升生活水平，也让社区的房屋发展使客户借次机会拥有自己高品质的家居，居住在安全及稳定的环境，进而享受高尚的生活方式。这表示 我们能提供精心的设计来提高生活方式及提升保安措施，与此同时又能使资本增值。

PJD位于彭亨州关丹皇宫岭(Bukit Istana)有声望的发展计划已获得当地的市议会在2010年12月授予"2010年最佳创意和创新发展"奖项。身为国内首要的其中之一的房地产开发商，PJD 的成就和表扬将提高本集团以持续地在全国的建筑业有创新发展的承诺。

优乐城（YOU-CITY）占据20.6英亩综合了蕉赖发展计划改变了'城中之城'的生活方式的概念，这包括了住宅区、娱乐设施、零售商铺和即将完成的轻快铁服务。YOU-CITY 所推出的家园计划轻易地为年轻一代彻底的解决了享受现代生活的解决方案。与此同时。本集团所推出的第一期工程发展计划的发展总值(GDV)约1亿5千万马币将于2011年第四季正式推出。整个YOU-CITY发展总值约10亿。

接下来令人振奋的发展计划是位于梳邦USJ的Tribeca。该项发展计划是属于优质的混合型住宅区和零售商铺。这项发展计划是一个新的"绿色住宅区"，设计的主要概念是以独特及优质的热带气候和城市文脉的发展有关。这独具特色的地标性发展计划得延伸到邻近的捷运服务网络。其发展总值(GDV)估计有2亿马币。该发展计划将于2012年第一季正式推展。

本集团于2011年7月，于北马槟港城(Harbour Place) - 槟城北海(Butterworth)，第一个时尚都会的预先推售的房屋计划威乐轩（Wellesley Residences）获得令人鼓舞的反应。该项发展计划的发展总值(GDV)约马币1亿1千5百万和占地2.28英亩，包括了两栋30层和27层楼高的400个标准单位和顶层豪华的共管公寓。

本集团接下来的投资是位于东海岸，那就是彭亨州双溪加冷 (Sungai Karang)的瑞园度假村(Swiss-Garden Resort Residences)，占地22英亩，属永久地契，与著名的关丹瑞园度假村(Swiss-Garden Resort & Spa Kuantan)毗邻。第一期的工程包括度假公寓、度假别墅、单间公寓、双间公寓、两层楼公寓套房和商铺。该发展计划估计有8千2百5十万马币的发展总值，并于2011年第三季正式推介。

位于南马的公主城(Taman Putri Kulai)，本集团所推出的Botanic Homes 单层联栋房屋已竣工，并推出了双层楼"Grow Homes"和单层楼的"Melody Homes"。我们也在2011年4月，推出嘉丽台山庄(Mont Callista)最新的第三期发展设计的双层半独立式洋房，至于三层半独立式洋房的设计将于下季推出。

www.pjdprop.com.my

## 建筑

尽管营业额减少，但是建筑组所呈报的盈利明显的比上一期高，因为现时的材料价格保持稳定。在本财政年度，本组完成并移交了我国的两项工程。至于我们于泰国的建筑工程将在2011年尾完成及结束在该国的工程。

建筑组将继续专注于国内市场，并集中在当前和新的工程。为了提升优质的产业和服务，该组已扩大其客户根基，进一步地增强竞争力和向前进。此外，该组也将预计投资机械系统，同时继续投资在人力资本和改善员工们的医疗福利和安全措施，并提供合格的训练和晋升员工们的就职机会，受惠的对象包括了全体职员、建筑承包商和建筑工人。为了使业务持续性地发展，该组加倍努力，找出和处理各种风险因素，提高控制措施和反应能力。该组很有信心面对未来的挑战。

www.pjd.com.my

## 电缆

回顾2010年的财政年度，电缆组的营业额增加了30%。这主要归功于本地市场的需求量的增加和国内建筑业的蓬勃。此外，该组在越南的业务操作也增加了销售量。那儿的市场都能接受Olympic Cable电缆的品牌。虽然销售量是有所增加，但利润的增加却不相同幅度。这竞争性的行业反映了盈利已从上一年的财政年度下降了。

在下一个的财政年度，我们预计强大的建筑业务将会增加我们的营业额。我们最近扩大工厂和增加生产机械，并于2012年的财政年度生效。然而，因失去本地电源公司的定单和销售量将会影响本组的业绩表现。因此，该公司试图推出多样化的新产品，尤其是供应于石油和天然气的领城的产品，以提高营业额，这也包括了在越南的业务。强大的市场竞争促使我们不断地提升各方面的效率和盈利。

现今蓬勃的建筑业、石油和天然气领域增加了市场的需求量。除非这些领域放缓需求量，否则我们很有信心能保持我们的竞争优势和对集团作出积极的贡献。

www.olympic-cable.com.my

## 建材

回顾本财政年度，该组业绩的发展依然良好。这是因为该组已成功的打入私营领域的市场，再加上政府额工程的需求量也逐渐的增加。我们拥有3个位于太平，汝来及柔佛东南镇的最佳制造厂的地理位置，这能为我们在马来西亚半岛的客户提供优质的服务。

我们Acotec 制造的混凝墙预制板已获得新加坡绿色标签的鉴定。那是由新加坡环境委员会的工业化建筑系统(IBS)与环保材料所组成的。

展望未来，我们将不断地研究开发，以确保我们能保持在领先的市场位置。与此同时，我们也会不断地探索新的市场，以拓宽我们的产品范围。

www.pjdcpmalta.com.my

## 酒店与休闲

酒店、度假屋和旅馆的营业额持续增长，这与我们过往的财政年度略有增加，主要是来自网络预订和短途的休闲旅客。这要归功于廉价航空公司，区城网络门户和我们广泛的促销方案。

为了扩大酒店服务，我们已在2011年3月推出了吉隆坡的瑞园高级公寓的服务式公寓，以满足不断变化的旅游和旅客的趋势。这项措施已在第一季成功的反应了经商和休闲旅客的需求量有显著的增加。我们平均达致了80%的住户，同时我们也对这趋势得以继续增长抱持着乐观的心态。

www.swissgarden.com

截至2011年6月30日的财政年度，我们的时光分享组继续经历挑战性和竞争激烈的环境。

为了向前迈进，本集团将专注于管理经营的成本及加强管制产品的优质和服务。时光分享产品将以新的形象示人，迎合高客户的需求；市场营销部也进行评估和实施更严格的控制借贷及集资。有了这些措施和团队的贡献，本集团有信心在下一个财政年度的营运将继续表现良好。

www.sgivacationclub.com

Wong Ah Chiew
董事总经理
2011年10月19日

# PROFILE OF DIRECTORS

## YM Ungku Haji Mohd Afandi bin Ungku Suleiman

a Malaysian, aged 64

He joined the Board of Directors of the Company as an Independent Non-Executive Director on 26 December 1989. He was appointed as the Non-Executive Chairman of the Company on 26 August 2010.

He holds a Diploma in Business Studies and Advance Diploma in Commercial Management.

He was a Senior Government Officer in the Ministry of Housing and Local Government before leaving the public sector to venture into property development. He is currently a well-established property developer.

Currently, he is a member of the Audit Committee, Nominating Committee and Remuneration Committee of the Company.

He does not hold any securities in the Company.

YM Ungku Haji Mohd Afandi bin Ungku Suleiman is not a director of any other public listed company. He is not related to any Director or major shareholder of the Company nor have any conflict of interest with the Company.

He has no conviction for any offences within the past ten years.

## Mr Wong Ah Chiew

a Malaysian, aged 63

He is the Managing Director of the Company and was appointed to the Board of Directors on 12 December 1997.

He holds a Bachelor of Science degree in Electrical Engineering from the University of Strathclyde, Scotland and worked as an Electrical Engineer with Perak River Hydro Electric Power Co. Ltd from 1 September 1973 to 31 August 1982.

Upon leaving public service, he was appointed to the Board of Directors of Dindings Consolidated Sdn. Bhd., a property development company with projects mainly in Kuala Lumpur and Perak Darul Ridzuan. He managed the marketing and administrative aspects of the housing and commercial projects undertaken by the group.

He has many years of experience in property development of residential and commercial projects, having previously held a managing director position in a public listed property development company.

He is also currently a Non-Executive Director of Willowglen MSC Berhad, a company involved in research, development and supply of computer-based control systems.

Mr Wong Ah Chiew is a member of several committees namely, the Executive Committee, Tender Committee and Corporate Announcement and Compliance Committee.

He is the brother of Mr Wong Chong Shee, the Deputy Managing Director of the Company. He is also the brother-in-law of Madam Khor Chai Moi, an Executive Director and a major shareholder of the Company. He is the uncle of Mr Ong Ju Xing, an Executive Director of the Company.

He does not have any conflict of interest other than those disclosed under Other Information and Notes to Financial Statements of this Annual Report.

Mr Wong Ah Chiew has no conviction for any offences within the past ten years.

## Mr Wong Chong Shee

a Malaysian, aged 56

He joined the Company in 1990 and was appointed Deputy Managing Director on 27 March 1993.

He graduated from the University of Glasgow with a Bachelor of Science degree in Civil Engineering and obtained a Master of Business Administration from the University of Edinburgh, United Kingdom.

Prior to joining the Company, he had a short stint as a manager of a timber-based manufacturing company before joining the banking industry as a manager with a local commercial bank.

He is currently a member of the Executive Committee, Tender Committee, Remuneration Committee and Corporate Announcement and Compliance Committee.

He does not hold any other directorship in other public listed companies.

Mr Wong Chong Shee is the brother of Mr Wong Ah Chiew, the Managing Director and major shareholder of the Company. He is also the brother-in-law of Madam Khor Chai Moi, an Executive Director and major shareholder of the Company. He is the uncle of Mr Ong Ju Xing, an Executive Director of the Company.

He does not have any conflict of interest other than those disclosed under Other Information and Notes to Financial Statements of this Annual Report.

Mr Wong Chong Shee has no conviction for any offences within the past ten years.

## Madam Khor Chai Moi

a Malaysian, aged 59

She is the Executive Director of the Company and was appointed to the Board of Directors on 12 December 1997.

She holds a Bachelor of Business degree in Accounting from the University of South Queensland, Australia and a Master of Business Administration from the University of Hull, United Kingdom.

Madam Khor Chai Moi has vast experience heading the Dindings Consolidated Group, actively involved in property development, trading and insurance services. She is also the Managing Director of Willowglen MSC Berhad, a company involved in research, development and supply of computer-based control systems.

She is a member of the Executive Committee and Risks Management Committee of the Company.

She is the sister-in-law of Mr Wong Ah Chiew, the Managing Director and major shareholder of the Company and Mr Wong Chong Shee, the Deputy Managing Director of the Company. She is also the mother of Mr Ong Ju Xing, an Executive Director of the Company.

She does not have any conflict of interest other than those disclosed under Other Information and Notes to Financial Statements of this Annual Report.

Madam Khor Chai Moi has no conviction for any offences within the past ten years.

## Mr Yap Yoon Kong

a Malaysian, aged 54

He is the Executive Director of the Company and was appointed to the Board of Directors on 13 January 2006.

He holds a Bachelor of Accounting (Honours) degree from University Malaya and a Master of Business Administration from the Cranfield Institute of Technology, United Kingdom. He is a Chartered Accountant with the Malaysian Institute of Accountants and also a Senior Associate Member of the Institute of Bankers Malaysia.

He has vast experience in the field of banking, financial and management accounting, financial analysis, corporate affairs, budgeting and cashflow forecasting and tax planning. He has held positions as Financial Controller of other public listed companies and Deputy Manager of a large commerce banking group.

He is currently a member of the Executive Committee, Tender Committee, Corporate Announcement and Compliance Committee and Risks Management Committee.

Mr Yap Yoon Kong is not a director of any other public listed company.

He is not related to any Director or major shareholder of the Company nor have any conflict of interest other than those disclosed under Other Information and Notes to the Financial Statement of this Annual Report.

Mr Yap Yoon Kong has no conviction for any offences within the past ten years.

# PROFILE OF DIRECTORS

## Mr Ong Ju Xing

a Malaysian, aged 26

He was appointed as an Executive Director of the Company on 3 October 2011.

He holds a Bachelor of Science degree in Business Management from the University of London, United Kingdom and a Master of Philosophy in Land Economy from the University of Cambridge, United Kingdom.

He has worked with multinational corporations across a variety of industries namely corporate restructuring with Ernst & Young, consumer banking with HSBC, investment banking with Credit Suisse and management consulting with Accenture.

He is a member of the Executive Committee of the Company.

He is the Director of the subsidiaries of OSK Property Holdings Berhad, an investment company with its subsidiaries involved in property development and management and sale of oil palm fresh fruit bunches.

Mr Ong is the nephew of Mr Wong Ah Chiew, the Managing Director and major shareholder of the Company and Mr Wong Chong Shee, the Deputy Managing Director of the Company. He is also the son of Madam Khor Chai Moi, an Executive Director of the Company.

He does not have any conflict of interest other than those disclosed under Other Information and Notes to Financial Statements of this Annual Report.

Mr Ong Ju Xing has no conviction for any offences within the past ten years.

## Mr Au Chun Choong

a Malaysian, aged 59

He joined the Board of Directors of the Company on 30 December 1989 and is an Independent Non-Executive Director. He is a Fellow of the Association of Chartered Certified Accountants, an Associate Member of the Institute of Chartered Secretaries and Administrators, London, United Kingdom and a member of the Malaysian Institute of Accountants.

He has vast experience in tax and finance in public accounting firms.

He was attached to the Inland Revenue Department in Perak for several years. He left public service in 1980 and joined several public accounting firms as tax manager and financial consultant.

He is the Chairman of the Audit Committee and is also a member of the Nominating Committee, Remuneration Committee and Risks Management Committee of the Company.

He does not hold any securities in the Company.

Mr Au Chun Choong is a Non-Executive Director of Luxchem Corporation Berhad, an investment holding company with its subsidiaries involved in distribution of industrial chemicals and materials. He is not related to any Director or major shareholder of the Company nor have any conflict of interest with the Company.

Mr Au Chun Choong has no conviction for any offences within the past ten years.

## Mr Loy Tuan Bee

a Malaysian, aged 57

He joined the Board of Directors of the Company on 18 November 2010 as an Independent Non-Executive Director.

He is a Barrister-at-Law of the Lincoln's Inn and was called to the Malaysian Bar in 1981. He is currently in active practice as an advocate & solicitor as a partner at Cheang & Ariff. His law practices are in areas relating to corporate, property and commercial. He is currently a member of the Disciplinary Committee under the Disciplinary Board, Legal Profession Act, 1976.

Currently, he is a member of the Audit Committee of the Company.

He does not hold any securities in the Company.

Mr Loy Tuan Bee is not a director of any other public listed company. He is not related to any Director or major shareholder of the Company nor have any conflict of interest with the Company.

Mr Loy Tuan Bee has no conviction for any offences within the past ten years.

# AUDIT COMMITTEE REPORT

**Members**

Au Chun Choong
(Chairman & Independent Non-Executive Director)

Ungku Haji Mohd Afandi Bin Ungku Suleiman
(Independent Non-Executive Director)

Mohamed Zain bin Mohamed Yusoff *(resigned on 19 August 2010)*
(Independent Non-Executive Director)

Loy Tuan Bee *(appointed on 18 November 2010)*
(Independent Non-Executive Director)

**Secretaries**

Leong Keng Yuen
Wong Tiew Kim

**Composition and Meetings**

The Audit Committee comprises three Independent Non-Executive Directors. The present three Independent Non-Executive Directors are financially literate and one of them is a member of the Malaysian Institute of Accountants.

The Audit Committee is governed by the Terms of Reference. All the requirements under the Terms of Reference have been fully complied with and the Audit Committee is not aware of any matter in breach of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

During the financial year, four meetings were held and details of attendance of each member are as follows:

| Committee Members | Attendance |
|---|---|
| Au Chun Choong (Chairman) | 4/4 |
| YM Ungku Haji Mohd Afandi Bin Ungku Suleiman | 4/4 |
| Mohamed Zain bin Mohamed Yusoff *(resigned on 19 August 2010)* | 1/1 |
| Loy Tuan Bee *(appointed on 18 November 2010)* | 2/3 |

The General Manager – Group Finance and Accounts and the Chief Internal Auditor attended the meetings with the Company Secretary in attendance. During the financial year under review, two meetings were held with the Group's External Auditors without the presence of the Executive Board members to brief the Audit Committee on any special issues arising from the annual audit of the Group.

**Summary of Activities of the Committee During the Year**

In line with the Terms of Reference of the Audit Committee, the Committee met four times during the financial year ended 30 June 2011. The activities of the Audit Committee for the financial year are summarized as follows:-

i) Reviewed with the External Auditors the audit plan, results of the audit, their evaluation of the system of internal control, the audit report and management letter, including the Management's response to the findings of the External Auditors.

ii) Reviewed the audit plan and scope of Internal Audit work including the authority, proficiency and adequacy of resources to carry out its function.

iii) Reviewed the internal audit reports, findings, recommendations and the Management's response.

iv) Reviewed all statutory financial statements and quarterly unaudited financial results prior to announcements to ensure the Group is in compliance with accounting standards and legal and regulatory requirements.

v) Reviewed the related party transactions entered into by the Group.

vi) Reviewed the adequacy of risk management process to identify significant risks that may materially affect the achievement of the Group's strategic business and operational objectives and that the control system is in place to monitor and manage these risks.

vii) Reviewed and approved the revised Internal Audit Charter.

viii) At the meeting following the financial year end, reviewed the adequacy of the internal audit function for the year as well as assessed the performance of the internal audit function against the audit plan for the year.

ix) Met twice with the external auditors without the presence of the Executive Directors and Management where it was confirmed that full assistance was given by the employees and there was no restriction to the scope of audit.



**Internal Audit Function**

In compliance with Paragraph 30, Appendix 9C of the MMLR the Group has in place an Internal Audit Department headed by a Chief Internal Auditor and supported by two managers, six executives and an administration staff. The Internal Audit Department is responsible for the overall internal audit function of the Group. The Head of the Internal Audit Department reports directly to the Audit Committee. The costs incurred for the internal audit function totalled RM750,000 in respect of the financial year ended 30 June 2011.

The main role of the internal audit function is to review the effectiveness of the Group's system of internal control and this is performed with impartiality, proficiency and due professional care. Internal Audit adopts a risk based auditing approach by focusing on reviewing identified high risk areas for compliance with control policies and procedures, identifying business risk which have not been appropriately addressed and evaluating the adequacy and integrity of controls. Internal Audit assists the Audit Committee in discharging its duties and responsibilities with respect to the adequacy and integrity of the system of internal control within the Group.

During the year, the Internal Audit Department executed the audit engagements based on the approved Annual Audit Plan for the financial year ended 30 June 2011.The audit engagements encompassed planned audits an investigative audit and a special assignment as requested by the Management. The following activities were carried out during the year:-

- Conducted risk based audit of the Group's operating divisions including its subsidiaries by reviewing the division's business activities and processes to ensure compliance with internal control procedures, highlighting control weaknesses and proposing appropriate recommendations towards improving and strengthening of controls. Twenty one assignments were completed.

- Conducted one investigative audit.

- Conducted one special assigment.

- Conducted six audit follow up to monitor the implementation of audit recommendations accepted by the Management.

- Monitoring the effectiveness of the Group's risk management process and quarterly reporting of significant risks. Summarized the risks discussed in the quarterly Risk Management Committee's meetings for Audit Committee's review and comment.

- Conducted two risk management-training workshops for the Group's employees.

- Coordinated the submission of Recurrent Related Parties Transactions from operating divisions concerned, reviewed them to ensure that they were within the mandated amount and prepared quarterly Recurrent Related Parties Transactions report for the attention of the Audit Committee.

- Prepared the Audit Committee Report and Statement on Internal Control, for disclosure in the Group's Annual Report.

Audit reports, incorporating the audit findings, audit recommendations and management responses and action plans were presented to and reviewed by the Audit Committee.

**Terms of Reference of the Audit Committee**

***Objectives***

The principal objective of the Committee is to assist the Board of Directors in fulfilling its fiduciary responsibilities. This shall include:

- To oversee financial reporting that specified financial standards and Bursa Securities disclosure requirements have been complied with.

- To assist the Board in establishing and maintaining cost effective internal controls, proper risk management and good corporate governance.

- To assess and supervise the quality of audits conducted by the internal and external auditors.

- To assure the independence of the external auditors.

- To reinforce the objectivity of the internal audit department.

- To be the focal point for communication between the external auditors, internal auditors, Management and Directors who have no significant relationships with Management.

- To carry out any other duties delegated to the Committee by the Board.

***Size and Composition***

The Committee shall comprise at least three Non-Executive Directors, the majority of whom shall be Independent Directors of the holding company and any of its subsidiaries, and free from any relationships, which might in the opinion of the Board of Directors be construed as a conflict of interest.

All members shall be financially literate and at least one of the Non-Executive and Independent Directors of the Committee must be a member of an accounting association or body.

***Chairman of the Audit Committee***

The Committee shall elect a Chairman from among its members who shall be a Non-Executive and an Independent Director.

In the event the elected Chairman is not able to attend a meeting, a member of the Committee shall be nominated as Chairman for the meeting. The nominated Chairman shall be a Non-Executive and an Independent Director.

### *Meetings of the Audit Committee*

- ***Frequency***

  Meetings shall be held not less than four times a year. In addition, the Chairman shall call for a meeting of the Committee if requested to do so by any member of the Committee, the Board of Directors, the Senior Management or the internal or external auditors. Prior notice shall be given for the Committee's meetings.

- ***Quorum***

  A minimum of two members shall form the quorum.

- ***Secretary of the Audit Committee***

  The Company Secretary shall be the secretary of the Committee and shall be responsible for issuing the agenda with the concurrence of the Chairman and circulating it, supported with explanatory documentation to Committee members prior to each meeting.

  The secretary shall also be responsible for keeping the minutes of meetings of the Committee, circulating them to Committee members and to the other members of the Board of Directors and for following up on outstanding matters.

  The secretary shall keep the minutes of meetings properly filed and shall produce the minutes of meetings for inspection when necessary.

### *Attendance of Audit Committee's Meetings*

The General Manager-Group Finance and Accounts, the Chief Internal Auditor, and a representative of the external auditors may attend any particular meeting only at the Committee's invitation. The Committee may also invite any other employees to attend the meeting to assist in its deliberations.

The Committee shall meet with the external auditors at least twice a year without any executive board member present.

### *Authority of the Audit Committee*

The Committee shall:

i) have authority to investigate any matter within its Terms of Reference,

ii) have unlimited access to both the internal and external auditors, as well as the employees of the Group to perform its duties,

iii) have full and unrestricted access to any information pertaining to the Company and its subsidiaries,

iv) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity,

v) be able to obtain independent legal or other professional advice as it considers necessary, and

vi) be able to convene meetings with the external auditors whenever deemed necessary.

***Duties and Responsibilities***

Without limiting the generality of the Committee's Terms of Reference, the Committee shall, amongst others, discharge the following functions:-

i) Review the following and report the same to the Board of Directors of the Company and its subsidiaries;

   a) the audit plan with the external auditors and ensure coordination where more than one audit firm is involved,

   b) evaluation of the system of internal control with the external auditors,

   c) audit report with the external auditors,

   d) the assistance given by the employees to the external auditors,

   e) review the external auditor's management letter and management's response,

   f) the adequacy of the scope, functions and resources of the internal audit function and that it has the necessary authority to carry out its work,

   g) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function,

   h) review any appraisal or assessment of the performance of members of the internal audit function and take cognizance of resignations of internal audit staff members,

   i) the quarterly results, annual and consolidated financial statements prior to the approval by the Board of Directors focusing particularly on:-

      - changes in or implementation of major accounting policy and practices,
      - the going concern assumption,
      - significant adjustments arising from the audit,
      - major judgmental issues,
      - significant and unusual events, and
      - compliance with accounting standards and other legal requirements

   j) any related party transactions and conflict of interest situation that may arise within the Company and its subsidiaries or Group including any transactions, procedure or course of conduct that raises questions of management integrity,

   k) any letter of resignation from the external auditors of the Company and its subsidiaries,

   l) whether there is reason (supported by grounds) to believe that the Company's and subsidiaries' external auditor is not suitable for re-appointment,

   m) consider and recommend the nomination and appointment of as external auditors, as well as the audit fee,

   n) consider the major findings of internal investigations and management's response; and

   o) consider other duties delegated by the Board of Directors.

***Audit Committee Report***

The Committee shall report to the Board of Directors either formally in writing, or verbally, as it considers appropriate on the matters within its Terms of Reference at least once a year, but more frequently if it so wishes.

The Committee shall report to the Board of Directors on any specific matters referred to it for investigation and report.

An Audit Committee report shall be prepared at the end of each financial year that complies with sub paragraphs i) and ii) below.

i) the Committee's report must be clearly set out in the Annual Report of the Company and its subsidiaries

ii) the Committee's report shall include the following:-

  a) the composition of the Committee, including the name, designation (indicating the Chairman) and directorship of the members (indicating whether the directors are independent or otherwise),

  b) the Terms of Reference of the Committee,

  c) the number of Committee meetings held during the financial year and details of attendance of each Committee member,

  d) a summary of the activities of the Committee in the discharge of its functions and duties for that financial year, and

  e) existence of an internal audit function or activity and where there is such a function or activity, a summary of the activities of the function or activity. Where such a function or activity does not exist, an explanation of the mechanisms that exist to enable the Committee to discharge its functions effectively.

***Reporting of Breaches to Bursa Securities***

Where the Audit Committee is of the view that a matter reported by it to the Board of Directors has not been satisfactorily resolved resulting in a breach of the MMLR, the Audit Committee must promptly report such matter to Bursa Securities.

***Retirement or Resignation***

In the event of any vacancy in the Audit Committee, resulting in the non-compliance of Paragraphs 15.09 (1) (a) of the MMLR, the Company must fill the vacancy within three months.

***Review of the Audit Committe***e

The Board of Directors through the Nominating Committee shall assess the effectiveness of the Audit Committee at least annually and to determine whether such Audit Committee and members have carried out their duties in accordance with the Terms of Reference.

The Board of Directors is committed to maintain and practise high standards of transparency, accountability and integrity throughout the Group in ensuring continuous and sustainable growth for the interest of all its stakeholders. The Group's corporate governance practices are guided by its Vision and Mission statements framework and a set of core values to guide our people in the conduct and management of the business and operations of the Group.

In this respect the Group has adopted the Principles of the Malaysian Code on Corporate Governance, wherever applicable to protect and enhance shareholders' value and financial performance of the Group.

## 1. BOARD OF DIRECTORS

### 1.1 Board Responsibilities

The Board of Directors ("Board") plays a pivotal role in establishing vision objectives, providing strategic direction, formulating policies and enhancing resources for the Company and of the Group.

### 1.2 Board Balance

The Board comprises eight members of whom three are Independent Non-Executive Directors and five Executive Directors. Mr Loy Tuan Bee was appointed as Independent Non- Executive Director on 18 November 2010 and Mr Ong Ju Xing was appointed as Executive Director on 3 October 2011.

The current number of Non-Executive Directors on the Board is in compliance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") which requires one third of the Board members to comprise independent members.

In the opinion of the Board, the appointment of a senior Independent Non-Executive Director to whom concerns may be conveyed is not necessary. The Board operates in an open environment in which information is freely exchanged and in these circumstances any concern need not be focused on a single director as all members of the Board fulfill this role collectively.

The Independent Directors provide unbiased views and impartiality to the Board's discussion and decision making and are satisfied that the interests of all shareholders are fairly represented at Board deliberations.

The profile of the Board is set out under Profile of Directors of this Annual Report.

### 1.3 Board Meetings

The Board meets regularly on a quarterly basis, with additional meetings convened as necessary. Meetings are scheduled at the start of each year to enable Board members to plan their schedules accordingly. Any Director can call for a Board meeting, provided sufficient notice is given. Notice of Board meetings with an agenda and full Board papers for each agenda item to be discussed would be distributed to all Directors for timely and accurate information prior to the meeting.

At each meeting, the Board considers the financial statements and results of the Group for the period ended for each quarter, the performance of the business of the Group, capital expenditure items, new business development proposals, policies and strategic issues affecting the Group's business and factors imposing potential risks in the business of the Group.

During the financial year ended 30 June 2011, four Board meetings were held and the summary of the attendance of each Director is as follows:

| Executive Directors | Attendance |
|---|---|
| Wong Ah Chiew | 4/4 |
| Wong Chong Shee | 4/4 |
| Khor Chai Moi | 4/4 |
| Yap Yoon Kong | 4/4 |

| Non-Executive Directors | |
|---|---|
| YM Ungku Haji Mohd. Afandi bin Ungku Suleiman | 4/4 |
| Au Chun Choong | 4/4 |
| Loy Tuan Bee (Appointed on 18 November 2010) | 2/3 |

**1.4 Board Committees**

The Board has established various committees, authorized with specific Terms of Reference to support and assist the Board in discharging its fiduciary responsibilities. These Committees comprise a mix of directors and senior management who will analyse and deliberate relevant issues and recommend to the Board for approval.

**Executive Committee**

The Executive Directors of the Company form the Executive Committee with authority to act on behalf of the Board. The Committee's primary objective is to assist the Board in managing the business, operations and financial aspects of the Company and Group, including corporate plans and annual budgets, capital investments, project and business development, internal controls and changes in Group's policies and procedures and recommend relevant issues to the Board for noting, deliberation and approval.

**Audit Committee**

The composition of the Audit Committee, its role and its Terms of Reference and attendance of each member during the financial year is set out in the Audit Committee Report of this Annual Report.

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

Mr Loy Tuan Bee was appointed as an Audit Committee member on 18 November 2010.

**Nominating Committee**

The Nominating Committee comprises two Independent Non-Executive Directors. The Committee, within its Terms of Reference recommends to the Board on the appointment of new Directors and assessment of the effectiveness of the Board as a whole, the Board Committees and the contribution of each Director. The Committee will meet as and when a meeting is called to nominate appointment to the Board and to evaluate Board and Board Committees' performance.

Evaluations of the Board have been conducted during the financial year to ensure that the current composition of the Board continue to make an effective contribution to the Board and the Group. The evaluations also ensure that the Directors represent the required mix of skills and experience in discharging the Board's duties and responsibilities.

**Remuneration Committee**

Two Independent Non-Executive Directors and one Executive Director sit on this Committee. The Committee carries out annual reviews and recommends to the Board the remuneration package and directors' fees of the Executive Directors.

**Tender Committee**

The members of this Committee, comprising three Executive Directors and a corporate management officer meet regularly to ensure the tendering processes are fairly and properly conducted.

**Corporate Announcement and Compliance Committee**

The Corporate Announcement and Compliance Committee comprises five members, of which three are Executive Directors and two corporate management officers. The Committee is authorized to propose, review and recommend all required corporate announcements and recommend, approve and implement action plans to ensure compliance with the MMLR.

**Risks Management Committee**

The Risks Management Committee shall comprise three Directors of which at least one is an Independent Non-Executive Director and at least two corporate management officers. This Committee meets on a quarterly basis to review the adequacy of risks management process in the Group.

**1.5 Directors' Training**

All members of the Board have attended the Mandatory Accreditation Program prescribed by MMLR. The Directors acknowledge the importance of enhancing their skills in their expertise field and keeping abreast of amendments in the regulatory guidelines and changes in the business environment. The Board also receives updates and briefings, particularly on regulatory and legal developments relevant to the Group's businesses.

During the year, the Directors have individually or collectively attended the following training programs, seminars and forums -

- Boardroom Ethics by MAICSA
- Board Role, Directors Duties and Blind Spots, Biases and other Pathologies in the Boardroom by Malaysian Alliance of Corporate Directors
- Seminar on Investment Opportunities by CIMB
- Malaysian Tax Summit 2010 by KPMG
- 4TH Malaysian Property Summit 2011 by Persatuan Penilai, Pengurus Harta, Ejen Harta & Perunding Harta Swasta Malaysia
- Sustainability Programme for Corporate Malaysia – Plantation, Construction, Property & Hotels by Bursa Malaysia
- Corporate Governance Guide Towards Boardroom Excellence Programme by Bursa Malaysia
- Sustainability Programme for Corporate Malaysia – Trading Services & Industrial Products by Bursa Malaysia
- The Corporate Integrity Pledge by Bursa Malaysia
- Going World Class by Philip Kotler

### 1.6 Supply Of Information

The Board has unrestricted access to all relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters prior to Board meetings and receives regular information updates on the Company's performance and regulatory amendments.

The Directors have direct access to the Senior Management for information and assistance and the advice and services of the Company Secretaries. Independent professional advice is also made available to the Directors in the event such services are required.

Directors from time to time go on field visits to the Group's various sites, projects and factories for inspection and updates on the progress of operations.

### 1.7 Appointment and Re-election of Directors

In accordance with the Company's Articles of Association, one-third of the Directors or the number nearest one-third (including the Managing Director) shall retire from office at least once in three years but shall be eligible for re-election.

Directors who are appointed during the year shall retire at the next Annual General Meeting of the Company and shall be eligible for re-election.

Mr Ong Ju Xing was appointed as an Executive Director on 3 October 2011. He will retire and be eligible for re-election at the forthcoming AGM.

Directors who are standing for re-election at the next Annual General Meeting of the Company are as set out under the Statement Accompanying Notice of Annual General Meeting of this Annual Report.

## 2. DIRECTORS' REMUNERATION

The Remuneration Committee is responsible to review and recommend to the Board on the remuneration package and directors' fees of the Executive Directors. In determining the remuneration package of the Executive Directors, the Remuneration Committee would consider amongst others, the Group's overall remuneration policy, the Group's performance for the year and the level of responsibility and contributions of each Executive Director.

The remuneration package of the Non-Executive Directors including directors' fees is determined by the Board as a whole.

The remuneration package of the Directors for the financial year ended 30 June 2011 are as follows:

### i) Aggregate Remuneration

| Remuneration | Executive Directors (RM) | Non-Executive Directors (RM) | Total (RM) |
|---|---|---|---|
| Fees | 48,000 | 45,000 | 93,000 |
| Directors' salary, other Emoluments and Benefits | 4,590,845 | - | 4,590,845 |
| Allowances | - | 3,000 | 3,000 |

ii) Analysis of Remuneration

| | No. of Directors | |
|---|---|---|
| **Range of Remuneration** | **Executive** | **Non-Executive** |
| < RM50,000 | - | 3* |
| RM450,000 – RM500,000 | 1 | - |
| RM850,000 – RM900,000 | 1 | - |
| RM1,500,000 –RM1,550,000 | 1 | - |
| RM1,700,000 – RM1,750,000 | 1 | - |

* A Non- Executive Director was appointed on 18 November 2010.



## 3. SHAREHOLDERS

### 3.1 Communication

The Board acknowledges the importance of keeping shareholders and investors informed of developments concerning the Group. The Group reaches out to our shareholders and investors through clear, comprehensive and timely release of annual reports, quarterly results, circular to shareholders and any announcements of corporate exercises to Bursa Securities.

Members of the media are invited to the Group's general meetings, major events, property and product launches for the general public awareness of the Group's activities and operations. Interviews are also sometimes held with research analysts and institutional fund managers upon request.

The Company, subsidiary companies and divisions in the Group have set up websites and email for shareholders and the public to access corporate information, news and events related to the Group, as well as to direct their feedback to the Company. Such feedback will be channeled to the respective Division Heads for response and comments if relevant and appropriate. While the Company endeavour to provide as much information as possible to its shareholders and stakeholders, it is also mindful of the legal and regulatory framework governing the release of material and price-sensitive information.

Our corporate website is at www.pjd.com.my
Our investors relations feedback email address is at ir@pjd.com.my

### 3.2 General Meetings

The Annual General Meeting ("AGM") of the Company represents the forum for communication and dialogue with the shareholders. Members of the Board are present to answer and give clarifications to questions raised by the shareholders. The External Auditors are invited to the AGM to provide their professional and independent clarification on issues and concerns on the financial statements of the Company and the Group, if necessary.

Extraordinary General Meetings ("EGM") are convened as and when required. Items of special business in nature are included in the notice of the AGM or EGM, accompanied by an explanation of the effects of the proposed resolution. Members of the Press are invited to a press conference immediately after the meeting to facilitate press release of the Group's financial performance and operations.

## 4. ACCOUNTABILITY AND AUDIT

### 4.1 Financial Reporting

The Board ensures the Group's annual financial statements and quarterly financial results comply with applicable accounting standards, the provisions of the Companies Act 1965 and the MMLR with the aim to present a balanced and understandable assessment of the Group's financial position and prospects. The Audit Committee assists the Board to review the information disclosed to ensure its accuracy and adequacy.

The Board is also responsible for safeguarding the assets of the Group and have taken reasonable steps in the prevention and detection of fraud and other irregularities.

### 4.2 Internal Control

The Board has overall responsibility for the Group's system of internal control and risk management and for reviewing its adequacy and integrity.

The information on the Group's internal control is presented in the Statement on Internal Control of this Annual Report.

### 4.3 Relationship with Auditors

The Audit Committee has established a transparent and appropriate relationship with the Company's external auditors and internal auditors.

The external auditors, internal auditors, Executive Directors and senior management are invited for meetings to brief the Audit Committee on the audit plans and internal audit reports and external audit findings arising from the annual audit of the Group. The Audit Committee also meets with the external auditors at least twice yearly or whenever deemed necessary without the presence of the executive directors and senior management.

## 5. Corporate Social Responsibility

The Board will ensure that all pertinent matters relating to Corporate Social Responsibility ("CSR") are carried out through its CSR Policy objectives.

For the Environment, the Group will commit conscientious efforts to comply with requirements of relevant regulatory authorities on environmental quality issues with our eco-culture and environmental friendly policies.

For the Marketplace, the Board recognizes the importance of good corporate governance and is committed to maintaining the high standards of transparency, accountability and integrity.

For the Workplace, the Group is committed to providing a healthy and safe working environment. We will ensure that the employees are treated fairly and with dignity and with consideration for their goals and aspirations and that diversity in the workplace is embraced.

For the Community, the Group strives to be a good corporate citizen with our commitment to the communities' quality of life in the form of contribution and support of appropriate non-political and non-sectarian organisations, charities and funds and participation in community services work and projects.

More information of our CSR activities is set out in the Chairman's Review of this Annual Report.

## 1. Introduction

The Board is committed to maintaining a sound system of internal control to safeguard shareholders' investment and the Group's assets. The Board is pleased to provide the following Statement on Internal Control made in compliance with Paragraph 15.26 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the Statement on Internal Control Guidance for Directors of Public Listed Companies, which outlines the nature and scope of internal control of the Group during the year under review.

## 2. Board Responsibility

The Board recognises the importance of a sound system of internal control and risk management practices for good corporate governance. The Board acknowledges its responsibility for the Group's system of internal control and risk management, and for reviewing the adequacy and integrity of those systems on a regular basis. However, it should be noted that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives. As such, they can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has established an organisational structure with clearly defined lines of accountability and delegated authority. The Audit Committee's responsibilities include the work of monitoring all internal controls on its behalf with the assistance of the Group Internal Audit Department.

## 3. Key Elements of Internal Control Systems

### 3.1 Risk Management

The Board through the Audit Committee has established a Risks Management Committee (RMC). The Committee comprises three Directors and two senior managers whilst at the operations level, Risks Management Units are established, led by the respective Head of each business division. The RMC oversees the risks concerning the business and operations to ensure that the respective business divisions have properly identified, evaluated, monitored and effectively managed their risks that may materially affect the achievement of their strategic business and operational objectives for the financial year under review. Significant risks are then reported to the Audit Committee.

RMC meets quarterly. RMC ensures:

- Emerging significant divisional risks are communicated to the Audit Committee
- Key risks are prioritised in terms of likelihood of occurrence and magnitude of impact
- The risk management process is reviewed, revised and updated as necessary.

Risk awareness training is an essential part of the Group's internal training for its executives.

### 3.2 Internal Audit

The Group Internal Audit Department examines the effectiveness of the Group's system of internal control, risk management process and compliance framework. It performs regular reviews of key business processes and also conducts audit visits to the key business units of the Group according to the Annual Internal Audit Plan approved by the Audit Committee. Besides this, the Group Internal Audit also carries out follow up audits and ad hoc reviews like special management reviews as requested by Management, fraud investigation and other reviews within its approved mandate.

The Audit Committee reviews reports on all audits performed, is briefed by the Chief Internal Auditor on a quarterly basis on the audit activities carried out and ensures Management takes prompt and adequate corrective actions on the reported weaknesses and non-compliances identified in the audit.

**4. Control Structure and Environment**

The Board is committed to maintaining a strong control structure and environment for the proper conduct of the Group's business operations.

The Group's System of Internal Control also comprises the following key elements:-

- The full Board meets at least quarterly and has set a schedule of matters, which is required to be brought to its attention for discussion, thus ensuring that it maintains full and effective supervision over the Group's activities.
- A management structure exists with formally defined lines of accountability and appropriate approving authority, which sets out the decisions that need to be taken at various levels of management, which include matters that require the Board's approval. These include the establishment of various committees highlighted in the Corporate Governance Statement.
- The Group performs comprehensive annual budgeting and target setting processes including development of business strategies for each area of business with detailed reviews at all levels of operation.
- Management Committees have been established for the respective divisions and are guided by Terms of Reference to meet and review operational, business development and financial performance on a monthly basis. The proceedings of these meetings are minuted for further action and reference.
- Quarterly Business Performance Review is held between the Executive Committee and Senior Management of the respective businesses to critically review the business performances against the budget, to assess opportunities and to approve business strategies identified by the Management.
- Proper financial and operational information systems are in place to capture and present timely and pertinent internal business information. Clear reporting structure ensures financial and operational reports are prepared and presented to the Management and the Board for review on a timely basis.
- Policies, procedures and guidelines are in place to guide staff. They are updated as and when necessary to meet the continually changing operational needs.
- Human Resources practices ensure high recruitment standard for new employees with emphasis on integrity and competence. Employees' training and development programs are conducted at all levels of employees to enhance their work quality, ability, safety and competencies to achieve the Group's objectives.
- All significant expenditure of capital, operational and investment nature are properly evaluated and approved by the Executive Committee. Post implementation reviews on these expenditures are conducted by the Management and reported to this Committee.
- Tender Committee has been established to award contract works and for purchase of capital items for operational needs for amounts exceeding RM100,000. The composition of this Committee is mentioned in the Corporate Governance Statement.

**5. Conclusion**

The Board is pleased to report that the state of the Group's system of internal control and risk management are adequate and effective and are able to meet the Group's objective to ensure good corporate governance. There was no material control failure or weakness that would have a material adverse effect on the results of the Group for the period under review.

# FINANCIAL STATEMENTS

# DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2011.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding, property investment and provision of management services to the subsidiaries. The principal activities of the subsidiaries are set out in Note 10 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## RESULTS

| | Group RM'000 | Company RM'000 |
|---|---|---|
| Profit for the financial year | 55,472 | 5,076 |
| Attributable to: | | |
| Owners of the parent | 56,988 | 5,076 |
| Non-controlling interests | (1,516) | - |
| | 55,472 | 5,076 |

## DIVIDENDS

Since the end of the previous financial year, the Company paid a first and final dividend of 5 sen per ordinary share, less tax of 25%, amounting to RM17,087,000 in respect of the financial year ended 30 June 2010 on 26 January 2011.

The Directors propose a first and final dividend of 5 sen per ordinary share, less tax of 25%, amounting to RM17,087,000 in respect of the financial year ended 30 June 2011, subject to the approval of members at the forthcoming Annual General Meeting.

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year other than those disclosed in the financial statements.

## ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and paid-up share capital of the Company was increased from RM456,132,359 to RM456,133,692 following the issuance of 1,333 new ordinary shares of RM1.00 each pursuant to the exercise of 1,333 2000/2010 Warrants B.

## SHARES REPURCHASED

No share was repurchased from the open market by the Company during the financial year.

## OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company apart from the Warrants C.

***Warrants***

Warrants B

All 2000/2010 Warrants B which were not exercised on 29 October 2010 at 5.00 p.m. had lapsed and became null and void and cease to be exercisable thereafter.

Warrants C

A total of 213,811,972 2010/2020 Warrants C were issued on 6 December 2010 pursuant to the completion of the following corporate exercises:

(a) the renounceable rights issue of 171,049,635 new warrants in the Company ('Warrant(s) C') to all the shareholders of the Company on the basis of three (3) Warrants C for every eight (8) existing ordinary shares of RM1.00 each held on 10 November 2010 at an issue price of RM0.02 per Warrant C; and

(b) the restricted issue of 42,762,337 Warrants C in the Company to the holders of unexercised 2000/2010 Warrants B on 29 October 2010, being the expiry date of Warrants B ('Expiry Date') on the basis of three (3) Warrants C for every eight (8) unexercised 2000/2010 Warrants B held on the Expiry Date at an issue price of RM0.02 per Warrant C.

The exercise price of each Warrant C shall be RM1.00 per ordinary share or such adjusted price as may for the time being be applicable subject to the Deed Poll dated 20 October 2010. The exercise period shall commence from the date of issue of the Warrants and will expire on 5 December 2020 at 5.00 p.m..

As at 30 June 2011, 213,811,972 Warrants C have yet to be converted to ordinary shares.

## DIRECTORS

The Directors who have held office since the date of the last report are:

YM Ungku Haji Mohd. Afandi bin Ungku Suleiman
Wong Ah Chiew
Wong Chong Shee
Khor Chai Moi
Yap Yoon Kong
Au Chun Choong
Loy Tuan Bee (appointed on 18 November 2010)
Ong Ju Xing (appointed on 3 October 2011)

**DIRECTORS' INTERESTS**

The Directors holding office at the end of the financial year and their beneficial interests in shares and warrants of the Company and shares of its related corporations during the financial year ended 30 June 2011 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 were as follows:

| | Number of ordinary shares of RM1.00 each | | | |
|---|---|---|---|---|
| | Balance as at 1.7.2010 | Bought | Sold | Balance as at 30.6.2011 |
| **Shares in the Company** | | | | |
| Direct interests: | | | | |
| Wong Ah Chiew | 2,376,000 | - | - | **2,376,000** |
| Wong Chong Shee | 3,000,000 | 300,000 | - | **3,300,000** |
| Khor Chai Moi | 28,440,166 | - | - | **28,440,166** |
| Indirect interests: | | | | |
| Wong Ah Chiew * | 94,097,681 | - | - | **94,097,681** |
| Khor Chai Moi ** | 103,441,841 | 4,400,000 | - | **107,841,841** |
| Yap Yoon Kong *** | 376,500 | 143,500 | - | **520,000** |

| | Number of Warrant B | | | |
|---|---|---|---|---|
| | Balance as at 1.7.2010 | Bought | Lapsed | Balance as at 30.6.2011 |
| **Warrants B in the Company** | | | | |
| Direct interests: | | | | |
| Wong Ah Chiew | 402,000 | - | (402,000) | - |
| Wong Chong Shee | 33 | - | (33) | - |
| Khor Chai Moi | 10,080,829 | - | (10,080,829) | - |
| Indirect interests: | | | | |
| Wong Ah Chiew **** | 31,593,392 | - | (31,593,392) | - |
| Khor Chai Moi ***** | 33,427,232 | - | (33,427,232) | - |

**DIRECTORS' INTERESTS (continued)**

| | Number of Warrant C | | | |
|---|---|---|---|---|
| | **Balance as at 1.7.2010** | **Subscribed** | **Sold** | **Balance as at 30.6.2011** |
| **Warrants C in the Company** | | | | |
| Direct interests: | | | | |
| Wong Ah Chiew | - | 1,046,300 | - | **1,046,300** |
| Wong Chong Shee | - | 30,100 | (30,100) | **-** |
| Khor Chai Moi | - | 15,888,100 | - | **15,888,100** |
| Indirect interests: | | | | |
| Wong Ah Chiew * | - | 50,629,900 | - | **50,629,900** |
| Khor Chai Moi ** | - | 57,421,100 | - | **57,421,100** |

* By virtue of shares/warrants held by Dindings Consolidated Sdn. Bhd., Elegant Preference Sdn. Bhd., Jian Qi Holdings Sdn. Bhd. and through nominees.
** By virtue of shares/warrants held by Dindings Consolidated Sdn. Bhd., Ladang Setia Sdn. Bhd., Land Management Sdn. Bhd., family members and through nominees.
*** By virtue of shares held by a family member.
**** By virtue of warrants held by Dindings Consolidated Sdn. Bhd..
***** By virtue of warrants held by Dindings Consolidated Sdn. Bhd. and Ladang Setia Sdn. Bhd..

By virtue of their interests in the shares of the Company, Wong Ah Chiew and Khor Chai Moi are also deemed to be interested in the shares of the subsidiaries to the extent that the Company has an interest.

None of the other Directors holding office at the end of the financial year held any interest in the shares and warrants of the Company and of its related corporations during the financial year.

**DIRECTORS' BENEFITS**

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except for any benefit which may be deemed to have arisen by virtue of those transactions as disclosed in Note 35 to the financial statements.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate except for Warrants C issued pursuant to the corporate exercises as mentioned above.

## OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

### (I) AS AT THE END OF THE FINANCIAL YEAR

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

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

(ii) 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.

(b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

### (II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

(c) The Directors are not aware of any circumstances:

(i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent; and

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

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

(d) In the opinion of the Directors:

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

(ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

### (III) AS AT THE DATE OF THIS REPORT

(e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.

(f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.

(g) The Directors are not aware of any circumstances not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

### SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

During the financial year, the Company had undertaken the following corporate exercises:

(a) the renounceable rights issue of 171,049,635 2010/2020 Warrants C ('Warrant(s) C') in the Company to all the shareholders of the Company on the basis of three (3) Warrants C for every eight (8) existing ordinary shares of RM1.00 each held on 10 November 2010 at an issue price of RM0.02 per Warrant C; and

(b) the restricted issue of 42,762,337 Warrants C in the Company to the holders of unexercised 2000/2010 Warrants B on 29 October 2010, being the expiry date of Warrants B ('Expiry Date') on the basis of three (3) Warrants C for every eight (8) unexercised 2000/2010 Warrants B held on the Expiry Date at an issue price of RM0.02 per Warrant C.

The Warrants C were listed on Bursa Malaysia Securities Berhad on 13 December 2010.

### AUDITORS

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

Signed on behalf of the Board in accordance with a resolution of the Directors.

**Wong Ah Chiew**
Director

**Wong Chong Shee**
Director

Kuala Lumpur
19 October 2011

# STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 55 to 157 have been drawn up in accordance with applicable approved Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2011 and of their financial performance and cash flows for the financial year then ended.

On behalf of the Board,

**Wong Ah Chiew**
Director

**Wong Chong Shee**
Director

Kuala Lumpur
19 October 2011



# STATUTORY DECLARATION

I, **Yap Yoon Kong**, being the Director primarily responsible for the financial management of PJ Development Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 55 to 157 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 19 October 2011.

**Yap Yoon Kong**

Before me:

**Dr. T. Yokheswarem (W540)**
Commissioner for Oaths
Kuala Lumpur, Malaysia

# INDEPENDENT AUDITORS' REPORT

## to the members of PJ Development Holdings Berhad

**Report on the Financial Statements**

We have audited the financial statements of PJ Development Holdings Berhad, which comprise the statements of financial position as at 30 June 2011 of the Group and of the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 55 to 156.

*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 applicable approved Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia, and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditors' Responsibility*

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

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

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

*Opinion*

In our opinion, the financial statements have been properly drawn up in accordance with applicable approved Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2011 and of their financial performance and cash flows for the financial year then ended.

**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 of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 10 to the financial statements.

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

(d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

# INDEPENDENT AUDITORS' REPORT
## to the members of PJ Development Holdings Berhad

**Other Reporting Responsibilities**

The supplementary information set out in Note 42 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ('MIA Guidance') and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

**Other Matters**

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

**BDO**
AF : 0206
Chartered Accountants

**Lim Seng Siew**
2894/08/13 (J)
Chartered Accountant

Kuala Lumpur
19 October 2011

# STATEMENTS OF FINANCIAL POSITION

## as at 30 June 2011

| | Note | Group 2011 RM'000 | Group 2010 (Restated) RM'000 | Company 2011 RM'000 | Company 2010 RM'000 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Property, plant and equipment | 7 | **440,225** | 432,950 | **575** | 620 |
| Intangible assets | 8 | **4,568** | 4,568 | **-** | - |
| Investment properties | 9 | **151,078** | 162,629 | **-** | - |
| Investments in subsidiaries | 10 | **-** | - | **521,526** | 520,718 |
| Investments in associates | 11 | **53,003** | 44,379 | **-** | - |
| Other investments | 12 | **63,244** | 49,754 | **-** | - |
| Land held for property development | 13 | **166,896** | 143,284 | **-** | - |
| Deferred tax assets | 14 | **5,333** | 5,112 | **-** | - |
| Trade and other receivables | 15 | **21,774** | 30,795 | **-** | - |
| | | **906,121** | 873,471 | **522,101** | 521,338 |
| **Current assets** | | | | | |
| Property development costs | 16 | **159,824** | 156,628 | **-** | - |
| Inventories | 17 | **41,455** | 43,900 | **-** | - |
| Trade and other receivables | 15 | **224,281** | 204,761 | **193,048** | 217,916 |
| Current tax assets | | **11,283** | 9,628 | **5,385** | 3,356 |
| Cash and cash equivalents | 18 | **69,290** | 118,834 | **516** | 4,469 |
| | | **506,133** | 533,751 | **198,949** | 225,741 |
| **TOTAL ASSETS** | | **1,412,254** | 1,407,222 | **721,050** | 747,079 |
| **EQUITY AND LIABILITIES** | | | | | |
| **Equity attributable to owners of the parent** | | | | | |
| Share capital | 19 | **456,134** | 456,132 | **456,134** | 456,132 |
| Treasury shares | 19 | **(266)** | (266) | **(266)** | (266) |
| Reserves | 20 | **438,706** | 369,995 | **111,945** | 119,679 |
| | | **894,574** | 825,861 | **567,813** | 575,545 |
| **Non-controlling interests** | | **(1,648)** | 86 | **-** | - |
| **TOTAL EQUITY** | | **892,926** | 825,947 | **567,813** | 575,545 |

# STATEMENTS OF FINANCIAL POSITION
## as at 30 June 2011

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | **2011** | **2010 (Restated)** | **2011** | **2010** |
| | **Note** | **RM'000** | **RM'000** | **RM'000** | **RM'000** |
| **LIABILITIES** | | | | | |
| **Non-current liabilities** | | | | | |
| Trade and other payables | 21 | **6,854** | 6,129 | **-** | - |
| Borrowings | 22 | **200,327** | 99,094 | **3,747** | 7,822 |
| Deferred income | 23 | **38,140** | 39,891 | **-** | - |
| Deferred tax liabilities | 14 | **22,795** | 20,086 | **-** | - |
| | | **268,116** | 165,200 | **3,747** | 7,822 |
| **Current liabilities** | | | | | |
| Trade and other payables | 21 | **176,180** | 200,019 | **144,554** | 126,018 |
| Borrowings | 22 | **66,444** | 206,913 | **4,936** | 37,694 |
| Deferred income | 23 | **2,200** | 2,784 | **-** | - |
| Current tax liabilities | | **6,388** | 6,359 | **-** | - |
| | | **251,212** | 416,075 | **149,490** | 163,712 |
| **TOTAL LIABILITIES** | | **519,328** | 581,275 | **153,237** | 171,534 |
| **TOTAL EQUITY AND LIABILITIES** | | **1,412,254** | 1,407,222 | **721,050** | 747,079 |



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

# INCOME STATEMENTS

## for the financial year ended 30 June 2011

| | Note | Group | | Company | |
|---|---|---|---|---|---|
| | | 2011 RM'000 | 2010 RM'000 | 2011 RM'000 | 2010 RM'000 |
| Revenue | 26 | **591,263** | 665,828 | **23,300** | 15,800 |
| Cost of sales and services | 27 | **(407,671)** | (487,848) | **(9,014)** | (7,697) |
| Gross profit | | **183,592** | 177,980 | **14,286** | 8,103 |
| Other income | | **20,418** | 14,795 | **897** | 44,164 |
| Administrative expenses | | **(23,492)** | (26,349) | **(1,565)** | (876) |
| Other expenses | | **(92,004)** | (84,349) | **(3,349)** | (3,933) |
| Finance costs | | **(9,885)** | (8,752) | **(2,222)** | (4,266) |
| Share of profit of associates | | **1,236** | 1,003 | **-** | - |
| Profit before tax | 28 | **79,865** | 74,328 | **8,047** | 43,192 |
| Tax expense | 29 | **(24,393)** | (21,647) | **(2,971)** | (733) |
| Profit for the financial year | | **55,472** | 52,681 | **5,076** | 42,459 |
| Profit attributable to: | | | | | |
| Owners of the parent | | **56,988** | 52,759 | **5,076** | 42,459 |
| Non-controlling interests | | **(1,516)** | (78) | **-** | - |
| | | **55,472** | 52,681 | **5,076** | 42,459 |
| Basic earnings per ordinary share (sen) | 30 | **12.51** | 11.58 | | |

# STATEMENTS OF COMPREHENSIVE INCOME

## for the financial year ended 30 June 2011

| | Group | | Company | |
|---|---|---|---|---|
| | **2011 RM'000** | **2010 RM'000** | **2011 RM'000** | **2010 RM'000** |
| Profit for the financial year | **55,472** | 52,681 | **5,076** | 42,459 |
| **Other comprehensive income:** | | | | |
| Fair value gains on available-for-sale financial assets | **11,648** | - | **-** | - |
| Foreign currency translations | **12,736** | (3,911) | **-** | - |
| Other comprehensive income | **24,384** | (3,911) | **-** | - |
| Total comprehensive income | **79,856** | 48,770 | **5,076** | 42,459 |
| Total comprehensive income attributable to: | | | | |
| Owners of the parent | **81,590** | 48,848 | **5,076** | 42,459 |
| Non-controlling interests | **(1,734)** | (78) | **-** | - |
| | **79,856** | 48,770 | **5,076** | 42,459 |

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## for the financial year ended 30 June 2011

| | | Attributable to the owners of the parent | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Group** | **Note** | **Share capital RM'000** | **Share premium RM'000** | **Exchange translation reserve RM'000** | **Treasury shares RM'000** | **Retained earnings RM'000** | **Total RM'000** | **Non-controlling interests RM'000** | **Total equity RM'000** |
| Balance at 1 July 2009 | | 456,132 | 39,773 | (6,211) | (266) | 297,837 | 787,265 | 164 | 787,429 |
| Profit for the financial year | | - | - | - | - | 52,759 | 52,759 | (78) | 52,681 |
| Foreign currency translations | | - | - | (3,911) | - | - | (3,911) | - | (3,911) |
| Total comprehensive income | | - | - | (3,911) | - | 52,759 | 48,848 | (78) | 48,770 |
| **Transactions with owners** | | | | | | | | | |
| Dividend paid to shareholders | 31 | - | - | - | - | (10,252) | (10,252) | - | (10,252) |
| Total transactions with owners | | - | - | - | - | (10,252) | (10,252) | - | (10,252) |
| Balance at 30 June 2010 | | 456,132 | 39,773 | (10,122) | (266) | 340,344 | 825,861 | 86 | 825,947 |

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
## for the financial year ended 30 June 2011

| | | Attributable to the owners of the parent | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Group** | **Note** | **Share capital RM'000** | **Share premium RM'000** | **Warrant reserve RM'000** | **Available-for-sale reserve RM'000** | **Exchange translation reserve RM'000** | **Treasury shares RM'000** | **Retained earnings RM'000** | **Total RM'000** | **Non-controlling interests RM'000** | **Total equity RM'000** |
| Balance at 1 July 2010 | | 456,132 | 39,773 | - | - | (10,122) | (266) | 340,344 | 825,861 | 86 | 825,947 |
| Effects of adoption of FRS 139 | 41 | - | - | - | 1,143 | - | - | (1,212) | (69) | - | (69) |
| Restated balance at 1 July 2010 | | 456,132 | 39,773 | - | 1,143 | (10,122) | (266) | 339,132 | 825,792 | 86 | 825,878 |
| Profit for the financial year | | - | - | - | - | - | - | 56,988 | 56,988 | (1,516) | 55,472 |
| Fair value of available-for-sale financial assets | | - | - | - | 11,648 | - | - | - | 11,648 | - | 11,648 |
| Foreign currency translations | | - | - | - | - | 12,954 | - | - | 12,954 | (218) | 12,736 |
| Total comprehensive income | | - | - | - | 11,648 | 12,954 | - | 56,988 | 81,590 | (1,734) | 79,856 |
| **Transactions with owners** | | | | | | | | | | | |
| Dividend paid to shareholders | 31 | - | - | - | - | - | - | (17,087) | (17,087) | - | (17,087) |
| Ordinary shares issued | 19 | 2 | 1 | - | - | - | - | - | 3 | - | 3 |
| Warrants issued | | - | - | 4,276 | - | - | - | - | 4,276 | - | 4,276 |
| | | 2 | 1 | 4,276 | - | - | - | (17,087) | (12,808) | - | (12,808) |
| Balance at 30 June 2011 | | **456,134** | **39,774** | **4,276** | **12,791** | **2,832** | **(266)** | **379,033** | **894,574** | **(1,648)** | **892,926** |

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

# STATEMENT OF CHANGES IN EQUITY

## for the financial year ended 30 June 2011

| Company | Note | Share capital RM'000 | ← Non-distributable → Share premium RM'000 | Warrant reserve RM'000 | ← Distributable → Treasury shares RM'000 | Retained earnings RM'000 | Total RM'000 |
|---|---|---|---|---|---|---|---|
| Balance at 1 July 2009 | | 456,132 | 39,773 | - | (266) | 47,699 | 543,338 |
| Profit for the financial year | | - | - | - | - | 42,459 | 42,459 |
| Total comprehensive income | | - | - | - | - | 42,459 | 42,459 |
| **Transactions with owners** | | | | | | | |
| Dividend paid to shareholders | 31 | - | - | - | - | (10,252) | (10,252) |
| Total transaction with owners | | - | - | - | - | (10,252) | (10,252) |
| Balance at 30 June 2010 | | 456,132 | 39,773 | - | (266) | 79,906 | 575,545 |
| Profit for the financial year | | - | - | - | - | 5,076 | 5,076 |
| Total comprehensive income | | - | - | - | - | 5,076 | 5,076 |
| **Transactions with owners** | | | | | | | |
| Dividend paid to shareholders | 31 | - | - | - | - | (17,087) | (17,087) |
| Ordinary shares issued | 19 | 2 | 1 | - | - | - | 3 |
| Warrants issued | | - | - | 4,276 | - | - | 4,276 |
| Total transaction with owners | | 2 | 1 | 4,276 | - | (17,087) | (12,808) |
| Balance at 30 June 2011 | | **456,134** | **39,774** | **4,276** | **(266)** | **67,895** | **567,813** |



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

# STATEMENTS OF CASH FLOWS

## for the financial year ended 30 June 2011

| | Note | Group 2011 RM'000 | Group 2010 (Restated) RM'000 | Company 2011 RM'000 | Company 2010 RM'000 |
|---|---|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | | |
| Profit before tax | | **79,865** | 74,328 | **8,047** | 43,192 |
| Adjustments for: | | | | | |
| Bad debts written off | | **20** | 6 | **-** | - |
| Depreciation of investment properties | 9 | **4,212** | 2,447 | **-** | - |
| Depreciation of property, plant and equipment | 7 | **17,084** | 15,338 | **166** | 146 |
| Dividend income | 26 | **(2,940)** | (2,775) | **(20,000)** | (12,500) |
| Gain on disposal of: | | | | | |
| - investment properties | | **(2,013)** | (1,053) | **-** | - |
| - property, plant and equipment | | **(479)** | (376) | **-** | (63) |
| - subsidiaries | 34 | **-** | - | **-** | (42,436) |
| - other investments | | **(1,092)** | - | **-** | - |
| Impairment loss on: | | | | | |
| - goodwill on consolidation | 8 | **-** | 1,024 | **-** | - |
| - investments in subsidiaries | 10 | **-** | - | **2,192** | 3,275 |
| - trade and other receivables | | **1,077** | 1,179 | **-** | - |
| Interest accretion on trade receivables | | **(705)** | - | **-** | - |
| Interest expense | | **9,885** | 8,752 | **2,222** | 4,266 |
| Interest income | | **(3,096)** | (2,091) | **(869)** | (1,586) |
| Inventories written down | 17 | **1,325** | 1,761 | **-** | - |
| Inventories written off | | **54** | 11 | **-** | - |
| Investment properties written off | 9 | **710** | - | **-** | - |
| Property, plant and equipment written off | 7 | **458** | 264 | **-** | - |
| Reversal of impairment loss on other investments | | **-** | (3,493) | **-** | - |
| Reversal of impairment loss on trade and other receivables | | **(4,609)** | (1,683) | **-** | - |
| Reversal of inventories previously written off | | **(47)** | - | **-** | - |
| Share of profit of associates | | **(1,236)** | (1,003) | **-** | - |
| Unrealised loss on foreign exchange | | **1,079** | 978 | **-** | - |
| Operating profit/(loss) before changes in working capital | | **99,552** | 93,614 | **(8,242)** | (5,706) |
| Changes in working capital: | | | | | |
| Inventories | | **2,451** | 8,632 | **-** | - |
| Property development costs and land held for property development | | **(22,580)** | 31,923 | **-** | - |
| Trade and other receivables | | **(6,594)** | 32,618 | **32** | (81) |
| Trade and other payables | | **(21,725)** | 4,575 | **(102)** | 24 |
| Cash generated from/(used in) operating activities | | **51,104** | 171,362 | **(8,312)** | (5,763) |
| Tax paid | | **(23,190)** | (23,347) | **-** | - |
| Tax refunded | | **776** | 1,695 | **-** | 1,190 |
| Net cash from/(used in) operating activities | | **28,690** | 149,710 | **(8,312)** | (4,573) |

| | Note | Group 2011 RM'000 | Group 2010 (Restated) RM'000 | Company 2011 RM'000 | Company 2010 RM'000 |
|---|---|---|---|---|---|
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | |
| Dividends received | | **2,227** | 2,081 | **15,000** | 10,125 |
| Decrease in pledged deposits placed with licensed banks | | **830** | 4,484 | **-** | - |
| Interest received | | **3,096** | 2,091 | **869** | 1,586 |
| Proceeds from disposal of investment properties | | **6,664** | 2,213 | **-** | - |
| Proceeds from disposal of other investments | | **14,473** | - | **-** | - |
| Proceeds from disposal of property, plant and equipment | | **804** | 524 | **-** | 64 |
| Purchase of investment properties | 9 | **(509)** | (139) | **-** | - |
| Purchase of property, plant and equipment | 7 | **(27,444)** | (47,643) | **(121)** | (200) |
| Repayment by subsidiaries | | **-** | - | **43,474** | 31,064 |
| Subscription of shares in other investments | | **(14,080)** | - | **-** | - |
| Subscription of shares in subsidiaries | | **-** | - | **(3,000)** | (1,900) |
| Net cash (used in)/from investing activities | | **(13,939)** | (36,389) | **56,222** | 40,739 |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | | |
| Interest paid | | **(15,508)** | (16,931) | **(2,222)** | (4,266) |
| Dividend paid to shareholders of the Company | 31 | **(17,087)** | (10,252) | **(17,087)** | (10,252) |
| Drawdowns of loans and borrowings | | **209,978** | 98,954 | **-** | - |
| Repayments of loans and borrowings | | **(252,435)** | (142,822) | **(37,692)** | (18,566) |
| Proceeds from issuance of: | | | | | |
| - ordinary shares | 19 | **3** | - | **3** | - |
| - warrants | | **4,276** | - | **4,276** | - |
| Net cash used in financing activities | | **(70,773)** | (71,051) | **(52,722)** | (33,084) |
| Net (decrease)/increase in cash and cash equivalents | | **(56,022)** | 42,270 | **(4,812)** | 3,082 |
| Effect of exchange rate fluctuations on cash held | | **4,087** | (1,184) | **-** | - |
| Cash and cash equivalents at beginning of financial year | | **104,346** | 63,260 | **4,469** | 1,387 |
| Cash and cash equivalents at end of financial year | 18 | **52,411** | 104,346 | **(343)** | 4,469 |



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

## 1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office and principal place of business of the Company are both located at 18th Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur.

The financial statements are presented in Ringgit Malaysia ('RM'), which is also the Company's functional currency. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 19 October 2011.

## 2. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding, property investment and provision of management services to the subsidiaries. The principal activities of the subsidiaries are set out in Note 10 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## 3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with applicable approved Financial Reporting Standards ('FRSs') and the provisions of the Companies Act, 1965 in Malaysia. However, Note 42 to the financial statements has been prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits and Losses in the Context of Disclosure pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ('MIA Guidance') and directive of Bursa Malaysia Securities Berhad.

## 4. SIGNIFICANT ACCOUNTING POLICIES

### 4.1 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The preparation of financial statements requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 6 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

## 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

### 4.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries. Subsidiaries are entities (including special purposes entities) over which the Company has the power to govern the financial operating policies, generally accompanied by a shareholding giving rise to the majority of the voting rights, as to obtain benefits from their activities.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup balances, transactions, income and expenses are eliminated on consolidation. Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the other entities in the Group.

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

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

The Group has applied the revised FRS 3 *Business Combinations* in accounting for business combinations from 1 July 2010 onwards. The change in accounting policy has been applied prospectively in accordance with the transitional provisions provided by the Standard.

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

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 139 *Financial Instruments: Recognition and Measurement* or, where applicable, the cost on initial recognition of an investment in associate or jointly controlled entity.

**4. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4.3 Business combinations**

Business combinations from 1 July 2010 onwards

Business combinations are accounted for by applying the acquisition method of accounting.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, except that:

(a) deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 112 *Income Taxes* and FRS 119 *Employee Benefits* respectively;

(b) liabilities or equity instruments related to the replacements by the Group of an acquiree's share-based payment awards are measured in accordance with FRS 2 *Share-based Payment*; and

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

Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the serviced are received.

In a business combination achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profits or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquire (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquire net identifiable assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquire (if any), and the fair value of the Group's previously held equity interest in the acquire (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. The accounting policy for goodwill is set out in Note 4.10. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Business combinations before 1 July 2010

Under the purchase method of accounting, the cost of business combination is measured at the aggregate of fair values at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued plus any costs directly attributable to the business combination.

At the acquisition date, the cost of business combination is allocated to identifiable assets acquired, liabilities assumed and contingent liabilities in the business combination which are measured initially at their fair values at the acquisition date. The excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill (see Note 4.10 to the financial statements on goodwill). If the cost of business combination is less than the interest in the net fair value of the identifiable assets, liabilities and contingent liabilities, the Group will:

(a) reassess the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the business combination; and

(b) recognise immediately in profit or loss any excess remaining after that reassessment.

When a business combination includes more than one foreign exchange transaction, any adjustment to the fair values of the subsidiary's identifiable assets, liabilities and contingent liabilities relating to previously held interests of the Group is accounted for as a revaluation.

**4. SIGNIFICANT ACCOUNTING POLICIES (continued)**

### 4.4 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable. The cost of self-constructed assets also includes the cost of materials and direct labour. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When the use of a property changes from owner-occupied to investment property or vice-versa, the property will be reclassified accordingly based on the carrying amount at the date of transfer.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has different useful life, is depreciated separately.

After initial recognition, property, plant and equipment except for freehold land, freehold golf course, operating equipment and construction-in-progress are stated at cost less accumulated depreciation and any accumulated impairment losses. The freehold land, freehold golf course, operating equipment and construction-in-progress are stated at cost less any accumulated impairment losses.

Depreciation is calculated to write off the cost of the assets to their residual values on a straight-line basis over their estimated useful lives. The estimated useful lives are as follows:

| | |
|---|---|
| Freehold hotel properties | Over the remaining useful life of 36 - 42 years |
| Leasehold hotel properties | Over the remaining useful life of 43 years |
| Long term leasehold land | 49 – 91 years |
| Buildings and improvements | 5 – 50 years |
| Jetty and infrastructure | 50 years |
| Plant, machinery and electrical installation | 5 – 20 years |
| Motor vehicles and boats | 5 – 10 years |
| Hotel furniture, fittings and equipment | 5 – 10 years |
| Furniture, fittings and equipment | 3 – 10 years |
| Computers | 3 – 5 years |

Freehold land and freehold golf course are not depreciated. Construction-in-progress represents buildings under construction and renovation-in-progress and is stated at cost. Construction-in-progress is not depreciated until such time when the asset is available for use.

The base stock of operating equipment for hotel properties included in hotel furniture, fittings and equipment is not depreciated and subsequent replacement cost is charged to profit or loss. The non-depreciation of base stock together with the charging of subsequent replacement cost to profit or loss has no material effect on the financial statements as compared to the capitalisation and depreciation of base stock.

At the end of each reporting period, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 4.11 to the financial statements on impairment of non-financial assets).

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

**4. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4.4 Property, plant and equipment and depreciation (continued)**

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss and the revaluation surplus related to those assets, if any, is transferred directly to retained earnings.

**4.5 Leases and hire purchase**

(a) Finance leases and hire purchase

Assets acquired under finance leases and hire purchase which transfer substantially all the risks and rewards incidental to ownership to the Group are recognised initially at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the leases, if this is practicable to determine; if not, the Group's incremental borrowing rate is used. Any initial direct costs incurred by the Group are added to the amount recognised as an asset. The assets are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. The property, plant and equipment capitalised are depreciated on the same basis as owned assets.

The minimum lease payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charges are recognised in profit or loss over the period of the lease term so as to produce a constant periodic rate of interest on the remaining lease and hire purchase liabilities.

(b) Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term.

(c) Leases for land and buildings

For leases of land and buildings, the land and buildings elements are considered separately for the purpose of lease classification and these leases are classified as operating or finance leases in the same way as leases of other assets.

The minimum lease payments including any lump-sum upfront payments made to acquire the interest in the land and buildings, are allocated between the land and the buildings elements in proportion to the relative fair values of the leasehold interests in the land element and the buildings element of the lease at the inception of the lease.

For a lease of land and buildings in which the amount that would initially be recognised for the land element is immaterial, the land and buildings are treated as a single unit for the purpose of lease classification and is accordingly classified as a finance or operating lease. In such a case, the economic life of the buildings is regarded as the economic life of the entire leased asset.

Following the adoption of Amendment to FRS 117 *Leases* contained in the Improvements to FRSs (2009), the Group reassessed the classification of land elements of unexpired leases on the basis of information existing at the inception of those leases.  Consequently, the Group retrospectively reclassified certain prepaid lease payments for land as finance leases as disclosed in Notes 7 and 40 to the financial statements.

**4. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4.6 Property development activities**

(a) Land held for property development

Land held for property development is stated at cost less impairment losses, if any. Such land is classified as non-current asset when no significant development work has been carried out or where development activities are not expected to be completed within the normal operating cycle.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

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

(b) Property development costs

Property development costs comprise all cost that are directly attributable to the development activities or that can be allocated on a reasonable basis to such activities. They comprise the cost of land under development, construction costs and other related development costs common to the whole project including professional fees, stamp duties, commissions, conversion fees and other relevant levies as well as borrowing costs.

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

When revenue recognised in profit or loss exceeds progress billings to purchasers, the balance is classified as accrued billings under current assets. When progress billings exceed revenue recognised in profit or loss, the balance is classified as progress billings under current liabilities.

**4.7 Construction contracts**

Contract costs comprise costs related directly to the specific contract and those that are attributable to the contract activity in general and can be allocated to the contract and such other costs that are specifically chargeable to the customer under the terms of the contract.

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

**4.8 Investment properties**

Investment properties are properties which are held to earn rental yields or for capital appreciation or for both and are not occupied by the Group. Properties that are occupied by the companies in the Group are accounted for as owner-occupied rather than as investment properties.

Investment properties are stated at cost less accumulated depreciation and any impairment losses, consistent with the accounting policy for property, plant and equipment as stated in Note 4.4 to the financial statements.

For buildings, depreciation is charged to profit or loss on a straight-line basis over the estimated useful life of 50 years. Freehold land is not depreciated.

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in profit or loss in the period of the retirement or disposal.

**4. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4.9 Investments**

(a) Subsidiaries

A subsidiary is an entity in which the Group and the Company have power to control the financial and operating policies so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

An investment in subsidiary, which is eliminated on consolidation, is stated in the Company's separate financial statements at cost less impairment losses. Investments accounted for at cost shall be accounted for in accordance with FRS 5 *Non-current Assets Held for Sale and Discontinued Operations* when they are classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with FRS 5.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the Group would derecognise all assets, liabilities and non-controlling interests at their carrying amount and to recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

(b) Associates

An associate is an entity over which the Group and the Company have significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

In the Company's separate financial statements, an investment in associate is stated at cost less impairment losses.

An investment in associate is accounted for in the consolidated financial statements using the equity method of accounting. The investment in associate in the consolidated statement of financial position is initially recognised at cost and adjusted thereafter for the post acquisition change in the Group's share of net assets of the investments.

The interest in the associate is the carrying amount of the investment in the associate under the equity method together with any long term interest that, in substance, form part of the Group's net investment in the associate.

The Group's share of the profit or loss of the associate during the financial year is included in the consolidated financial statements, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. Distributions received from the associate reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the Group's proportionate interest in the associate arising from changes in the associate's equity that have not been recognised in the associate's profit or loss. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The Group's share of those changes is recognised directly in equity of the Group.

Unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate.

When the Group's share of losses in the associate equals or exceeds its interest in the associate, the carrying amount of that interest is reduced to nil and the Group does not recognise further losses unless it has incurred legal or constructive obligations or made payments on its behalf.

The most recent available financial statements of the associate are used by the Group in applying the equity method. When the end of the reporting periods of the financial statements are not coterminous, the share of results is arrived at using the latest audited financial statements for which the difference at end of the reporting periods is no more than three months. Adjustments are made for the effects of any significant transactions or events that occur between the intervening period.

Upon disposal of an investment in associate, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

## 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

### 4.10 Intangible assets

***Goodwill***

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

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is not amortised but instead tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill arising on acquisition of an associate is the excess of cost of investment over the Group's share of the net fair value of net assets of the associates' identifiable assets and liabilities at the date of acquisition.

Goodwill relating to the associate is included in the carrying amount of the investment and is not amortised. The excess of the Group's share of the net fair value of the associate's identifiable assets and liabilities over the cost of investment is included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

### 4.11 Impairment of non-financial assets

The carrying amount of assets, except for financial assets (excluding investments in subsidiaries and associates), inventories, assets arising from construction contract, property development costs and deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Goodwill and intangible assets that have an indefinite useful life are tested annually for impairment or more frequently if events or changes in circumstances indicate that the goodwill or intangible assets might be impaired.

The recoverable amount of an asset is estimated for an individual asset. Where it is not probable to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ('CGU') to which the asset belongs. Goodwill acquired in a business combination is from the acquisition date, allocated to each of the Group's CGU or groups of CGU that are expected to benefit from the synergies of the combination giving rise to the goodwill irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

Goodwill acquired in a business combination shall be tested for impairment as part of the impairment testing of CGU to which it relates. The CGU to which goodwill is allocated shall represent the lowest level within the Group at which the goodwill is monitored for internal management purposes and not larger than an operating segment determined in accordance with FRS 8.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating the value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU, including the goodwill or intangible asset, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated, first, to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU.

**4. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4.11 Impairment of non-financial assets (continued)**

The impairment loss is recognised in profit or loss immediately except for the impairment on a revalued asset where the impairment loss is recognised directly against the revaluation reserve to the extent of the surplus credited from the previous revaluation for the same asset with the excess of the impairment loss charged to profit or loss.

An impairment loss on goodwill is not reversed in subsequent periods. An impairment loss for other assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Such reversals are recognised as income immediately in profit or loss except for the reversal of an impairment loss on a revalued asset where the reversal of the impairment loss is treated as a revaluation increase and credited to the revaluation reserve account of the same asset. However, to the extent that an impairment loss on the same revalued asset was previously recognised in profit or loss, a reversal of that impairment loss is also recognised in profit or loss.

**4.12 Inventories**

(a) Completed properties held for sale

Completed properties held for sale are stated at the lower of cost and net realisable value. Cost consists of cost associated with the acquisition of land, direct costs and appropriate proportions of common costs attributable to developing the properties to completion.

(b) Other inventories

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

Cost is determined using the weighted average cost basis. The cost of consumables and raw materials comprise all costs of purchase plus the cost of bringing the inventories to their present location and condition. The cost of work-in-progress and finished goods includes the cost of raw materials, direct labour, other direct cost and a proportion of production overheads based on normal operating capacity of the production facilities.

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

## 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

### 4.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Group.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Group.

Financial instruments are recognised on the statement of financial position when the Group has become a party to the contractual provisions of the instrument. At initial recognition, a financial instrument is recognised at fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of the financial instrument.

An embedded derivative is separated from the host contract and accounted for as a derivative if, and only if the economic characteristics and risks of the embedded derivative is not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative meets the definition of a derivative, and the hybrid instrument is not measured at fair value through profit or loss.

(a) Financial assets

A financial asset is classified into the following four categories after initial recognition for the purpose of subsequent measurement:

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

Financial assets at fair value through profit or loss comprise financial assets that are held for trading (i.e. financial assets acquired principally for the purpose of resale in the near term), derivatives (both, freestanding and embedded) and financial assets that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial assets classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as at fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial assets classified as at fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

However, derivatives that is linked to and must be settled by delivery of unquoted equity instruments that do not have a quoted market price in an active market are recognised at cost.

(ii) Held-to-maturity investments

Financial assets classified as held-to-maturity comprise non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity.

Subsequent to initial recognition, financial assets classified as held-to-maturity are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as held-to-maturity are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

**4. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4.13 Financial instruments (continued)**

(a) Financial assets (continued)

(iii) Loans and receivables

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

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

(iv) Available-for-sale financial assets

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

Subsequent to initial recognition, financial assets classified as available-for-sale are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised directly in other comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss. However, interest calculated using the effective interest method is recognised in profit or loss whilst dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payment is established.

Cash and cash equivalents include cash and bank balances, bank overdrafts, deposits and other short term, highly liquid investments, which are readily convertible to cash and are subject to insignificant risk of changes in value.

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

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention. A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting.

**4. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4.13 Financial instruments (continued)**

(b) Financial liabilities

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. A financial liability is classified into the following two categories after initial recognition for the purpose of subsequent measurement:

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

Financial liabilities at fair value through profit or loss comprise financial liabilities that are held for trading, derivatives (both, freestanding and embedded) and financial liabilities that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial liabilities classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial liabilities classified as at fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial liabilities classified as at fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

(ii) Other financial liabilities

Financial liabilities classified as other financial liabilities comprise non-derivative financial liabilities that are neither held for trading nor initially designated as at fair value through profit or loss.

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

Convertible bonds are initially classified separately as financial liabilities and equity instruments in accordance with the substance of the contractual arrangement. When the initial carrying amount of the convertible bonds is allocated to its equity and liability components, the equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. The sum of the carrying amounts assigned to the liability and equity components on initial recognition is always equal to the fair value that would be ascribed to the instrument as a whole. No gain or loss arises from initially recognising the components of the instrument separately.

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

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

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

**4. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4.13 Financial instruments (continued)**

(c) Equity

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

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

Dividends to shareholders are recognised in equity in the period in which they are declared.

The Group measures a liability to distribute non-cash assets as a dividend to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at each reporting date and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Group recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

If the Company reacquires its own equity instruments, the consideration paid, including any attributable transaction costs is deducted from equity as treasury shares until they are cancelled. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Where such shares are issued by resale, the difference between the sales consideration and the carrying amount is shown as a movement in equity.

Following the adoption of FRS 139 during the financial year, the Group reassessed the classification and measurement of financial assets and financial liabilities as at 1 July 2010. Consequently, the Group reclassified and remeasured financial assets and financial liabilities as disclosed in Note 41 to the financial statements.

**4.14 Impairment of financial assets**

The Group assesses whether there is any objective evidence that a financial asset is impaired at the end of each reporting period.

(a) Loans and receivables

The Group collectively considers factors such as the probability of bankruptcy or significant financial difficulties of the receivable, and default or significant delay in payments to determine whether there is objective evidence that an impairment loss on loans and receivables has occurred. Other objective evidence of impairment include historical collection rates determined on an individual basis and observable changes in national or local economic conditions that are directly correlated with the historical default rates of receivables.

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

The carrying amount of loans and receivables is reduced through the use of an allowance account.

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

## 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

### 4.14 Impairment of financial assets (continued)

(b) Available-for-sale financial assets

The Group collectively considers factors such as significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market as objective evidence that available-for-sale financial assets are impaired.

If any such objective evidence exists, an amount comprising the difference between the financial asset's cost (net of any principal payment and amortisation) and current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Instead, any increase in the fair value subsequent to the impairment loss is recognised in other comprehensive income.

Impairment losses on available-for-sale debt investments are subsequently reversed in profit or loss if the increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

### 4.15 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expense is charged to profit or loss. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowing during the period less any investment income on the temporary investment of the borrowing.

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

### 4.16 Income taxes

Income taxes include all domestic and foreign taxes on taxable profit. Income taxes also include other taxes, such as withholding taxes, which are payable by a foreign subsidiary or associate on distributions to the Group and Company, and real property gains taxes payable on disposal of properties.

Taxes in the income statements comprise current tax and deferred tax.

(a) Current tax

Current tax is the amount of income taxes payable or receivable in respect of the taxable profit or loss for a period.

Current tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted by the end of the reporting period.

**4. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4.16 Income taxes (continued)**

(b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statement of financial position and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset will be reduced accordingly. When it becomes probable that sufficient taxable profit will be available, such reductions will be reversed to the extent of the taxable profit.

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 income taxes relate to the same taxation authority on either:

(i) the same taxable entity; or

(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax will be recognised as income or expense and included in the profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax will be charged or credited directly to equity.

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

**4.17 Provisions**

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the effect of the time value of money is material, the amount of a provision will be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision will be reversed.

Provisions are not recognised for future operating losses. If the Group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

## 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

### 4.18 Contingent liabilities and contingent assets

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 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 extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

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. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any non-controlling interest.

### 4.19 Employee benefits

(a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the financial year when employees have rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as paid sick leave are recognised when the absences occur.

Cash bonus and bonus under profit-sharing plans are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(b) Defined contribution plans

The Company and its subsidiaries incorporated in Malaysia make contributions to a statutory provident fund and foreign subsidiaries make contributions to their respective countries' statutory pension schemes. The contributions are recognised as a liability after deducting any contribution already paid and as an expense in the period in which the employees render their services.

**4. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4.20 Foreign currencies**

(a) Functional and presentation currency

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

(b) Foreign currency transactions and balances

Transactions in foreign currencies are converted into functional currency of the Company and the respective subsidiaries at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the end of the reporting period are translated into functional currency of the Company and the respective subsidiaries at rates of exchange ruling at that date. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss in the period in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition, and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

(c) Foreign operations

Financial statements of foreign operations are translated at financial year end exchange rates with respect to the assets and liabilities, and at average exchange rates for the financial year with respect to the income statement. All resulting translation differences are recognised as a separate component of equity.

In the consolidated financial statements, exchange differences arising from the translation of net investment in foreign operations are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in profit or loss as part of the gain or loss on disposal.

Exchange differences arising on a monetary item that forms part of the net investment of the Company in a foreign operation shall be recognised in profit or loss in the separate financial statements of the Company or the foreign operation, as appropriate. In the consolidated financial statements, such exchange differences shall be recognised initially as a separate component of equity and recognised in profit or loss upon disposal of the net investment.

Goodwill and fair value adjustments to the assets and liabilities arising from the acquisition of a foreign operation are treated as assets and liabilities of the acquired entity and translated at the exchange rate ruling at the end of the reporting period.

## 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

### 4.21 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable net of discounts and rebates.

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Group, and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be reliably measured and specific recognition criteria have been met for each of the Group's activities as follows:

(a) Sale of goods

Revenue from sale of goods is recognised when significant risks and rewards of ownership of the goods has been transferred to the customer and where the Group retains neither continuing managerial involvement over the goods, which coincides with the delivery of goods and services and acceptance by customers.

(b) Services

*Hotel and golf course*

Revenue from the provision of rooms, food and beverage sales from hotel operations as well as hotel management and consultancy services, green fees and buggy rental are recognised when services are rendered.

*Property investment and property management services*

Revenue from property investment and the provision of property management services are recognised based on the rental received and receivable from property and fees chargeable to customers during the year.

*Management and operation of timeshare membership scheme*

70% of the purchase price representing enrolment fees from members joining the timeshare vacation club are recognised as revenue upon signing of the membership agreements. The remaining 30% of the purchase price representing the advance annual fee is treated as deferred membership fee, which is recognised over the membership period of either 29 years or 30 years.

Maintenance fees are recognised as revenue based on fees chargeable to members during the year.

(c) Construction contracts

Contract revenue and expenses are recognised in profit or loss in proportion to the stage of completion of the contract. Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. The stage of completion is assessed by reference to surveys of work performed.

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

When the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable and contract costs are recognised as an expense in the period in which they are incurred.

**4. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4.21 Revenue recognition (continued)**

(d) Property development

Property development revenue is recognised in respect of all development units that have been sold. Revenue recognition commences when the sale of the development unit is effected, upon the commencement of development and construction activities and when the financial outcome can be reliably estimated. The attributable portion of property development cost is recognised as an expense in the period in which the related revenue is recognised. The amount of such revenue and expenses recognised is determined by reference to the stage of completion of development activity at the end of the reporting period. The stage of completion is measured by reference to the proportion that property development costs incurred for work performed to date bear to the estimated total property development cost.

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

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

(e) Completed properties held for sale

Revenue from the sales of completed properties held for sale is recognised as and when the transfer of significant risks and rewards of ownership to the buyer upon signing of sale and purchase agreement has been completed.

(f) Dividend income

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

(g) Interest income

Interest income is recognised as it accrues, using the effective interest method.

(h) Rental income

Rental income is accounted for on a straight-line basis over the lease term of an ongoing lease. The aggregate cost of incentives provided to the lessee is recognised as a reduction of rental income over the lease term on a straight-line basis.

(i) Management fees

Management fees are recognised when services are rendered.

**4. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4.22 Operating segments**

Following the adoption of FRS 8 *Operating Segments* during the previous financial year, operating segments are defined as components of the Group that:

(a) engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);

(b) whose operating results are regularly reviewed by the Group's chief operating decision maker (i.e. the Group's Managing Director) in making decisions about resources to be allocated to the segment and assessing its performance; and

(c) for which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenues.

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds:

(a) Its reported revenue, including both sales to external customers and intersegment sales or transfers, is 10 per cent or more of the combined revenue, internal and external, of all operating segments.

(b) The absolute amount of its reported profit or loss is 10 per cent or more of the greater, in absolute amount of:

(i) the combined reported profit of all operating segments that did not report a loss; and

(ii) the combined reported loss of all operating segments that reported a loss.

(c) Its assets are 10 per cent or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Total external revenue reported by operating segments shall constitute at least 75 per cent of the Group's revenue. Operating segments identified as reportable segments in the current financial year in accordance with the quantitative thresholds would result in a restatement of prior period segment data for comparative purposes.

**4.23 Earnings per share**

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

(b) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

**5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs**

**5.1 New FRS adopted during the current financial year**

(a) FRS 4 *Insurance Contracts* and the consequential amendments resulting from FRS 4 are mandatory for annual financial periods beginning on or after 1 January 2010. FRS 4 replaces the existing FRS $202_{2004}$ *General Insurance Business* and FRS $203_{2004}$ *Life Insurance Business.*

This Standard applies to all insurance contracts, including reinsurance contracts that an entity issues and to reinsurance contracts that it holds. This Standard prohibits provisions for potential claims under contracts that are not in existence at the end of the reporting period, and requires a test for the adequacy of recognised insurance liabilities and an impairment test for reinsurance assets. This Standard also requires an insurer to keep insurance liabilities in its statement of financial position until they are discharged or cancelled, or expire, and to present insurance liabilities without offsetting them against related reinsurance assets.

Following the adoption of this Standard, the Group designates corporate guarantees given to banks for credit facilities granted to subsidiaries as insurance contracts. The Group recognises these insurance contracts as recognised insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(b) FRS 7 *Financial Instruments: Disclosures* and the consequential amendments resulting from FRS 7 are mandatory for annual financial periods beginning on or after 1 January 2010. FRS 7 replaces the disclosure requirements of the existing FRS 132 *Financial Instruments: Disclosure and Presentation*.

This Standard applies to all risks arising from a wide array of financial instruments and requires the disclosure of the significance of financial instruments for the Group's financial position and performance.

(c) FRS 123 *Borrowing Costs* and the consequential amendments resulting from FRS 123 are mandatory for annual periods beginning on or after 1 January 2010.

This Standard removes the option of immediately recognising as an expense borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. However, capitalisation of borrowing costs is not required for assets measured at fair value, and inventories that are manufactured or produced in large quantities on a repetitive basis, even if they take a substantial period of time to get ready for use or sale.

There is no impact upon adoption of this Standard during the financial year.

(d) FRS 139 *Financial Instruments: Recognition and Measurement* and the consequential amendments resulting from FRS 139 are mandatory for annual financial periods beginning on or after 1 January 2010.

This Standard establishes the principles for the recognition and measurement of financial assets and financial liabilities including circumstances under which hedge accounting is permitted.

The impact upon adoption of this Standard is disclosed in Note 41 to the financial statements.

(e) Amendments to FRS 2 *Share-based Payment: Vesting Conditions and Cancellations* are mandatory for annual financial periods beginning on or after 1 January 2010.

These amendments clarify that vesting conditions comprise service conditions and performance conditions only. Cancellations by parties other than the Group are accounted for in the same manner as cancellations by the Group itself and features of a share-based payment that are non-vesting conditions are included in the grant date fair value of the share-based payment.

There is no impact upon adoption of these amendments during the financial year.

**5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (continued)**

**5.1 New FRS adopted during the current financial year (continued)**

(f) Amendments to FRS 1 *First-time Adoption of Financial Reporting Standards* and FRS 127 *Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate* are mandatory for annual periods beginning on or after 1 January 2010.

These amendments allow first-time adopters to use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements. The cost method of accounting for an investment has also been removed pursuant to these amendments.

There is no impact upon adoption of these amendments during the financial year.

(g) IC Interpretation 9 Reassessment of Embedded Derivatives is mandatory for annual financial periods beginning on or after 1 January 2010.

This Interpretation prohibits the subsequent reassessment of embedded derivatives unless there is a change in the terms of the host contract that significantly modifies the cash flows that would otherwise be required by the host contract.

There is no impact upon adoption of this Interpretation during the financial year.

(h) IC Interpretation 10 *Interim Financial Reporting and Impairment* is mandatory for annual financial periods beginning on or after 1 January 2010.

This Interpretation prohibits the reversal of an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost.

There is no impact upon adoption of this Interpretation during the financial year.

(i) IC Interpretation 11 *FRS 2 – Group and Treasury Share Transactions* is mandatory for annual periods beginning on or after 1 January 2010.

This Interpretation requires share-based payment transactions in which the Company receives services from employees as consideration for its own equity instruments to be accounted for as equity-settled, regardless of the manner of satisfying the obligations to the employees.

If the Company grants rights to its equity instruments to the employees of its subsidiaries, this Interpretation requires the Company to recognise the equity reserve for the obligation to deliver the equity instruments when needed whilst the subsidiaries shall recognise the remuneration expense for the services received from employees.

If the subsidiaries grant rights to equity instruments of the Company to its employees, this Interpretation requires the Company to account for the transaction as cash-settled, regardless of the manner the subsidiaries obtain the equity instruments to satisfy its obligations.

There is no impact upon adoption of this Interpretation during the financial year.

The Group would like to draw attention to the withdrawal of this Interpretation for annual periods beginning on or after 1 January 2011 as disclosed in Note 5.2(d) to the financial statements.

**5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (continued)**

**5.1 New FRS adopted during the current financial year (continued)**

(j) IC Interpretation 13 *Customer Loyalty Programmes* is mandatory for annual periods beginning on or after 1 January 2010.

This Interpretation requires the separation of award credits as a separately identifiable component of sales transactions involving the award of free or discounted goods or services in the future. The fair value of the consideration received or receivable from the initial sale shall be allocated between the award credits and the other components of the sale.

If the Group supplies the awards itself, the consideration allocated to the award credits shall only be recognised as revenue when the award credits are redeemed. If a third party supplies the awards, the Group shall assess whether it is acting as a principal or agent in the transaction.

If the Group is acting as the principal in the transaction, it shall measure its revenue as the gross consideration allocated to the award credits. If the Group is acting as an agent, it shall measure its revenue as the net amount retained on its own account, and recognise the net amount as revenue when the third party becomes obliged to supply the awards and entitled to receive the consideration for doing so.

There is no impact upon adoption of this Interpretation during the financial year.

(k) IC Interpretation 14 *FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* is mandatory for annual periods beginning on or after 1 January 2010.

This Interpretation applies to all post-employment defined benefits and other long-term employee defined benefits. This Interpretation clarifies that an economic benefit is available if the Group can realise it at some point during the life of the plan or when the plan liabilities are settled, and that it does not depend on how the Group intends to use the surplus.

A right to refund is available to the Group in stipulated circumstances and the economic benefit available shall be measured as the amount of the surplus at the end of the reporting period less any associated costs. If there are no minimum funding requirements, the economic benefit available shall be determined as a reduction in future contributions as the lower of the surplus in the plan and the present value of the future service cost to the Group. If there is a minimum funding requirement for contributions relating to the future accrual of benefits, the economic benefit available shall be determined as a reduction in future contributions at the present value of the estimated future service cost less the estimated minimum funding required in each financial year.

There is no impact upon adoption of this Interpretation during the financial year.

**5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (continued)**

**5.1 New FRS adopted during the current financial year (continued)**

(l) FRS 101 *Presentation of Financial Statements* is mandatory for annual periods beginning on or after 1 January 2010.

FRS 101 sets out the overall requirements for the presentation of financial statements, guidelines for their structure and minimum requirements for their content.

This Standard introduces the titles 'statement of financial position' and 'statement of cash flows' to replace the current titles 'balance sheet' and 'cash flow statement' respectively. A new statement known as the 'statement of comprehensive income' is also introduced in this Standard whereby all non-owner changes in equity are required to be presented in either one statement of comprehensive income or in two statements (i.e. a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity.

This Standard also introduces a new requirement to present a statement of financial position as at the beginning of the earliest comparative period if there are applications of retrospective restatements that are defined in FRS 108, or when there are reclassifications of items in the financial statements.

Additionally, FRS 101 requires the disclosure of reclassification adjustments and income tax relating to each component of other comprehensive income, and the presentation of dividends recognised as distributions to owners together with the related amounts per share in the statement of changes in equity or in the notes to the financial statements.

This Standard introduces a new requirement to disclose information on the objectives, policies and processes for managing capital based on information provided internally to key management personnel as defined in FRS 124 *Related Party Disclosures*. Additional disclosures are also required for puttable financial instruments classified as equity instruments.

Following the adoption of this Standard, the Group has reflected the new format of presentation and additional disclosures warranted in the primary financial statements and relevant notes to the financial statements.

(m) Amendments to FRS 139, FRS 7 and IC Interpretation 9 are mandatory for annual periods beginning on or after 1 January 2010.

These amendments permit reclassifications of non-derivative financial assets (other than those designated at fair value through profit or loss upon initial recognition) out of the fair value through profit or loss category in rare circumstances. Reclassifications from the available-for-sale category to the loans and receivables category are also permitted provided there is intention and ability to hold that financial asset for the foreseeable future. All of these reclassifications shall be subjected to subsequent reassessments of embedded derivatives.

These amendments also clarify the designation of one-sided risk in eligible hedged items and streamline the terms used throughout the Standards in accordance with the changes resulting from FRS 101.

There is no impact upon adoption of these amendments during the financial year.

(n) Amendments to FRS 132 *Financial Instruments: Presentation* are mandatory for annual periods beginning on or after 1 January 2010.

These amendments require certain puttable financial instruments, and financial instruments that impose an obligation to deliver to counterparties a pro rata share of the net assets of the entity only on liquidation to be classified as equity.

Puttable financial instruments are defined as financial instruments that give the holder the right to put the instrument back to the issuer for cash, or another financial asset, or are automatically put back to the issuer upon occurrence of an uncertain future event or the death or retirement of the instrument holder.

**5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (continued)**

**5.1 New FRS adopted during the current financial year (continued)**

(o) *Improvements to FRSs (2009)* are mandatory for annual periods beginning on or after 1 January 2010.

Amendment to FRS 5 *Non-current Assets Held for Sale and Discontinued Operations* clarifies that the disclosure requirements of this Standard specifically apply to non-current assets (or disposal groups) classified as held for sale or discontinued operations. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 8 clarifies the consistency of disclosure requirement for information about profit or loss, assets and liabilities. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 107 *Statement of Cash Flows* clarifies the classification of cash flows arising from operating activities and investing activities. Cash payments to manufacture or acquire assets held for rental to others and subsequently held for sale, and the related cash receipts, shall be classified as cash flows from operating activities. Expenditures that result in a recognised asset in the statement of financial position are eligible for classification as cash flows from investing activities. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 108 clarifies that only Implementation Guidance issued by the MASB that are integral parts of FRSs is mandatory. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 110 *Events after the Reporting Period* clarifies the rationale for not recognising dividends declared after the reporting period but before the financial statements are authorised for issue. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 116 *Property, Plant and Equipment* removes the definition pertaining the applicability of this Standard to property that is being constructed or developed for future use as investment property but do not yet satisfy the definition of 'investment property' in FRS 140 *Investment Property*. This amendment also replaces the term 'net selling price' with 'fair value less costs to sell', and clarifies that proceeds arising from routine sale of items of property, plant and equipment shall be recognised as revenue in accordance with FRS 118 *Revenue* rather than FRS 5. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 117 *Leases* removes the classification of leases of land and of buildings, and instead, requires assessment of classification based on the risks and rewards of the lease itself. The reassessment of land elements of unexpired leases shall be made retrospectively in accordance with FRS 108. As at the end of the reporting period, the Group has carrying amount of prepaid lease payments for land of RM12,965,000 that has been reclassified as land held in accordance with FRS 116 upon adoption of this amendment.

Amendment to FRS 118 clarifies reference made on the term 'transaction costs' to the definition in FRS 139. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 119 *Employee Benefits* clarifies the definitions in this Standard by consistently applying settlement dates within twelve months in the distinction between short-term employee benefits and other long-term employee benefits. This amendment also provides additional explanations on negative past service cost and curtailments. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 120 *Accounting for Government Grants and Disclosure of Government Assistance* streamlines the terms used in this Standard in accordance with the new terms used in FRS 101. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 123 clarifies that interest expense calculated using the effective interest rate method described in FRS 139 qualifies for recognition as borrowing costs. There is no impact upon adoption of this amendment during the financial year.

**5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (continued)**

**5.1 New FRS adopted during the current financial year (continued)**

(o) *Improvements to FRSs (2009)* are mandatory for annual periods beginning on or after 1 January 2010 *(continued)*.

Amendment to FRS 127 *Consolidated and Separate Financial Statements* clarifies that investments measured at cost shall be accounted for in accordance with FRS 5 when they are held for sale in accordance with FRS 5. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 128 *Investments in Associates* clarifies that investments in associates held by venture capital organisations, or mutual funds, unit trusts and similar entities shall make disclosures on the nature and extent of any significant restrictions on the ability of associates to transfer funds to the investor in the form of cash dividends, or repayment of loans or advances. This amendment also clarifies that impairment loss recognised in accordance with FRS 136 *Impairment of Assets* shall not be allocated to any asset, including goodwill, that forms the carrying amount of the investment. Accordingly, any reversal of that impairment loss shall be recognised in accordance with FRS 136. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 129 *Financial Reporting in Hyperinflationary Economies* streamlines the terms used in this Standard in accordance with the new terms used in FRS 101. This amendment also clarifies that assets and liabilities that are measured at fair value are exempted from the requirement to apply historical cost basis of accounting. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 131 *Interests in Joint Ventures* clarifies that venturers' interests in jointly controlled entities held by venture capital organisations, or mutual funds, unit trusts and similar entities shall make disclosures on related capital commitments. This amendment also clarifies that a listing and description of interests in significant joint ventures and the proportion of ownership interest held in jointly controlled entities shall be made. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 136 *Impairment of Assets* clarifies the determination of allocation of goodwill to each cash-generating unit whereby each unit shall not be larger than an operating segment as defined in FRS 8 before aggregation. This amendment also requires additional disclosures if the fair value less costs to sell is determined using discounted cash flow projections. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 138 *Intangible Assets* clarifies the examples provided in this Standard in measuring the fair value of an intangible asset acquired in a business combination. This amendment also removes the statement on the rarity of situations whereby the application of the amortisation method for intangible assets results in a lower amount of accumulated amortisation than under the straight-line method. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 140 clarifies that properties that are being constructed or developed for future use as investment property are within the definition of 'investment property'. This amendment further clarifies that if the fair value of such properties cannot be reliably determinable but it is expected that the fair value would be readily determinable when construction is complete, the properties shall be measured at cost until either its fair value becomes reliably determinable or construction is completed, whichever is earlier. There is no impact upon adoption of this amendment during the financial year.

**5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (continued)**

**5.1 New FRS adopted during the current financial year (continued)**

(p) Amendments to FRS 132 are mandatory for annual periods beginning on or after 1 January 2010 and 1 March 2010 in respect of the transitional provisions in accounting for compound financial instruments and classification of rights issues respectively.

These amendments remove the transitional provisions in respect of accounting for compound financial instruments issued before 1 January 2003 pursuant to FRS $132_{2004}$ *Financial Instruments: Disclosure and Presentation.* Such compound financial instruments shall be classified into its liability and equity components when FRS 139 first applies.

The amendments also clarify that rights, options or warrants to acquire a fixed number of the Group's own equity instruments for a fixed amount of any currency shall be classified as equity instruments rather than financial liabilities if the Group offers the rights, options or warrants pro rata to all of its own existing owners of the same class of its own non-derivative equity instruments.

There is no impact upon adoption of these amendments during the financial year.

(q) Amendments to FRS 139 are mandatory for annual periods beginning on or after 1 January 2010.

These amendments remove the scope exemption on contracts for contingent consideration in a business combination. Accordingly, such contracts shall be recognised and measured in accordance with the requirements of FRS 139.

There is no impact upon adoption of these amendments during the financial year.

(r) IC Interpretation 12 *Service Concession Arrangements* is mandatory for annual periods beginning on or after 1 July 2010.

This Interpretation applies to operators for public-to-private service concession arrangements, whereby infrastructure within the scope of this Interpretation shall not be recognised as property, plant and equipment of the operator. The operator shall recognise and measure revenue in accordance with FRS 111 *Construction Contracts* and FRS 118 for the services performed. The operator shall also account for revenue and costs relating to construction or upgrade services in accordance with FRS 111.

Consideration received or receivable by the operator for the provision of construction or upgrade services shall be recognised at its fair value. If the consideration consists of an unconditional contractual right to receive cash or another financial asset from the grantor, it shall be classified as a financial asset. Conversely, if the consideration consists of a right to charge users of the public service, it shall be classified as an intangible asset.

There is no impact upon adoption of this Interpretation during the financial year.

(s) FRS 1 *First-time Adoption of Financial Reporting Standards* is mandatory for annual periods beginning on or after 1 July 2010.

This Standard supersedes the existing FRS 1 and shall be applied when the Group adopts FRSs for the first time via the explicit and unreserved statement of compliance with FRSs. An opening FRS statement of financial position shall be prepared and presented at the date of transition to FRS, whereby:

(i) All assets and liabilities shall be recognised in accordance with FRSs;
(ii) Items of assets and liabilities shall not be recognised if FRSs do not permit such recognition;
(iii) Items recognised in accordance with previous GAAP shall be reclassified in accordance with FRSs; and
(iv) All recognised assets and liabilities shall be measured in accordance with FRSs.

All resulting adjustments shall therefore be recognised directly in retained earnings at the date of transition to FRSs.

There is no impact upon adoption of this Standard during the financial year.

## 5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (continued)

### 5.1 New FRS adopted during the current financial year (continued)

(t) FRS 3 *Business Combinations* is mandatory for annual periods beginning on or after 1 July 2010.

This Standard supersedes the existing FRS 3 and now includes business combinations involving mutual entities and those achieved by way of contract alone. Any non-controlling interest in an acquiree shall be measured at fair value or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The time limit on the adjustment to goodwill due to the arrival of new information on the crystallisation of deferred tax benefits shall be restricted to the measurement period resulting from the arrival of the new information. Contingent liabilities acquired arising from present obligations shall be recognised, regardless of the probability of outflow of economic resources.

Acquisition-related costs shall be accounted for as expenses in the periods in which the costs are incurred and the services are received. Consideration transferred in a business combination, including contingent consideration, shall be measured and recognised at fair value at acquisition date. Any changes in the amount of consideration to be paid will no longer be adjusted against goodwill but recognised in profit or loss.

In business combinations achieved in stages, the acquirer shall remeasure its previously held equity interest at its acquisition date fair value and recognise the resulting gain or loss in profit or loss.

The revised FRS 3 has been applied prospectively in accordance with its transitional provisions. Assets and liabilities that arose from business combinations whose acquisition dates were before 1 July 2010 are not adjusted.

There is no impact upon adoption of this Standard during the financial year.

(u) FRS 127 *Consolidated and Separate Financial Statements* is mandatory for annual periods beginning on or after 1 July 2010.

This Standard supersedes the existing FRS 127 and replaces the current term 'minority interest' with the new term 'non-controlling interest' which is defined as the equity in a subsidiary that is not attributable, directly or indirectly, to a parent. Accordingly, total comprehensive income shall be attributed to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. If the Group loses control of a subsidiary, any gains or losses are recognised in profit or loss and any investment retained in the former subsidiary shall be remeasured at its fair value at the date when control is lost.

According to its transitional provisions, the revised FRS 127 has been applied prospectively, and does not impact the Group's consolidated financial statements in respect of transactions with non-controlling interest, attribution of losses to non-controlling interest, and disposal of subsidiaries before 1 July 2010. These changes would only affect future transactions with non-controlling interest.

As at the end of reporting period, the Group has reclassified RM1,648,000 as non-controlling interests.

**5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (continued)**

**5.1 New FRS adopted during the current financial year (continued)**

(v) Amendments to FRSs are mandatory for annual periods beginning on or after 1 July 2010.

Amendments to FRS 2 *Share-based Payments* clarify that transactions in which the Group acquired goods as part of the net assets acquired in a business combination or contribution of a business on the formation of a joint venture are excluded from the scope of this Standard. There is no impact upon the adoption of these amendments during the financial year.

Amendments to FRS 5 clarify that non-current asset classified as held for distribution to owners acting in their capacity as owners are within the scope of this Standard. The amendments also clarify that in determining whether a sale is highly probable, the probability of shareholders' approval, if required in the jurisdiction, shall be considered. In a sale plan involving loss of control of a subsidiary, all assets and liabilities of that subsidiary shall be classified as held for sale, regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale. Discontinued operations information shall also be presented. Non-current asset classified as held for distribution to owners shall be measured at the lower of its carrying amount and fair value less costs to distribute. There is no impact upon adoption of these amendments during the financial year.

Amendments to FRS 138 clarify that the intention of separating an intangible asset is irrelevant in determining the identifiability of the intangible asset. In a separate acquisition and acquisition as part of a business combination, the price paid by the Group reflects the expectations of the Group of an inflow of economic benefits, even if there is uncertainty about the timing or the amount of the inflow. Accordingly, the probability criterion is always considered to be satisfied for separately acquired intangible assets. The useful life of a reacquired right recognised as an intangible asset in a business combination shall be the remaining contractual period of the contract in which the right was granted, and do not include renewal periods. In the case of a reacquired right in a business combination, if the right is subsequently reissued to a third party, the related carrying amount shall be used in determining the gain or loss on reissue. There is no impact upon adoption of these amendments during the financial year.

Amendments to IC Interpretation 9 clarify that embedded derivatives in contracts acquired in a business combination, combination of entities or business under common controls, or the formation of a joint venture are excluded from this Interpretation. There is no impact upon adoption of these amendments during the financial year.

(w) IC Interpretation 16 *Hedges of a Net Investment in a Foreign Operation* is mandatory for annual periods beginning on or after 1 July 2010.

This Interpretation applies to hedges undertaken on foreign currency risk arising from net investments in foreign operations and the Group wishes to qualify for hedge accounting in accordance with FRS 139.

Hedge accounting is applicable only to the foreign exchange differences arising between the functional currency of the foreign operation and the functional currency of any parent (immediate, intermediate or ultimate parent) of that foreign operation. An exposure to foreign currency risk arising from a net investment in a foreign operation may qualify for hedge accounting only once in the consolidated financial statements.

Hedging instruments designated in the hedge of a net investment in a foreign operation may be held by any companies within the Group, as long as the designation, documentation and effectiveness requirements of FRS 139 are met. There is no impact upon adoption of this Interpretation during the financial year.

**5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (continued)**

**5.1 New FRS adopted during the current financial year (continued)**

(x) IC Interpretation 17 *Distributions of Non-cash Assets to Owners* is mandatory for annual periods beginning on or after 1 July 2010.

This Interpretation applies to non-reciprocal distributions of non-cash assets by the Group to its owners in their capacity as owners, as well as distributions that give owners a choice of receiving either non-cash assets or a cash alternative. This Interpretation also applies to distributions in which all owners of the same class of equity instruments are treated equally.

The liability to pay a dividend shall be recognised when the dividend is appropriately authorised and is no longer at the discretion of the Group. The liability shall be measured at the fair value of the assets to be distributed. If the Group gives its owners a choice of receiving either a non-cash asset or a cash alternative, the dividend payable shall be estimated by considering the fair value of both alternatives and the associated probability of the owners' selection.

At the end of each reporting period, the carrying amount of the dividend payable shall be remeasured and any changes shall be recognised in equity. At the settlement date, any difference between the carrying amounts of the assets distributed and the carrying amount of the dividend payable shall be recognised in profit or loss. The new accounting policy (see Note 4.13(c)) has been applied prospectively.

There is no impact upon adoption of this Interpretation during the financial year.

**5.2 New FRSs that have been issued, but not yet effective and not yet adopted**

(a) Amendment to FRS 1 *Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters* is mandatory for annual periods beginning on or after 1 January 2011.

This amendment permits a first-time adopter of FRSs to apply the exemption of not restating comparatives for the disclosures required in Amendments to FRS 7.

The Group does not expect any impact on the financial statements arising from the adoption of this amendment.

(b) Amendments to FRS 1 *Additional Exemptions for First-time Adopters* are mandatory for annual periods beginning on or after 1 January 2011.

These amendments permit a first-time adopter of FRSs to apply the exemption of not restating the carrying amounts of oil and gas assets determined under previous GAAP.

The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

(c) Amendments to FRS 7 *Improving Disclosures about Financial Instruments* are mandatory for annual periods beginning on or after 1 January 2011.

These amendments require enhanced disclosures of fair value of financial instruments based on the fair value hierarchy, including the disclosure of significant transfers between Level 1 and Level 2 of the fair value hierarchy as well as reconciliations for fair value measurements in Level 3 of the fair value hierarchy.

By virtue of the exemption provided under paragraph 44G of FRS 7, the impact of applying these amendments on the financial statements upon first adoption of FRS 7 as required by paragraph 30(b) of FRS 108 are not disclosed.

**5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (continued)**

**5.2 New FRSs that have been issued, but not yet effective and not yet adopted (continued)**

(d) Amendments to FRS 2 *Group Cash-settled Share-based Payment Transactions* are mandatory for annual periods beginning on or after 1 January 2011.

These amendments clarify the scope and the accounting for group cash-settled share-based payment transactions in the separate financial statements of the entity receiving the goods or services when that entity has no obligation to settle the share-based payment transaction.

Consequently, IC Interpretation 8 *Scope of FRS 2* and IC Interpretation 11 have been superseded and withdrawn.

The Group does not expect any impact on the financial statements arising from the adoption of these amendments. The effects of adopting IC Interpretation 11 have been disclosed in Note 5.1(i) to the financial statements.

(e) IC Interpretation 4 *Determining whether* an *Arrangement contains a Lease* is mandatory for annual periods beginning on or after 1 January 2011.

This Interpretation requires the determination of whether an arrangement is, or contains, a lease based on an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and whether the arrangement conveys a right to use the asset. This assessment shall be made at the inception of the arrangement and subsequently reassessed if certain condition(s) in the Interpretation is met.

The Group does not expect any impact on the financial statements arising from the adoption of this Interpretation because there are no arrangements dependent on the use of specific assets in the Group.

(f) IC Interpretation 18 *Transfers of Assets from Customers* is mandatory for annual periods beginning on or after 1 January 2011.

This Interpretation applies to agreements in which an entity receives from a customer an item of property, plant and equipment that must be used to either connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services. The entity receiving the transferred item is required to assess whether the transferred item meets the definition of an asset set out in the Framework. The credit entry would be accounted for as revenue in accordance with FRS 118.

The Group does not expect any impact on the financial statements arising from the adoption of this Interpretation because there are no such arrangements in the Group.

(g) IC Interpretation 15 *Agreements for the Construction of Real Estate* is mandatory for annual periods beginning on or after 1 January 2012.

This Interpretation applies to the accounting for revenue and associated expenses by entities undertaking construction or real estate directly or via subcontractors. Within a single agreement, the Group may contract to deliver goods or services in addition to the construction of real estate. Such an agreement shall therefore, be split into separately identifiable components.

An agreement for the construction of real estate shall be accounted for in accordance with FRS 111 if the buyer is able to specify the major structural elements of the design of the real estate before construction begins and/or specify major structural changes once construction is in progress. Accordingly, revenue shall be recognised by reference to the stage of completion of the contract.

An agreement for the construction of real estate in which buyers only have limited ability to influence the design of the real estate or to specify only minor variations to the basic designs is an agreement for the sale of goods in accordance with FRS 118. Accordingly, revenue shall be recognised by reference to the criteria in paragraph 14 of FRS 118 (e.g. transfer of significant risks and rewards, no continuing managerial involvement nor effective control, reliable measurement, etc.).

At the end of the reporting period, the Group recognises revenue and associated costs from the construction of real estate by reference to the stage of completion of the construction works. The Group is in the process of assessing the impact of implementing this Interpretation since the effects would only be observable for the financial year ending 30 June 2013.

## 5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (continued)

### 5.2 New FRSs that have been issued, but not yet effective and not yet adopted (continued)

(h) *Improvements to FRSs (2010)* are mandatory for annual periods beginning on or after 1 January 2011.

Amendments to FRS 1 clarify that FRS 108 does not apply to changes in accounting policies made upon adoption of FRSs until after the first FRS financial statements have been presented. If changes in accounting policies or exemptions in this FRS are used, an explanation of such changes together with updated reconciliations shall be made in each interim financial report. Entities whose operations are subject to rate regulation are permitted the use of previously revalued amounts as deemed cost. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Amendments to FRS 3 clarify that for each business combination, the acquirer shall measure at the acquisition date non-controlling interests that consists of the present ownership interests and entitle holders to a proportionate share of the entity's net assets in the event of liquidation. Un-replaced and voluntarily replaced share-based payment transactions shall be measured using the market-based measurement method in accordance with FRS 2 at the acquisition date. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Amendments to FRS 7 clarify that quantitative disclosures of risk concentrations are required if the disclosures made in other parts of the financial statements are not readily apparent. The disclosure on maximum exposure to credit risk is not required for financial instruments whose carrying amount best represents the maximum exposure to credit risk. The Group expects to improve the disclosures on maximum exposure to credit risk upon adoption of these amendments.

Amendments to FRS 101 clarify that a statement of changes in equity shall be presented as part of a complete set of financial statements. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Amendments to FRS 121 *The Effects of Changes in Foreign Exchange Rates* clarify that the accounting treatment for cumulative foreign exchange differences in other comprehensive income for the disposal or partial disposal of a foreign operation shall be applied prospectively. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Amendments to FRS 128 clarify that the accounting treatment for the cessation of significant influence over an associate shall be applied prospectively. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Amendments to FRS 131 clarify that the accounting treatment for the cessation of joint control over an entity shall be applied prospectively. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Amendments to FRS 132 clarify that contingent consideration from a business combination that occurred before the effective date of the revised FRS 3 of 1 July 2010 shall be accounted for prospectively. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Amendments to FRS 134 clarify that updated information on significant events and transactions since the end of the last annual reporting period shall be included in the Group's interim financial report. Although the Group does not expect any impact on the financial statements rising from the adoption of these amendments, it is expected that additional disclosures would be made in the quarterly interim financial statements of the Group.

Amendments to FRS 139 clarify that contingent consideration from a business combination that occurred before the effective date of the revised FRS 3 of 1 July 2010 shall be accounted for prospectively. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Amendments to IC Interpretation 13 clarify that the fair value of award credits takes into account, amongst others, the amount of the discounts or incentives that would otherwise be offered to customers who have not earned award credits from an initial sale. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

**5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (continued)**

**5.2 New FRSs that have been issued, but not yet effective and not yet adopted (continued)**

(i) Amendments to IC Interpretation 14 *FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* are mandatory for annual periods beginning on or after 1 July 2011.

These amendments clarify that if there is a minimum funding requirement for contributions relating to future service, the economic benefit available as a reduction in future contributions shall include any amount that reduces future minimum funding requirement contributions for future service because of the prepayment made.

The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

(j) IC Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments* is mandatory for annual periods beginning on or after 1 July 2011.

This Interpretation applies to situations whereby equity instruments are issued to a creditor to extinguish all or part of a recognised financial liability. Such equity instruments shall be measured at fair value, and the difference between the carrying amount of the financial liability extinguished and the consideration paid shall be recognised in profit or loss.

The Group does not expect any impact on the financial statements arising from the adoption of this Interpretation.

(k) FRS 124 *Related Party Disclosures* and the consequential amendments to FRS 124 are mandatory for annual periods beginning on or after 1 January 2012.

This revised Standard simplifies the definition of a related party and eliminates certain inconsistencies within the superseded version. In addition to this, transactions and balances with government-related entities are broadly exempted from the disclosure requirements of the Standard.

The Group expects to reduce related party disclosures in respect of transactions and balances with government-related entities upon adoption of this Standard.

**6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS**

**6.1 Changes in estimates**

Estimates 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 Directors are of the opinion that there are no significant changes in estimates at the end of the reporting period.

**6.2 Critical judgements made in applying accounting policies**

The following are judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

(a) Operating lease commitments – the Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out as operating leases.

## 6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

### 6.2 Critical judgements made in applying accounting policies (continued)

(b) Impairment of available-for-sale investments

The Group assesses its equity shares and warrants classified as available-for-sale investments at the end of each reporting period whether there has been a significant or prolonged decline in the fair value below their cost.

The determination of what is 'significant' or 'prolonged' requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is below its cost.

(c) Contingent liabilities

The determination of treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies for matters in the ordinary course of the business.

### 6.3 Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Impairment of goodwill on consolidation

The Group determines whether goodwill on consolidation is impaired at least on an annual basis. This requires an estimation of the value-in-use of the subsidiaries to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the subsidiaries and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are disclosed in Note 8 to the financial statements.

(b) Useful lives of property, plant and equipment

The Group estimates the useful lives of property, plant and equipment at the time the assets are acquired based on historical experience, the expected usage, wear and tear of the assets, and technical obsolescence arising from changes in the market demands or service output of the assets. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to changes in factors mentioned above. Changes in these factors could impact the useful lives and the residual values of the assets, therefore future depreciation charges could be revised.

(c) Property development

The Group recognises property development revenue and expenses in profit or loss by using the percentage of completion method. The stage of completion is determined by the proportion of property development costs incurred for work performed to date bear to the estimated total property development costs.

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

(d) Construction contract

The Group recognises construction contract revenue and expenses in profit or loss by using the stage of completion method. The stage of completion is determined by reference to surveys of work performed.

Significant judgement is required in determining the stage of completion, the extent of the progress billings issued, the estimated total construction revenue and costs, as well as the recoverability of the construction projects and determination of liquidated and ascertained damages. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

**6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)**

**6.3 Key sources of estimation uncertainty (continued)**

(e) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and deductible temporary differences to the extent that it is probable that taxable profits will be available against which the losses, capital allowances and deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(f) Impairment of receivables

The Group makes impairment of receivables based on an assessment of the recoverability of receivables. Impairment is applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Judgement is required to evaluate the adequacy of impairment, including review of credit worthiness and the past collection history of each receivable. Where expectations differ from the original estimates, the differences will impact the carrying amount of receivables.

(g) Write down for obsolete or slow moving inventories

The Group writes down its obsolete or slow moving inventories based on assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses sales trend and current economic trends when making a judgement to evaluate the adequacy of the write down for obsolete or slow moving inventories. Where expectations differ from the original estimates, the differences will impact the carrying amount of inventories.

(h) Impairment of investments in subsidiaries

Investments in subsidiaries are assessed for impairment losses whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. Such assessment requires the Directors to make estimates of the recoverable amounts. Impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an asset's fair value less cost to sell and its value in use.

(i) Fair values of borrowings

The fair values of borrowings are estimated by discounting future contractual cash flows at the current market interest rates available to the Group for similar financial instruments. It is assumed that the effective interest rates approximate the current market interest rates available to the Group based on its size and its business risk.

## 7. PROPERTY, PLANT AND EQUIPMENT

| Group | Balance as at 1.7.2010, as restated RM'000 | Additions RM'000 | Disposals RM'000 | Write off RM'000 | Depreciation charge for the financial year (Note 7(a)) RM'000 | Reclassifications RM'000 | Translation adjustments RM'000 | Balance as at 30.6.2011 RM'000 |
|---|---|---|---|---|---|---|---|---|
| **Carrying amount** | | | | | | | | |
| Freehold hotel properties | 133,797 | 1,661 | - | - | (4,058) | 36,511 | 849 | 168,760 |
| Leasehold hotel properties | 63,146 | 218 | - | - | (1,619) | - | - | 61,745 |
| Freehold golf course | 15,332 | - | - | - | - | - | - | 15,332 |
| Freehold land | 47,216 | 1 | - | - | - | - | 930 | 48,147 |
| Long term leasehold land | 11,843 | - | - | - | (148) | - | - | 11,695 |
| Short term leasehold land | 1,568 | - | - | - | (32) | - | (266) | 1,270 |
| Buildings and improvements | 41,555 | 89 | - | - | (1,134) | 17,674 | (452) | 57,732 |
| Jetty and infrastructure | 23,347 | - | - | - | (585) | - | - | 22,762 |
| Plant, machinery and electrical installation | 14,692 | 8,659 | (123) | - | (4,962) | - | (443) | 17,823 |
| Motor vehicles and boats | 2,518 | 1,293 | - | - | (1,006) | - | (20) | 2,785 |
| Hotel furniture, fittings and equipment | 20,367 | 3,046 | (82) | (336) | (3,486) | 2,141 | 167 | 21,817 |
| Furniture, fittings and equipment | 10,037 | 1,989 | (117) | (112) | (2,703) | - | (10) | 9,084 |
| Computers | 1,059 | 388 | (3) | (10) | (408) | - | - | 1,026 |
| Construction-in-progress | 46,473 | 10,100 | - | - | - | (56,326) | - | 247 |
| | 432,950 | 27,444 | (325) | (458) | (20,141) | - | 755 | 440,225 |

**7. PROPERTY, PLANT AND EQUIPMENT (continued)**

| Group | At 30.6.2011<br>Cost<br>RM'000 | Accumulated depreciation<br>RM'000 | Carrying amount<br>RM'000 |
|---|---|---|---|
| Freehold hotel properties | 186,304 | (17,544) | 168,760 |
| Leasehold hotel properties | 71,772 | (10,027) | 61,745 |
| Freehold golf course | 15,332 | - | 15,332 |
| Freehold land | 48,147 | - | 48,147 |
| Long term leasehold land | 12,979 | (1,284) | 11,695 |
| Short term leasehold land | 1,406 | (136) | 1,270 |
| Buildings and improvements | 67,177 | (9,445) | 57,732 |
| Jetty and infrastructure | 29,466 | (6,704) | 22,762 |
| Plant, machinery and electrical installation | 77,834 | (60,011) | 17,823 |
| Motor vehicles and boats | 9,218 | (6,433) | 2,785 |
| Hotel furniture, fittings and equipment | 70,516 | (48,699) | 21,817 |
| Furniture, fittings and equipment | 26,144 | (17,060) | 9,084 |
| Computers | 5,489 | (4,463) | 1,026 |
| Construction-in-progress | 247 | - | 247 |
| | 622,031 | (181,806) | 440,225 |

## 7. PROPERTY, PLANT AND EQUIPMENT (continued)

| Group | Balance as at 1.7.2009, as restated RM'000 | Additions RM'000 | Disposals RM'000 | Write off RM'000 | Depreciation charge for the financial year (Note 7(a)) RM'000 | Reclassifications RM'000 | Translation adjustments RM'000 | Balance as at 30.6.2010, as restated RM'000 |
|---|---|---|---|---|---|---|---|---|
| **Carrying amount** | | | | | | | | |
| Freehold hotel properties | 137,231 | 149 | - | - | (3,442) | - | (141) | 133,797 |
| Leasehold hotel properties | 64,321 | 445 | - | - | (1,620) | - | - | 63,146 |
| Freehold golf course | 15,332 | - | - | - | - | - | - | 15,332 |
| Freehold land | 47,376 | - | - | - | - | - | (160) | 47,216 |
| Long term leasehold land | 10,725 | 1,262 | - | - | (144) | - | - | 11,843 |
| Short term leasehold land | 1,889 | - | - | - | (38) | - | (283) | 1,568 |
| Buildings and improvements | 41,386 | 991 | - | - | (1,095) | 671 | (398) | 41,555 |
| Jetty and infrastructure | 23,936 | 4 | - | - | (593) | - | - | 23,347 |
| Plant, machinery and electrical installation | 15,558 | 2,569 | (16) | - | (2,942) | - | (477) | 14,692 |
| Motor vehicles and boats | 2,113 | 1,274 | (23) | - | (823) | - | (23) | 2,518 |
| Hotel furniture, fittings and equipment | 20,811 | 3,203 | (20) | (159) | (3,498) | 31 | (1) | 20,367 |
| Furniture, fittings and equipment | 9,445 | 2,691 | (85) | (97) | (1,928) | 20 | (9) | 10,037 |
| Computers | 1,117 | 340 | (4) | (8) | (385) | - | (1) | 1,059 |
| Construction-in-progress | 12,480 | 34,715 | - | - | - | (722) | - | 46,473 |
| | 403,720 | 47,643 | (148) | (264) | (16,508) | - | (1,493) | 432,950 |

**7. PROPERTY, PLANT AND EQUIPMENT (continued)**

| Group | At 30.6.2010 Cost (Restated) RM'000 | Accumulated depreciation (Restated) RM'000 | Carrying amount (Restated) RM'000 |
|---|---|---|---|
| Freehold hotel properties | 147,236 | (13,439) | 133,797 |
| Leasehold hotel properties | 71,554 | (8,408) | 63,146 |
| Freehold golf course | 15,332 | - | 15,332 |
| Freehold land | 47,216 | - | 47,216 |
| Long term leasehold land | 12,978 | (1,135) | 11,843 |
| Short term leasehold land | 1,696 | (128) | 1,568 |
| Buildings and improvements | 49,881 | (8,326) | 41,555 |
| Jetty and infrastructure | 29,466 | (6,119) | 23,347 |
| Plant, machinery and electrical installation | 69,890 | (55,198) | 14,692 |
| Motor vehicles and boats | 9,521 | (7,003) | 2,518 |
| Hotel furniture, fittings and equipment | 66,191 | (45,824) | 20,367 |
| Furniture, fittings and equipment | 24,840 | (14,803) | 10,037 |
| Computers | 5,260 | (4,201) | 1,059 |
| Construction-in-progress | 46,473 | - | 46,473 |
| | 597,534 | (164,584) | 432,950 |

| Company | Balance as at 1.7.2010 RM'000 | Additions RM'000 | Disposals RM'000 | Depreciation charge for the financial year RM'000 | Balance as at 30.6.2011 RM'000 |
|---|---|---|---|---|---|
| **Carrying amount** | | | | | |
| Computers | **167** | **31** | **-** | **(49)** | **149** |
| Furniture, fittings and equipment | **219** | **90** | **-** | **(36)** | **273** |
| Motor vehicles | **234** | **-** | **-** | **(81)** | **153** |
| | **620** | **121** | **-** | **(166)** | **575** |

| | At 30.6.2011 Cost RM'000 | Accumulated depreciation RM'000 | Carrying amount RM'000 |
|---|---|---|---|
| Computers | **535** | **(386)** | **149** |
| Furniture, fittings and equipment | **764** | **(491)** | **273** |
| Motor vehicles | **400** | **(247)** | **153** |
| | **1,699** | **(1,124)** | **575** |

**7. PROPERTY, PLANT AND EQUIPMENT (continued)**

| Company | Balance as at 1.7.2009 RM'000 | Additions RM'000 | Disposals RM'000 | Depreciation charge for the financial year RM'000 | Balance as at 30.6.2010 RM'000 |
|---|---|---|---|---|---|
| **Carrying amount** | | | | | |
| Computers | 140 | 67 | - | (40) | 167 |
| Furniture, fittings and equipment | 116 | 133 | (1) | (29) | 219 |
| Motor vehicles | 311 | - | - | (77) | 234 |
| | 567 | 200 | (1) | (146) | 620 |

| | At 30.6.2010 | | |
|---|---|---|---|
| | Cost RM'000 | Accumulated depreciation RM'000 | Carrying amount RM'000 |
| Computers | 509 | (342) | 167 |
| Furniture, fittings and equipment | 676 | (457) | 219 |
| Motor vehicles | 400 | (166) | 234 |
| | 1,585 | (965) | 620 |

(a) The depreciation charge for the financial year is allocated as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2011 RM'000 | 2010 (Restated) RM'000 | 2011 RM'000 | 2010 RM'000 |
| Income Statements | **17,084** | 15,338 | **166** | 146 |
| Amount due from customers for contract works (Note 15) | **3,057** | 1,170 | **-** | - |
| | **20,141** | 16,508 | **166** | 146 |

**7. PROPERTY, PLANT AND EQUIPMENT (continued)**

(b) Security

The freehold land and buildings of the Group with a carrying amount of RM22,006,000 (2010: RM11,073,000) have been pledged to banks for credit facilities granted to the Group and the Company (Note 22).

The freehold land with buildings classified as hotel properties of the Group with a carrying amount of RM181,221,000 (2010: RM149,943,000) have been pledged to banks for credit facilities granted to the Group and the Company (Note 22).

In the previous financial year, leasehold land of the Group with a carrying value of RM5,210,000 were pledged to licensed financial institutions to secure banking facilities granted to the Group (Note 22).

Other property, plant and equipment of the Group with a carrying amount of RM4,606,000 (2010: RM46,367,000) have been pledged to banks for credit facilities granted to the Group (Note 22).

(c) During the financial year, the Group reassessed its leases of land in accordance with the Amendment to FRS 117 to be finance leases. The classification of prepaid lease payments for land as property, plant and equipment has been accounted for retrospectively. The effects of the reclassifications are shown in Note 40 to the financial statements.

**8. INTANGIBLE ASSETS**

| | Group | |
|---|---|---|
| | **2011** | **2010** |
| | **RM'000** | **RM'000** |
| ***Goodwill*** | | |
| **Cost** | | |
| Balance as at 30 June | **6,615** | 6,615 |
| **Less: Impairment loss** | | |
| Balance as at 1 July | **(2,047)** | (1,023) |
| Charge for the financial year | **-** | (1,024) |
| Balance as at 30 June | **(2,047)** | (2,047) |
| **Carrying amount** | **4,568** | 4,568 |

***Impairment testing for cash-generating units containing goodwill***

For the purpose of impairing testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The aggregate carrying amounts of goodwill allocated to each unit are as follows:

| | Group | |
|---|---|---|
| | **2011** | **2010** |
| | **RM'000** | **RM'000** |
| Manufacturing and trading | **2,183** | 2,183 |
| Hotel and leisure | **2,385** | 2,385 |
| | **4,568** | 4,568 |

**8. INTANGIBLE ASSETS (continued)**

The recoverable amounts of the operating divisions have been determined based on value in use calculations using cash flow projections from financial budgets approved by management covering a five-year period.

Value in use was determined by discounting the future cash flows generated from the continuing use of the unit based on actual operating results and management's assessment of future trends in the respective industries derived from both external sources and internal sources (internal data) and based on the following key assumptions:

(i) Revenue is projected to grow at rates ranging from 5% to 10% over the next five years with gradual improvement in the pre-tax margin.

(ii) Pre-tax discount rate of 9% was applied to the cash flow projections. The discount rate was estimated based on the Group's weighted average cost of capital.

(iii) Terminal value representing the projected net assets of the operating divisions at end of year five.

With regard to the assessment of value in use, the management is of the view that no reasonably possible change in any of the above key assumptions would cause the carrying amount of the goodwill to materially differ from its recoverable amount.

Based on the above computation, the recoverable amounts of each operating division are higher than the carrying amount of goodwill. Therefore, no additional impairment loss was recognised during the financial year.

In the previous financial year, an impairment loss on goodwill amounting to RM1,024,000 relating to a subsidiary, PJD Malta Sdn. Bhd., had been recognised due to declining business as a result of transfer of its business operations to another subsidiary, PJDCP Malta Sdn. Bhd..

**9. INVESTMENT PROPERTIES**

| Group | Balance as at 1.7.2010 RM'000 | Additions RM'000 | Adjust- ments* RM'000 | Disposals RM'000 | Write off RM'000 | Depreciation charge for the financial year RM'000 | Balance as at 30.6.2011 RM'000 |
|---|---|---|---|---|---|---|---|
| **Carrying amount** | | | | | | | |
| Freehold land | 55,458 | - | - | (2,785) | - | - | 52,673 |
| Buildings | 107,171 | 509 | (2,487) | (1,866) | (710) | (4,212) | 98,405 |
| | 162,629 | 509 | (2,487) | (4,651) | (710) | (4,212) | 151,078 |

* Adjustments due to over accrual for construction cost in prior year.

| | At 30.6.2011 | | |
|---|---|---|---|
| | Cost RM'000 | Accumulated depreciation RM'000 | Carrying amount RM'000 |
| Freehold land | 52,673 | - | 52,673 |
| Buildings | 105,264 | (6,859) | 98,405 |
| | 157,937 | (6,859) | 151,078 |

**Fair Value**

| | |
|---|---|
| At 30 June 2011 | 259,274 |

**9. INVESTMENT PROPERTIES (continued)**

| Group | Balance as at 1.7.2009 RM'000 | Additions RM'000 | Disposals RM'000 | Transfer from property development costs (Note 16) RM'000 | Depreciation charge for the financial year RM'000 | Balance as at 30.6.2010 RM'000 |
|---|---|---|---|---|---|---|
| **Carrying amount** | | | | | | |
| Freehold land | 15,967 | - | (1,160) | 40,651 | - | 55,458 |
| Buildings | 18,162 | 139 | - | 91,317 | (2,447) | 107,171 |
| | 34,129 | 139 | (1,160) | 131,968 | (2,447) | 162,629 |

| | At 30.6.2010 | | |
|---|---|---|---|
| | Cost RM'000 | Accumulated depreciation RM'000 | Carrying amount RM'000 |
| Freehold land | 55,458 | - | 55,458 |
| Buildings | 110,453 | (3,282) | 107,171 |
| | 165,911 | (3,282) | 162,629 |
| **Fair Value** | | | |
| At 30 June 2010 | | | 194,733 |

Investment properties comprise a number of shop lots, condominium units, supermarket premises and office cum commercial premise that are leased to third parties. Each of the leases contains an initial non-cancellable period of one year except for the two units of supermarket premises and the office cum commercial premise which contain an initial non-cancellable period of six years and three years respectively. Subsequent renewals are negotiated with the lessee. No contingent rents are charged.

The fair value of the investment properties were derived from transaction prices for similar types of properties obtained from property agencies.

Investment properties of certain subsidiaries with a carrying value of RM146,603,000 (2010: RM153,742,000) are pledged to licensed financial institutions to secure banking facilities granted to the Company and certain subsidiaries (Note 22).

**9. INVESTMENT PROPERTIES (continued)**

Direct operating expenses arising from investment properties during the financial year are as follow:

| | Group | |
|---|---|---|
| | **2011 RM'000** | **2010 RM'000** |
| **Generating rental income** | | |
| Building insurance | **116** | 90 |
| Service charges | **48** | 51 |
| Quit rent and assessment | **1,564** | 237 |
| Security service | **382** | 258 |
| Maintenance | **440** | 272 |
| Utilities | **2,263** | 1,159 |
| Other expenses | **11** | 18 |
| | **4,824** | 2,085 |
| **Non-generating rental income** | | |
| Quit rent and assessment | **20** | 34 |
| Security services | **12** | 12 |
| Building insurance | **7** | 7 |
| Other expenses | **1** | 3 |
| | **40** | 56 |

**10. INVESTMENTS IN SUBSIDIARIES**

| | Company | |
|---|---|---|
| | **2011 RM'000** | **2010 RM'000** |
| Unquoted equity shares, at cost | **532,193** | 529,193 |
| Less: Impairment loss | **(10,667)** | (8,475) |
| | **521,526** | 520,718 |

**10. INVESTMENTS IN SUBSIDIARIES (continued)**

The details of the subsidiaries are as follows:

| Name of company | Country of incorporation | Equity interest 2011 % | Equity interest 2010 % | Principal activities |
|---|---|---|---|---|
| Bindev Sdn. Bhd. | Malaysia | **100** | 100 | Property development |
| Bunga Development Sdn. Bhd. and its subsidiary | Malaysia | **100** | 100 | Property development |
| Kulai Management Services Sdn. Bhd. | Malaysia | **100** | 100 | Provision of property management services |
| DLHA Management Services Sdn. Bhd. | Malaysia | **100** | 99 | Provision of property management services |
| Eframe Sdn. Bhd. | Malaysia | **100** | 100 | Software consultancy, product development and maintenance |
| Eframe Solutions Sdn. Bhd. | Malaysia | **100** | 100 | Software consultancy, product development and maintenance |
| Harbour Place Management Services Sdn. Bhd. | Malaysia | **100** | 100 | Provision of property management services |
| HTR Management Services Sdn. Bhd. | Malaysia | **100** | 100 | Provision of property management services |
| Kota Mulia Sdn. Bhd. and its subsidiaries | Malaysia | **100** | 100 | Property development and investment |
| Rose Villa Management Services Sdn. Bhd. | Malaysia | **100** | 100 | Dormant |
| PTC Management Services Sdn. Bhd. | Malaysia | **100** | 100 | Provision of property management services |
| OCC Cables Berhad and its subsidiaries | Malaysia | **100** | 100 | Investment holding |
| Olympic Cable Company Sdn. Bhd. and its subsidiaries | Malaysia | **100** | 100 | Manufacturing and sale of cables and wires |
| Olympic Cable (Singapore) Pte. Ltd. and its subsidiary* | Singapore | **100** | 100 | Investment holding and trading of cable products |
| OVI Cables (Vietnam) Co. Ltd.* | Vietnam | **100** | 100 | Manufacturing and sale of cables and wires |
| PJ Exim Sdn. Bhd. | Malaysia | **100** | 100 | Trading of cable products |
| Olympic Properties Sdn. Bhd. | Malaysia | **100** | 100 | Property investment |
| Pengerang Jaya Pte. Ltd.* and its subsidiaries | Singapore | **100** | 100 | Investment holding |
| Pengerang Jaya Investment Pte. Ltd.* | Singapore | **100** | 100 | Investment holding |

## 10. INVESTMENTS IN SUBSIDIARIES (continued)

| Name of company | Country of incorporation | Equity interest 2011 % | Equity interest 2010 % | Principal activities |
|---|---|---|---|---|
| Pengerang Jaya Pte. Ltd.* and its subsidiaries (continued) | | | | |
| P.J. (A) Pty. Limited | Australia | **100** | 100 | Investment holding and hotel business |
| PJ Equity Sdn. Bhd. | Malaysia | **100** | 100 | Investment holding |
| PJD Construction Sdn. Bhd. and its subsidiaries | Malaysia | **100** | 100 | Construction |
| PJDC International Sdn. Bhd. and its subsidiary | Malaysia | **100** | 100 | Investment holding |
| PJDCI Co., Ltd. and its subsidiary* | Thailand | **78.5** | 78.5 | Investment holding |
| PJDC Co., Ltd.* | Thailand | **88.5** | 88.5 | Construction |
| PJD Eastern Land Sdn. Bhd. | Malaysia | **100** | 100 | Property development and investment |
| PJD Hotels Sdn. Bhd. and its subsidiaries | Malaysia | **100** | 100 | Investment holding and hotel and restaurant business |
| Damai Laut Golf Resort Sdn. Bhd. | Malaysia | **99** | 99 | Development and investment in resort property, hotel and restaurant business and operation of golf course |
| MM Hotels Sdn. Bhd. | Malaysia | **100** | 100 | Hotel and restaurant business |
| Swiss-Garden Management Services Sdn. Bhd. | Malaysia | **100** | 100 | Hotel and restaurant business |
| PJD Land Sdn. Bhd. | Malaysia | **100** | 100 | Leasing of office cum commercial building |
| PJD Landmarks Sdn. Bhd. | Malaysia | **100** | 100 | Property development |
| PJD Malta Sdn. Bhd. | Malaysia | **100** | 100 | Trading of building materials |
| PJD Management Services Sdn. Bhd. | Malaysia | **100** | 100 | Provision of property management and facilities services |
| PJD-MM2H Sdn. Bhd. | Malaysia | **100** | 100 | Licensed agent to handle applications for Malaysia My Second Home programme |
| PJD Pravest Sdn. Bhd. | Malaysia | **100** | 100 | Property development |
| PJD Properties Management Sdn. Bhd. | Malaysia | **100** | 100 | Provision of project management services |

**10. INVESTMENTS IN SUBSIDIARIES (continued)**

| Name of company | Country of incorporation | Equity interest 2011 % | 2010 % | Principal activities |
|---|---|---|---|---|
| PJD Realty Sdn. Bhd. | Malaysia | **100** | 100 | Investment holding |
| PJD Regency Sdn. Bhd. | Malaysia | **100** | 100 | Property development |
| PJD Sejahtera Sdn. Bhd. | Malaysia | **100** | 100 | Property development |
| PJDCP Malta Sdn. Bhd. and its subsidiaries | Malaysia | **100** | 100 | Manufacturing and sale of roofing tiles and concrete wall panels and trading of building materials |
| Acotec-Concrete Products Sdn. Bhd. | Malaysia | **100** | 100 | Property investment and rental services |
| PJD Concrete Land (JB) Sdn. Bhd. | Malaysia | **100** | 100 | Property investment |
| PJD Concrete Land (South) Sdn. Bhd. | Malaysia | **100** | 100 | Property investment |
| PKM Management Services Sdn. Bhd. | Malaysia | **100** | 100 | Provision of property management services |
| Putri Kulai Sdn. Bhd. | Malaysia | **100** | 100 | Property investment |
| Superville Sdn. Bhd. | Malaysia | **100** | 100 | Property development |
| Swiss-Garden International Vacation Club Berhad | Malaysia | **100** | 100 | Operation and management of timeshare membership scheme |
| Swiss-Garden Hotel Management Sdn. Bhd. | Malaysia | **100** | 100 | Hotel management and consultancy services |
| Swiss-Garden International Sdn. Bhd. and its subsidiaries | Malaysia | **100** | 100 | Hotel management and consultancy services |
| Swiss-Garden International Limited | British Virgin Islands | **100** | 100 | Hotel management and consultancy services |
| Swiss-Garden International Hotels & Resorts (Australia) Pty. Ltd.** | Australia | **100** | 100 | Hotel management and consultancy services |
| Swiss-Garden International Limited** | United Kingdom | **100** | 100 | Dormant |
| Swiss-Garden Rewards Sdn. Bhd. and its subsidiary | Malaysia | **70** | 70 | Marketing of timeshare memberships |
| Swiss-Garden Rewards (Singapore) Pte. Ltd.* | Singapore | **70** | 70 | Agent providing services to hotel companies |

* Audited by member firms of BDO International.
** Not required to be audited and was consolidated using management financial statements.

**10. INVESTMENTS IN SUBSIDIARIES (continued)**

On 18 February 2011 and 13 April 2011, the Company subscribed for additional 1,000,000 and 2,000,000 ordinary shares of RM1.00 each in its subsidiaries, Kota Mulia Sdn. Bhd. and Swiss-Garden International Vacation Club Berhad respectively, for cash consideration of RM1,000,000 and RM2,000,000 respectively.

On 1 April 2011, the Company acquired the entire paid up capital of its indirect subsidiary, DLHA Management Services Sdn. Bhd. ('DMSSB'), from its subsidiary, Damai Laut Golf Resort Sdn. Bhd., for a cash consideration of RM2. With effect from the same date, DMSSB became a direct subsidiary of the Company.

An additional impairment loss on investment in a subsidiary, PJD Malta Sdn. Bhd. amounting to RM2,192,000 had been recognised during the financial year due to declining business operations as a result of the transfer of its business operations to another subsidiary, PJDCP Malta Sdn. Bhd..

**11. INVESTMENTS IN ASSOCIATES**

| | Group | |
|---|---|---|
| | **2011** | **2010** |
| | **RM'000** | **RM'000** |
| Unquoted equity shares in Malaysia, at cost | **2** | 2 |
| Unquoted equity shares in overseas, at cost | **23,919** | 23,919 |
| | **23,921** | 23,921 |
| Share of post acquisition reserves, net of dividends received | **29,082** | 20,458 |
| | **53,003** | 44,379 |

The details of the associates are as follows:

| | | Group Equity interest | | |
|---|---|---|---|---|
| **Name of company** | **Country of incorporation** | **2011 %** | **2010 %** | **Principal activities** |
| Sun-PJDC Sdn. Bhd. * | Malaysia | **50.00** | 50.00 | Securing and carrying out construction contracts |
| Equity & Property Investment Corporation Limited ** | Australia | **27.40** | 27.40 | Property investment, property development and equity investment |

* Equity accounted using management financial statements.

** Audited by member firms of BDO International.

**11. INVESTMENTS IN ASSOCIATES (continued)**

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

| | Group | |
|---|---|---|
| | **2011** | **2010** |
| | **RM'000** | **RM'000** |
| **Assets and liabilities** | | |
| Non-current assets | **76,937** | 28,505 |
| Current assets | **122,883** | 136,471 |
| Total assets | **199,820** | 164,976 |
| Current liabilities | **6,401** | 3,030 |
| Total liabilities | **6,401** | 3,030 |

| | Group | |
|---|---|---|
| | **2011** | **2010** |
| | **RM'000** | **RM'000** |
| **Results** | | |
| Revenue | **9,154** | 6,407 |
| Profit for the financial year | **4,956** | 3,654 |

(b) The Group does not recognise its further share of losses of the associate, Sun-PJDC Sdn. Bhd., during the current and previous financial years as the carrying amount of this investment had been reduced to nil. The unrecognised results are as follows:

| | Group | |
|---|---|---|
| | **2011** | **2010** |
| | **RM'000** | **RM'000** |
| Loss for the financial year | ***** | 2 |
| Accumulated losses | **11** | 11 |

* Amount is less than RM1,000.

## 12. OTHER INVESTMENTS

| Group | Carrying amount RM'000 | Market value of quoted investments RM'000 |
|---|---|---|
| **2011** | | |
| **Non-current** | | |
| Available-for-sale financial assets | | |
| - Unquoted shares (within Malaysia) | **612** | **-** |
| - Quoted warrants (within Malaysia) | **349** | **349** |
| - Quoted shares (within Malaysia) | **62,283** | **62,283** |
| | **63,244** | **62,632** |
| **2010** | | |
| **Non-current** | | |
| - Unquoted shares (within Malaysia), at cost | 34 | - |
| - Quoted shares (within Malaysia), at cost | 61,843 | 50,286 |
| Less: Impairment loss | (12,123) | - |
| | 49,720 | 50,286 |
| | 49,754 | 50,286 |

Certain quoted shares in Malaysia with a carrying amount of RM56,546,000 (2010: RM45,578,000) have been pledged to licensed financial institutions as security for banking facilities granted to the Company (Note 22).

The quoted investments comprise of investments in companies in which certain Directors and close members of their families have interests.

The comparative figures have not been presented based on the new categorisation of financial assets resulting from the adoption of FRS 139 by virtue of the exemption given in FRS 7.44AA.

Information on the fair value hierarchy is disclosed in Note 37(d) to the financial statements.

## 13. LAND HELD FOR PROPERTY DEVELOPMENT

| | | Group | |
|---|---|---|---|
| | Note | 2011 RM'000 | 2010 RM'000 |
| **Carrying amount** | | | |
| Opening balance | | **143,284** | 140,654 |
| Additions | | **35,000** | 5,763 |
| Translation adjustment | | **(57)** | (86) |
| Transfer to property development costs | 16 | **(11,331)** | (3,047) |
| Closing balance | | **166,896** | 143,284 |
| Representing: | | | |
| Land | | **139,221** | 123,369 |
| Land development costs | | **27,675** | 19,915 |
| | | **166,896** | 143,284 |

Included in the land held for property development is the following charge incurred during the financial year:

| | Group | |
|---|---|---|
| | 2011 RM'000 | 2010 RM'000 |
| Interest expense | **1,743** | 1,380 |

Interest is capitalised in land held for property development at rates ranging from 4.00% to 7.80% (2010: 4.00% to 7.55%) per annum.

Certain land held for property development with a carrying amount of RM35,158,000 (2010: RM54,718,000) have been pledged to licensed banks for banking facilities granted to certain subsidiaries (Note 22).

## 14. DEFERRED TAX

(a) The deferred tax assets and liabilities are made up of the following:

| | Group | |
|---|---|---|
| | 2011 RM'000 | 2010 RM'000 |
| Opening balance | **14,974** | 13,433 |
| Tax effect on adoption of FRS 139 | **(404)** | - |
| Restated balance as at 1 July | **14,570** | 13,433 |
| Recognised in profit or loss (Note 29) | **2,892** | 1,541 |
| Closing balance | **17,462** | 14,974 |
| Presented after appropriate offsetting: | | |
| Deferred tax assets, net | **(5,333)** | (5,112) |
| Deferred tax liabilities, net | **22,795** | 20,086 |
| | **17,462** | 14,974 |

**14. DEFERRED TAX (continued)**

(b) The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

**Deferred tax liabilities of the Group**

| | Property development costs RM'000 | Property, plant and equipment RM'000 | Set off of tax RM'000 | Fair value adjustments RM'000 | Total RM'000 |
|---|---|---|---|---|---|
| At 1 July 2009 | (6,787) | (17,359) | 7,232 | 87 | (16,827) |
| Recognised in profit or loss | - | (1,434) | (1,825) | - | (3,259) |
| At 30 June 2010 | (6,787) | (18,793) | 5,407 | 87 | (20,086) |
| Recognised in profit or loss | - | (8,312) | 5,780 | (177) | (2,709) |
| At 30 June 2011 | **(6,787)** | **(27,105)** | **11,187** | **(90)** | **(22,795)** |

**Deferred tax assets of the Group**

| | Allowances RM'000 | Unused tax losses and unabsorbed capital allowances RM'000 | Property, plant and equipment and investment properties RM'000 | Property development costs and inventories RM'000 | Set off of tax RM'000 | Fair value adjustments RM'000 | Total RM'000 |
|---|---|---|---|---|---|---|---|
| At 1 July 2009 | 787 | 8,030 | - | 1,809 | (7,232) | - | 3,394 |
| Recognised in profit or loss | 1,216 | (2,566) | 1,552 | (309) | 1,825 | - | 1,718 |
| At 30 June 2010 | 2,003 | 5,464 | 1,552 | 1,500 | (5,407) | - | 5,112 |
| Tax effect on adoption of FRS 139 | - | - | - | - | - | 404 | 404 |
| Restated balance as at 1 July 2010 | 2,003 | 5,464 | 1,552 | 1,500 | (5,407) | 404 | 5,516 |
| Recognised in profit or loss | (1,070) | 5,773 | 792 | 69 | (5,780) | 33 | (183) |
| At 30 June 2011 | **933** | **11,237** | **2,344** | **1,569** | **(11,187)** | **437** | **5,333** |

**14. DEFERRED TAX (continued)**

(c) The amount of temporary differences for which no deferred tax asset has been recognised in the statement of financial position are as follows:

| | Group | |
|---|---|---|
| | **2011 RM'000** | **2010 RM'000** |
| Deductible temporary differences | **14,778** | 15,820 |
| Taxable temporary differences | **(40,123)** | (38,755) |
| Unused tax losses | | |
| - No expiry date | **33,890** | 33,303 |
| - Expire by 30 June 2013 | **798** | 962 |
| - Expire by 30 June 2014 | **948** | 1,144 |
| - Expire by 30 June 2015 | **966** | 896 |
| Unabsorbed capital allowances | **60,863** | 57,258 |
| | **72,120** | 70,628 |

Deferred tax assets of the subsidiaries have not been recognised in respect of these items as it is not probable that taxable profit of the subsidiaries will be available against which the deductible temporary differences can be utilised. The amount and the availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the local tax authority.

**15. TRADE AND OTHER RECEIVABLES**

| | | Group | | Company | |
|---|---|---|---|---|---|
| | **Note** | **2011 RM'000** | **2010 RM'000** | **2011 RM'000** | **2010 RM'000** |
| **Non-current** | | | | | |
| **Trade** | | | | | |
| Third parties | a | **19,062** | 24,844 | **-** | - |
| Retention sum - third parties | b | **2,712** | 5,951 | **-** | - |
| | | **21,774** | 30,795 | **-** | - |
| **Current** | | | | | |
| **Trade** | | | | | |
| Third parties | a | **151,405** | 154,481 | **-** | - |
| Accrued billings | | **27,380** | 5,858 | **-** | - |
| Amount due from customers for contract works | c | **19,373** | 22,452 | **-** | - |
| Retention sum - third parties | b | **12,667** | 12,428 | **-** | - |
| | | **210,825** | 195,219 | **-** | - |
| Less: Impairment loss - third parties | | **(3,115)** | (6,654) | **-** | - |
| | | **207,710** | 188,565 | **-** | - |

**15. TRADE AND OTHER RECEIVABLES (continued)**

| | | Group | | Company | |
|---|---|---|---|---|---|
| | Note | 2011 RM'000 | 2010 RM'000 | 2011 RM'000 | 2010 RM'000 |
| **Non-trade** | | | | | |
| Associate | d | **-** | 627 | **-** | - |
| Subsidiaries | e | **-** | - | **192,476** | 217,312 |
| Other receivables | f | **10,170** | 9,817 | **295** | 328 |
| Deposits | | **5,156** | 4,945 | **126** | 127 |
| Prepayments | | **2,235** | 2,489 | **151** | 149 |
| | | **17,561** | 17,878 | **193,048** | 217,916 |
| Less: Impairment loss | | | | | |
| - other receivables | g | **(990)** | (1,682) | **-** | - |
| | | **16,571** | 16,196 | **193,048** | 217,916 |
| | | **224,281** | 204,761 | **193,048** | 217,916 |
| Total trade and other receivables | h | **246,055** | 235,556 | **193,048** | 217,916 |

(a) Trade receivables are non-interest bearing and the normal credit terms granted by the Group range from 30 to 90 days (2010: 30 to 90 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Trade receivables of the Group include timeshare membership fees amounting RM41,035,000 (2010: RM49,571,000) receivable from customers via monthly instalments ranging from 12 to 60 months (2010: 12 to 60 months).

Included in trade receivables of the Group are amounts owing by companies in which certain Directors have interest totalling RM2,161,000 (2010: RM4,590,000).

(b) The retention sums are unsecured, interest-free and are expected to be collected as follows:

| | Group | |
|---|---|---|
| | 2011 RM'000 | 2010 RM'000 |
| Within 1 year | **12,667** | 12,428 |
| 1 - 2 years | **-** | 5,890 |
| 2 - 3 years | **2,018** | - |
| 3 - 4 years | **694** | 61 |
| | **15,379** | 18,379 |

**15. TRADE AND OTHER RECEIVABLES (continued)**

(c) Amount due from customers for contract works are as follows:

| | Note | Group 2011 RM'000 | Group 2010 RM'000 |
|---|---|---|---|
| Aggregate costs incurred to date | | **1,025,394** | 952,507 |
| Add: Attributable profits | | **51,057** | 26,855 |
| | | **1,076,451** | 979,362 |
| Less: Progress billings | | **(1,074,988)** | (997,595) |
| | | **1,463** | (18,233) |
| Amount due to customers for contract works | 21 | **17,910** | 40,685 |
| | | **19,373** | 22,452 |

Addition to aggregate costs incurred during the financial year include:

| | Note | 2011 RM'000 | 2010 RM'000 |
|---|---|---|---|
| Staff costs | 32 | **3,667** | 4,440 |
| Depreciation | 7 | **3,057** | 1,170 |

(d) Amount owing by associate is in respect of advances and payments made on behalf, which are unsecured, interest-free and payable upon demand in cash and cash equivalents.

(e) Amount owing by subsidiaries is in respect of advances and payments made on behalf, which are unsecured, interest-free and payable upon demand in cash and cash equivalents except for RM191,885,000 (2010:RM215,577,000) which is subject to interest at 0.44% (2010: 0.65%) per annum.

(f) Included in other receivables of the Group are advances to and payments made on behalf of subcontractors amounting to RM465,000 (2010: RM501,000), which are unsecured, interest-free and repayable on demand in cash and cash equivalents.

(g) During the financial year, bad debts in respect of other receivables amounting to RM697,000 have been written off against impairment loss.

(h) The currency exposure profile of receivables is as follows:

| | Group 2011 RM'000 | Group 2010 RM'000 | Company 2011 RM'000 | Company 2010 RM'000 |
|---|---|---|---|---|
| Ringgit Malaysia | **232,303** | 222,275 | **193,048** | 217,916 |
| Thai Baht | **9,286** | 11,911 | **-** | - |
| Australian Dollar | **383** | 299 | **-** | - |
| Singapore Dollar | **708** | 232 | **-** | - |
| United States ('US') Dollar | **897** | 472 | **-** | - |
| Vietnam Dong | **2,370** | 196 | **-** | - |
| Euro | **108** | 171 | **-** | - |
| | **246,055** | 235,556 | **193,048** | 217,916 |

**15. TRADE AND OTHER RECEIVABLES (continued)**

(i) The ageing analysis of trade receivables of the Group is as follows:

| | Group 2011 RM'000 | Group 2010 RM'000 |
|---|---|---|
| Neither past due nor impaired | **211,289** | 177,284 |
| Past due, not impaired | | |
| 0 to 30 days | **11,846** | 25,809 |
| 31 to 60 days | **1,562** | 4,312 |
| 61 to 90 days | **1,053** | 1,013 |
| 91 to 120 days | **3,630** | 1,430 |
| More than 120 days | **104** | 9,512 |
| | **18,195** | 42,076 |
| Past due and impaired | **3,115** | 6,654 |
| | **232,599** | 226,014 |

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. These customers had maintained long working relationship with the Group and there is no indication as of the reporting date that the debtors will not meet their payment obligations.

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

Receivables that are past due but not impaired

Owing to the reason that no loss event had occurred to these receivables, such as significant financial difficulties, no impairment was made in respect of these past due trade receivables. These receivables are unsecured in nature.

Receivables that are past due and impaired

Trade receivables of the Group that are past due and impaired at the end of the reporting period are as follows:

| Group | Individually impaired 2011 RM'000 | Individually impaired 2010 RM'000 |
|---|---|---|
| Trade receivables, gross | **3,115** | 6,654 |
| Less: Impairment loss | **(3,115)** | (6,654) |
| | **-** | - |

**15. TRADE AND OTHER RECEIVABLES (continued)**

(i) The ageing analysis of trade receivables of the Group is as follows (continued):

The reconciliation of movement in the impairment loss on trade receivables are as follows:

| | Group | |
|---|---|---|
| | **2011 RM'000** | **2010 RM'000** |
| At 1 July 2010/2009 | **6,654** | 7,468 |
| Charge for the financial year | **1,067** | 523 |
| Written off | **(2)** | - |
| Reversal of impairment loss | **(4,604)** | (1,337) |
| At 30 June 2011/2010 | **3,115** | 6,654 |

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to those debtors that exhibit significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

**16. PROPERTY DEVELOPMENT COSTS**

| | | Group | |
|---|---|---|---|
| | **Note** | **2011 RM'000** | **2010 RM'000** |
| Opening balance | | | |
| Land | | **91,266** | 138,053 |
| Development costs | | **376,861** | 373,588 |
| Accumulated costs charged to profit or loss | | **(311,499)** | (180,339) |
| | | **156,628** | 331,302 |
| Transfer from land held for property development | 13 | **11,331** | 3,047 |
| Transfer to completed properties held for sale | | **(1,338)** | (16,246) |
| Transfer to investment properties | 9 | **-** | (131,968) |
| Development costs incurred during the year | | **142,622** | 161,272 |
| Cost charged to profit or loss | | **(149,419)** | (190,779) |
| Completed developments | | | |
| - Reversal of land and development costs | | **(144,031)** | (75,157) |
| - Reversal of costs charged to profit or loss | | **144,031** | 75,157 |
| | | **3,196** | (174,674) |
| Closing balance | | **159,824** | 156,628 |
| Represented by: | | | |
| Land | | **88,761** | 91,266 |
| Development costs | | **404,187** | 376,861 |
| Accumulated costs charged to profit or loss | | **(333,124)** | (311,499) |
| | | **159,824** | 156,628 |

## 16. PROPERTY DEVELOPMENT COSTS (continued)

Included in the property development costs is the following charge incurred during the financial year:

| | Group | |
|---|---|---|
| | 2011 RM'000 | 2010 RM'000 |
| Interest expense | **3,880** | 6,799 |

Interest is capitalised in property development costs at rates ranging from 0.44% to 5.30% (2010: 0.65% to 5.30%) per annum.

The portion of property development costs which significant development work has been undertaken and which is expected to be completed within the normal operating cycle is considered as a current asset.

Certain land under development with a carrying amount of RM164,534,000 (2010: RM121,483,000) have been pledged to licensed banks for banking facilities granted to certain subsidiaries (Note 22). Subsequent to the end of the reporting period, RM43,184,000 has been discharged by the bank.

## 17. INVENTORIES

| | Group | |
|---|---|---|
| | 2011 RM'000 | 2010 RM'000 |
| **At cost** | | |
| Completed properties held for sale | **10,175** | 21,227 |
| Raw materials | **6,943** | 4,030 |
| Consumables | **2,170** | 1,945 |
| Work-in-progress | **7,624** | 6,155 |
| Finished goods | **9,829** | 7,196 |
| | **36,741** | 40,553 |
| **At net realisable value** | | |
| Completed properties held for sale | **1,879** | 683 |
| Raw materials | **390** | 287 |
| Finished goods | **2,445** | 2,377 |
| | **4,714** | 3,347 |
| | **41,455** | 43,900 |

During the financial year, inventories of the Group recognised as cost of sales amounted to RM133,975,000 (2010: RM99,575,000) while the write down of inventories to their net realisable value amounted to RM1,325,000 (2010: RM1,761,000).

## 18. CASH AND CASH EQUIVALENTS

| | | Group | | Company | |
|---|---|---|---|---|---|
| | Note | 2011 RM'000 | 2010 RM'000 | 2011 RM'000 | 2010 RM'000 |
| Cash and bank balances | a | **28,387** | 84,034 | **516** | 4,469 |
| Deposits with licensed banks | b | **40,903** | 34,800 | **-** | - |
| Per statements of financial position | c | **69,290** | 118,834 | **516** | 4,469 |
| Bank overdrafts included in borrowings | 22 | **(10,329)** | (7,108) | **(859)** | - |
| Deposits pledged as securities | b | **(6,550)** | (7,380) | **-** | - |
| Per statements of cash flows | | **52,411** | 104,346 | **(343)** | 4,469 |

(a) Included in the Group's cash and bank balances is an amount of RM15,511,000 (2010: RM42,780,000) held under Housing Development Account maintained pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966. The utilisation of this balance is restricted. Before completion of the housing development and fulfilling all relevant obligations to the purchasers, the cash can only be withdrawn from such account for the purpose of completing the particular projects concerned.

Included in the Housing Development Account is an amount of RM3,434,000 (2010: RM31,470,000) assigned for banking facilities granted to certain subsidiaries. Subsequent to the end of the reporting period, RM3,430,000 has been discharged by the bank.

(b) Included in deposits placed with licensed banks is an amount of RM6,550,000 (2010: RM7,380,000) pledged for bank facilities granted to certain subsidiaries (Note 22).

(c) The currency exposure profile of cash and bank balances and deposits with licensed banks is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2011 RM'000 | 2010 RM'000 | 2011 RM'000 | 2010 RM'000 |
| Ringgit Malaysia | **27,351** | 81,405 | **516** | 4,469 |
| Australian Dollar | **32,330** | 26,054 | **-** | - |
| Thai Baht | **7,752** | 10,334 | **-** | - |
| Vietnam Dong | **1,622** | 567 | **-** | - |
| US Dollar | **184** | 402 | **-** | - |
| Singapore Dollar | **51** | 72 | **-** | - |
| | **69,290** | 118,834 | **516** | 4,469 |

## 19. SHARE CAPITAL AND TREASURY SHARES

| | Group and Company | | | |
|---|---|---|---|---|
| | 2011 | | 2010 | |
| | RM'000 | Number of shares '000 | RM'000 | Number of shares '000 |
| Ordinary shares of RM1.00 each: | | | | |
| Authorised | **1,000,000** | **1,000,000** | 1,000,000 | 1,000,000 |
| Issued and fully paid: | | | | |
| Balance as at 1 July 2010/2009 | **456,132** | **456,132** | 456,132 | 456,132 |
| Issued for cash pursuant to exercise of 2000/2010 Warrants B | **2** | **2** | - | - |
| Balance as at 30 June 2011/2010 | **456,134** | **456,134** | 456,132 | 456,132 |

During the financial year, the issued and paid-up share capital of the Company was increased from RM456,132,359 to RM456,133,692 following the issuance of 1,333 new ordinary shares of RM1.00 each pursuant to the exercise of 1,333 2000/2010 Warrants B.

The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one vote per share at meetings of the Company. All ordinary shares rank pari passu with regard to the Company's residual assets.

(a) Treasury shares

The shareholders of the Company, by an ordinary resolution passed in the annual general meeting held on 23 November 2005, approved the Company's proposal to repurchase up to 10% of its own shares ('Share Buy Back'). The authority granted by the shareholders was subsequently renewed during each subsequent annual general meeting. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the Share Buy Back is the best interest for the Company and its shareholders.

No share was repurchased from the open market by the Company during the financial year.

Of the total 456,134,000 (2010: 456,132,000) issued and fully paid ordinary shares of RM1.00 each as at 30 June 2011, there are 475,000 (2010: 475,000) ordinary shares of RM1.00 each with a cumulative total consideration amounting to RM266,000 (2010: RM266,000) held as treasury shares by the Company. The number of outstanding shares in issue after the share buy-back is 455,659,000 (2010: 455,657,000) ordinary shares of RM1.00 each as at 30 June 2011.

**19. SHARE CAPITAL AND TREASURY SHARES (continued)**

(b) Warrants

Warrants B

Pursuant to the Rights Issue which was completed on 31 October 2000, the Company issued 171,049,587 new ordinary shares of RM1.00 each at par together with 114,032,898 detachable warrants ('Rights Warrants') at no cost on the basis of three (3) Rights Shares together with two (2) Rights Warrants attached thereto for every five (5) existing ordinary shares of RM1.00 each held.

The exercise price of each Rights Warrant shall be RM1.10 per ordinary share for the first five (5) years of the exercise period and RM1.20 thereafter for the subsequent five (5) years or such adjusted price as may for the time being be applicable subject to the Deed Poll dated 14 August 2000. The exercise period shall commence from the date of issue of the Rights Warrants and expired on 29 October 2010 at 5.00 p.m.. Notice to warrant holders dated 24 September 2010 had been despatched to all warrant holders notifying them of the forthcoming expiry date.

All 2000/2010 Warrants B which were not exercised on 29 October 2010 at 5.00 p.m. had lapsed and became null and void and cease to be exercisable thereafter.

Warrants C

A total of 213,811,972 2010/2020 Warrants C were issued on 6 December 2010 pursuant to the completion of the following corporate exercises:

(a) the renounceable rights issue of 171,049,635 new warrants in the Company ('Warrant(s) C') to all the shareholders of the Company on the basis of three (3) Warrants C for every eight (8) existing ordinary shares of RM1.00 each held on 10 November 2010 at an issue price of RM0.02 per Warrant C, and

(b) the restricted issue of 42,762,337 Warrants C in the Company to the holders of unexercised 2000/2010 Warrants B on 29 October 2010, being the expiry date of Warrants B ('Expiry Date') on the basis of three (3) Warrants C for every eight (8) unexercised 2000/2010 Warrants B held on the Expiry Date at an issue price of RM0.02 per Warrant C.

The exercise price of each Warrant C shall be RM1.00 per ordinary share or such adjusted price as may for the time being be applicable subject to the Deed Poll dated 20 October 2010. The exercise period shall commence from the date of issue of the Warrants and will expire on 5 December 2020 at 5.00 p.m..

As at 30 June 2011, 213,811,972 Warrants C have yet to be converted to ordinary shares.

## 20. RESERVES

| | Note | Group 2011 RM'000 | Group 2010 RM'000 | Company 2011 RM'000 | Company 2010 RM'000 |
|---|---|---|---|---|---|
| Non-distributable: | | | | | |
| Share premium | a | **39,774** | 39,773 | **39,774** | 39,773 |
| Warrant reserve | b | **4,276** | - | **4,276** | - |
| Available-for-sale reserve | c | **12,791** | - | **-** | - |
| Exchange translation reserve | d | **2,832** | (10,122) | **-** | - |
| | | **59,673** | 29,651 | **44,050** | 39,773 |
| Distributable: | | | | | |
| Retained earnings | e | **379,033** | 340,344 | **67,895** | 79,906 |
| | | **438,706** | 369,995 | **111,945** | 119,679 |

(a) Share premium

The share premium is arrived at after accounting for the premium received less expenses over the nominal value of shares issued to the public, less the subsequent capitalisation for bonus issue of the Company.

(b) Warrant reserve

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

(c) Available-for-sale reserve

Available-for-sale reserve represents the cumulative fair value changes of available-for-sale financial assets until they are disposed of or impaired.

(d) Exchange translation reserve

The exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

(e) Retained earnings

Effective 1 January 2008, the Company is given the option to make an irrevocable election to move to a single tier system or continue to use its tax credit under Section 108 of the Income Tax Act 1967 for the purpose of dividend distribution until the tax credit is fully utilised or latest by 31 December 2013.

The Company has decided not to make this election and has sufficient tax credit under Section 108 of the Income Tax Act, 1967 and balance in the tax exempt account to frank the payment of dividends out of its entire retained earnings without incurring additional tax liabilities. Upon full utilisation of tax credit under Section 108 of the Income Tax Act, 1967, the Company will move to single tier system.

## 21. TRADE AND OTHER PAYABLES

| | Note | Group 2011 RM'000 | Group 2010 RM'000 | Company 2011 RM'000 | Company 2010 RM'000 |
|---|---|---|---|---|---|
| **Non-current** | | | | | |
| **Trade** | | | | | |
| Retention sum | | | | | |
| - third parties | a | **6,854** | 6,129 | **-** | - |
| **Current** | | | | | |
| **Trade** | | | | | |
| Third parties | b | **47,687** | 61,063 | **-** | - |
| Progress billings in respect of property development | | **15,789** | 15,356 | **-** | - |
| Amount due to customers for contract works | 15 | **17,910** | 40,685 | **-** | - |
| Retention sum | | | | | |
| - third parties | a | **20,028** | 21,671 | **-** | - |
| | | **101,414** | 138,775 | **-** | - |
| **Non-trade** | | | | | |
| Subsidiaries | c | **-** | - | **143,182** | 124,544 |
| Other payables - third parties | d | **20,148** | 22,199 | **953** | 935 |
| - associates | e | **-** | 397 | **-** | - |
| Accruals | | **54,618** | 38,648 | **419** | 539 |
| | | **74,766** | 61,244 | **144,554** | 126,018 |
| | | **176,180** | 200,019 | **144,554** | 126,018 |
| Total trade and other payables | f | **183,034** | 206,148 | **144,554** | 126,018 |

(a) The retention sums are unsecured, interest-free and are expected to be payable as follows:

| | Group 2011 RM'000 | Group 2010 RM'000 |
|---|---|---|
| Within 1 year | **20,028** | 21,671 |
| 1 - 2 years | **5,677** | 3,876 |
| 2 - 3 years | **894** | 2,208 |
| 3 - 4 years | **283** | 45 |
| | **26,882** | 27,800 |

**21. TRADE AND OTHER PAYABLES (continued)**

(b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days (2010: 30 to 90 days).

(c) Amount owing to subsidiaries is in respect of advances and payments made on behalf by the subsidiaries, which are unsecured, interest-free and payable upon demand in cash and cash equivalents, except for RM29,714,000 (2010: RM18,323,000), which is subject to interest rates ranging from 4.00% to 7.60% (2010: 3.93% to 7.05%) per annum.

(d) Other payables include enrolment fees payable to Interval International Inc. of RM2,945,000 (2010: RM4,155,000) to activate the exchange facility granted to timeshare members which allows them to exchange their holiday accommodation through the exchange network.

(e) Amount owing to associates is in respect of advances and payments made on behalf, which are unsecured, interest-free and payable upon demand in cash and cash equivalents.

(f) The currency exposure profile of payables is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2011 RM'000** | **2010 RM'000** | **2011 RM'000** | **2010 RM'000** |
| Ringgit Malaysia | **176,341** | 194,657 | **144,554** | 126,018 |
| Thai Baht | **5,939** | 9,427 | **-** | - |
| US Dollar | **103** | 1,157 | **-** | - |
| Vietnam Dong | **431** | 696 | **-** | - |
| Australian Dollar | **160** | 129 | **-** | - |
| Singapore Dollar | **47** | 67 | **-** | - |
| Euro | **13** | 15 | **-** | - |
| | **183,034** | 206,148 | **144,554** | 126,018 |

**22. BORROWINGS**

| | Note | Group | | Company | |
|---|---|---|---|---|---|
| | | **2011 RM'000** | **2010 RM'000** | **2011 RM'000** | **2010 RM'000** |
| **Non-current** | | | | | |
| Secured term loans | | **198,886** | 95,450 | **3,747** | 7,822 |
| Unsecured term loans | | **1,441** | 3,644 | **-** | - |
| | | **200,327** | 99,094 | **3,747** | 7,822 |

**22. BORROWINGS (continued)**

| | Note | Group 2011 RM'000 | Group 2010 RM'000 | Company 2011 RM'000 | Company 2010 RM'000 |
|---|---|---|---|---|---|
| **Current** | | | | | |
| Secured term loans | | **36,997** | 112,943 | **4,077** | 4,194 |
| Unsecured term loans | | **2,073** | 2,010 | **-** | - |
| Secured bank overdrafts | 18 | **4,829** | 2,796 | **-** | - |
| Unsecured bank overdrafts | 18 | **5,500** | 4,312 | **859** | - |
| Secured bankers' acceptances | | **-** | 2,385 | **-** | - |
| Unsecured bankers' acceptances | | **11,045** | 4,467 | **-** | - |
| Secured revolving credits | | **2,200** | 71,500 | **-** | 33,500 |
| Unsecured revolving credits | | **3,800** | 6,500 | **-** | - |
| | | **66,444** | 206,913 | **4,936** | 37,694 |
| | | **266,771** | 306,007 | **8,683** | 45,516 |

| | Note | Group 2011 RM'000 | Group 2010 RM'000 | Company 2011 RM'000 | Company 2010 RM'000 |
|---|---|---|---|---|---|
| **Total borrowings** | | | | | |
| Secured term loans | | **235,883** | 208,393 | **7,824** | 12,016 |
| Unsecured term loans | | **3,514** | 5,654 | **-** | - |
| Secured bank overdrafts | 18 | **4,829** | 2,796 | **-** | - |
| Unsecured bank overdrafts | 18 | **5,500** | 4,312 | **859** | - |
| Secured bankers' acceptances | | **-** | 2,385 | **-** | - |
| Unsecured bankers' acceptances | | **11,045** | 4,467 | **-** | - |
| Secured revolving credits | | **2,200** | 71,500 | **-** | 33,500 |
| Unsecured revolving credits | | **3,800** | 6,500 | **-** | - |
| | | **266,771** | 306,007 | **8,683** | 45,516 |

(a) The borrowings are repayable over the following periods:

| **Group** | **Year of maturity** | **Carrying amount RM'000** | **Within 1 year RM'000** | **1 - 2 years RM'000** | **2 - 5 years RM'000** | **Over 5 years RM'000** |
|---|---|---|---|---|---|---|
| **2011** | | | | | | |
| Secured term loans | 2024 | **235,883** | **36,997** | **36,753** | **67,679** | **94,454** |
| Unsecured term loans | 2014 | **3,514** | **2,073** | **987** | **454** | **-** |
| Secured bank overdrafts | 2012 | **4,829** | **4,829** | **-** | **-** | **-** |
| Unsecured bank overdrafts | 2012 | **5,500** | **5,500** | **-** | **-** | **-** |
| Unsecured bankers' acceptances | 2012 | **11,045** | **11,045** | **-** | **-** | **-** |
| Secured revolving credits | 2012 | **2,200** | **2,200** | **-** | **-** | **-** |
| Unsecured revolving credits | 2012 | **3,800** | **3,800** | **-** | **-** | **-** |
| | | **266,771** | **66,444** | **37,740** | **68,133** | **94,454** |

**22. BORROWINGS (continued)**

(a) The borrowings are repayable over the following periods (continued):

| Group | Year of maturity | Carrying amount RM'000 | Within 1 year RM'000 | 1 - 2 years RM'000 | 2 - 5 years RM'000 | Over 5 years RM'000 |
|---|---|---|---|---|---|---|
| **2010** | | | | | | |
| Secured term loans | 2024 | 208,393 | 112,943 | 26,420 | 56,879 | 12,151 |
| Unsecured term loans | 2014 | 5,654 | 2,010 | 2,123 | 1,521 | - |
| Secured bank overdrafts | 2011 | 2,796 | 2,796 | - | - | - |
| Unsecured bank overdrafts | 2011 | 4,312 | 4,312 | - | - | - |
| Secured bankers' acceptances | 2011 | 2,385 | 2,385 | - | - | - |
| Unsecured bankers' acceptances | 2011 | 4,467 | 4,467 | - | - | - |
| Secured revolving credits | 2011 | 71,500 | 71,500 | - | - | - |
| Unsecured revolving credits | 2011 | 6,500 | 6,500 | - | - | - |
| | | 306,007 | 206,913 | 28,543 | 58,400 | 12,151 |

| Company | Year of maturity | Carrying amount RM'000 | Within 1 year RM'000 | 1 - 2 years RM'000 | 2 - 5 years RM'000 | Over 5 years RM'000 |
|---|---|---|---|---|---|---|
| **2011** | | | | | | |
| Secured term loans | 2014 | **7,824** | **4,077** | **3,379** | **368** | **-** |
| Unsecured bank overdrafts | 2012 | **859** | **859** | **-** | **-** | **-** |
| | | **8,683** | **4,936** | **3,379** | **368** | **-** |
| **2010** | | | | | | |
| Secured term loans | 2014 | 12,016 | 4,194 | 4,095 | 3,388 | 339 |
| Secured revolving credits | 2011 | 33,500 | 33,500 | - | - | - |
| | | 45,516 | 37,694 | 4,095 | 3,388 | 339 |

(b) The currency exposure profile of borrowings is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2011 RM'000 | 2010 RM'000 | 2011 RM'000 | 2010 RM'000 |
| Ringgit Malaysia | **265,226** | 303,740 | **8,683** | 45,516 |
| US Dollar | **1,545** | 2,267 | **-** | - |
| | **266,771** | 306,007 | **8,683** | 45,516 |

**22. BORROWINGS (continued)**

(c) The borrowings of the Company are secured by way of charges over certain subsidiaries' hotel properties and freehold land and buildings (Note 7), investment properties (Note 9) and quoted investments (Note 12).

The borrowings of subsidiaries are secured by way of charges over certain subsidiaries' freehold land and buildings, hotel properties, leasehold land and other property, plant and equipment (Note 7), investment properties (Note 9), land held for property development (Note 13), property development costs (Note 16) and deposits placed with licensed banks (Note 18). The borrowings are also secured by the corporate guarantee provided by the Company.

(d) In connection with the term loan agreements, the Company and certain subsidiaries have agreed to certain significant covenants, subject to the consent of the lenders, which include the following:

(i) not to amend the Memorandum and Articles of Association in a manner inconsistent with the provisions of the lenders' Letters of Offer;

(ii) not to sell, lease or transfer all or any substantial part of its assets;

(iii) not to allow any change in its existing shareholders or their shareholdings and/or undertake a scheme or merger or amalgamation;

(iv) not to decrease the authorised or issued share capital; and

(v) not to enter into any partnership, profit-sharing or royalty agreements whereby income or profits may be shared with other persons.

**23. DEFERRED INCOME**

| | Group | |
|---|---|---|
| | **2011 RM'000** | **2010 RM'000** |
| **Non-current** | | |
| Membership fees | **38,140** | 39,891 |
| **Current** | | |
| Membership fees | **2,105** | 2,713 |
| Maintenance fees | **95** | 71 |
| | **2,200** | 2,784 |

Deferred income mainly represent membership fees received and receivable from members which are recognised based on the benefit to be enjoyed over the membership period.

## 24. COMMITMENTS

(a) Operating leases commitments

(i) The Group as lessee

The Group had entered into non-cancellable operating lease arrangements for office lots under operating leases for a term of one to three years, with an option to renew the leases. None of the leases include contingent rentals. The Group and the Company have aggregate future minimum lease commitments as at the end of the reporting period as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2011 RM'000** | **2010 RM'000** | **2011 RM'000** | **2010 RM'000** |
| Less than one year | **1,219** | 1,525 | **18** | 7 |
| Between one and five years | **1,420** | 2,054 | **27** | 13 |
| | **2,639** | 3,579 | **45** | 20 |

(ii) The Group as lessor

The Group had entered into non-cancellable lease arrangements on certain investment properties. The Group has future minimum lease receivables aggregate as at end of the reporting period as follows:

| | Group | |
|---|---|---|
| | **2011 RM'000** | **2010 RM'000** |
| Less than one year | **20,982** | 21,114 |
| Between one and five years | **12,008** | 31,164 |
| Later than five years | **36,385** | 37,808 |
| | **69,375** | 90,086 |

(b) Capital commitments

| | Group | |
|---|---|---|
| | **2011 RM'000** | **2010 RM'000** |
| **Contracted but not provided for** | | |
| - property, plant and equipment | **4,463** | 1,487 |
| - land held for property development | **3,150** | - |
| | **7,613** | 1,487 |

## 25. CONTINGENCIES

The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future outflow of economic benefits will be required or the amount is not capable of reliable measurement.

| | Company 2011 RM'000 | Company 2010 RM'000 |
|---|---|---|
| **Guarantees** | | |
| Corporate guarantees given to financial institutions relating to banking facilities of subsidiaries | **530,548** | 571,621 |
| Corporate guarantees given to third parties relating to credit facilities granted to subsidiaries | **23,200** | 20,900 |
| | **553,748** | 592,521 |

**Contingent assets/liabilities not considered remote**

***Litigations***

Swiss-Garden International Vacation Club Berhad ('SGIVCB'), a wholly owned subsidiary of the Company had initiated a civil suit against an external agent, Swiss Marketing Corporation Sdn Bhd ('Agent').

The civil suit taken by SGIVCB against the Agent was in respect of the wrongful repudiation of the Marketing Agreement entered into by the parties on 2 July 2001, which resulted in SGIVCB having suffered, amongst others, loss and damage amounting to RM5,280,000. In this civil suit, the Agent had filed a counter claim against SGIVCB claiming for its marketing fee, electricity and rental charges pursuant to the Marketing Agreement amounting to RM21,132,000, interests and costs.

On 27 August 2010, the Court allowed SGIVCB's claim against the Agent and ordered the Agent to pay damages amounting to RM5,232,000, damages for the loss of use of promotion materials amounting to RM48,000, damages for misrepresentation and loss of goodwill of SGIVCB to be assessed by a Senior Assistant Registrar, interest at 8% per annum commencing from the date when the writ was filed until full and final satisfaction and costs. The Agent appealed against the Court's award.

On the counter claim, the Court allowed the Agent's claim for marketing fee, rental arrears amounting to RM1,840 and related costs. The amount of the said marketing fee, however, would be assessed by a qualified accountant agreed by both parties and set off with the damages awarded to the SGIVCB. On 3 September 2010, the Court appointed a qualified accountant to assess the Agent's marketing fee and subsequently fixed 6 October 2010 for mention to monitor the assessment exercise.

On 6 October 2010, the Court determined the scope of work for the qualified accountant.

On 21 March 2011, the qualified accountant submitted its final assessment to the Court and SGIVCB is awaiting an outcome from the Court.

The Board of Directors are of the opinion that, after taking into consideration the damages of RM5,280,000 awarded by the Court to SGIVCB and the accrued marketing fees, the outcome of the assessment exercise by the qualified accountant will not have a material impact to the financial statements of the Group.

## 26. REVENUE

| | Group | | Company | |
|---|---|---|---|---|
| | 2011 RM'000 | 2010 RM'000 | 2011 RM'000 | 2010 RM'000 |
| Sale of goods | **187,650** | 145,143 | **-** | - |
| Property development revenue | **215,693** | 270,376 | **-** | - |
| Services rendered | **106,614** | 100,122 | **3,300** | 3,300 |
| Contract revenue | **78,366** | 147,412 | **-** | - |
| Dividend income | | | | |
| - subsidiaries | **-** | - | **20,000** | 12,500 |
| - other investments | **2,940** | 2,775 | **-** | - |
| | **591,263** | 665,828 | **23,300** | 15,800 |

## 27. COST OF SALES AND SERVICES

| | Group | | Company | |
|---|---|---|---|---|
| | 2011 RM'000 | 2010 RM'000 | 2011 RM'000 | 2010 RM'000 |
| Inventories sold | **141,205** | 105,381 | **-** | - |
| Property development costs | **159,617** | 208,713 | **-** | - |
| Services rendered | **49,685** | 43,118 | **9,014** | 7,697 |
| Contract works | **57,164** | 130,636 | **-** | - |
| | **407,671** | 487,848 | **9,014** | 7,697 |

## 28. PROFIT BEFORE TAX

| | Note | Group 2011 RM'000 | Group 2010 (Restated) RM'000 | Company 2011 RM'000 | Company 2010 RM'000 |
|---|---|---|---|---|---|
| Profit before tax is arrived at after charging: | | | | | |
| Auditors' remuneration: | | | | | |
| - statutory audit | | | | | |
| - current year | | **383** | 350 | **43** | 34 |
| - under/(over) provision in prior years | | **18** | (14) | **9** | - |
| - other services | | **48** | 369 | **46** | 21 |
| Bad debts written off | | **20** | 6 | **-** | - |
| Compensation to purchasers | | **30** | 20 | **-** | - |
| Depreciation on: | | | | | |
| - investment properties | 9 | **4,212** | 2,447 | **-** | - |
| - property, plant and equipment | 7 | **17,084** | 15,338 | **166** | 146 |
| Directors' remuneration: | | | | | |
| - salaries and other emoluments | | **5,923** | 4,639 | **4,558** | 3,624 |
| - fees | | **93** | 93 | **93** | 93 |
| Impairment loss on: | | | | | |
| - goodwill on consolidation | 8 | **-** | 1,024 | **-** | - |
| - investments in subsidiaries | 10 | **-** | - | **2,192** | 3,275 |
| - trade and other receivables | | **1,077** | 1,179 | **-** | - |
| Interest expense on: | | | | | |
| - bank overdrafts | | **270** | 305 | **98** | 63 |
| - bankers' acceptances | | **91** | 313 | **-** | - |
| - revolving credits | | **2,515** | 2,668 | **357** | 2,192 |
| - term loans | | **6,968** | 5,459 | **687** | 870 |
| - subsidiaries | | **-** | - | **1,080** | 1,141 |
| - others | | **41** | 7 | **-** | - |
| Inventories written down | 17 | **1,325** | 1,761 | **-** | - |
| Inventories written off | | **54** | 11 | **-** | - |
| Liquidated and ascertained damages expenses | | **2,914** | 2,781 | **-** | - |
| Investment properties written off | 9 | **710** | - | **-** | - |
| Property, plant and equipment written off | 7 | **458** | 264 | **-** | - |
| Rental expense on land and buildings | | **2,928** | 1,541 | **35** | 11 |
| Rental of equipment | | **308** | 393 | **-** | - |
| Replacement cost for operating equipment | | **536** | 781 | **-** | - |
| Research and development expensed as incurred | | **4,997** | 3,920 | **-** | - |
| Realised loss on foreign exchange | | **223** | 98 | **-** | - |
| Unrealised loss on foreign exchange | | **1,079** | 978 | **-** | - |
| And crediting: | | | | | |
| Bad debt recovered | | **-** | 50 | **-** | - |
| Gross dividends received from: | | | | | |
| - shares quoted in Malaysia | | **2,763** | 2,598 | **-** | - |
| - subsidiaries | | **-** | - | **20,000** | 12,500 |
| - unquoted shares | | **177** | 177 | **-** | - |

## 28. PROFIT BEFORE TAX (continued)

| | | Group | | Company | |
|---|---|---|---|---|---|
| | Note | 2011 RM'000 | 2010 RM'000 | 2011 RM'000 | 2010 RM'000 |
| And crediting (continued): | | | | | |
| Gain on disposal of: | | | | | |
| - investment properties | | **2,013** | 1,053 | **-** | - |
| - property, plant and equipment | | **479** | 376 | **-** | 63 |
| - subsidiaries | 34 | **-** | - | **-** | 42,436 |
| - other investments | | **1,092** | - | **-** | - |
| Interest accretion of trade receivables | | **705** | - | **-** | - |
| Interest income received from: | | | | | |
| - fixed deposits | | **1,769** | 1,554 | **-** | - |
| - housing development account | | **698** | 273 | **-** | - |
| - subsidiaries | | **-** | - | **836** | 1,584 |
| - others | | **629** | 264 | **33** | 2 |
| Realised gain on foreign exchange | | **64** | 60 | **-** | - |
| Rental income from land and buildings | | **26,658** | 19,608 | **-** | - |
| Reversal of impairment loss on: | | | | | |
| - trade and other receivables | | **4,609** | 1,683 | **-** | - |
| - other investments | | **-** | 3,493 | **-** | - |
| Reversal of inventories previously written off | | **47** | - | **-** | - |

The estimated monetary value of the benefits-in-kind received by the Directors otherwise than in cash from the Group and the Company amounted to RM125,000 and RM33,000 (2010: RM89,000 and RM32,000) respectively.

## 29. TAX EXPENSE

| | Group | | Company | |
|---|---|---|---|---|
| | 2011 RM'000 | 2010 RM'000 | 2011 RM'000 | 2010 RM'000 |
| Current tax expense based on profit for the financial year: | | | | |
| Malaysian income tax | **21,244** | 18,699 | **2,996** | 721 |
| Foreign income tax | **1,508** | 358 | **-** | - |
| | **22,752** | 19,057 | **2,996** | 721 |
| (Over)/Under provision in prior years: | | | | |
| Malaysian income tax | **(1,241)** | 350 | **(25)** | 12 |
| Foreign income tax | **(10)** | 699 | **-** | - |
| | **21,501** | 20,106 | **2,971** | 733 |

**29. TAX EXPENSE (continued)**

| | Group | | Company | |
|---|---|---|---|---|
| | 2011 RM'000 | 2010 RM'000 | 2011 RM'000 | 2010 RM'000 |
| Deferred tax (Note 14): | | | | |
| Relating to origination and reversal of temporary differences | **2,440** | 1,455 | **-** | - |
| Under provision in prior years | **452** | 86 | **-** | - |
| | **2,892** | 1,541 | **-** | - |
| | **24,393** | 21,647 | **2,971** | 733 |

The Malaysian income tax is calculated at the statutory tax rate of 25% (2010: 25%) of the estimated taxable profits for the fiscal year.

Tax expense for foreign subsidiaries are calculated at the rates prevailing in those respective jurisdictions.

The numerical reconciliation between the applicable tax expense and the effective tax expense of the Group and of the Company are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2011 RM'000 | 2010 RM'000 | 2011 RM'000 | 2010 RM'000 |
| Tax at Malaysian statutory tax rate of 25% (2010: 25%) | **19,966** | 18,582 | **2,012** | 10,798 |
| Tax effect in respect of: | | | | |
| Non-allowable expenses | **6,254** | 4,469 | **984** | 1,290 |
| Non-taxable income | **(352)** | (2,571) | **-** | (11,367) |
| Utilisation of previously unrecognised deferred tax assets | **(393)** | (41) | **-** | - |
| Deferred tax assets not recognised during the year | **766** | 829 | **-** | - |
| Tax incentives and allowances | **(708)** | (520) | **-** | - |
| Share of post tax results of associates | **(309)** | (251) | **-** | - |
| Effect of different tax rate in foreign jurisdiction | **(32)** | 15 | **-** | - |
| | **25,192** | 20,512 | **2,996** | 721 |
| (Over)/Under provision of income tax expense in prior years | **(1,251)** | 1,049 | **(25)** | 12 |
| Under provision of deferred tax in prior years | **452** | 86 | **-** | - |
| | **24,393** | 21,647 | **2,971** | 733 |

Tax savings of the Group are as follows:

| | Group | |
|---|---|---|
| | 2011 RM'000 | 2010 RM'000 |
| Arising from utilisation of previously unrecognised capital allowances | **23** | 4 |
| Arising from utilisation of previously unrecognised tax losses | **149** | 37 |
| Arising from utilisation of previously unrecognised deductible temporary differences | **221** | - |

## 30. EARNINGS PER ORDINARY SHARE

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year, after taking into consideration of treasury shares held by the parent.

| | Group | |
|---|---|---|
| | **2011** | **2010** |
| Profit attributable to equity holders of the parent (RM'000) | **56,988** | 52,759 |
| Weighted average number of ordinary shares in issue (in '000) | **456,134** | 456,132 |
| Weighted average number of treasury shares held (in '000) | **(475)** | (475) |
| Adjusted weighted average number of ordinary shares applicable to basic earnings per share (in '000) | **455,659** | 455,657 |
| Basic earning per share (sen) | **12.51** | 11.58 |

(b) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

The diluted earnings per share is not shown as the exercise price of warrants is higher than the market price of the ordinary shares as at the end of the reporting period.

## 31. DIVIDENDS

| | Group and Company | | | |
|---|---|---|---|---|
| | **2011** | | **2010** | |
| | **Gross dividend per share Sen** | **Amount of dividend net of tax RM'000** | **Gross dividend per share Sen** | **Amount of dividend net of tax RM'000** |
| First and final dividend paid | | | | |
| - year ended 30 June 2010 | **5** | **17,087** | - | - |
| - year ended 30 June 2009 | **-** | **-** | 3 | 10,252 |

The first and final dividend in respect of the financial year ended 30 June 2011 of 5 sen per ordinary share, less tax of 25% amounting to RM17,087,000 has been proposed by the Directors after the reporting period for shareholders' approval at the forthcoming Annual General Meeting. The financial statements for the current financial year do not reflect these dividends. These dividends, if approved by shareholders, will be accounted for as an appropriation of retained earnings in the financial year ending 30 June 2012.

## 32. EMPLOYEE BENEFITS

| | Group | | Company | |
|---|---|---|---|---|
| | **2011 RM'000** | **2010 RM'000** | **2011 RM'000** | **2010 RM'000** |
| Wages, salaries and bonuses | **45,962** | 44,552 | **7,086** | 6,007 |
| Contributions to defined contribution plan | **6,468** | 5,565 | **1,131** | 939 |
| Social security contributions | **601** | 604 | **31** | 29 |
| Other benefits | **12,343** | 6,779 | **380** | 535 |
| | **65,374** | 57,500 | **8,628** | 7,510 |

The above staff costs are allocated as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2011 RM'000** | **2010 RM'000** | **2011 RM'000** | **2010 RM'000** |
| Income statements | **61,707** | 53,060 | **8,628** | 7,510 |
| Amount due from customers for contract works (Note 15) | **3,667** | 4,440 | **-** | - |
| | **65,374** | 57,500 | **8,628** | 7,510 |

## 33. ACQUISITION OF A SUBSIDIARY

In the previous financial year, the Company acquired the entire equity interest of OCC Cables Berhad ('OCB'), a company incorporated in Malaysia with a paid-up share capital of RM2.00 comprising four ordinary shares of RM0.50 each for a cash consideration of RM2.00.

The acquired subsidiary had contributed the following results to the Group during the previous financial year:

| | **2010 RM'000** |
|---|---|
| Revenue | - |
| Loss for the financial year | (1,014) |

If the acquisition had occurred on 1 July 2009, the acquired subsidiary's contribution to the Group's results would have been the same as above.

The effects of the acquisition on the financial position and cash flows of the Group were not material.

## 34. DISPOSAL OF SUBSIDIARIES

**Company**

In the previous financial year, the Group completed an internal restructuring exercise as part of the Proposed Listing of OCB by disposal of the Company's entire equity interest in Olympic Cable Company Sdn. Bhd. and PJ Exim Sdn. Bhd. to OCB for consideration of RM55,400,000 and RM6,125,000 respectively.

The consideration was satisfied by way of issuance of 123,049,996 new ordinary shares of RM0.50 each by OCB to the Company. Subsequently, the Company did not proceed with the Proposed Listing of OCB.

Gain of RM42,436,000 was derived from the disposal by the Company, however, the disposal had no effect to the Group.

## 35. RELATED PARTY DISCLOSURES

(a) Identities of related parties

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

The Company has controlling related party relationship with its direct and indirect subsidiaries.

(b) The Group and the Company had the following transactions with related parties during the financial year:

| | Group | | Company | |
|---|---|---|---|---|
| | **2011 RM'000** | **2010 RM'000** | **2011 RM'000** | **2010 RM'000** |
| Related parties: | | | | |
| Sale of building materials | **2,291** | 4,410 | **-** | - |
| Insurance premium payable | **(2,193)** | (1,871) | **(89)** | (104) |
| Progress claim payable | **(1,506)** | (1,419) | **-** | - |
| Room revenue receivable | **245** | 419 | **-** | - |
| Construction cost billed | **1,392** | 5,763 | **-** | - |
| Rental of premises payable | **(1,337)** | (1,436) | **(17)** | (6) |
| Purchase of security equipment and services | **(401)** | (21) | **-** | - |
| IT services receivable | **6** | 12 | **-** | - |
| Internal audit services receivable | **21** | 10 | **-** | - |
| Subsidiaries: | | | | |
| Dividend receivable | **-** | - | **20,000** | 12,500 |
| Interest receivable | **-** | - | **836** | 1,584 |
| Interest payable | **-** | - | **(1,079)** | (1,141) |
| Facilities charges payable | **-** | - | **(16)** | (6) |
| Management fees receivable | **-** | - | **3,300** | 3,300 |
| Rental payable | **-** | - | **(18)** | (4) |
| IT maintenance services payable | **-** | - | **(71)** | (60) |
| Secondment fees receivable | **-** | - | **15** | 80 |

Material balances with related parties at the end of the reporting period are disclosed in Note 15 and Note 21 to the financial statements.

These transactions have been entered into the normal course of business and have been established under negotiated commercial terms.

(c) Compensation of key management personnel

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

The remuneration of the Directors and other key management personnel during the financial year was as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2011 RM'000** | **2010 RM'000** | **2011 RM'000** | **2010 RM'000** |
| Short term employee benefits | **5,994** | 4,661 | **3,956** | 3,170 |
| Contributions to defined contribution plan | **961** | 743 | **728** | 579 |
| | **6,955** | 5,404 | **4,684** | 3,749 |

## 36. OPERATING SEGMENTS

The Group is principally engaged in property development, construction, manufacturing and trading, hotel and leisure and investment holding.

No geographical segment information is presented as the Group's operations and the location of the customers are principally in Malaysia.

The Group has arrived at five reportable segments that are organised and managed separately according to the nature of products and services, specific expertise and technologies requirements, which requires different business and marketing strategies. The reportable segments are summarised as follow:

(i) Properties

Property development, property investment, provision of property management services and project management services.

(ii) Construction

Securing and carrying out construction contracts.

(iii) Manufacturing and trading

(a) Cable

The manufacture and sale of cables and wires.

(b) Building material

The manufacture and sale of roofing tiles, concrete wall panels, and trading of building materials.

(iv) Hotel and leisure

Hotel and restaurant business, hotel management and consultancy services, golf course operations and marketing and management of timeshare membership scheme.

(v) Investment holding

Holding and trading of quoted and unquoted shares, warrants and other investments.

Other operating segments that do not constitute reportable segments comprise operations related to software consultancy, product development and maintenance.

The accounting policies of operating segments are the same as those described in the summary of significant accounting policies.

The Group evaluates performance on the basis of profit or loss from operations before tax not including non-recurring losses, such as restructuring costs and goodwill impairment.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current and previous financial years.

## 36. OPERATING SEGMENTS (continued)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by operating segment:

| 2011 | Properties RM'000 | Construction RM'000 | Manufacturing and trading: Cable RM'000 | Manufacturing and trading: Building material RM'000 | Hotel and leisure RM'000 | Investment holding RM'000 | Other operating segments RM'000 | Consolidated RM'000 |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | | |
| Total revenue | 256,902 | 179,445 | 158,160 | 36,078 | 85,591 | 26,240 | 1,396 | 743,812 |
| Inter-segment revenue | (20,250) | (101,079) | - | (6,587) | (104) | (23,300) | (1,229) | (152,549) |
| Revenue from external customers | 236,652 | 78,366 | 158,160 | 29,491 | 85,487 | 2,940 | 167 | 591,263 |
| **Results** | | | | | | | | |
| Segment results | 44,912 | 10,701 | 25,092 | 3,334 | 4,096 | (4,637) | 1,920 | 85,418 |
| Finance costs | (5,888) | (1,096) | (119) | (41) | (1,498) | (1,243) | - | (9,885) |
| Interest income | 1,292 | 64 | 81 | - | 25 | 1,634 | - | 3,096 |
| Share of profit of associates | - | - | - | - | - | 1,236 | - | 1,236 |
| Profit before tax | 40,316 | 9,669 | 25,054 | 3,293 | 2,623 | (3,010) | 1,920 | 79,865 |
| Tax expense | (11,209) | (6,570) | (6,160) | (352) | (1,143) | 1,318 | (277) | (24,393) |
| Profit for the financial year | 29,107 | 3,099 | 18,894 | 2,941 | 1,480 | (1,692) | 1,643 | 55,472 |
| **Assets** | | | | | | | | |
| Segment assets | 598,742 | 86,238 | 100,442 | 27,199 | 439,187 | 103,028 | 4,415 | 1,359,251 |
| Investments in associates | - | - | - | - | - | 53,003 | - | 53,003 |
| **Total assets** | 598,742 | 86,238 | 100,442 | 27,199 | 439,187 | 156,031 | 4,415 | 1,412,254 |
| **Liabilities** | | | | | | | | |
| Segment liabilities | 282,945 | 84,100 | 31,105 | 5,936 | 104,655 | 10,437 | 150 | 519,328 |
| **Other segment information** | | | | | | | | |
| Additions to non-current assets other than financial instruments and deferred tax assets | 4,336 | 4,229 | 4,863 | 719 | 13,648 | 121 | 37 | 27,953 |
| Depreciation | 5,963 | 3,934 | 1,353 | 1,303 | 11,628 | 161 | 11 | 24,353 |
| Other material non-cash item: | | | | | | | | |
| - Reversal of impairment loss on trade and other receivables | 20 | - | 4,406 | 177 | 6 | - | - | 4,609 |

**36. OPERATING SEGMENTS (continued)**

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by operating segment (continued):

| 2010 | Properties RM'000 | Construction RM'000 | Manufacturing and trading: Cable RM'000 | Manufacturing and trading: Building material RM'000 | Hotel and leisure RM'000 | Investment holding RM'000 | Other operating segments RM'000 | Consolidated RM'000 |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | | |
| Total revenue | 303,744 | 271,204 | 121,813 | 35,925 | 85,682 | 18,575 | 1,128 | 838,071 |
| Inter-segment sales | (18,920) | (123,792) | (6) | (12,588) | (130) | (15,800) | (1,007) | (172,243) |
| Revenue from external customers | 284,824 | 147,412 | 121,807 | 23,337 | 85,552 | 2,775 | 121 | 665,828 |
| **Results** | | | | | | | | |
| Segment results | 46,050 | 5,940 | 16,693 | 1,180 | 9,045 | 113 | 965 | 79,986 |
| Finance costs | (2,624) | (1,658) | (412) | (149) | (784) | (3,125) | - | (8,752) |
| Interest income | 520 | 306 | 107 | - | 14 | 1,144 | - | 2,091 |
| Share of profit of associates | - | - | - | - | - | 1,003 | - | 1,003 |
| Profit before tax | 43,946 | 4,588 | 16,388 | 1,031 | 8,275 | (865) | 965 | 74,328 |
| Tax expense | (10,391) | (3,710) | (5,180) | (189) | (3,012) | 951 | (116) | (21,647) |
| Profit for the financial year | 33,555 | 878 | 11,208 | 842 | 5,263 | 86 | 849 | 52,681 |
| **Assets** | | | | | | | | |
| Segment assets | 586,771 | 124,663 | 87,168 | 26,916 | 444,097 | 86,461 | 6,767 | 1,362,843 |
| Investments in associates | - | - | - | - | - | 44,379 | - | 44,379 |
| Total assets | 586,771 | 124,663 | 87,168 | 26,916 | 444,097 | 130,840 | 6,767 | 1,407,222 |
| **Liabilities** | | | | | | | | |
| Segment liabilities | 276,439 | 132,282 | 24,562 | 7,084 | 91,867 | 47,240 | 1,801 | 581,275 |
| **Other segment information** | | | | | | | | |
| Additions to non-current assets other than financial instruments and deferred tax assets | 2,890 | 1,325 | 2,980 | 665 | 39,705 | 199 | 18 | 47,782 |
| Depreciation | 3,395 | 2,119 | 1,189 | 1,265 | 10,839 | 141 | 7 | 18,955 |
| Other material non-cash item: | | | | | | | | |
| - Reversal of impairment loss on trade and other receivables | 101 | 279 | 1,071 | 93 | 139 | - | - | 1,683 |

## 37. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the Group's capital management is to ensure that entities of the Group would be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance. The overall strategy of the Group remains unchanged from that in financial year ended 30 June 2010.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2011 and 30 June 2010.

The Group monitors and maintains a prudent level of total debts and to ensure compliance with any externally imposed capital requirements, if any.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital. Net debt represents total borrowings less cash and cash equivalents whereas total capital represents equity attributable to the owners of the parent less the fair value adjustment reserve.

| | Group | | Company | |
|---|---|---|---|---|
| | **2011 RM'000** | **2010 RM'000** | **2011 RM'000** | **2010 RM'000** |
| Borrowings | **266,771** | 306,007 | **8,683** | 45,516 |
| Less: Cash and cash equivalents | **(69,290)** | (118,834) | **(516)** | (4,469) |
| Net debt | **197,481** | 187,173 | **8,167** | 41,047 |
| Equity attributable to the owners of the parent | **894,574** | 825,861 | **567,813** | 575,545 |
| Less: Fair value adjustment reserve | **(12,791)** | - | **-** | - |
| Total capital | **881,783** | 825,861 | **567,813** | 575,545 |
| Gearing ratio | **22%** | 23% | **1%** | 7% |

(b) Financial instruments

Certain comparative figures have not been presented for 30 June 2010 by virtue of the exemption given in paragraph 44AA of FRS 7.

Categories of financial instruments

| **Group** **2011** | **Loans and receivables RM'000** | **Available for sale RM'000** | **Total RM'000** |
|---|---|---|---|
| **Financial assets** | | | |
| Other investments | **-** | **63,244** | **63,244** |
| Trade and other receivables | **246,055** | **-** | **246,055** |
| Cash and cash equivalents | **69,290** | **-** | **69,290** |
| | **315,345** | **63,244** | **378,589** |

**37. FINANCIAL INSTRUMENTS (continued)**

(b) Financial instruments (continued)

Categories of financial instruments (continued)

| Group<br>2011 | Other financial liabilities RM'000 | Total RM'000 |
|---|---|---|
| **Financial liabilities** | | |
| Borrowings | 266,771 | 266,771 |
| Trade and other payables | 183,034 | 183,034 |
| | 449,805 | 449,805 |

| Company<br>2011 | Loans and receivables RM'000 | Total RM'000 |
|---|---|---|
| **Financial assets** | | |
| Trade and other receivables | 193,048 | 193,048 |
| Cash and cash equivalents | 516 | 516 |
| | 193,564 | 193,564 |

| | Other financial liabilities RM'000 | Total RM'000 |
|---|---|---|
| **Financial liabilities** | | |
| Borrowings | 8,683 | 8,683 |
| Trade and other payables | 144,554 | 144,554 |
| | 153,237 | 153,237 |

(c) Fair values of financial instruments

The fair values of financial instruments that are not carried at fair value and whose carrying amounts do not approximate its fair values are as follows:

| | Group | |
|---|---|---|
| 2011 | Carrying amount RM'000 | Fair value RM'000 |
| **Recognised** | | |
| **Financial liabilities:** | | |
| Fixed rate term loans | 30,910 | 26,462 |

**37. FINANCIAL INSTRUMENTS (continued)**

(d) Determination of fair values

Methods and assumptions used to estimate fair values

The fair values of financial assets and financial liabilities are determined as follows:

i. Financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value

The carrying amounts of financial assets and liabilities, such as trade and other receivables, trade and other payables and short term borrowings, are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

ii. Non-current trade receivables

The carrying amounts of non-current trade receivables in respect of timeshare membership fees receivable represent future cash flows discounted at the market interest rate. Hence, their carrying amounts closely approximate their fair values.

iii. Fixed rate term loans

The fair value of fixed rate term loans is estimated by using discounted cash flows technique. The discount rate used is based on the current market information and rate applicable to similar type of borrowing.

iv. Quoted shares and quoted warrants

The fair value of quoted investments in Malaysia is determined by reference to the exchange quoted market bid prices at the close of the business on the end of the reporting period.

v. Unquoted shares

The fair value of these unquoted investments has been estimated using a relative valuation technique based on the industry average price earnings ('PE') ratio obtained from the market, discounted by 40% to reflect the listing premium of the public listed entities that forms the industry average. Management believes that the estimated fair values resulting from the valuation technique are reasonable and the most appropriate at the end of the reporting period.

(e) Fair value hierarchy

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

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

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

As at 30 June 2011, the Group held the following financial instruments carried at fair value on the statement of financial position:

**Assets measured at fair value**

| | **Total RM'000** | **Level 1 RM'000** | **Level 2 RM'000** | **Level 3 RM'000** |
|---|---|---|---|---|
| Available-for-sale financial assets | | | | |
| - Quoted shares | 62,283 | 62,283 | - | - |
| - Quoted warrants | 349 | 349 | - | - |
| - Unquoted shares | 612 | - | - | 612 |
| | 63,244 | 62,632 | - | 612 |

## 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management objective is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

The Group operates within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Board of Directors and does not trade in derivative financial instruments. Financial risk management is carried out through risk review programmes, internal control systems, insurance programmes and adherence to the Group financial risk management policies. The Group is exposed mainly to credit risk, liquidity and cash flow risk, interest rate risk, foreign currency risk and market price risk. Information on the management of the related exposures is detailed below. Certain comparative figures have not been presented for 30 June 2010 by virtue of the exemption given by FRS 7.44AA.

(i) Credit risk

Cash deposits and trade receivables may give rise to credit risk which requires the loss to be recognised if a counterparty fails to perform as contracted. The Group's primary exposure to credit risk arises from its trade receivables.

The Group minimises credit risk by associating itself with high credit rated counterparties and through credit approval, financial limits and on-going monitoring procedures. Counterparties credit evaluation is done systematically using quantitative and qualitative criteria on credit risks specified by individual operating division. Depending on the creditworthiness of the counterparty, the Group may require collateral or other credit enhancements. The Group uses ageing analysis and credit limit review to monitor the credit quality of the receivables.

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 15 to the financial statements.

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the country and industry sector profiles of its trade receivables on an ongoing basis.

As at the reporting date, 95% (2010: 95%) of trade receivables are generated from Malaysia.

The credit risk concentration profile of the Group's trade receivables by industry sectors at the end of the reporting period are as follows:

| | Group | | | |
|---|---|---|---|---|
| | 2011 | | 2010 | |
| | RM'000 | % of total | RM'000 | % of total |
| **By industry sectors:** | | | | |
| Properties | **80,670** | **35%** | 44,277 | 20% |
| Construction | **56,275** | **25%** | 86,195 | 39% |
| Manufacturing and trading | **47,222** | **20%** | 33,294 | 15% |
| Hotel and leisure | **45,269** | **20%** | 55,553 | 26% |
| Others | **48** | * | 41 | * |
| | **229,484** | **100%** | 219,360 | 100% |

* Amount is less than 1%.

At the end of the reporting period, less than 1% (2010: 2%) of the Group's receivables are due from related parties.

**38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

(i) Credit risk (continued)

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 15 to the financial statements. Cash and bank balances, deposits with banks and other financial institutions and investment securities that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 15 to the financial statements.

(ii) Liquidity and cash flow risk

Liquidity risk is the risk that the Group is unable to service its cash obligations in future.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the Group's activities.

Prudent liquidity risk management implies maintaining level of cash and the availability of funding through an adequate amount of committed credit facilities. As far as possible, the Group raises funding from financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

Analysis of financial instruments by remaining contractual maturities

The table below summaries the maturity profile of the Group's and the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

| | On demand or within one year RM'000 | One to five years RM'000 | Over five years RM'000 | Total RM'000 |
|---|---|---|---|---|
| As at 30 June 2011 | | | | |
| **Group** | | | | |
| **Financial liabilities:** | | | | |
| Borrowings | 67,986 | 108,157 | 94,234 | 270,377 |
| Trade and other payables | 176,180 | 6,854 | - | 183,034 |
| Total undiscounted financial liabilities | 244,166 | 115,011 | 94,234 | 453,411 |

**38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

(ii) Liquidity and cash flow risk (continued)

Analysis of financial instruments by remaining contractual maturities (continued)

| | On demand or within one year RM'000 | One to five years RM'000 | Over five years RM'000 | Total RM'000 |
|---|---|---|---|---|
| As at 30 June 2011 | | | | |
| **Company** | | | | |
| **Financial liabilities:** | | | | |
| Borrowings | **4,936** | **3,747** | **-** | **8,683** |
| Trade and other payables | **144,554** | **-** | **-** | **144,554** |
| Total undiscounted financial liabilities | **149,490** | **3,747** | **-** | **153,237** |
| As at 30 June 2010 | | | | |
| **Group** | | | | |
| **Financial liabilities:** | | | | |
| Borrowings | 208,720 | 91,435 | 11,264 | 311,419 |
| Trade and other payables | 200,019 | 6,129 | - | 206,148 |
| Total undiscounted financial liabilities | 408,739 | 97,564 | 11,264 | 517,567 |
| **Company** | | | | |
| **Financial liabilities:** | | | | |
| Borrowings | 37,694 | 7,822 | - | 45,516 |
| Trade and other payables | 126,018 | - | - | 126,018 |
| Total undiscounted financial liabilities | 163,712 | 7,822 | - | 171,534 |

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

As the Group has no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed as short term deposits with financial institutions.

The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings. The Group manages its interest rate exposure by way of applying centralised treasury management function, closely monitoring the debt market and where necessary, maintaining a prudent mix of fixed and floating rate borrowings. This strategy allows the Group to borrow at competitive interest rates. The Group does not use derivative financial instruments to hedge any debt obligations.

Sensitivity analysis for interest rate risk

As at 30 June 2011, if interest rates at the date had been 50 basis points lower, with all other variables held constant, the Group's and the Company's post-tax profit for the year would have been approximately RM473,000 and RM99,000 higher, arising mainly as a result of lower interest expense on variables borrowings and advances. If interest rates had been 50 basis points higher, with all other variables held constant, the Group's and the Company's post-tax profit would have been approximately RM475,000 and RM100,000 lower, arising mainly as a result of higher interest expense on variable borrowings and advances. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

## 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Interest rate risk (continued)

The following tables set out the carrying amounts, the weighted average effective interest rates as at the end of the reporting period of the Group's and the Company's financial assets and financial liabilities that are exposed to interest rate risk and the periods in which they mature, or if earlier, reprice:

| Group | Note | Weighted average effective interest rate % per annum | Within 1 year RM'000 | 1 - 2 years RM'000 | 2 - 3 years RM'000 | 3 - 4 years RM'000 | 4 - 5 years RM'000 | More than 5 years RM'000 | Total RM'000 |
|---|---|---|---|---|---|---|---|---|---|
| **As at 30 June 2011** | | | | | | | | | |
| **Fixed rate instruments** | | | | | | | | | |
| Deposits with licensed banks | 18 | 4.97 | **40,903** | - | - | - | - | - | **40,903** |
| Secured term loans | 22 | 5.30 | **6,046** | **10,001** | **9,368** | **5,495** | - | - | **30,910** |
| **Floating rate instruments** | | | | | | | | | |
| Secured term loans | 22 | 5.57 | **204,973** | - | - | - | - | - | **204,973** |
| Unsecured term loans | 22 | 6.56 | **3,514** | - | - | - | - | - | **3,514** |
| Unsecured bankers' acceptances | 22 | 3.46 | **11,045** | - | - | - | - | - | **11,045** |
| Secured bank overdrafts | 22 | 7.45 | **4,829** | - | - | - | - | - | **4,829** |
| Unsecured bank overdrafts | 22 | 7.94 | **5,500** | - | - | - | - | - | **5,500** |
| Secured revolving credits | 22 | 4.43 | **2,200** | - | - | - | - | - | **2,200** |
| Unsecured revolving credits | 22 | 4.75 | **3,800** | - | - | - | - | - | **3,800** |

**38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

(iii) Interest rate risk (continued)

The following tables set out the carrying amounts, the weighted average effective interest rates as at the end of the reporting period of the Group's and the Company's financial assets and financial liabilities that are exposed to interest rate risk and the periods in which they mature, or if earlier, reprice (continued):

| **Group** | **Note** | **Weighted average effective interest rate % per annum** | **Within 1 year RM'000** | **1 - 2 years RM'000** | **2 - 3 years RM'000** | **3 - 4 years RM'000** | **4 - 5 years RM'000** | **More than 5 years RM'000** | **Total RM'000** |
|---|---|---|---|---|---|---|---|---|---|
| **As at 30 June 2010** | | | | | | | | | |
| **Fixed rate instruments** | | | | | | | | | |
| Deposits with licensed banks | 18 | 4.22 | 34,800 | - | - | - | - | - | 34,800 |
| Secured term loans | 22 | 5.30 | 5,088 | 6,046 | 10,002 | 9,368 | 5,495 | - | 35,999 |
| **Floating rate instruments** | | | | | | | | | |
| Secured term loans | 22 | 6.35 | 172,394 | - | - | - | - | - | 172,394 |
| Unsecured term loans | 22 | 6.26 | 5,654 | - | - | - | - | - | 5,654 |
| Secured bankers' acceptances | 22 | 3.32 | 2,385 | - | - | - | - | - | 2,385 |
| Unsecured bankers' acceptances | 22 | 3.12 | 4,467 | - | - | - | - | - | 4,467 |
| Secured bank overdrafts | 22 | 7.05 | 2,796 | - | - | - | - | - | 2,796 |
| Unsecured bank overdrafts | 22 | 7.52 | 4,312 | - | - | - | - | - | 4,312 |
| Secured revolving credits | 22 | 4.24 | 71,500 | - | - | - | - | - | 71,500 |
| Unsecured revolving credits | 22 | 4.07 | 6,500 | - | - | - | - | - | 6,500 |

**38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

(iii) Interest rate risk (continued)

The following tables set out the carrying amounts, the weighted average effective interest rates as at the end of the reporting period of the Group's and the Company's financial assets and financial liabilities that are exposed to interest rate risk and the periods in which they mature, or if earlier, reprice (continued):

| **Company** | **Note** | **Weighted average effective interest rate %** | **Within 1 year RM'000** | **1 - 2 years RM'000** | **2 - 5 years RM'000** | **Over 5 years RM'000** | **Total RM'000** |
|---|---|---|---|---|---|---|---|
| **At 30 June 2011** | | | | | | | |
| **Floating rate instruments** | | | | | | | |
| Amount owing to subsidiaries | 21 | 4.05 | **29,714** | **-** | **-** | **-** | **29,714** |
| Secured term loans | 22 | 7.21 | **7,824** | **-** | **-** | **-** | **7,824** |
| Unsecured bank overdrafts | 22 | 7.93 | **859** | **-** | **-** | **-** | **859** |
| **At 30 June 2010** | | | | | | | |
| **Floating rate instruments** | | | | | | | |
| Amount owing to subsidiaries | 21 | 4.14 | 18,323 | - | - | - | 18,323 |
| Secured term loans | 22 | 6.56 | 12,016 | - | - | - | 12,016 |
| Secured revolving credits | 22 | 4.46 | 33,500 | - | - | - | 33,500 |

(iv) Foreign currency risk

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

Subsidiaries operating in Singapore, Thailand, Vietnam and Australia have assets and liabilities together with expected cash flows from anticipated transactions denominated in foreign currencies that give rise to foreign exchange exposures.

The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances amount to RM41,939,000 (2010:RM37,429,000) for the Group. To a certain extent, the cash forms a natural hedge against a borrowing denominated in a foreign currency.

The Group is also exposed to foreign currency exchange risk in respect of its overseas investments. The Group does not hedge this exposure with foreign currency borrowings as the currency positions are considered to be long term in nature.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the US Dollar exchange rates against the respective functional currencies of the Group entities, with all other variables held constant. The sensitivity analysis includes only significant outstanding balances denominated in foreign currencies, of which the fluctuations in foreign exchange rates would have an impact on profit or loss.

| | | **Group 2011 RM'000** Profit net of tax |
|---|---|---|
| US Dollar/RM | - strengthen by 3% | -304 |
| | - weaken by 3% | +304 |

**38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

(vi) Market price risk

Market price risk is the risk that the fair value of future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risks arising from quoted investments held by the Group. The quoted equity instruments in Malaysia are listed on the Bursa Malaysia Securities Berhad. The Group does not actively trade these investments and are classified as available-for-sale financial assets. The Group does not have exposure to commodity price risk.

To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

Sensitivity analysis for equity price risk

At the end of the reporting period, if Bursa Malaysia's Kuala Lumpur Composite Index ('KLCI') had been 3% higher or lower, with all other variables held constant, the Group's other reserve in equity would have been RM1,879,000 higher or lower, arising as a result of an increase or decrease in the fair value equity instruments classified as available-for-sale.

**39. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR**

During the financial year, the Company had undertaken the following corporate exercises:

(a) the renounceable rights issue of 171,049,635 2010/2020 Warrants C ('Warrant(s) C') in the Company to all the shareholders of the Company on the basis of three (3) Warrants C for every eight (8) existing ordinary shares of RM1.00 each held on 10 November 2010 at an issue price of RM0.02 per Warrant C; and

(b) the restricted issue of 42,762,337 Warrants C in the Company to the holders of unexercised 2000/2010 Warrants B on 29 October 2010, being the expiry date of Warrants B ('Expiry Date') on the basis of three (3) Warrants C for every eight (8) unexercised 2000/2010 Warrants B held on the Expiry Date at an issue price of RM0.02 per Warrant C.

The Warrants C were listed on Bursa Malaysia Securities Berhad on 13 December 2010.

## 40. COMPARATIVES

Certain figures as at 1 July 2009 have been restated due to the effects arising from the adoption of Amendment to FRS 117 *Leases*, which have resulted in retrospective adjustments. Leasehold land held by the Group for own use were reclassified from prepaid lease payments for land as previously reported, to property, plant and equipment as long term and short term leasehold land.

| As at 1 July 2009 | As previously reported RM'000 | Effects of adoption of Amendment to FRS 117 RM'000 | As restated RM'000 |
|---|---|---|---|
| **Group** | | | |
| Statement of financial position | | | |
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 391,106 | 12,614 | 403,720 |
| Intangible assets | 5,592 | - | 5,592 |
| Prepaid lease payments for land | 12,614 | (12,614) | - |
| Investment properties | 34,129 | - | 34,129 |
| Investments in associates | 44,615 | - | 44,615 |
| Other investments | 46,261 | - | 46,261 |
| Land held for property development | 140,654 | - | 140,654 |
| Deferred tax assets | 3,394 | - | 3,394 |
| Trade and other receivables | 42,825 | - | 42,825 |
| | 721,190 | - | 721,190 |
| **Current assets** | | | |
| Property development costs | 331,302 | - | 331,302 |
| Inventories | 38,058 | - | 38,058 |
| Trade and other receivables | 223,553 | - | 223,553 |
| Current tax assets | 4,228 | - | 4,228 |
| Cash and cash equivalents | 85,071 | - | 85,071 |
| | 682,212 | - | 682,212 |
| Total assets | 1,403,402 | - | 1,403,402 |

**40. COMPARATIVES (continued)**

| | As previously reported RM'000 | Effects of adoption of Amendment to FRS 117 RM'000 | As restated RM'000 |
|---|---|---|---|
| **Equity and liabilities** | | | |
| **Equity attributable to owners of the parent** | | | |
| Share capital | 456,132 | - | 456,132 |
| Treasury shares | (266) | - | (266) |
| Reserves | 331,399 | - | 331,399 |
| | 787,265 | - | 787,265 |
| Non-controlling interests | 164 | - | 164 |
| Total equity | 787,429 | - | 787,429 |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Trade and other payables | 4,797 | - | 4,797 |
| Borrowings | 177,151 | - | 177,151 |
| Deferred income | 38,292 | - | 38,292 |
| Deferred tax liabilities | 16,827 | - | 16,827 |
| | 237,067 | - | 237,067 |
| **Current liabilities** | | | |
| Trade and other payables | 197,729 | - | 197,729 |
| Borrowings | 175,368 | - | 175,368 |
| Deferred income | 2,610 | - | 2,610 |
| Current tax liabilities | 3,199 | - | 3,199 |
| | 378,906 | - | 378,906 |
| Total liabilities | 615,973 | - | 615,973 |
| Total equity and liabilities | 1,403,402 | - | 1,403,402 |

**For the financial year ended 30 June 2010**

| | | | |
|---|---|---|---|
| <u>Income statements</u> | | | |
| Depreciation of property, plant and equipment – leasehold land | - | 182 | 182 |
| Amortisation of prepaid lease payments for land | 182 | (182) | - |

| | | | |
|---|---|---|---|
| <u>Statement of financial position</u> | | | |
| Property, plant and equipment – leasehold land | - | 13,411 | 13,411 |
| Prepaid lease payments for land | 13,411 | (13,411) | - |

**41. OPENING STATEMENT OF FINANCIAL POSITION**

The opening statement of financial position as at 1 July 2010 primarily reflects the effects arising from the adoption of FRS 139, as follows:

| As at 1 July 2010 | As previously reported RM'000 | Effects of adoption of FRS 139 RM'000 | As restated RM'000 |
|---|---|---|---|
| **Group** | | | |
| Statement of financial position | | | |
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 432,950 | - | 432,950 |
| Intangible assets | 4,568 | - | 4,568 |
| Investment properties | 162,629 | - | 162,629 |
| Investments in associates | 44,379 | - | 44,379 |
| Other investments | 49,754 | 1,143 | 50,897 |
| Land held for property development | 143,284 | - | 143,284 |
| Deferred tax assets | 5,112 | 404 | 5,516 |
| Trade and other receivables | 30,795 | (1,475) | 29,320 |
| | 873,471 | 72 | 873,543 |
| **Current assets** | | | |
| Property development costs | 156,628 | - | 156,628 |
| Inventories | 43,900 | - | 43,900 |
| Trade and other receivables | 204,761 | (2,486) | 202,275 |
| Current tax assets | 9,628 | - | 9,628 |
| Cash and cash equivalents | 118,834 | - | 118,834 |
| | 533,751 | (2,486) | 531,265 |
| Total assets | 1,407,222 | (2,414) | 1,404,808 |

**41. OPENING STATEMENT OF FINANCIAL POSITION (continued)**

The opening statement of financial position as at 1 July 2010 primarily reflects the effects arising from the adoption of FRS 139, as follows (continued):

| | As previously reported RM'000 | Effects of adoption of FRS 139 RM'000 | As restated RM'000 |
|---|---|---|---|
| **Equity and liabilities** | | | |
| **Equity attributable to owners of the parent** | | | |
| Share capital | 456,132 | - | 456,132 |
| Treasury shares | (266) | - | (266) |
| Reserves | 369,995 | (69) | 369,926 |
| | 825,861 | (69) | 825,792 |
| Non-controlling interests | 86 | - | 86 |
| Total equity | 825,947 | (69) | 825,878 |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Trade and other payables | 6,129 | - | 6,129 |
| Borrowings | 99,094 | - | 99,094 |
| Deferred income | 39,891 | (1,867) | 38,024 |
| Deferred tax liabilities | 20,086 | - | 20,086 |
| | 165,200 | (1,867) | 163,333 |
| **Current liabilities** | | | |
| Trade and other payables | 200,019 | - | 200,019 |
| Borrowings | 206,913 | - | 206,913 |
| Deferred income | 2,784 | (478) | 2,306 |
| Current tax liabilities | 6,359 | - | 6,359 |
| | 416,075 | (478) | 415,597 |
| Total liabilities | 581,275 | (2,345) | 578,930 |
| Total equity and liabilities | 1,407,222 | (2,414) | 1,404,808 |

## 42. SUPPLEMENTARY INFORMATION ON REALISED AND UNREALISED PROFITS OR LOSSES

The retained earnings as at the end of the reporting period may be analysed as follows:

| | 2011 | |
|---|---|---|
| | Group RM'000 | Company RM'000 |
| Total retained profits of PJ Development Holdings Berhad and its subsidiaries: | | |
| - Realised | 350,882 | 67,895 |
| - Unrealised | (19,574) | - |
| | 331,308 | 67,895 |
| Total share of retained profits from associates: | | |
| - Realised | 52,056 | - |
| - Unrealised | 947 | - |
| | 384,311 | 67,895 |
| Less: Consolidation adjustments | (5,278) | - |
| Total retained profits of the Group/Company as per consolidated accounts | 379,033 | 67,895 |

# LIST OF GROUP'S TOP TEN PROPERTIES

## as at 30 June 2011

| Location | Area (sq ft) | Tenure | Description/ Existing Use | Age of Building | Date of Acquisition | Net Book Value (RM'000) |
|---|---|---|---|---|---|---|
| Menara PJD<br>No 50 Jalan Tun Razak<br>Kuala Lumpur<br>Wilayah Persekutuan | 796,355<br>(built-up) | Freehold | Building | 1 year<br>6 months | 15.11.2006 | 122,932 |
| Damai Laut Country Resort<br>Mukim of Lumut<br>District of Dindings<br>Perak Darul Ridzuan | 15,044,751 | Freehold and leasehold (99 years expiring on 08.06.2094) | Resort & property development | N/A | 1990 | 119,177 |
| Swiss-Garden Hotel & Residences<br>Kuala Lumpur<br>117 Jalan Pudu<br>55100 Kuala Lumpur<br>Wilayah Persekutuan | 342,752<br>(built-up) | Freehold | Hotel | 15<br>Years | - | 89,450 |
| Geran No. 71968 Lot 67756<br>Mukim Batu<br>Kuala Lumpur<br>Wilayah Persekutuan | 442,956 | Freehold | Land for residential development | N/A | 28.11.2001 | 74,498 |
| Swiss-Garden Resort & Spa Kuantan<br>Lot PT 7566<br>Mukim Sungai Karang<br>26100 Berserah<br>Daerah Kuantan<br>Pahang Darul Makmur | 250,512<br>(built-up) | Freehold | Hotel | 13 years | - | 55,866 |

# LIST OF GROUP'S TOP TEN PROPERTIES
## as at 30 June 2011

| Location | Area (sq ft) | Tenure | Description/ Existing Use | Age of Building | Date of Acquisition | Net Book Value (RM'000) |
|---|---|---|---|---|---|---|
| Lot 3670, 3673, 3675, 3677 & Lot 2446, 2447 Sek. 4, Bandar Butterworth Daerah Seberang Prai Utara Pulau Pinang | 678,300 | Freehold | Land for mixed development | N/A | 14.10.1996 | 55,658 |
| PT No. 1664 & 1665, H.S.(D) 18906 & 18907, Mukim Penor, Daerah Kuantan, Pahang | 43,560,479 | Leasehold (99 years expiring on 31.03.2098) | Land for residential development | N/A | 01.11.2006 | 32,307 |
| Mukim of Senai, Kulai District of Johor Bahru Johor Darul Takzim | 1,090,540 | Freehold | Land for residential, commercial & industrial development | N/A | 1991 | 28,081 |
| Bandar Indera Mahkota Mukim of Kuala Kuantan Pahang Darul Makmur | 321,930 | Leasehold (99 years expiring on 27.05.2108) | Land for residential development | N/A | 11.09.1996 | 23,843 |
| Geran No. 52671 - 52675 Lot 3006 - 3010 Geran Mukim No. 2671 - 2813 Lot 7822 - 7965 Geran No. 52676 Lot 3011 Mukim Cheras District of Ulu Langat Selangor | 897,336 | Freehold | Land for mixed development | N/A | 02.08.2007 | 23,510 |

# ANALYSIS OF SHAREHOLDINGS

## as at 30 September 2011

| | | |
|---|---|---|
| Authorised Capital | : | RM1,000,000,000 |
| Issued and fully paid-up capital | : | RM456,133,692 (Including 475,000 Treasury Shares) |
| Class of Shares | : | Ordinary shares of RM1.00 each fully paid |
| Voting Rights | : | One vote per RM1.00 share |

**BREAKDOWN OF SHAREHOLDINGS**

| RANGE OF SHAREHOLDINGS | NO. OF HOLDERS | PERCENTAGE OF HOLDERS | NO. OF RM1.00 SHARES | PERCENTAGE OF ISSUED CAPITAL |
|---|---|---|---|---|
| 1-99 | 517 | 3.61 | 9,692 | 0.00 |
| 100-1,000 | 3,291 | 22.99 | 2,664,102 | 0.58 |
| 1,001-10,000 | 7,891 | 55.14 | 35,950,019 | 7.89 |
| 10,001-100,000 | 2,305 | 16.11 | 70,224,303 | 15.41 |
| 100,001-22,782,933 | 306 | 2.14 | 228,084,929 | 50.06 |
| 22,782,934 and above | 2 | 0.01 | 118,725,647 | 26.06 |
| Total | 14,312 | 100.00 | 455,658,692 | 100.00 |

**THIRTY LARGEST REGISTERED HOLDERS**

| | NAME | SHAREHOLDINGS | PERCENTAGE |
|---|---|---|---|
| 1 | DINDINGS CONSOLIDATED SDN BHD | 90,285,481 | 19.81 |
| 2 | KHOR CHAI MOI | 28,440,166 | 6.24 |
| 3 | PERMODALAN NASIONAL BERHAD | 13,918,600 | 3.05 |
| 4 | SOON TIEK DEVELOPMENT SDN BHD | 13,620,327 | 2.99 |
| 5 | LADANG SETIA SDN BHD | 8,391,360 | 1.84 |
| 6 | OSK NOMINEES (TEMPATAN) SDN BERHAD<br>*WONG CHONG NGIN* | 7,086,400 | 1.56 |
| 7 | HSBC NOMINEES (ASING) SDN BHD<br>*AA NOMS SG FOR YC LTD* | 6,400,000 | 1.40 |
| 8 | HSBC NOMINEES (ASING) SDN BHD<br>*AA NOMS SG FOR JX LTD* | 6,380,000 | 1.40 |
| 9 | HSBC NOMINEES (ASING) SDN BHD<br>*AA NOMS SG FOR YM LTD* | 6,008,800 | 1.32 |
| 10 | HLB NOMINEES (TEMPATAN) SDN BHD<br>*PLEDGED SECURITIES ACCOUNT FOR MAH SIEW SEONG* | 5,158,200 | 1.13 |
| 11 | LAND MANAGEMENT SDN BHD | 4,400,000 | 0.97 |
| 12 | LOH SIEW HOOI | 4,130,000 | 0.91 |

| | NAME | SHAREHOLDINGS | PERCENTAGE |
|---|---|---|---|
| 13 | HSBC NOMINEES (ASING) SDN BHD<br>*AA NOMS SG FOR YS LTD* | 4,100,900 | 0.90 |
| 14 | KHOR CHEI YONG | 4,069,200 | 0.89 |
| 15 | PUBLIC NOMINEES (TEMPATAN) SDN BHD<br>*PLEDGED SECURITIES ACCOUNT FOR NG NGOW @ NG SOO HAR (ETCS)* | 3,633,800 | 0.80 |
| 16 | HSBC NOMINEES (ASING) SDN BHD<br>*AA NOMS SG FOR JY LTD* | 3,609,200 | 0.79 |
| 17 | NG AH BOON | 3,467,000 | 0.76 |
| 18 | HLB NOMINEES (TEMPATAN) SDN BHD<br>*PLEDGED SECURITIES ACCOUNT FOR WONG AH CHIEW* | 3,462,200 | 0.76 |
| 19 | AMSEC NOMINEES (TEMPATAN) SDN BHD<br>*AMTRUSTEE BERHAD FOR PACIFIC PEARL FUND (UT-PM-PPF)* | 3,371,300 | 0.74 |
| 20 | CITIGROUP NOMINEES (TEMPATAN) SDN BHD<br>*PLEDGED SECURITIES ACCOUNT FOR WONG CHONG SHEE (470539)* | 3,300,000 | 0.72 |
| 21 | LIM PEI TIAM @ LIAM AHAT KIAT | 3,000,000 | 0.66 |
| 22 | CITIGROUP NOMINEES (ASING) SDN BHD<br>*CBNY FOR DIMENSIONAL EMERGING MARKETS VALUE FUND* | 2,768,800 | 0.61 |
| 23 | HSBC NOMINEES (ASING) SDN BHD<br>*EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)* | 2,738,100 | 0.60 |
| 24 | WONG CHONG NGIN | 2,574,000 | 0.56 |
| 25 | OSK NOMINEES (TEMPATAN) SDN BERHAD<br>*KHOR CHAI MOI* | 2,448,000 | 0.54 |
| 26 | AU YIU JOO | 2,403,100 | 0.53 |
| 27 | WONG AH CHIEW | 2,376,000 | 0.52 |
| 28 | JASMIN VILLA DEVELOPMENT SDN.BHD. | 2,290,000 | 0.50 |
| 29 | THZEW BEE CHOO | 2,191,700 | 0.48 |
| 30 | CHAN YAN PING | 2,104,900 | 0.46 |

# ANALYSIS OF SHAREHOLDINGS
## as at 30 September 2011

**SUBSTANTIAL SHAREHOLDERS**

According to the register required to be kept under Section 69L of the Companies Act, 1965, the following are the substantial holders of the Company :

| Name | No. of shares held | | | |
|---|---|---|---|---|
| | Direct Interest | % | Indirect/Deemed Interest | % |
| Dindings Consolidated Sdn Bhd | 86,137,481 | 18.90 | *4,148,000 | 0.91 |
| Khor Chai Moi | 28,440,166 | 6.24 | **107,841,841 | 23.67 |
| Wong Ah Chiew | 2,376,000 | 0.52 | ***94,097,681 | 20.65 |

Notes :

* By virtue of shares held through Nominees.

** By virtue of shares held through Nominees, Dindings Consolidated Sdn Bhd, Land Management Sdn. Bhd., Ladang Setia Sdn Bhd and family members.

*** By virtue of shares held through Nominees, Dindings Consolidated Sdn Bhd, Elegant Preference Sdn Bhd and Jian Qi Holdings Sdn Bhd.

# ANALYSIS OF WARRANTHOLDINGS

## as at 30 September 2011

No. of Warrants Issued : 213,811,972

| RANGE OF HOLDINGS | NO. OF HOLDERS | PERCENTAGE OF HOLDERS | NO. OF WARRANTS | PERCENTAGE OF ISSUED WARRANTS |
|---|---|---|---|---|
| 1-99 | 48 | 1.27 | 2,082 | 0.00 |
| 100-1,000 | 584 | 15.44 | 404,140 | 0.19 |
| 1,001-10,000 | 1,734 | 45.85 | 7,563,396 | 3.54 |
| 10,001-100,000 | 1,207 | 31.91 | 43,573,542 | 20.38 |
| 100,001-10,690,597 | 207 | 5.47 | 97,405,912 | 45.56 |
| 10,690,598 and above | 2 | 0.05 | 64,862,900 | 30.34 |
| Total | 3,782 | 100.00 | 213,811,972 | 100.00 |

**THIRTY LARGEST REGISTERED HOLDERS**

| | NAME | WARRANTHOLDINGS | PERCENTAGE |
|---|---|---|---|
| 1 | DINDINGS CONSOLIDATED SDN BHD | 48,974,800 | 22.91 |
| 2 | KHOR CHAI MOI | 15,888,100 | 7.43 |
| 3 | SOON TIEK DEVELOPMENT SDN BHD | 7,611,222 | 3.56 |
| 4 | LADANG SETIA SDN BHD | 4,328,900 | 2.02 |
| 5 | OSK NOMINEES (TEMPATAN) SDN BERHAD<br>*WONG CHONG NGIN* | 3,321,750 | 1.55 |
| 6 | LAND MANAGEMENT SDN BHD | 2,554,900 | 1.19 |
| 7 | HSBC NOMINEES (ASING) SDN BHD<br>*AA NOMS SG FOR YC LTD* | 2,362,500 | 1.10 |
| 8 | MAK NGIA NGIA @ MAK YOKE LUM | 2,290,600 | 1.07 |
| 9 | HSBC NOMINEES (ASING) SDN BHD<br>*AA NOMS SG FOR JX LTD* | 2,280,000 | 1.07 |
| 10 | HSBC NOMINEES (ASING) SDN BHD<br>*AA NOMS SG FOR YM LTD* | 2,253,300 | 1.05 |
| 11 | OSK INVESTMENT BANK BERHAD<br>*IVT (DSP)* | 2,167,500 | 1.01 |
| 12 | MAK NGIA NGIA @ MAK YOKE LUM | 1,794,100 | 0.84 |
| 13 | CIMB GROUP NOMINEES (TEMPATAN) SDN BHD<br>*BHLB TRUSTEE BERHAD FOR HONG LEONG ASIA-PACIFIC PROPERTY INCOME PLUS FUND (50076 BHLBT)* | 1,550,000 | 0.72 |

# ANALYSIS OF WARRANTHOLDINGS
## as at 30 September 2011

| | NAME | WARRANTHOLDINGS | PERCENTAGE |
|---|---|---|---|
| 14 | HSBC NOMINEES (ASING) SDN BHD<br>*AA NOMS SG FOR YS LTD* | 1,500,337 | 0.70 |
| 15 | HLB NOMINEES (TEMPATAN) SDN BHD<br>*PLEDGED SECURITIES ACCOUNT FOR WONG AH CHIEW* | 1,497,800 | 0.70 |
| 16 | MAK PAK LIN | 1,410,100 | 0.66 |
| 17 | HSBC NOMINEES (ASING) SDN BHD<br>*AA NOMS SG FOR JY LTD* | 1,353,450 | 0.63 |
| 18 | MAYBAN NOMINEES (TEMPATAN) SDN BHD<br>*PLEDGED SECURITIES ACCOUNT FOR BEH CHAN PIN* | 1,250,000 | 0.58 |
| 19 | ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD<br>*PLEDGED SECURITIES ACCOUNT FOR LIM LIAN SENG (800394)* | 1,200,000 | 0.56 |
| 20 | RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD<br>*PLEDGED SECURITIES ACCOUNT FOR FONG JONG HAN (CEB)* | 1,200,000 | 0.56 |
| 21 | PUBLIC NOMINEES (TEMPATAN) SDN BHD<br>*PLEDGED SECURITIES ACCOUNT FOR NG NGOW @ NG SOO HAR (E-TCS)* | 1,174,000 | 0.55 |
| 22 | MAH KENG LOOI | 1,116,000 | 0.52 |
| 23 | AMSEC NOMINEES (TEMPATAN) SDN BHD<br>*AMTRUSTEE BERHAD FOR PACIFIC PEARL FUND (UT-PM-PPF)* | 1,073,362 | 0.50 |
| 24 | CHAN HING | 1,050,000 | 0.49 |
| 25 | WONG AH CHIEW | 1,046,300 | 0.49 |
| 26 | LOW AH LIN | 1,000,000 | 0.47 |
| 27 | OSK NOMINEES (TEMPATAN) SDN BERHAD<br>*KHOR CHAI MOI* | 1,000,000 | 0.47 |
| 28 | JASMIN VILLA DEVELOPMENT SDN.BHD. | 996,800 | 0.47 |
| 29 | KHOR CHEI YONG | 900,000 | 0.42 |
| 30 | MAYBAN NOMINEES (TEMPATAN) SDN BHD<br>*PLEDGED SECURITIES ACCOUNT FOR NG SEE HIEN* | 895,000 | 0.42 |

1. **Directors' Interest As At 30 September 2011**

**COMPANY**

| | Ordinary Shares Of RM1.00 Each | | | |
|---|---|---|---|---|
| | Direct Interest | | Indirect/Deemed Interest | |
| **Director** | **No.** | **%** | **No.** | **%** |
| Wong Ah Chiew | 2,376,000 | 0.52 | 94,097,681 | 20.65 |
| Wong Chong Shee | 3,300,000 | 0.72 | - | - |
| Khor Chai Moi | 28,440,166 | 6.24 | 107,841,841 | 23.67 |
| Yap Yoon Kong | - | - | 590,000 | 0.13 |
| Ong Ju Xing | 20,000 | 0.004 | - | - |

| | Warrants C | | | |
|---|---|---|---|---|
| | Direct Interest | | Indirect/Deemed Interest | |
| **Director** | **No.** | **%** | **No.** | **%** |
| Wong Ah Chiew | 1,046,300 | 0.49 | 50,629,900 | 23.68 |
| Khor Chai Moi | 15,888,100 | 7.43 | 57,421,100 | 26.86 |

**RELATED CORPORATION**

| | Ordinary Shares Of RM1.00 Each | | | |
|---|---|---|---|---|
| | Direct Interest | | Indirect/Deemed Interest | |
| **Director** | **No.** | **%** | **No.** | **%** |
| a) Wong Ah Chiew | | | | |
| b) Khor Chai Moi | | | | |
| • Damai Laut Golf Resort Sdn. Bhd. | - | - | 49,500,000 | 99.00 |
| • Swiss-Garden Rewards Sdn. Bhd. | - | - | 350,000 | 70.00 |

| | Ordinary Shares Of 10.00 Thai Baht Each | | | |
|---|---|---|---|---|
| | Direct Interest | | Indirect/Deemed Interest | |
| **Director** | **No.** | **%** | **No.** | **%** |
| a) Wong Ah Chiew | | | | |
| b) Khor Chai Moi | | | | |
| • PJDCI Co., Ltd | - | - | 242,500 | 78.5 |
| • PJDC Co., Ltd | - | - | 14,925,000 | 88.5 |

2. **Material Contracts Involving Directors' and Substantial Shareholders' Interest**

There was no material contract(s) entered by the Company or its subsidiaries involving directors' and substantial shareholders' interests in the financial year ended 30 June 2011.

3. **Non-Audit Fee**

The non-audit fees paid by Company to external auditors for the financial year ended 30 June 2011 are disclosed in Note 28 of the financial statements.

**4. Recurrent Related Party Transactions**

Recurrent related party transactions of PJ Development Holdings Berhad ("PJD") Group conducted pursuant to shareholders' mandate for the financial year ended 30 June 2011 are as follows:

| Related Parties | Type of Recurrent Related Party Transactions | Interested Directors / Major Shareholders and Persons Connected | Value of Transactions (RM'000) |
|---|---|---|---|
| DC Group | Sale of building and construction materials | KCM, WAC, WCS<br>DC | 2,291 |
| OSKP Group | Award of construction contracts (includes construction of buildings and ancillary infrastructure works and related services) | KCM, WAC, WCS, OLH, WCK, OYC,<br>DC | 20,399 |
| Ke-Zan | Rental of premises in Plaza OSK | KCM, WAC, WCS, OLH, WCK, OYC,<br>DC | 1,323 |
| WMSC Group | Purchase Supervisory Control and Data Acquisition (SCADA), information technology services, security system and smart home system | KCM, WAC, WCS, OYC, SW,<br>DC | 1,183 |

Notes:

(1) *Dinding Consolidated Sdn Bhd ("DC")*
*DC is a major shareholder of PJD. Mr. Wong Ah Chiew ("WAC") and Madam Khor Chai Moi ("KCM") are both directors and major shareholders of PJD and DC.*

(2) *OSK Property Holdings Berhad ("OSKP")*
*Mr Ong Leong Huat ("OLH") is a director and major shareholder of OSKP, brother of Wong Chong Kim ("WCK"), and also father of Ms Ong Yee Ching ("OYC"), who are both directors of OSKP.*

*OLH and WCK are brothers of WAC and Wong Chong Shee ("WCS"), who are both directors of PJD.*

(3) *KE-ZAN Berhad ("Ke-Zan")*
*Ke-Zan is a wholly-owned subsidiary company of OSK.*

*WCK is the Director of OSK, OSKP and Ke-Zan.*

(4) *Willowglen MSC Berhad ("WMSC")*
*WMSC is a 51.72% owned subsidiary company of New Advent Sdn Bhd ("NASB"). NASB is a wholly-owned subsidiary company of DC. Simon Wong Chu Keong ("SW") and OYC are directors of NASB. SW is the son of WAC. OYC is the daughter of KCM. WAC and KCM hold 0.62% and 0.66% direct interest respectively in WMSC.*

PJ DEVELOPMENT HOLDINGS BERHAD
(COMPANY NO. 5938-A) (INCORPORATED IN MALAYSIA)

# FORM OF PROXY

| No. of PJD Shares held |
|---|
| |
| **CDS Account No.** |
| |

I/We ..........................................................................................................................................................
(PLEASE USE BLOCK LETTERS)

*NRIC No./Passport No./Company No. ..........................................................................................................

of..............................................................................................................................................................

........................................................................ being a member(s) of **PJ DEVELOPMENT HOLDINGS BERHAD** ("the Company") hereby appoint:-

| **Full Name (in Block)** | **NRIC/Passport No.** | **Proportion of Shareholdings** | |
|---|---|---|---|
| | | **No. of Shares** | **%** |
| **Address** | | | |

*and/or

| **Full Name (in Block)** | **NRIC/Passport No.** | **Proportion of Shareholdings** | |
|---|---|---|---|
| | | **No. of Shares** | **%** |
| **Address** | | | |

or failing him / her, *the Chairman of the Meeting, as *my / our proxy to vote for *me / us on *my / our behalf at the 46th Annual General Meeting of the Company to be held at Grand Hibiscus, Level 3, Swiss-Garden Hotel & Residences Kuala Lumpur, 117, Jalan Pudu, 55100 Kuala Lumpur, Malaysia on Thursday, 24 November 2011 at 10.00 a.m. and at any adjournment thereof, in the manner indicated below:

| | **RESOLUTIONS** | **FOR** | **AGAINST** |
|---|---|---|---|
| 1. | Declaration of a first and final dividend | | |
| 2. | Re-election of Khor Chai Moi as Director | | |
| 3. | Re-election of Au Chun Choong as Director | | |
| 4. | Re-election of Ong Ju Xing as Director | | |
| 5. | Approval on payment of Directors' Fees | | |
| 6. | Re-appointment of Auditors and authorising the Directors to fix their remuneration | | |
| 7. | Authority to Issue Shares | | |
| 8. | Proposed Shareholders' Mandate | | |
| 9. | Proposed Share Buy-Back Renewal | | |

(Please indicate with an "X" in the spaces provided as to how you wish your vote to be cast for or against the Resolutions. In the absence of specific instructions, the proxy/proxies* may vote or abstain from voting as he/she/they* may think fit.)

Dated this ........................ day of .................................. 2011

..............................................................................................
*Signature/Common Seal of Shareholder

* Delete if not appropriate

Notes:

1. ***A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies (but not more than two) to attend and vote in his stead. If two proxies are appointed, the number of shares each person is entitled to vote must be stated in the form of proxy. A proxy need not be a member of the Company.***
2. ***All forms of proxy must be deposited at the Registered Office of the Company at 18th Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.***
3. ***The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation under its Common Seal or the hand of its attorney.***

Fold this flap for sealing

Stamp

The Secretary
**PJ Development Holdings Berhad**
(Company No. 5938-A)
18th Floor, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Malaysia

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1st fold here

www.pjd.com.my