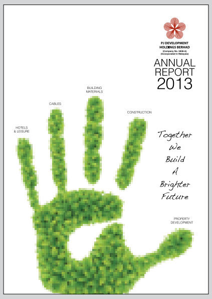
PJ DEVELOPMENT HOLDINGS BERHAD

(Company No. 5938-A)
(Incorporated in Malaysia)

ANNUAL REPORT 2013

Together We Build A Brighter Future



COVER RATIONAL

At PJD we build sustainable relationships with our stakeholders, business partners and the community and we are passionate about the environment. The 5 fingers eco-hand of green leaves symbolizes the environment-friendly 5 business divisions of the Group working together to build a brighter future.

The 5 hands bonding reflect the synergy and co-operation of the Group's 5 divisions.

Contents

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Forty-Eighth 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, 21 November 2013 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 2013 together with the Report of the Auditors thereon. **(Please refer Explanatory Note 1)**

2. To declare a first and final dividend comprising 3.5 % less 25% tax and 1.5% tax exempt per ordinary share for the year ended 30 June 2013. **(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) Puan Sri Khor Chai Moi **(RESOLUTION 2)**

   (b) Mr Loy Tuan Bee **(RESOLUTION 3)**

   (c) Dato' Abdul Rahman Bin Yusof **(RESOLUTION 4)**

   (d) Mr Foo San Kan **(RESOLUTION 5)**

4. To approve the payment of Directors' fees of RM105,000 for the year ended 30 June 2013. **(RESOLUTION 6)**

5. To re-appoint Messrs BDO as Auditors of the Company and to authorise the Directors to fix their remuneration. **(RESOLUTION 7)**

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 8)**

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 30 October 2013;

Notice of Annual General Meeting

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 9)

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 10)

Notice of Annual General Meeting

10. **Ordinary Resolution 4**

Re-appointment as Independent Non-Executive Director

"THAT as recommended by the Board of Directors of the Company and the Nominating Committee, YM Ungku Haji Mohd Afandi Bin Suleiman, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years be re-appointed as an Independent Non-Executive Director of the Company."

(RESOLUTION 11)

By Order of the Board

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

Kuala Lumpur
30 October 2013

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 13 November 2013 ("General Meeting Record of Depositors") are entitled to attend, speak and vote at the Forty-Eighth Annual General Meeting of the Company to be held on 21 November 2013.

2. 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 and there shall be no restriction as to the qualification of the proxy.

3. Where a member of the Company is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositors) Act, 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

4. 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.

5. 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 information 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 22 November 2012 which will lapse at the conclusion of the Forty-Eighth 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 30 October 2013 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 30 October 2013 for further information.

Notice of Annual General Meeting

5. **Ordinary Resolution 4**
   The Ordinary Resolution, if passed, will approve YM Ungku Haji Mohd Afandi Bin Suleiman continuing in office as Independent Non-Executive Director of the Company. Although not mandatory under the Malaysian Code of Corporate Governance 2012, it is recommended that the cumulative term of office of an Independent Director should not exceed nine years and that shareholders' approval should be obtained if he is recommended to continue as Independent Director.

   Further details of the Director who is recommended for re-appointment as Independent Non-Executive Director is set out in the Corporate Governance Statement of the Annual Report.

Statement Accompanying Notice Of Annual General Meeting

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

   (a) Puan Sri Khor Chai Moi
   (b) Mr Loy Tuan Bee
   (c) Dato' Abdul Rahman Bin Yusof
   (d) Mr Foo San Kan

   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

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

Wong Chong Shee
(Managing Director)

Puan Sri Khor Chai Moi
(Executive Director)

Yap Yoon Kong
(Executive Director)

Ong Ju Xing
(Executive Director)

Loy Tuan Bee
(Independent Non-Executive Director)

Dato' Abdul Rahman Bin Yusof
(Independent Non-Executive Director)

Foo San Kan
(Independent Non-Executive Director)

AUDIT COMMITTEE

Foo San Kan
(Chairman and Independent Non-Executive Director)

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

Loy Tuan Bee
(Independent Non-Executive Director)

SECRETARIES

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

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
Tel No. : 03-7720 1188
Fax No. : 03-7720 1111

AUDITORS

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

PRINCIPAL BANKERS

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

STOCK EXCHANGE LISTING

Main Market, Bursa Malaysia Securities Berhad

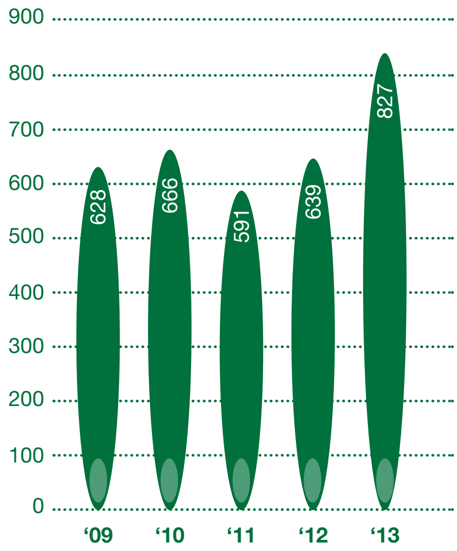
INCORPORATION

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

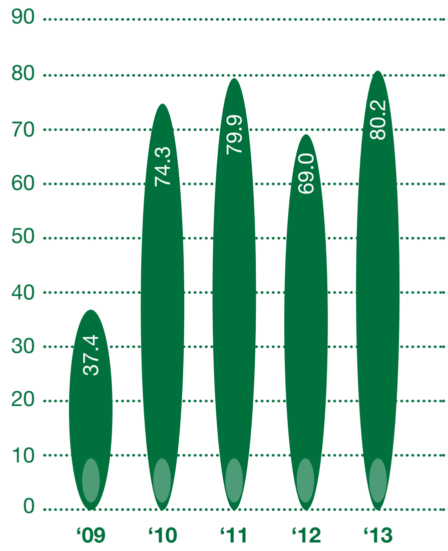
Five Years Group Financial Highlights

Financial Year Ended (RM Million)	2013 June	2012 June	2011 June	2010 June	2009 June
Revenue	**827**	639	591	666	628
Profit Before Tax	**80.2**	69.0	79.9	74.3	37.4
Profit After Tax And Non-Controlling Interests	**60.6**	52.1	55.5	52.7	22.7
Paid-up Capital	**456**	456	456	456	456
Shareholders' Funds	**960**	920	895	826	787
Basic Earnings Per Share (sen)	**13.4**	11.5	12.5	11.6	5.0
Dividends Per Share (sen)	**5.0**	5.0	5.0	5.0	3.0
Net Assets Per Share (RM)	**2.12**	2.02	1.96	1.81	1.73

REVENUE
(RM Million)



PROFIT BEFORE THE TAX
(RM Million)



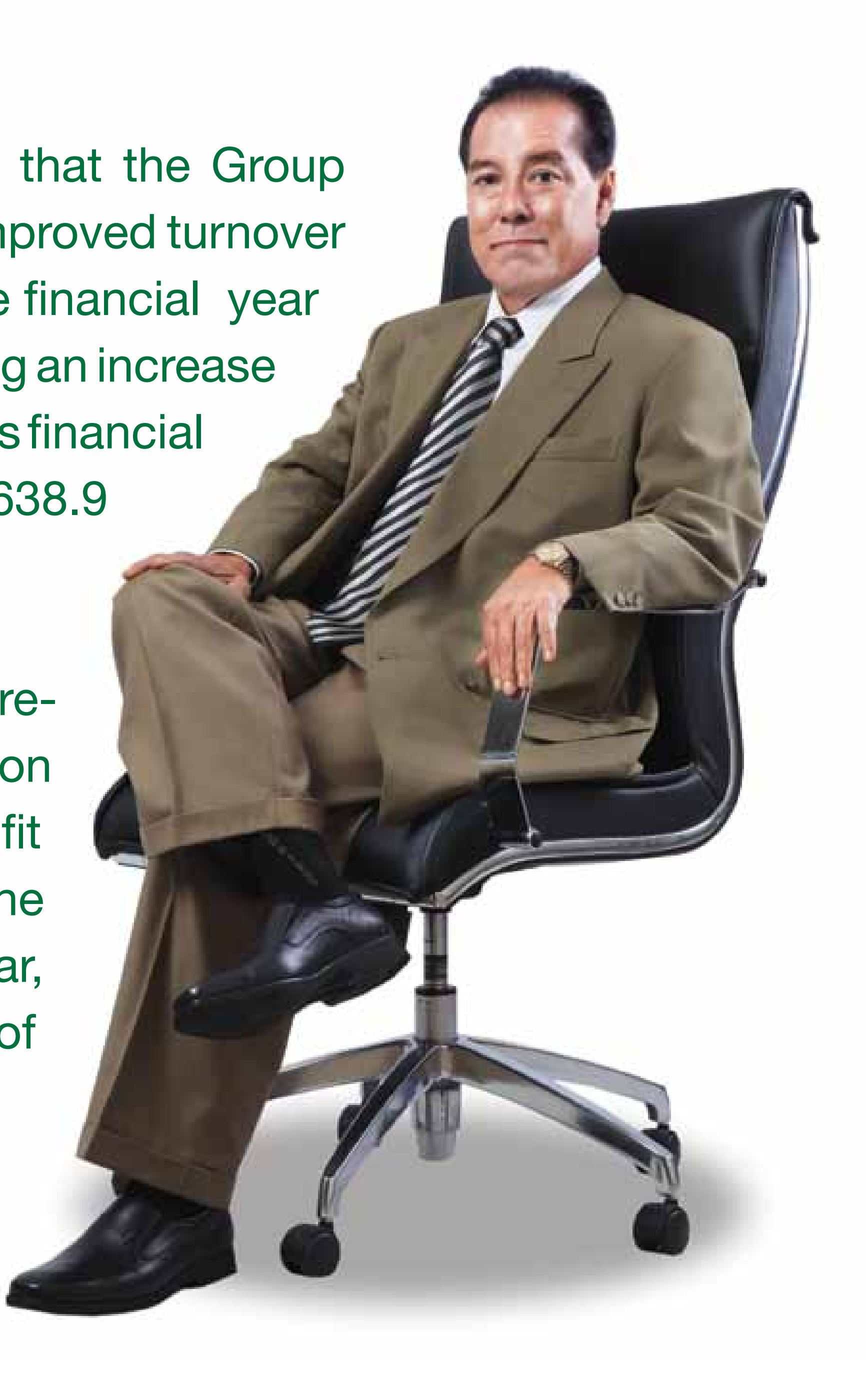
Chairman's Review

On behalf of the Board of Directors, it gives me great 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 2013.

FINANCIAL REVIEW

I am proud to announce that the Group recorded a significantly improved turnover of RM827.0 million for the financial year under review, representing an increase of 29.4 % over the previous financial year's turnover of RM638.9 million.

The Group registered a pre-tax profit of RM80.2 million as against a pre-tax profit of RM69.0 million for the previous financial year, representing an increase of 16.2%.



YOU City, Cheras, Perspective View

Net assets per share of the Group as at 30 June 2013 improved to RM2.12 compared to RM2.02 for the previous financial year while earnings per share had improved to 13.4 sen compared to 11.5 sen in the previous financial year.

The Property Division contributed a strong RM37.4 million to the Group's profit before tax due to several successful launches of its property development projects. The Construction Division recorded RM2.3 million to the Group's profits before tax whilst the Cables Division achieved a slight increase in profit before tax of RM23.2 million, despite being faced with a competitive environment in the financial year under review. The Building Materials Division registered a record RM7.3 million in profit before tax due to strong and sustained demand for its products. The Hotels & Leisure Division had a record-breaking performance of RM17.5 million with good occupancy and average room rates.

Chairman's Review

The BrandLaureate SMEs Signature Awards 2012 for Best Brands in Hospitality - Golf Resort & Spa

Perak Tourism Award 2012 for the Best Resort - Resort Category

DIVIDEND

The Board of Directors has recommended for your approval payment of a first and final dividend comprising of 3.5% per ordinary share less tax of 25% and a tax exempt dividend of 1.5% per ordinary share for the financial year ended 30 June 2013.

CORPORATE DEVELOPMENT

On 31 May 2013, PJD Central Sdn Bhd, a wholly owned subsidiary of the Company entered into a conditional sale and purchase agreement for the acquisition of a piece of industrial land with office and industrial building and warehouses along Jalan University, Petaling Jaya measuring approximately 258,746 sq feet for a total cash consideration of RM124.2 million. This new landbank will enable the Group to make a foray into the Petaling Jaya district with potential in retail and service apartment development.

I am proud to announce the two awards earned by our Swiss-Garden Golf Resort & Spa Damai Laut – The BrandLaureate SMEs Signature Awards 2012 – Best Brands in Hospitality – Golf Resort & Spa and the auspicious Perak Tourism Award 2012 – The Best Resort – Resort Category.

Great and careful efforts have been expended to sustain the community, workplace and environmental development with engagement in our CSR initiatives. The various divisions, individually and collectively participated in CSR activities to enhance the status of the less fortunate, employees' interaction and development and supporting the environment issues. This is our way to contribute back to our community with our slogan "Together we build a brighter future."

We believe that there are still growth opportunities in the businesses that we are operating in though mindful of the threats due to the uncertainties ahead. With proper planning and focus on the right strategies, we will ensure that the Group is able to withstand the cyclical fluctuations in the global environment and also to benefit from opportunities that arise.

Chairman's Review

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to express our gratitude and thanks to all our shareholders, valued customers, business partners and associates, bankers and regulatory authorities for their contributions and support in one way or another.

Not forgetting our employees who are our core assets, the Management team and the Board members, my commendation and thanks for their contributions, achievements and commitment.

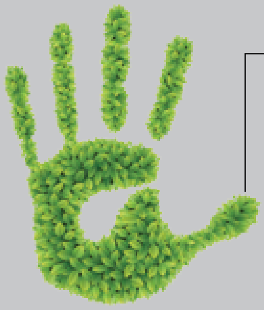
My congratulations to Mr Wong Chong Shee for taking the helm of the Company and Group as Managing Director on 1 August 2013. We trust in his leadership to take us through another exciting year ahead.

I take this opportunity to extend a warm welcome to Dato' Abdul Rahman Bin Yusof and Mr Foo San Kan who were appointed to the Board as Non-Executive Directors on 1 August 2013.

I would also like to express my sincere appreciation and thanks to Mr Wong Ah Chiew who retired as Managing Director and Mr Au Chun Choong who retired as Independent Non- Executive Director for their past services to the Company.

YM Ungku Haji Mohd Afandi Bin Ungku Suleiman
CHAIRMAN
3 October 2013

Managing Director's Operations Review 2013



PROPERTY

2012 / 2013 has been an exciting year for PJD Properties. Our forward thinking approach coupled with a strong team spirit has enabled us to mark a year of record sales and strengthening of our balance sheet.

The year saw us launching different phases of You City, D'Majestic, You One, Wellesley Residences and Swiss-Garden Resort Residences, enabling us to achieve a record RM646 million in sales bringing our total unbilled sales to RM683 million.

We believe that the strong performance was due to our solid financial standing which allowed us to explore and execute innovative ideas which were new in the locations of projects we launched, better serving the needs and wants of customers around Peninsular Malaysia.

We at PJD Properties believe that company branding has never been more important in the marketplace. We are delighted to share that our fresh branding campaign which was built on the "You" platform received positive response from the market through projects such as You City in Cheras, You One in USJ and You Terrace in Johor. This platform will be one of the many branding platforms which we have introduced and continue to build upon moving forward.

YOU Vista at YOU City, Cheras

Managing Director's Operations Review 2013

Woodsbury Suites at Harbour Place, Butterworth

After much deliberations and detailed preparations, we have finally launched the first two phases of You City, You Residence and You Vista, which saw an impressive sales debut. The much awaited You City in Cheras, sitting on a 20 acres site, along the Grand Saga Highway, will transform the Suntec area into a well-planned integrated development with serviced apartments, shop offices, offices and a retail shopping mall. Upon completion within the next 4 years, the mixed usage of space complimenting one another will truly embody the ideology of catering to all customer needs within an urban setting.

The second project donning the "You" brand in USJ called You One also received strong response from our customers. The serviced apartment, soho and retail mix use development located in the rapidly changed USJ 1 is seeing initiatives from developers and local authorities to regenerate the industrial area into the next commercial hub of Subang, truly delivering on the notion of "buying into the future".

In the Central Business District located in between the massive development plans of the old Pudu jail and Tun Razak Exchange, D'Majestic posted strong sales to both local and foreign buyers who were confident that the hidden value of the area will soon be extracted once the surrounding projects are completed. Again, PJD Properties has moved swiftly to capitalize on developments in the growth corridors in different locations.

In the northern region, Wellesley Residences produced a remarkable sold out performance in the booming mainland of Butterworth, enjoying the spill-over demand from Penang Island that looks to continue as the trend.

Moving up north, the division will launch the next phase of serviced apartments in Harbour Place Butterworth called Woodsbury Suites. Fronting the main thoroughfare road of Jalan Chain Ferry, the accessibility to and fro Woodsbury Suites combined with the spectacular views of the Penang Strait and Penang Island, makes this project a one of its kind development in Butterworth.

On the east coast, we have successfully launched the Sand Series of the well-entrenched Swiss-Garden Residences in 2012/2013, giving us confidence to launch the second phase Pearl Series by year end. The well designed serviced apartments boasts an unobstructed sea view for all units. Coupled with management by the highly acclaimed Swiss-Garden International, the Pearl Series has drawn the attention of the leisure tourism sector to attract both local and foreign investors into this part of the country.

Managing Director's Operations Review 2013

Pearl Series at Swiss-Garden Resort Residences, Kuantan

Down south, Mon't Callista in Johor Bahru has sold out its landed homes in 2012/2013 allowing us to turn our focus over to You Terrace in Taman Putri Kulai to fulfil the increasing demand of landed properties in the southern region. The 83 units of freehold single storey terrace houses offer residents a rare opportunity to experience a high quality standard of living in a gated & guarded area with innovative designs and imaginative amenities.

2013/2014 looks to be another exciting and promising year for the division. We have lined up project launches extending from north to south and east to west of Peninsular Malaysia, delivering on a comprehensive geographical study into the market we can contribute towards as part of our responsibility as a nation builder.

In the Klang Valley, we expect to continue the strong momentum by launching the upcoming upscale condominium Duta Kingsbury in Dutamas Mon't Kiara. Sitting on a premium 10 acres land, Duta Kingsbury will embody the stringent demands of the highest quality standard of living. With 2 acres of imaginative landscape, stunning water features and state of the art facilities all within a prime location, it will be a luxury condominium to own.

Up in the cooling and pristine conditions of Genting Highlands, we will present to the market our very first development in the highly visited holiday town. Consisting of 923 units of serviced apartments and a 312 rooms 4 star hotel managed by Swiss-Garden International, we are excited to bring to the market a product concept that has yet to be introduced in the area.

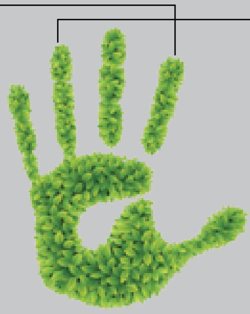
With our strategic plans in place, we are confident to achieve our targets and goals for 2013/2014.

www.pjdprop.com.my

Managing Director's Operations Review 2013

CONSTRUCTION

During the financial year, the Division achieved higher turnover and recorded healthy order books.



CABLES

The Division recorded an increase of 12% in group turnover as compared to the last financial year.

Construction in progress

However profits were affected by external forces beyond our control despite our concerted efforts and focus in managing our resources.

The division will continue to replenish its current order book with new construction works, emphasise on human capital and improve its delivery and competitiveness through improved productivity and better management of wastage. Moving forward with its commitment in improvement of internal business processes, performance standards and sound risk management and the opportunities expanded in the Iskandar Corridor and other areas opening for development, the Division is confident to respond positively to another challenging year ahead.

www.pjd.com.my

Cables

The increase was attributed to strong local demand, supported by buoyant construction and infra-structure activities. The Vietnam operation also recorded improvement in sales, gaining better acceptance in the local market. The operating profit was in line with the growth in turnover.

For the coming financial year, we anticipate that the local demand may experience some slow down. This slower market condition will affect both turnover and profit margin. To mitigate the negative impact of such scenario, the company is continuously diversifying into new market like Myanmar and new product development in oil and gas sector.

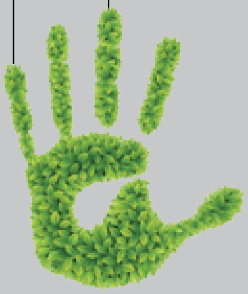
The prospects for the next financial year will be more challenging and very much dependant on the strength of the construction activities in the region. We are cautiously optimistic of sustaining our performance barring any adverse slowdown in local market.

www.olympic-cable.com.my

Managing Director's Operations Review 2013

BUILDING MATERIALS

Underpinned by strong demand in government projects and higher export sales, the Division has recorded a 58% increase in profit during the financial year under review.



HOTELS & LEISURE

The Division delivered a stronger performance in 2013, posting an increase in revenue of 12% from the previous year.

Although the year has not been without challenges with rising labour and raw materials costs, our stringent management processes have enabled us to mitigate costs pressure.

Plant facilitates in Johor and Perak are in the midst of upgrading while new lines are being installed to cater for the larger potential market. We will continue to weigh all options regarding our capacity expansion plans as we strive to maintain our market leading position.

www.acotec.my

The Hotel Group's portfolio was expanded with the management of two hotels in Penang, The Gurney Resort Hotel & Residences and the Northam All Suite.

The Swiss-Inn Kuala Lumpur which was refurbished and rebranded as an international Hip hotel continues to record an optimistic growth in revenue and average daily rates as compared to the same period last year. Various product enhancement programs were initiated at Swiss-Garden Golf Resort & Spa Damai Laut, Perak to add value to the resort as a preferred holiday destination.

In 2012, Malaysia registered over 25.0 million tourist arrivals; an increase of 1.3% as compared to the previous year. Tourist receipts were recorded at RM60.6 billion, a growth of 3.9% as compared to year 2011. The average per capita expenditure of tourists also grew from RM2,359 in 2011 to RM2,421 in 2012.

The increase in arrivals from key markets in Asia will continue to fuel growth in the tourism sector and this trend will continue to grow in 2013. The uncertainties in the European economy will inevitably affect arrivals from selected traditional sector but the rise of mid-market leisure segment from South East Asia will be the primary driver for growth in our hotels in primary cities. Extensive marketing and promotional efforts by the Ministry of Tourism and Culture commencing in January 2013 in conjunction with Visit Malaysia Year 2014 will create awareness for Malaysia and benefit the

Managing Director's Operations Review 2013

hospitality industry. The flight network restructuring plan by Air Asia and other low cost airlines in South East Asia will also spur intra-regional travel.

Malaysia received the tenth-highest tourist arrivals in the world making it an attractive tourist destination. Our Division will continue to ride on this ranking and target towards securing double digit growth in revenue and profits.

www.swissgarden.com

The SGI Vacation Club Division achieved one of its best performances in recent years. This is largely attributed to the success in the management of the sales teams which have grown in strength and numbers. The new sales channel – Mini-Vacation, has not only started to generate business through strategic marketing tie-ups with partner companies, it has enabled us to reach the higher income segment of the market.

Going forward, the Division sees growing opportunities for more people to own Vacation Club products as they put more emphasis and priorities in setting time aside for leisure activities. This is further fuelled by people's inclination to travel on their own as opposed to a fixed travel itinerary due to the advancements in technology, easy access to travel information and the emergence of the low cost carrier airlines. SGI Vacation Club is well positioned to take advantage of these trends. In view of this, we will continue our efforts to open up new segment of the market and even strategize to sell to avid travellers coming into Malaysia. By and large, the Division is optimistic of its performance in the coming year.

www.sgivacationclub.com

Wong Chong Shee
Managing Director
3 October 2013

Corporate Social Responsibility

Our commitment in corporate social responsibility stems from our motto **“Together We Build A Brighter Future.”** At PJD, we strive to be a valued corporate citizen by committing to sustainable development of society and taking into consideration the economic, environmental and social impact of our actions in business operations.

During the financial year under review, our Property division, in the various states where we build homes for the local community, participated in children’s home visits and charity drives to raise funds with their respective themes for the occasion such as “Sharing the Joy” with the Rapha Children Home, Kuantan, “Lending a Helping Hand” with the Persatuan Kebajikan Shemmah, Butterworth and with “Touching Hearts during this Festive Season” with the Persatuan Kebajikan Caring, Kulai.

PJD Kid’s Day 2012, held in FRIM was another charity event with orphans from Rumah Victory, Rumah Jagaan Siraman Kasih and Rumah Tara Bhavan participating in the outdoor activities organized for them.

Our SGI group of hotels organized visits to care centers in the central region, Tong Sim Senior Care Center, Kuala Lumpur, in the northern region, Grace Harmony Home, Penang and across to East Malaysia, Rumah Warga Tua Sri Harapan, Sandakan.

A variety of CSR activities such as festive celebrations, birthday get-togethers, sports activities, team building sessions, incentive and company trips were arranged for employees’ interaction and promoting a healthy and balanced work environment.

‘Together We Build a Brighter Future’ has become an integral part of our work culture and way of life in PJD.

Human Resource

PJD recognizes that people are our most valued assets. We strive to provide a working environment that is conducive, safe and healthy for continuous employee development and to build satisfying and rewarding careers.

Employees of all levels and from different business divisions underwent training programmes to strengthen their competencies and enhance their skills to meet the performance and productivity demands of their respective business environment.

The Group offered soft skills training covering a myriad of topics and across different categories of staff to cater for their training needs and self - development. Topics ranged from “Customer Service for Frontliners”, “Moving Sales Forward”, “Leading, Coaching and Motivating People”, “Problem Solving” and “Creating a Lean Organisation”.

Corporate Social Responsibility

01 *Company Trip to Chiangmai & Chengrai, Thailand*

02 *Charity Drive to Pusat Jagaan Kanak-Kanak Shammah, Butterworth*

03 *Children's Home Visit at Rahpa Children's Home, Kuantan*

04 *PJD Kids Day*

05 *Annual Staff Appreciation Night*

06 *Visit to Senior Citizen's Care Center*

Ulasan Pengerusi

Bagi pihak Lembaga Pengarah, saya amat berbangga untuk membentangkan kepada anda Laporan Tahunan dan Penyata Kewangan yang telah diaudit bagi PJ Development Holdings Berhad dan Kumpulan untuk tahun kewangan yang berakhir pada 30 Jun 2013.

ULASAN KEWANGAN

Saya bangga mengumumkan bahawa Kumpulan merakamkan perolehan yang bertambah baik secara ketara iaitu sebanyak RM827 juta untuk tahun kewangan di bawah ulasan, mewakili peningkatan sebanyak 29.4% berbanding dengan perolehan bagi tahun kewangan yang lepas sebanyak RM638.9 juta.

Kumpulan mencatatkan keuntungan sebelum cukai sebanyak RM80.2 juta berbanding dengan keuntungan sebelum cukai bagi tahun kewangan yang lepas sebanyak RM69.0 juta.

Aset bersih sesaham Kumpulan pada 30 Jun 2013 meningkat ke RM2.12 berbanding dengan RM2.02 untuk tahun kewangan yang lepas sementara pendapatan sesaham telah meningkat ke 13.4 sen berbanding dengan 11.5 sen pada tahun kewangan yang lepas.

Bahagian Hartanah menyumbang RM37.4 juta kepada keuntungan sebelum cukai Kumpulan disebabkan beberapa kejayaan pelancaran projek-projek pembangunan hartanahnya. Bahagian Pembinaan merakamkan RM2.3 juta untuk keuntungan Kumpulan sebelum cukai sementara Bahagian Kabel mencapai sedikit peningkatan dalam keuntungan sebelum cukai pada RM23.2 juta, meskipun berhadapan dengan persekitaran berdayasaing pada tahun kewangan di bawah ulasan. Bahagian Bahan Binaan merakamkan RM7.3 juta dalam keuntungan sebelum cukai disebabkan permintaan yang kukuh dan mampan untuk produknya. Bahagian Hotel dan Percutian merakamkan prestasi terulung sebanyak RM17.5 juta dengan purata penginapan dan kadar purata bilik yang bagus.

DIVIDEN

Lembaga Pengarah menyokong untuk mendapat kelulusan anda, pembayaran dividen pertama dan akhir sebanyak 3.5% sesaham tolak cukai sebanyak 25% dan 1.5% pengecualian cukai sesaham untuk tahun kewangan yang berakhir pada 30 Jun 2013.

PEMBANGUNAN KORPORAT

Pada 31 Mei 2013, PJD Central Sdn Bhd, anak syarikat milik penuh Syarikat memeterai perjanjian jual beli bersyarat untuk pemerolehan sebidang tanah perindustrian dengan bangunan pejabat dan perindustrian dan gudang di Jalan University, Petaling Jaya yang berukuran lebih kurang 258,746 kaki persegi dengan harga tunai sebanyak RM124.2 juta. Tanah simpanan baru ini akan membolehkan Kumpulan melibatkan diri didaerah Petaling Jaya dengan potensi dalam pembangunan runcit dan pangsapuri perkhidmatan.

Saya berbangga untuk mengumumkan dua anugerah yang diberikan kepada Swiss-Garden Golf Resort & Spa Damai Laut – Anugerah The BrandLaureate SMEs Signature 2012 – Jenama Terbaik untuk Hospitaliti – Golf Resort & Spa dan anugerah bertuah Anugerah Pelancongan Perak 2012 – Pusat Peranginan Terbaik – Kategori Pusat Peranginan.

Usaha yang hebat dan berhemah telah dilaksanakan untuk mengekalkan masyarakat, tempat kerja dan perkembangan alam persekitaran melalui usaha inisiatif CSR kami. Pelbagai bahagian, secara individual dan bersama, menyertai dalam aktiviti CSR untuk memperbaiki status orang yang kurang bernasib baik, interaksi dan perkembangan kakitangan dan menyokong isu-isu alam persekitaran. Inilah cara kami menyumbang kembali kepada masyarakat dengan slogan “Bersama kita membina masa hadapan yang lebih cerah”.

Ulasan Pengerusi

Kami percaya bahawa masih terdapat peluang pertumbuhan dalam perniagaan yang kami ceburi namun berwaspada terhadap ancaman disebabkan ketidakpastian masa hadapan. Dengan perancangan yang wajar dan tumpuan pada strategi yang betul, kami akan memastikan bahawa Kumpulan ini dapat bertahan naik turun kitaran dalam persekitaran global serta manfaat daripada peluang yang muncul.

PENGIKTIRAFAN

Bagi pihak Lembaga Pengarah, saya ingin menyatakan rasa terhutang budi dan terima kasih kepada semua pemegang saham kami, pelanggan yang dihormati, rakan perniagaan serta sekutu, pengurus bank dan pihak berkuasa bagi sumbangan dan sokongan mereka dari semua aspek.

Tidak lupa juga kakitangan kami yang merupakan aset utama kami, pasukan Pengurusan dan ahli Lembaga, pujian dan rasa terima kasih saya atas sumbangan, pencapaian dan komitmen mereka.

Tahniah kepada Encik Wong Chong Shee kerana menerajui Syarikat dan Kumpulan sebagai Pengarah Urusan pada 1 Ogos 2013. Kami yakin dengan kepimpinan beliau untuk mengemudi kami tahun mendatang yang mengujakan ini.

Saya mengambil peluang ini untuk menyampaikan salam selamat datang kepada Dato' Abdul Rahman Bin Yusof dan Encik Foo San Kan yang dilantik ke Lembaga sebagai Pengarah Bukan Eksekutif pada 1 Ogos 2013.

Saya juga ingin mengucapkan penghargaan tulus ikhlas dan terima kasih saya kepada Encik Wong Ah Chiew yang bersara sebagai Pengarah Urusan dan Encik Au Chun Choong yang bersara sebagai Pengarah Bebas Bukan Eksekutif atas sumbangan perkhidmatan mereka kepada Syarikat.

YM Ungku Haji Mohd Afandi Bin Ungku Suleiman
PENGERUSI
3 Oktober 2013

Ulasan Operasi 2013 oleh Pengarah Urusan

2012/2013 merupakan tahun yang mengujakan untuk PJD Properties. Pendekatan berfikiran ke hadapan kami, ditambah dengan semangat berpasukan yang kukuh, telah membolehkan kami merakam satu tahun jualan terbaik dan mengukuhkan kunci kira-kira kami.

Pada tahun dalam kajian, kami telah melancarkan beberapa fasa di You City, D'Majestic, You One, Wellesley Residences dan Swiss-Garden Resort Residences, yang membolehkan kami mencapai rekod jualan terbaik sebanyak RM646 juta yang menjadikan jumlah jualan yang belum berbil sebanyak RM683 juta.

Kami percaya bahawa prestasi kukuh ini disebabkan kedudukan kewangan kami yang padu membenarkan kami menjelajah dan melangsungkan idea inovatif yang sememangnya baru di lokasi projek-projek yang kami lancarkan, memenuhi keperluan dan kehendak pelanggan Semenanjung Malaysia dengan lebih baik lagi.

Kami di PJD Properties percaya bahawa penjenamaan syarikat belum pernah lagi menjadi sebegini penting di pasaran. Kami berbangga untuk berkongsi bahawa kempen penjenamaan segar kami yang dibina pada platform "You" menerima respon positif daripada pasaran melalui projek-projek seperti You City di Cheras, You One di USJ dan You Terrace di Johor. Platform ini akan menjadi satu daripada platform penjenamaan yang bakal kami perkenalkan dan terus membinanya pada masa akan datang.

Selepas perbincangan dan persediaan terperinci, kami akhirnya melancarkan dua fasa pertama You City, You Residence dan You Vista, yang menampakkan jualan debut yang mengagumkan. You City di Cheras yang ditunggu-tunggu, terletak di tapak seluas 20 ekar, sepanjang lebuh raya Grand Saga yang bertrafik tinggi, akan mengubahkan kawasan Suntec menjadi pembangunan berintegrasi yang dirancang sempurna dengan pangsapuri perkhidmatan, pejabat kedai, pejabat dan pusat membeli-belah. Pada penyempurnaannya, dalam 4 tahun yang berikut, penggunaan campuran ruang yang saling menyokong akan benar-benar mewujudkan ideologi membekalkan kepada semua keperluan pelanggan dalam persekitaran bandar.

Projek kedua yang menggunakan jenama "You" di USJ, dikenali sebagai You One, juga menerima respon yang bagus daripada pelanggan kami. Pangsapuri perkhidmatan, soho dan pembangunan penggunaan campuran runcit di USJ 1 yang berubah dengan pesat, mendapati inisiatif daripada pemaju dan pihak berkuasa tempatan untuk menjana semula kawasan pengindustrian supaya menjadi hab komersial Subang yang kedua, benar-benar menyampaikan tanggapan "membeli ke masa hadapan".

Di Daerah Pusat Perniagaan yang terletak di antara pelan pembangunan besar penjara Pudu lama dan Persimpangan Tun Razak, D'Majestic merakamkan jualan kukuh kepada kedua-dua pembeli tempatan dan asing, yang yakin bahawa nilai tersirat kawasan tersebut akan terdedah sebaik sahaja projek-projek sekelilingnya siap. Sekali lagi, PJD Properties telah bergerak pantas untuk mengambil kesempatan atas pembangunan pada koridor perkembangan di lokasi yang berbeza.

Di wilayah utara, Wellesley Residences mengemukakan prestasi habis dijual yang mengagumkan di Seberang Perai yang berkembang pesat, menikmati permintaan lebihan dari Pulau Pinang yang seperti akan berterusan mengikut arus tersebut.

2013/2014 bagaikan satu lagi tahun yang mengujakan dan berharapan untuk Bahagian ini. Kami telah mengatur pelancaran projek yang berlanjutan dari utara ke selatan dan timur ke barat Semenanjung Malaysia, menyampaikan kajian geografi yang komprehensif ke dalam pasaran yang kami dapat sumbangkan sebagai sebahagian daripada tanggungjawab kami sebagai pembangun bangsa.

Di Lembah Klang, kami menjangkakan momentum kukuh akan berterusan melalui kondominium mahal yang bakal dilancarkan, Duta Kingsbury di Dutamas Mon't Kiara. Terletak di sebidang tanah premium 10 ekar, Duta Kingsbury merangkumi piawaian ketat taraf kehidupan berkualiti tinggi. Dengan 2 ekar landskap berimaginasi, hiasan air yang hebat dan kemudahan terkini dalam lokasi prima ini, ia adalah kondominium mewah untuk dimiliki.

Ulasan Operasi 2013 oleh Pengarah Urusan

Dengan suasana segar dan semula jadi di Genting Highlands, kami mempersembahkan pembangunan pertama kami di bandar percutian yang dikunjungi ramai ini. Terdiri daripada 923 unit pangsapuri perkhidmatan dan 312 bilik hotel 4 bintang yang diuruskan oleh Swiss-Garden International, kami amat teruja untuk membekalkan kepada pasaran konsep produk yang belum pernah diperkenalkan di kawasan ini.

Beralih ke utara, Bahagian ini akan melancarkan fasa yang berikutnya pangsapuri perkhidmatan di Harbour Place Butterworth yang dikenali sebagai Woodsbury Suites. Berhadapan dengan jalan utama Jalan Chain Ferry, memudahkan aliran masuk keluar dari Woodsbury Suites dan digabungkan dengan pemandangan Selat Pulau Pinang dan Pulau Pinang yang menakjubkan, menjadikan projek ini satu-satunya pembangunan istimewa di Butterworth.

Di pantai timur, kami telah berjaya melancarkan Sand Series Swiss-Garden Residences yang telah bertapak dengan baik pada 2012/2013, memberikan kami keyakinan untuk melancarkan fasa kedua Pearl Series pada hujung tahun. Pangsapuri perkhidmatan yang direka bentuk dengan baik memberikan pemandangan terus kelaut bagi semua unit. Ditambah dengan pengurusan yang terkenal Swiss-Garden International, Pearl Series telah menarik perhatian sektor pelancongan percutian untuk menarik kedua-dua pelabur tempatan dan asing ke rantau ini.

Di selatan pula, semua kediaman bertapak Mon't Callista di Johor Bahru telah habis dijual untuk 2012/2013, membolehkan kami mengalihkan tumpuan kami kepada You Terrace di Taman Putri Kulai untuk memenuhi permintaan yang meningkat untuk hartanah di rantau selatan ini. 83 unit rumah teres satu tingkat pegangan bebas ini menawarkan pemilik satu peluang luar biasa untuk mengalami piawai kehidupan berkualiti tinggi dalam kawasan berpengawal dan berpagar dengan reka bentuk yang inovatif dan kemudahan yang imaginatif.

Dengan pelan strategi kami yang telah di atur, kami yakin akan mencapai sasaran dan matlamat bagi 2013/2014.

www.pjdprop.com.my

PEMBINAAN

Sepanjang tahun kewangan, Bahagian ini mencapai perolehan yang lebih tinggi serta mencatatkan pesanan belian yang sihat. Bagaimanapun keuntungan terjejas dengan kuasa luar kawalan kami meskipun terdapat usaha bersepadu dan tumpuan dalam menguruskan sumber-sumber kami.

Bahagian ini akan terus menambah lagi pesanan belian semasanya dengan kerja pembinaan baru, mengukuhkan sumber manusia dan mempertingkatkan penyampaian dan kebolehan daya saingnya melalui produktiviti yang diperbaik dan pengurusan pembaziran yang lebih tegas. Bergerak ke hadapan dengan komitmennya untuk mempertingkatkan proses perniagaan dalaman, prestasi piawai dan pengurusan risiko yang wajar, dan peluang yang berkembang di Koridor Iskandar serta lain-lain kawasan yang dibuka untuk pembangunan, Bahagian ini yakin dapat memberi respon yang positif kepada satu lagi tahun yang mencabar.

www.pjd.com.my

KABEL

Bahagian ini merakamkan peningkatan sebanyak 12% dalam perolehan kumpulan berbanding tahun kewangan yang lepas. Peningkatan ini disebabkan permintaan tempatan yang kukuh, disokong oleh aktiviti pembinaan dan infrastruktur yang mengapung. Operasi Vietnam juga merakamkan peningkatan dalam jualan, meraih penerimaan yang lebih baik di pasaran tempatan. Keuntungan operasi adalah sejajar dengan perkembangan dalam perolehan.

Untuk tahun kewangan yang akan datang, kami menjangkakan bahawa permintaan tempatan mungkin mengalami sedikit kelembapan. Keadaan pasaran yang lembap ini akan menjejaskan kedua-dua margin perolehan dan keuntungan. Untuk menangani kesan negatif senario sebegini, syarikat akan meneruskan usaha untuk mempelbagaikan pasaran baru seperti Myanmar dan memperkembangkan produk baru dalam sektor minyak dan gas.

Ulasan Operasi 2013 oleh Pengarah Urusan

Prospek untuk tahun kewangan yang berikut akan menjadi lebih mencabar lagi dan amat bergantung kepada kekukuhan aktiviti pembinaan di rantau tersebut. Kami masih optimistik dan berhati-hati demi mengekalkan prestasi kami dengan menghalang apa-apa kelembapan di pasaran tempatan.

www.olympic-cable.com.my

BAHAN BINAAN

Didorong oleh permintaan yang kukuh dalam projek kerajaan dan jualan eksport yang lebih tinggi, bahagian ini telah merakamkan peningkatan sebanyak 58% dalam keuntungan sepanjang tempoh kewangan di bawah ulasan. Walaupun dengan cabaran kos buruh dan bahan mentah yang meningkat pada tahun kewangan dalam kajian, proses pengurusan ketat kami telah berjaya menangani tekanan kos.

Kemudahan kilang di Johor dan Perak sedang dalam usaha dinaik taraf serta peralatan kilang baru sedang dipasang demi memenuhi potensi pasaran yang lebih besar. Kami akan terus mempertimbangkan semua peluang pelan perkembangan kapasiti kami serta berusaha untuk mengekalkan kedudukan sebagai peneraju pasaran.

www.acotec.my

HOTEL & PERCUTIAN

Bahagian ini memberikan prestasi yang lebih kukuh pada 2013, merakamkan peningkatan dalam pendapatan sebanyak 12% berbanding tahun lepas.

Portfolio Kumpulan Hotel berkembang di bawah pengurusan dua hotel di Pulau Pinang, The Gurney Resort Hotel & Residences dan Northam All Suite. Swiss-Inn Kuala Lumpur yang diperbaharui dan dijenamakan sebagai hotel Hip antarabangsa terus merakamkan pertumbuhan optimistik dalam pendapatan dengan purata kadar harian berbanding tempoh yang sama tahun lepas. Berbagai program pembaikan produk dimulakan di Swiss-Garden Resort & Spa Damai Laut, Perak untuk menambahkan nilai kepada pusat peranginan tersebut sebagai destinasi percutian pilihan.

Pada 2012, Malaysia mendaftarkan kunjungan pelancong yang melebihi 25.0 juta orang; satu peningkatan sebanyak 1.3% berbanding tahun lepas. Perbelanjaan pelancong dirakam pada RM60.6 bilion, peningkatan sebanyak 3.9% berbanding tahun 2011. Purata per kapita perbelanjaan pelancong juga meningkat dari RM2,359 pada 2011 ke RM2,421 pada 2012.

Peningkatan ketibaan daripada pasaran utama Asia akan terus membiayai pertumbuhan dalam sektor pelancongan dan arah aliran ini akan terus meningkat pada 2013. Ketidaktentuan ekonomi Eropah sudah pasti akan menjejaskan kedatangan dari sektor tradisional pilihan namun peningkatan segmen pasaran percutian pertengahan dari Asia Tenggara akan menjadi pemacu untuk pertumbuhan hotel kami di bandar-bandar utama. Usaha pemasaran dan promosi yang meluas oleh Kementerian Pelancongan dan Budaya bermula pada Januari 2013 bersamaan dengan Tahun Melawat Malaysia 2014 akan mewujudkan kesedaran untuk Malaysia dan memanfaatkan industri hospitaliti. Pelan penstrukturan semula rangkaian penerbangan Air Asia dan sistem penerbangan kos rendah lain di Asia Tenggara juga mendorong penerbangan serantau.

Malaysia menerima kedatangan pelancong kesepuluh tinggi di dunia menjadikannya satu destinasi pelancongan yang menarik. Bahagian kami akan terus menumpang kedudukan ini dan menumpu bagi menjamin perkembangan dua digit dalam perolehan dan keuntungan.

www.swissgarden.com

Bahagian SGI Vacation Club mencapai satu daripada prestasi terbaiknya berbanding tahun-tahun kebelakangan ini. Ini terutamanya disebabkan kejayaan dalam pengurusan pasukan jualannya yang telah berkembang dalam kekuatan dan bilangan. Saluran jualan barunya – Mini-Vacation, bukan saja mula menjanakan perniagaan melalui ikatan pasaran strategik dengan syarikat rakan-kerjasama namun ia telah membolehkan kami mencapai segmen pasaran berpendapatan tinggi.

Ulasan Operasi 2013 oleh Pengarah Urusan

Maju ke hadapan, Bahagian ini mendapati peluang pertumbuhan untuk lebih ramai orang untuk memiliki produk Vacation Club apabila mereka memberikan lebih tumpuan dan keutamaan demi meluangkan masa untuk aktiviti percutian. Ini akan didorong lagi oleh keinginan untuk melancong pada waktu mereka sendiri berbanding jadual perjalanan tetap, disebabkan kemajuan teknologi, kemudahan mengakses maklumat perjalanan dan kemunculan syarikat penerbangan kos rendah. SGI Vacation Club dikedudukan wajar untuk meraih kelebihan trend-trend ini. Mengambilkira semua ini, kami akan meneruskan usaha kami untuk membuka segmen baru pasaran serta strategi untuk menjual kepada pengembara tegar yang berkunjung ke Malaysia. Pada dasarnya, Bahagian ini optimistik dengan prestasinya pada tahun yang berikut.

www.sgivacationclub.com

Wong Chong Shee
Pengarah Urusan
3 Oktober 2013

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) 和集团，截至2013年6月30日为止的财政年度常年报告及经审核财务报告。

财务报告

本人谨此宣布，本集团在受检讨的财政年的营业额取得了高达8亿2700万令吉的显著增长，与前一个财政年的6亿3890万令吉相比，增幅达29.4%。

本集团的税前盈利为8020万令吉，比前一年的6900万令吉，增加了16.2% 。

截至2013年6月30日为止，本集团每股净资产值从前个财政年的2令吉02仙，增长至2令吉12仙；而每股盈利则从前一年的11.5仙，增加至13.4仙。

由于本集团在受检讨的财政年成功推介了数项产业发展计划，房地产发展业部门为本集团带来了高达3740万令吉的税前盈利。尽管受检讨的财政年面对很大的竞争，但本集团的建筑部门仍然为本集团贡献了230万令吉的税前盈利，而电缆部门则取得了稍有增长的2320万令吉税前盈利。此外，由于产品需求持续强劲，建筑材料部门也取得730万令吉的税前盈利。在理想入住率和合理客房租金等因素的带动下，酒店与休闲部门也创下了破纪录的1750万令吉税前盈利。

股息

针对于2013年6月30日结束的财政年，若获得股东们的批准，董事会建议每股派发3.5%（须扣税）和1.5%（免税）的首终期股息。

展望

在2013年5月31日，本公司全资拥有的子公司PJD Central Sdn Bhd签订了一份有条件买卖协议书，收购八打灵再也Jalan University一块占地面积约258,746平方尺且具有办公楼、工业建筑与仓库的工业用地。这项献购计划所涉及的总现金额达1亿2420万令吉。这块新的储备土地具有很大的发展潜力，相信将有助本集团进军八打灵再也地区的零售与服务式公寓产业市场。

在此，本人很自豪地宣布我们旗下的Swiss-Garden Golf Resort & Spa Damai Laut成功获得两项大奖，即2012年The BrandLaureate中小型企业品牌经典奖 - 酒 店、高尔夫球与水疗中心组最佳品牌；以及2012年霹雳旅游大奖 - 度假村组最佳度假酒店。

我们也致力于通过旗下的企业社会责任计划，维持社区、工作场所以及居住环境的可持续发展。本集团各个部门将个别或集体参与企业社会责任计划，以改善弱势社群的生活，同时加强员工的互动与自我提升，并支持环保课题。正如我们的口号“携手共创美好将来”一样，我们希望通过这种方式回馈社会。

虽然未来充满不确定因素，但是我们相信本集团的业务仍然有成长的空间。通过适当的规划和专注于正确策略，我们将确保本集团能够安然面对全球大环境的周期性波动，并且在市场商机中受惠。

特别鸣谢

在此，本人谨代表董事会向所有股东、尊贵客户、业务伙伴与联营伙伴、银行家和监管单位致以万分谢意，感谢他们对本集团的贡献与支持。

我们也没有忘记我们的核心资产，亦即全体员工们。我衷心感谢管理团队和董事会成员的贡献、成就和承诺。

本人也在此祝贺于2013年8月1日起执掌公司与集团董事经理一职的黄宗耀先生。我们相信，在他的英明领导之下，我们将迎来成就非凡的一年。

此外，我也代表董事会热烈欢迎于2013年8月1日起被委任为非执行董事的Dato’ Abdul Rahman Bin Yusof和胡善权先生。

对于卸任董事经理黄宗秋先生以及卸任独立非执行董事欧震中先生过去多年来为公司所做出的贡献，本人在此表示无限感激。

YM Ungku Haji Mohd Afandi Bin Ungku Suleiman
主席
2013年10月3日

董事经理业务检讨

对辟捷集团房地产发展组(PJD Properties)来说，2012年/2013年是非常精彩的一年。凭着前瞻性思维以及强大的团队精神，我们在这一年成功创下了辉煌的销售记录，同时大大加强了我们的资产负债表。

过去一年，我们推出了不同阶段的优乐城(You City)、D'Majestic、优旺城(You One)、威轩(Wellesley Residences)以及Swiss-Garden Resort Residences发展计划。这些发展项目创下了高达6亿4600万令吉的销售记录，让我们的未进账销售总额高达6亿8300万令吉。

我们认为，我们的亮眼表现主要是因为我们拥有良好的财务状况，让我们能够在我们所推出发展项目的地点探索和执行创新概念，进一步满足西马客户的需求与要求。

辟捷集团房地产发展组(PJD Properties)相信，公司的品牌形象在市场上是非常重要的。我们很高兴能够和大家分享一系列以"You"为中心的创新品牌宣传平台。这一系列包含蕉赖You City、USJ You One以及柔佛优佳苑(You Terrace)的宣传活动，获得了市场的热烈反应。"You"品牌平台是我们将继续推介和落实的品牌平台之一。

我们推出了首两期You City、乐雅阁(You Residences)以及乐景阁(You Vista)发展计划。这些发展计划一面市就取得了振奋人心的销售成绩。万众期待的蕉赖You City发展计划占地面积达20英亩，沿着车辆流量非常高的Grand Saga大道而建，包含服务式公寓、商店办公室、办公室以及零售商场的综合发展计划，相信将把Suntec地区改头换面，成为精心策划的综合城镇。在未来4年完工之后，这项商业与住宅互相辉映的混合型发展计划，绝对能够迎合所有城市消费者的生活需求。

位于USJ的You One是第二项"You"品牌旗帜下的发展计划。这项发展计划也取得了消费者的热烈反应。这项结合服务式公寓、SOHO和零售空间的混合发展计划，位于迅速发展的USJ 1地区，发展商和地方政府将联手把梳邦工业区改造成为梳邦下一个商业中心，真正实现"预购未来"的概念。

D'Majestic发展计划坐落在旧半山芭监狱和敦拉萨交通枢纽之间的中央商务地带。这项庞大的发展计划吸引了许多本地与海外买家。我们相信，一旦周围的发展计划完工之后，这个地区的隐藏价值将充分展现出来。同样的，辟捷集团房地产发展组(PJD Properties)也将迅速采取行动，把握不同地区的成长趋势，为消费者创造价值。

在北马，位于北海的Wellesley Residences也创下了全数售罄的辉煌记录。这项发展计划满足了槟岛买家的强劲需求，并且迎合了北马的产业发展趋势。

我们将在北海Harbour Place推出新一期的Woodsbury Suites服务式公寓。这个发展计划面向Jalan Chain Ferry主要通道，便利优越的地理位置再加上槟城海峡与槟岛的壮丽景色让此发展计划成为北海最独特的产业计划。

在东海岸，我们将继2012年/2013年成功推出Swiss-Garden Residences的沙滩系列(Sand Series)之后再次于今年年底推出第二期的珍珠系列(Pearl Series)。这座精心设计的服务式公寓的所有单位都拥有优美海景，再加上由备受好评的瑞园国际酒店(Swiss-Garden International)管理，Pearl Series预计将得到有志投资休闲旅游市场的本地和海外买家所青睐。

在南马市场方面，位于新山的嘉丽台山庄(Mon't Callista)排屋已经于2012年/2013年售罄。为了满足南马买家对有地产业日益增长的需求，我们将专注发展公主城(Taman Putri Kulai)的You Terrace计划。You Terrace发展计划包括83间永久业权的单层排屋，为居民提供了一个千载难逢的机会，让他们能够体验围篱保安住宅的优质生活，并且享受创新非凡的设计以及先进优良的设施。

对我们来说，2013年/2014年将是非常精彩且充满希望的一年。在这一年，我们将推出一系列发展计划，涵盖范围从北马一直延伸到南马和半岛东西部，为全马各地地区的买家提供全面的产业选择，同时履行我们作为国家建设者的责任。

在巴生谷一带，我们将乘胜追击在Dutamas Mon't Kiara推出Duta Kingsbury高级公寓。Duta Kingsbury高级公寓占地面积达10英亩，完美体现了品味买家对优质生活的严格要求。此外，地理位置非常优越的Duta Kingsbury也备有占地面积达2英亩的绿林景观、庭园水景以及先进的设备，绝对是人人都想拥有的豪华公寓。

此外，我们也将在凉爽宜人的云顶高原推介我们在这个度假胜地的首个发展计划。这项发展计划包含923个服务式公寓单位，以及312间由瑞园国际酒店(Swiss-Garden International)管理的4星级酒店房。我们很高兴能够为上述市场带来前所未有的全新产品概念。

董事经理业务检讨

我们有信心我们所实行的策略和计划，将于我们实现 2013/2014 年的目标。

www.pjdprop.com.my

建筑

在受检讨的财政年度，本部门取得了更高的营业额和更稳定的订单来源。虽然我们已经努力管理我们的资源，但是我们的利润仍然受到非我们所能控制的外部因素所影响。

为了补充目前的订单，本部门将致力提高生产力并妥善管理资源浪费问题，以争取更多新建筑工程、着重发展人力资本和改善交付程序与竞争力。此外，秉持着改善内部业务流程、设立绩效标准、建立健全风险管理程序以及把握依斯干达走廊及其他地区发展商机的承诺，本部门有信心积极面对充满挑战的新一年。

www.pjd.com.my

电缆

与上一个财政年度相比，本部门在今年所取得的营业额占了集团总营业额的12%。营业额增长的主要原因是因为本地需求量在建筑领域和基建发展的带动下日益提升。此外，本集团的越南业务销售也得到改善，并且获得当地市场的广泛接受。本部门的营运利润与营业额增长也成正比。

在下一个财政年度，我们预计本地需求量将面对放缓的情况。缓慢的市场状况将影响我们在营业额和毛利率方面的表现。在这样的情况下，为了减轻负面影响，本公司将不断拓展缅甸等新市场，并且从事石油与天然气等新产品的开发。

我们预计我们的业绩在下一个财政年度将面对更大的挑战，并且更加依赖区域建筑项目的发展。在本地市场没有放缓的情况下，我们对未来的业绩表现保持审慎乐观。

www.olympic-cable.com.my

建材

在政府发展项目的强劲需求和出口销售提高的支撑之下，本部门在受检讨的财政年度取得了58%的利润增长。虽然劳工和原料成本不断上涨，但是我们通过严格的管理流程减轻了成本压力。

此外，我们位于柔佛和霹雳州的工厂正在进行提升。我们将安装新的生产线以供应更大的潜在市场。为了保持我们在市场上的领先地位，我们将继续权衡所有关于产能扩张计划的选择。

www.acotec.my

酒店与休闲

本部门在2013年取得了亮眼的表现，收入较上一年增加了12%。

本集团成功获得槟城两家酒店 - The Gurney Resort Hotel & Residences以及Northam All Suite - 的管理权，让本集团的酒店业务进一步扩张。

与去年同期相比，翻新装修和重新包装成国际时尚酒店的Swiss-Inn Kuala Lumpur取得了业绩和每日平均房价方面的增长。此外，霹雳Swiss-Garden Golf Resort & Spa Damai Laut也推介了许多产品提升计划，为度假村提供了首选度假胜地的附加价值。

董事经理业务检讨

在2012年，马来西亚入境旅客人数超过2500万人；比上一年增加了1.3%。我国的旅游收益创下了606亿令吉的纪录，与2011年相比增加了3.9%。游客的平均消费也从2011年的2,359令吉增加至2012年的2,421令吉。

来自亚洲主要市场的游客将继续刺激本地旅游业的发展，而这样的趋势将延续至2013年。欧洲经济的不确定因素将不可避免地影响来自特定传统领域的旅客人数，而东南亚中级休闲市场的兴起，将成为我们在主要城市的酒店的主要成长动力。配合2014马来西亚旅游年，马来西亚旅游与文化部将在2013年1月展开一系列市场营销与推广工作，相信大马旅游业和酒店业也将从中受益。此外，亚航和其他东南亚低价航空公司等航空网络的重组计划也将带动区域旅游业的发展。

马来西亚是世界第十大最多游客到访的国家，也是一个非常有吸引力的旅游胜地。本部门将继续顺应这个发展趋势，并且放眼在业绩和利润方面取得双位数增长。

www.swissgarden.com

我们的时光分享业务SGI Vacation Club Division近年来取得了非常出色的业绩表现。更佳的业绩归功于成功的销售团队管理。我们的销售团队在实力和规模上都取得了很大的成长。全新的销售渠道-Mini-Vacation不仅通过与合作伙伴公司缔结战略营销联盟关系带来商机，也让我们有机会接触到市场的高收入领域。

前瞻未来，随着越来越多人注重休闲活动，更多人将拥有度假俱乐部产品，本部门也看到了更多的商机。此外，由于科技日益进步以及廉价航空公司的崛起，人们越来越容易取得旅游资讯，相较于传统的旅行团配套，消费者更倾向于自助旅行。本业务已经做好准备迎接上述旅游趋势。有鉴于此，我们将继续努力开拓新市场，甚至根据来马旅客的需求，定制策略性的销售计划。总的来说，我们对本业务的未来表现保持乐观。

www.sgivacationclub.com

黄宗耀
董事经理
2013年10月3日

Profile of Directors

YM Ungku Haji Mohd Afandi Bin Ungku Suleiman

Malaysian, aged 66

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

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.

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 Chong Shee

Malaysian, aged 58

He joined the Company in 1990 and was appointed as Managing Director of the Company on 1 August 2013. He is a member of the Executive Committee, Tender Committee, Remuneration Committee and Corporate Announcement and Compliance Committee.

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

Mr Wong Chong Shee is a brother-in-law of Puan Sri Khor Chai Moi, an Executive Director and major shareholder of the Company. He is an 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.

Profile of Directors

Puan Sri Khor Chai Moi

Malaysian, aged 61

She is an Executive Director of the Company and was appointed to the Board of Directors on 12 December 1997. She is a member of the Executive Committee, Risks Management Committee and Corporate Announcement and Compliance Committee of the Company.

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.

Puan Sri Khor Chai Moi has vast experience heading the Dindings Consolidated Group, actively involved in property development, trading and insurance services. She was the Managing Director of Willowglen MSC Berhad before her retirement on 31 July 2013.

She is a sister-in-law of Mr Wong Chong Shee, the Managing Director of the Company. She is 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.

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

Mr Yap Yoon Kong

Malaysian, aged 56

He is an Executive Director of the Company and was appointed to the Board of Directors on 13 January 2006. He is a member of the Executive Committee, Tender Committee, Corporate Announcement and Compliance Committee and Risks Management Committee.

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 commercial banking group.

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

Malaysian, aged 28

He was appointed as an Executive Director of the Company on 3 October 2011. He is a member of the Executive Committee and Tender Committee of the Company.

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 Director of OSK Property Holdings Berhad and subsidiaries. He is also a Director of certain subsidiaries of OSK Holdings Berhad.

Mr Ong is a nephew of Mr Wong Chong Shee, the Managing Director of the Company. He is a son of Puan Sri 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 Loy Tuan Bee

Malaysian, aged 59

He joined the Board of Directors of the Company on 18 November 2010 and is an Independent Non-Executive Director. He is a member of the Audit Committee, Nominating Committee and Remuneration Committee of the Company.

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.

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 material conflict of interest with the Company.

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

Profile of Directors

Dato' Abdul Rahman Bin Yusof

Malaysian, aged 58

He joined the Board of Directors of the Company on 1 August 2013 as an Independent Non-Executive Director. He is a member of the Risks Management Committee of the Company.

He holds a Bachelor of Science in Electronic and Electrical Engineering, The Robert Gordon University, United Kingdom; Post Graduate in Advance Management Programme from Stanford University and the National University Singapore; Berkeley University, USA and KEIO University Tokyo, Japan.

He is the Chief Executive Officer of CMC Engineering Sdn. Bhd., a company actively involved in strategic industries solution, telecommunication, transportation, broadcasting, public safety and energy.

He does not hold any securities in the Company.

Dato' Abdul Rahman Bin Yusof 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.

Dato' Abdul Rahman Bin Yusof has no conviction for any offences within the past ten years.

Mr Foo San Kan

Malaysian, aged 65

He joined the Board of Directors of the Company on 1 August 2013 as an Independent Non-Executive Director. He is the Chairman of the Audit Committee of the Company.

He is a Chartered Accountant of the Malaysian Institute of Accountants. He is also a member of the Malaysian Institute of Certified Public Accountants, a Fellow of the Institute of Chartered Accountants in England and Wales as well as the Chartered Tax Institute of Malaysia.

He was the Country Managing Partner of Ernst & Young Malaysia from 1997 to 2002 before he retired as a practicing accountant. He has 34 years of experience in the accounting profession, the first 4 years in the United Kingdom and the other 30 years were spent in various positions in Ernst & Young offices in East and West Malaysia.

He does not hold any securities in the Company.

He is an Independent Director of OSK Holdings Berhad and OSK Property Holdings Berhad. He is also a Director of Symphony House Berhad, Allianz Malaysia Berhad, Allianz Life Insurance Malaysia Berhad, Allianz General Insurance Company (Malaysia) Berhad, OSK Trustee Berhad and Malaysian Trustees Berhad.

Mr Foo San Kan is not related to any Director or major shareholder of the Company nor have any conflict of interest with the Company, other than being as Independent Director of OSK Holdings Berhad and OSK Property Holdings Berhad

Mr Foo San Kan has no conviction for any offences within the past ten years.

Audit Committee Report

MEMBERS

Foo San Kan
(Chairman & Independent Non-Executive Director. Appointed on 1 August 2013)

Au Chun Choong
(previous Chairman & Independent Non-Executive Director. Retired on 31 July 2013)

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

Loy Tuan Bee
(Independent Non-Executive Director)

SECRETARIES

Leong Keng Yuen
Wong Tiew Kim

COMPOSITION AND MEETINGS

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

The AC is governed by the Terms of Reference. All the requirements under the Terms of Reference have been fully complied with and the AC 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
Foo San Kan (Chairman)	*
Au Chun Choong (Chairman)	3/4*
YM Ungku Haji Mohd Afandi Bin Ungku Suleiman	4/4
Loy Tuan Bee	4/4

Note:
* Foo San Kan was appointed as Chairman of the AC on 1 August 2013 subsequent to the FY 2013.
* Au Chun Choong retired from the chair on 31 July 2013. He attended three AC Meetings held before his retirement.

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 AC 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 AC, the Committee met four times during the financial year ended 30 June 2013. The activities of the AC 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.

Audit Committee Report

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

vii) 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.

viii) 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, five 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 human resources expenses incurred for the internal audit function totalled RM801,148 in respect of the financial year ended 30 June 2013.

The main role of the internal audit function is to review the effectiveness of the Group's system of internal control, risk management process and compliance framework 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 risks which have not been appropriately addressed and evaluating the adequacy and integrity of controls. Internal Audit assists the AC in discharging its duties and responsibilities with respect to the adequacy and integrity of the system of risk management and internal control within the Group.

During the year, the Internal Audit Department executed the audit engagements based mainly on the approved Annual Audit Plan for the financial year ended 30 June 2013 with some changes. The audit engagements encompassed twenty five planned audits, one assignment requested by management and three investigation audits. The following activities were carried out during the year:

- Conducted 25 planned audits 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.

- Conducted an assignment to an overseas hotel subsidiary as requested by management to ensure the system of internal control is adequate and to identify areas where controls could be enhanced and strengthened.

- Conducted three investigative audits, two of which were on internal staff abuses and one an external sales fraud. The impact of these were low on the results of the Group.

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

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

- Conducted one risk management training workshop for the staff of a hotel subsidiary.

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

Audit Committee Report

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

TERMS OF REFERENCE OF THE AC

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 Company, 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

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 AC

- 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 AC

  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.

Audit Committee Report

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

ATTENDANCE OF AC'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 AC

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,

Audit Committee Report

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 code 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,

ii) Consider and recommend the nomination and appointment of external auditors, as well as the audit fee,

iii) Consider the major findings of internal investigations and management's response and

iv) Consider other duties delegated by the Board.

AC 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 AC 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

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.

Audit Committee Report

REPORTING OF BREACHES TO BURSA SECURITIES

Where the AC 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 AC must promptly report such matter to Bursa Securities.

RETIREMENT OR RESIGNATION

In the event of any vacancy in the AC, 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 AC

The Board of Directors shall review the terms of office and performance of the AC annually to determine whether the AC has carried out its duties in accordance with its Terms of Reference.

Corporate Governance Statement

The Board of Directors is committed in fulfilling management accountability, achieving management transparency and pursuing high business ethics in order to continuously strengthen corporate governance.

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.

The Board fully subscribes to the Principles set out in the Malaysian Code on Corporate Governance 2012 ("MCCG 2012") issued by the Securities Commission and disclose herewith the Group's application of the Corporate Governance Principles and Recommendations.

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.

Having recognized the importance of an effective and dynamic Board, the Board is charged with the development of corporate objectives and the review and approval of corporate plans, annual budgets, acquisitions and disposals of major assets, major investments and changes to the management and control structure within the Group including risk management, delegation of authority and financial and operational policies and procedures.

1.2 Board Balance

The Board during the year under review comprises eight members of whom five are Executive Directors and three are Independent Non-Executive Directors. With the change in the Board subsequent to the year-end, there are now four Executive Directors and four Independent Non-Executive Directors.

The 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.

Corporate Governance Statement

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 year under review, the Board adopted the following corporate policies to be in compliance with the revised Main Market Listing Requirements and the MCCG 2012 -

i) Board Charter
ii) Code of Ethics and Business Conduct
iii) Corporate Governance Policy
iv) Board Remuneration Policy
v) Corporate Disclosure Policy
vi) Independency of Director Policy
vii) Board Gender Diversity Policy

During the financial year ended 30 June 2013, six Board meetings were held and the summary of the attendance of each director is as follows -

Executive Directors	Attendance
Wong Ah Chiew (retired on 31.7.2013)	6/6
Wong Chong Shee	6/6
Puan Sri Khor Chai Moi	6/6
Yap Yoon Kong	6/6
Ong Ju Xing	6/6

Non-Executive Directors	Attendance
YM Ungku Haji Mohd. Afandi Bin Ungku Suleiman	6/6
Au Chun Choong (retired on 31.7.2013)	5/6
Loy Tuan Bee	6/6
Dato' Abdul Rahman Bin Yusof (appointed on 1.8.2013)	-
Foo San Kan (appointed on 1.8.2013)	-

Corporate Governance Statement

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, risk management and internal controls and changes in Group's policies and procedures and recommend relevant issues to the Board for noting, deliberation and approval.

The Executive Committee meets regularly on a monthly basis and as and when the need arises, to discuss and deliberate on operational issues, capital expenditure purchases, business proposals and review financial, accounting and taxation matters.

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.

With the retirement of Mr Au Chun Choong as Independent Non-Executive Director and his resignation as a member of the Audit Committee, Mr Foo San Kan was appointed as Audit Committee Chairman on 1 August 2013. He is a member of the Malaysian Institute of Accountants and hence fulfills the requirements for the composition of an Audit Committee.

Nominating Committee

The Nominating Committee comprises two Independent Non-Executive Directors, currently YM Ungku Haji Mohd Afandi Bin Ungku Suleiman and Mr Loy Tuan Bee.

Mr Au Chun Choong resigned as a committee member and was replaced by Mr Loy Tuan Bee on 31 July 2013.

The function of the Nominating Committee is to propose new candidates for appointment to the Board. The Committee also conducts assessment of the effectiveness of the Board as a whole, the contribution of each Director and of the Board Committees.

Corporate Governance Statement

During the year under review the Committee adopted and recommended to the Board for approval of the following policies –

i) Independency of Director Policy
ii) Board Gender Diversity Policy.

The Committee also formalised the Nomination Criteria and Election Process of new candidates for the Board of Directors and the Assessment of Training Needs of Directors.

The Nominating Committee conducted evaluations on the Board of Directors and Board Committees, namely the Executive Committee, Remuneration Committee, Corporate Announcement & Compliance Committee, Tender Committee and Risks Management Committee. The comments and self assessments by the Board of Directors and Board Committees and their respective contribution and mix of management skills were duly noted and tabled to the Board of Directors.

Remuneration Committee

Two Independent Non-Executive Directors and one Executive Director sit on this Committee, namely YM Ungku Haji Mohd Afandi Bin Ungku Suleiman, Mr Loy Tuan Bee and Mr Wong Chong Shee. Mr Loy Tuan Bee was appointed on 31 July 2013.

The Committee recommends to the Board, the directors' fees of the executive directors and their remuneration package taking into consideration the level of their respective responsibilities and contributions and the Group's performance during the financial year under review.

Corporate Announcement and Compliance Committee

The Corporate Announcement and Compliance Committee comprise five members, of whom three are Executive Directors and two are 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.

The members are regularly updated with the amendments of the Companies Act and relevant regulators' guidelines and regulations and attended seminars and briefings conducted by relevant regulatory bodies.

Risks Management Committee

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

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. The Committee also assesses the recommended supplier for capital expenditure purchases by the various divisions approved by the Executive Committee.

Corporate Governance Statement

1.5 Directors' Training

The Directors acknowledge the importance of enhancing their skills in their field of expertise and keeping abreast of amendments in the regulatory guidelines and changes in the business environment. Circulars and letters relating to updates and amendments to the relevant laws and regulations issued by the Securities Commission and Bursa Malaysia Berhad are disseminated to the Board for their information.

The Board has undertaken an assessment of the training needs of the directors and recommended courses and trainings for the director's self-development and enhancement of knowledge and skills needed for them to perform effectively in their respective field of responsibilities in the Company.

Dato' Abdul Rahman Bin Yusof, who was appointed to the Board on 1 August 2013 will attend the Mandatory Accreditation Program ("MAP") as prescribed by MMLR. Mr Foo San Kan who was also appointed on 1 August 2013, had already previously attended the MAP.

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

i) Strategic Business Forum, Chimera Sdn Bhd

ii) 6th Malaysian Property Summit 2013, Persatuan Penilai Pengurus Harta Ejen Harta & Perunding Harta Swasta Malaysia

iii) Women Directors OnBoarding Training, Nam Institute for the Empowerment of Women Malaysia

iv) Revised Shari'ah screening methodology, Shari'ah Advisory Council of Securities Commission.

v) Sun Tzu's Art of War- Winning Strategies in Management and Leadership – Mok Soon Chong, New Era College

vi) Practical Issues in setting up and managing a REIT

vii) Team Building Workshop, Yean Wing Cheong

viii) Legal updates, Vendee Chai, Cheang & Ariff

ix) Introduction to Islamic Banking and Finance, Yazit Bin Yusoff, OSK Investment Bank Berhad (nka RHB Investment Berhad ("OSK"))

x) Achieving Financial Independence Through Effective Financial Planning, Ngu Kee Keong, OSK

xi) Alternative Investment in Global Futures, David Lo Tuck Wye, OSK.

Corporate Governance Statement

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.

The 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 or the number nearest one-third of the Directors, 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.

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.

1.8 Re-appointment as Independent Non-Executive Director

Recommendation of the MCCG 2012 states that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years.

The Nominating Committee have assessed the independence of YM Ungku Haji Mohd Afandi Bin Ungku Suleiman who has served a term of more than nine years as Independent Non-Executive Director and recommends that he be re-appointed as Independent Director as he is still in the capacity to bring in independent judgment and unbiased views and objectives to board deliberations. In addition, he continues to meet the following criteria for independency in discharging his role and responsibility as an Independent Non-Executive Director of the Company –

i) Fulfilled the criteria under the definition of Independent Director pursuant the MMLR;

ii) Vast experience in relevant field of property development, one of the Groups' core businesses;

iii) Actively participates in board deliberations and contribute effectively to decision making issues and policies;

iv) Committed sufficient time and attention to areas within his scope of duties;

v) Exercised due care and diligence in the interests of the Company and stakeholders.

Corporate Governance Statement

2. Directors' Remuneration

The remuneration package of the Non-Executive Directors including directors' fees is determined by the Board as a whole. The Independent Non-Executive Directors are paid a meeting allowance for attendance at each Board meeting

The remuneration package of the Directors for the Financial Year ended 30 June 2013 are as follows:

i) Aggregate Remuneration

Remuneration	Executive Directors (RM)	Non-Executive Directors (RM)	Total (RM)
Fees	60,000	45,000	105,000
Directors' salary, other Emoluments and Benefits	7,120,363	-	7,120,363
Allowances	-	3,300	3,300

ii) Analysis of Remuneration

	No. of Directors	
Range of Remuneration	Executive	Non-Executive
< RM50,000	-	3
RM300,000 – RM350,000	1	-
RM650,000 – RM700,000	1	-
RM1,350,000 – RM1,400,000	1	-
RM2,250,000 –RM2,300,000	1	-
RM2,500,000 – RM2,550,000	1	-

Corporate Governance Statement

3. SHAREHOLDERS

3.1 Communication

The Board of Directors 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 endeavours 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.

Additionally, a press conference may be held immediately following the AGM or EGM where the Directors and Senior Management will brief the Press of the resolutions passed and answer questions on the businesses and activities of the Group.

Corporate Governance Statement

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 Directors are 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 Risk Management and Internal Control

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

The information on the Group's internal control is presented in the Statement on Risk Management and 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.

Statement on Risk Management and Internal Control

1. INTRODUCTION

The Board is committed to maintaining an effective risk management practice and a sound system of internal control in the Group to safeguard shareholders' investment and the Group's assets. The Board is pleased to provide the following Statement on Risk Management and Internal Control made in compliance with Paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB") and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines"). This Statement outlines the nature and scope of risk management and internal control of the Group during the financial year ended 30 June 2013.

2. BOARD RESPONSIBILITY

The Board recognises the importance of an effective risk management practice and a sound system of internal control for good corporate governance. The Board acknowledges its responsibility for the Group's system of risk management and internal control, and for reviewing the adequacy and integrity of these systems on a regular basis. However, due to the inherent limitations in any system of risk management and internal control, such system is designed to manage rather than eliminate the risk of failure to achieve the Group's business and corporate objectives. As such, they can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group has an on-going process for identifying, evaluating and managing the significant risks it faces. This process has been in place for the financial year under review and continue to be in place at the date of approval of this Statement.

3. RISK MANAGEMENT

The Board through the Audit Committee has established a Risks Management Committee ("RMC"). The Committee comprises three Directors, one of whom is an Independent Non Executive Director, and two senior managers whilst at the operations level, Risks Management Units ("RMUs") are established, led by the respective Head of each business division.

The RMC meets twice a year. It 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.

The RMUs submit to the RMC their reports concerning their respective businesses and operations which include specific risk profiles of each company, the risk treatment options and the action plans thereof to mitigate the identified risks, in accordance to the Group's Risk Management framework. The RMC reviews and discusses these reports and this is documented in the minutes of the RMC meetings.

A summary of the risks discussed at the RMC meetings is tabled to the Audit Committee for their attention and further discussion.

Statement on Risk Management and Internal Control

4. 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. Ad hoc reviews like special management reviews as requested by Management, fraud investigation and other reviews may also be conducted by Group Internal Audit Department 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. Based on this, the Audit Committee evaluates the internal audit function to assess its effectiveness in the discharge of its responsibilities.

Further details of the activities of the internal audit function are provided in the Audit Committee Report.

5. INTERNAL CONTROL

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, including 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. These Management Committees oversee the respective Risks Management Units responsible for identifying, evaluating and effectively managing the risks and taking appropriate action plans and measures to manage or minimize the risks affecting the businesses and operations of the divisions. 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 formulated 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.

Statement on Risk Management and Internal Control

- 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. Employee 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 major capital items for operational needs. The composition of this Committee is mentioned in the Corporate Governance Statement.

6. ASSURANCE PROVIDED BY THE EXECUTIVE COMMITTEE OF THE BOARD

In line with the Guidelines, the Executive Committee has provided assurance to the Board in writing that the respective risk management and internal control systems have operated adequately and effectively, in all material aspects, to meet the Group's business and corporate objectives during the financial year under review. This assurance is further supported by the respective Heads of Operations and Heads of Finance of the various Business Divisions' written statements that the respective risk management and internal control systems have operated adequately and effectively, in all material aspects, to meet their respective business objectives during the financial year under review.

7. REVIEW OF THIS STATEMENT

As required by paragraph 15.23 of the Bursa Securities Listing Requirements, the external auditor has reviewed this Statement on Risk Management and Internal Control. As set out in their terms of engagement, the review was performed in accordance with Recommended Practice Guide ("RPG") 5 issued by the Malaysian Institute of Accountants. Their review has been conducted to assess whether the Statement on Risk Management and Internal Control is both supported by the documentation prepared by or for the Directors and appropriately reflects the process the Directors have adopted in reviewing the adequacy and integrity of the system of risk management and internal control for the Group. RPG 5 does not require the external auditor to consider whether this Statement covers all risks and controls, or to form an opinion on the effectiveness of the Group's risk and control procedures. Based on their review, the external auditor has reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and integrity of risk management and internal control of the Group.

8. CONCLUSION

The Board is pleased to report that the Group's system of risk management and internal control in place for the financial year under review, and as at the date of approval of this Statement, is adequate and effective and has not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report. The Board continues to take appropriate measures to sustain and where required, to improve the Group's risk management and internal control system in meeting the Group's business and strategic objectives.

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 2013.

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 other than the change of nature of business by a subsidiary from construction to property development and investment.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	60,606	7,872
Attributable to:		
Owners of the parent	60,927	7,872
Non-controlling interests	(321)	-
	60,606	7,872

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 RM17,012,000 in respect of the financial year ended 30 June 2012 on 23 January 2013.

The Directors propose a first and final dividend comprising a dividend of 3.5 sen per ordinary share less tax of 25% and a tax exempt dividend of 1.5 sen per ordinary share, amounting to RM18,705,000 in respect of the financial year ended 30 June 2013, 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

The Company did not issue any new shares or debentures during the financial year.

Directors' Report

SHARES REPURCHASED

During the financial year, the Company repurchased 2,200,000 shares of RM1.00 each of its issued and paid-up share capital from the open market for a total consideration of RM1,849,000. The shares repurchased were not subsequently cancelled and have been classified as treasury shares which were presented as a deduction from total equity. None of the treasury shares have been resold or distributed as share dividend 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 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 2013, 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 Chong Shee	
Puan Sri Khor Chai Moi	
Yap Yoon Kong	
Loy Tuan Bee	
Ong Ju Xing	
Dato' Abdul Rahman bin Yusof	(appointed on 1 August 2013)
Foo San Kan	(appointed on 1 August 2013)
Au Chun Choong	(resigned on 31 July 2013)
Wong Ah Chiew	(resigned on 31 July 2013)

Directors' Report

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 2013 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 1.7.2012	**Bought**	**Sold**	**Balance as at 30.6.2013**
Shares in the Company				
Direct interests:				
Wong Ah Chiew	2,376,000	-	-	**2,376,000**
Wong Chong Shee	3,534,000	370,000	-	**3,904,000**
Puan Sri Khor Chai Moi	28,440,166	-	-	**28,440,166**
Ong Ju Xing	20,000	48,000	-	**68,000**
Indirect interests:				
Wong Ah Chiew*	94,097,681	-	-	**94,097,681**
Puan Sri Khor Chai Moi**	107,821,841	-	-	**107,821,841**
Ong Ju Xing***	-	8,391,360	-	**8,391,360**
Yap Yoon Kong****	650,000	375,000	-	**1,025,000**

	← Number of Warrants C →			
	Balance as at 1.7.2012	**Bought**	**Sold**	**Balance as at 30.6.2013**
Warrants C in the Company				
Direct interests:				
Wong Ah Chiew	1,046,300	-	-	**1,046,300**
Puan Sri Khor Chai Moi	15,888,100	-	-	**15,888,100**
Indirect interests:				
Wong Ah Chiew*	50,629,900	-	-	**50,629,900**
Puan Sri Khor Chai Moi**	57,421,100	-	-	**57,421,100**
Ong Ju Xing***	-	4,328,900	-	**4,328,900**

* 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/warrants held by Ladang Setia Sdn. Bhd.

**** By virtue of shares held by a family member.

Directors' Report

DIRECTORS' INTERESTS (continued)

By virtue of their interests in the shares of the Company, Wong Ah Chiew and Puan Sri 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 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 the 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 statements of profit or loss, statements of other 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, except for the impairment loss on trade and other receivables as disclosed in Note 29 to the financial statements, 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

Directors' Report

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (continued)

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

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

(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 EVENTS DURING THE FINANCIAL YEAR

On 30 April 2013, the Group acquired the remaining 50% equity interest in PJD Central Sdn. Bhd. ('PJD Central') (formerly known as Sun-PJDC Sdn. Bhd.) for a cash consideration of RM3,000. Consequently, PJD Central became a wholly-owned subsidiary of the Group.

On 8 May 2013, the Company acquired 100% equity interest in Swiss-Inn JB Sdn. Bhd. (formerly known as Real Symphony Sdn. Bhd.), a company incorporated in Malaysia engaged in the hotel and restaurant business, for a cash consideration of RM2.

On 31 May 2013, PJD Central entered into a Sale and Purchase Agreement with DKSH Central Services Malaysia Sdn. Bhd. to acquire a piece of leasehold land measuring approximately 258,746 square feet with office and industrial buildings and warehouses erected thereon held under Title No. PN 3696, Lot 52, Seksyen 13, Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor, for a cash consideration of RM124,200,000. As at the end of the reporting period, the Sale and Purchase Agreement has yet to be completed.

Directors' Report

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 Chong Shee
Director

Puan Sri Khor Chai Moi
Director

Kuala Lumpur
3 October 2013

Statement by Directors

In the opinion of the Directors, the financial statements set out on pages 63 to 179 have been drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2013 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out in Note 40 to the financial statements on page 180 has been compiled in accordance with the Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

On behalf of the Board,

Wong Chong Shee
Director

Puan Sri Khor Chai Moi
Director

Kuala Lumpur
3 October 2013

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 63 to 180 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 3 October 2013.

Yap Yoon Kong

Before me:

Dr. T. Yokheswarem (W540)
Commissioner of 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 statements of financial position as at 30 June 2013 of the Group and of the Company, and statements of profit or loss, statements of other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 63 to 179.

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 Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or errors.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2013 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Independent Auditors' Report
to the Members of PJ Development Holdings Berhad

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 requirements 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 purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

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

Other Reporting Responsibilities

The supplementary information set out in Note 40 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
2894/08/15 (J)
Chartered Accountant

Kuala Lumpur
3 October 2013

Statements of Financial Position
as at 30 June 2013

	Note	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	7	**483,124**	478,061	**329**	477
Biological assets	7	**8,603**	6,126	**-**	-
Intangible assets	8	**4,568**	4,568	**-**	-
Investment properties	9	**143,548**	147,381	**-**	-
Investments in subsidiaries	10	**-**	-	**534,519**	532,019
Investments in associates	11	**49,984**	53,495	**-**	-
Investment in a jointly controlled entity	12	**-**	1,228	**-**	-
Other investments	13	**53,586**	34,532	**-**	-
Land held for property development	14	**137,329**	145,128	**-**	-
Deferred tax assets	15	**3,298**	4,668	**-**	-
Trade and other receivables	16	**45,660**	32,763	**-**	-
		929,700	907,950	**534,848**	532,496
Current assets					
Property development costs	17	**239,900**	218,891	**-**	-
Inventories	18	**38,046**	35,414	**-**	-
Trade and other receivables	16	**317,488**	240,524	**197,610**	185,931
Current tax assets		**11,523**	13,312	**6,075**	7,649
Cash and cash equivalents	19	**93,873**	95,605	**1,282**	823
		700,830	603,746	**204,967**	194,403
TOTAL ASSETS		**1,630,530**	1,511,696	**739,815**	726,899

Statements of Financial Position
as at 30 June 2013

		Group		Company	
		2013	2012	2013	2012
	Note	RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	20	**456,134**	456,134	**456,134**	456,134
Treasury shares	20	**(2,115)**	(266)	**(2,115)**	(266)
Reserves	21	**506,338**	464,475	**91,600**	100,740
		960,357	920,343	**545,619**	556,608
Non-controlling interests		**(2,114)**	(1,673)	**-**	-
TOTAL EQUITY		**958,243**	918,670	**545,619**	556,608
LIABILITIES					
Non-current liabilities					
Trade and other payables	22	**15,102**	6,382	**-**	-
Borrowings	23	**178,751**	230,922	**-**	368
Deferred income	24	**43,512**	39,996	**-**	-
Deferred tax liabilities	15	**29,312**	26,742	**-**	-
		266,677	304,042	**-**	368
Current liabilities					
Trade and other payables	22	**209,658**	168,915	**161,078**	166,544
Borrowings	23	**187,690**	114,170	**33,118**	3,379
Deferred income	24	**2,792**	2,362	**-**	-
Current tax liabilities		**5,470**	3,537	**-**	-
		405,610	288,984	**194,196**	169,923
TOTAL LIABILITIES		**672,287**	593,026	**194,196**	170,291
TOTAL EQUITY AND LIABILITIES		**1,630,530**	1,511,696	**739,815**	726,899

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

Statements of Profit or Loss
for the financial year ended 30 June 2013

		Group		Company	
		2013	2012	2013	2012
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	27	**826,985**	638,892	**23,880**	23,300
Cost of sales and services	28	**(612,625)**	(467,266)	**(12,270)**	(10,587)
Gross profit		**214,360**	171,626	**11,610**	12,713
Other income		**10,971**	21,444	**714**	608
Administrative expenses		**(25,786)**	(25,743)	**(851)**	(860)
Other expenses		**(112,163)**	(92,777)	**(1,017)**	(2,256)
Finance costs		**(6,885)**	(7,719)	**(2,154)**	(1,587)
Share of profit of associates		**931**	986	**-**	-
Share of (loss)/profit of a jointly controlled entity		**(1,228)**	1,228	**-**	-
Profit before tax	29	**80,200**	69,045	**8,302**	8,618
Tax expense	30	**(19,594)**	(16,978)	**(430)**	(2,736)
Profit for the financial year		**60,606**	52,067	**7,872**	5,882
Profit attributable to:					
Owners of the parent		**60,927**	52,282	**7,872**	5,882
Non-controlling interests		**(321)**	(215)	**-**	-
		60,606	52,067	**7,872**	5,882
Earnings per ordinary share attributable to equity holders of the parent (sen):					
Basic	31	**13.41**	11.47		
Diluted	31	**13.41**	11.47		

Statements of Other Comprehensive Income

for the financial year ended 30 June 2013

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Profit for the financial year	**60,606**	52,067	**7,872**	5,882
Other comprehensive income/(loss):				
Items that may be reclassified subsequently to profit or loss				
Disposal of available-for-sale financial assets	**(1,022)**	(10,639)	**-**	-
Fair value gains on available-for-sale financial assets	**7,561**	1,556	**-**	-
Foreign currency translations	**(4,268)**	491	**-**	-
Share of other comprehensive income of associates	**(4,443)**	(494)	**-**	-
Other comprehensive loss, net of tax	**(2,172)**	(9,086)	**-**	-
Total comprehensive income	**58,434**	42,981	**7,872**	5,882
Total comprehensive income attributable to:				
Owners of the parent	**58,875**	43,073	**7,872**	5,882
Non-controlling interests	**(441)**	(92)	**-**	-
	58,434	42,981	**7,872**	5,882

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

Consolidated Statement of Changes in Equity

for the financial year ended 30 June 2013

		Attributable to the owners of the parent									
		Share capital	Share premium	Warrant reserve	Available-for-sale reserve	Exchange translation reserve	Treasury shares	Retained earnings	Total	Non-controlling interests	Total equity
Group	**Note**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Balance as at 1 July 2011		456,134	39,774	4,276	12,791	2,832	(266)	379,033	894,574	(1,648)	892,926
Profit for the financial year		-	-	-	-	-	-	52,282	52,282	(215)	52,067
Fair value gains on available-for-sale financial assets		-	-	-	1,556	-	-	-	1,556	-	1,556
Disposal of available-for-sale financial assets		-	-	-	(10,639)	-	-	-	(10,639)	-	(10,639)
Foreign currency translations		-	-	-	-	368	-	-	368	123	491
Share of other comprehensive income of associates		-	-	-	-	(494)	-	-	(494)	-	(494)
Total comprehensive (loss)/income		-	-	-	(9,083)	(126)	-	52,282	43,073	(92)	42,981
Transactions with owners											
Dividend paid to shareholders	32	-	-	-	-	-	-	(17,087)	(17,087)	-	(17,087)
Accretion of interests in a subsidiary	10	-	-	-	-	-	-	(217)	(217)	67	(150)
Total transactions with owners		-	-	-	-	-	-	(17,304)	(17,304)	67	(17,237)
Balance as at 30 June 2012		456,134	39,774	4,276	3,708	2,706	(266)	414,011	920,343	(1,673)	918,670

Consolidated Statement of Changes in Equity

for the financial year ended 30 June 2013

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
		Attributable to the owners of the parent									
Balance as at 1 July 2012		456,134	39,774	4,276	3,708	2,706	(266)	414,011	920,343	(1,673)	918,670
Profit for the financial year		-	-	-	-	-	-	60,927	60,927	(321)	60,606
Fair value gains on available-for-sale financial assets		-	-	-	7,561	-	-	-	7,561	-	7,561
Disposal of available-for-sale financial assets		-	-	-	(1,022)	-	-	-	(1,022)	-	(1,022)
Foreign currency translations		-	-	-	-	(4,148)	-	-	(4,148)	(120)	(4,268)
Share of other comprehensive income of associate		-	-	-	-	(4,443)	-	-	(4,443)	-	(4,443)
Total comprehensive income/(loss)		-	-	-	6,539	(8,591)	-	60,927	58,875	(441)	58,434
Transactions with owners											
Dividend paid to shareholders	32	-	-	-	-	-	-	(17,012)	(17,012)	-	(17,012)
Repurchase of shares	20	-	-	-	-	-	(1,849)	-	(1,849)	-	(1,849)
Total transactions with owners		-	-	-	-	-	(1,849)	(17,012)	(18,861)	-	(18,861)
Balance as at 30 June 2013		**456,134**	**39,774**	**4,276**	**10,247**	**(5,885)**	**(2,115)**	**457,926**	**960,357**	**(2,114)**	**958,243**

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

Statement of Changes in Equity

for the financial year ended 30 June 2013

		◄ Non-distributable ►			◄ Distributable ►		
		Share capital	Share premium	Warrant reserve	Treasury shares	Retained earnings	Total equity
Company	**Note**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Balance as at 1 July 2011		456,134	39,774	4,276	(266)	67,895	567,813
Profit for the financial year		-	-	-	-	5,882	5,882
Total comprehensive income		-	-	-	-	5,882	5,882
Transactions with owners							
Dividend paid to shareholders	32	-	-	-	-	(17,087)	(17,087)
Total transactions with owners		-	-	-	-	(17,087)	(17,087)
Balance as at 30 June 2012		456,134	39,774	4,276	(266)	56,690	556,608
Profit for the financial year		-	-	-	-	7,872	7,872
Total comprehensive income		-	-	-	-	7,872	7,872
Transactions with owners							
Dividend paid to shareholders	32	-	-	-	-	(17,012)	(17,012)
Repurchase of shares	20	-	-	-	(1,849)	-	(1,849)
Total transactions with owners		-	-	-	(1,849)	(17,012)	(18,861)
Balance as at 30 June 2013		**456,134**	**39,774**	**4,276**	**(2,115)**	**47,550**	**545,619**

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

Statements of Cash Flows

for the financial year ended 30 June 2013

		Group		Company	
		2013	2012	2013	2012
	Note	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		**80,200**	69,045	**8,302**	8,618
Adjustments for:					
Bad debts written off		**107**	20	**-**	-
Depreciation on:					
- property, plant and equipment	7(a)	**18,380**	17,964	**182**	178
- investment properties	9	**3,896**	3,888	**-**	-
Dividend income	27	**(2,697)**	(1,620)	**(20,580)**	(20,000)
Gain on disposal of:					
- property, plant and equipment		**(1,178)**	(244)	**-**	-
- investment properties		**(185)**	-	**-**	-
- other investments		**(1,416)**	(11,498)	**-**	-
Impairment loss on:					
- property, plant and equipment	7	**589**	-	**-**	-
- goodwill on consolidation	8	**3**	-	**-**	-
- investments in subsidiaries	10	**-**	-	**-**	1,157
- land held for property development	14	**492**	-	**-**	-
- trade and other receivables		**6,042**	396	**-**	-
Interest accretion on trade receivables		**(1,049)**	(1,036)	**-**	-
Interest expense		**6,885**	7,719	**2,154**	1,587
Interest income		**(3,233)**	(2,957)	**(714)**	(607)
Inventories written down	18	**3,090**	2,571	**-**	-
Inventories written off		**18**	62	**-**	-
Loss on remeasurement of previously held equity interest in a subsidiary	34	**1**	-	**-**	-
Reversal of inventories previously written off		**(94)**	-	**-**	-
Property, plant and equipment written off	7	**481**	624	**-**	-
Reversal of impairment loss on trade and other receivables		**(763)**	(336)	**-**	-
Share of (profit)/loss of:					
- associates		**(931)**	(986)	**-**	-
- a jointly controlled entity		**1,228**	(1,228)	**-**	-

Statements of Cash Flows
for the financial year ended 30 June 2013

		Group		Company	
		2013	2012	2013	2012
	Note	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (continued)					
Unrealised gain on foreign exchange		**(28)**	-	**-**	-
Unrealised loss on foreign exchange		**479**	114	**-**	-
Operating profit/(loss) before changes in working capital		**110,317**	82,498	**(10,656)**	(9,067)
Inventories		**(5,646)**	3,408	**-**	-
Property development costs and land held for property development		**(4,586)**	(61,511)	**-**	-
Trade and other receivables		**(89,752)**	(22,889)	**212**	(18)
Trade and other payables		**52,968**	(5,935)	**103**	(824)
Cash generated from/(used in) operations		**63,301**	(4,429)	**(10,341)**	(9,909)
Tax paid		**(17,346)**	(17,177)	**-**	-
Tax refunded		**6,053**	336	**4,289**	-
Net cash from/(used in) operating activities		**52,008**	(21,270)	**(6,052)**	(9,909)
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of:					
- additional interests in subsidiaries		**-**	(150)	**-**	-
- subsidiary for cash, net of cash acquired	34	*****	-	**-**	-
(Advances to)/Repayments by subsidiaries		**-**	-	**(17,465)**	29,949
Decrease in pledged deposits placed with licensed banks		**1,175**	4,535	**-**	-
Dividends received		**2,058**	1,215	**17,435**	15,000
Interest received		**3,233**	2,957	**714**	607
Proceeds from disposal of:					
- property, plant and equipment		**1,793**	480	**4**	-
- investment properties		**338**	-	**-**	-
- other investments		**5,162**	34,374	**-**	-
Purchase of:					
- property, plant, equipment and biological assets	7	**(32,542)**	(33,360)	**(38)**	(80)
- investment properties	9	**(257)**	(134)	**-**	-
- other investments		**(16,261)**	(3,247)	**-**	-
Subscription of shares in subsidiaries	34	**-**	-	**(2,495)**	(11,650)
Net cash (used in)/from investing activities		**(35,301)**	6,670	**(1,845)**	33,826

Statements of Cash Flows
for the financial year ended 30 June 2013

		Group		Company	
		2013	2012	2013	2012
	Note	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest paid		**(16,786)**	(15,760)	**(2,154)**	(1,587)
Dividend paid to shareholders of the Company	32	**(17,012)**	(17,087)	**(17,012)**	(17,087)
Drawdowns of loans and borrowings		**236,946**	288,626	**39,500**	-
Repayments of loans and borrowings		**(213,843)**	(204,953)	**(10,129)**	(4,077)
Repurchase of shares	20	**(1,849)**	-	**(1,849)**	-
Net cash (used in)/from financing activities		**(12,544)**	50,826	**8,356**	(22,751)
Net increase in cash and cash equivalents		**4,163**	36,226	**459**	1,166
Effects of exchange rate changes on cash and cash equivalents		**(2,966)**	(24)	**-**	-
Cash and cash equivalents at beginning of financial year		**88,613**	52,411	**823**	(343)
Cash and cash equivalents at end of financial year	19	**89,810**	88,613	**1,282**	823

* Amount is less than RM1,000.

Notes to 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 consolidated financial statements for the financial year ended 30 June 2013 comprise the Company and its subsidiaries and the Group's interest in associates and a jointly controlled entity. These 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 3 October 2013.

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 other than the change of nature of business by a subsidiary from construction to property development and investment.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company set out on pages 63 to 179 have been prepared in accordance with Financial Reporting Standards ('FRSs') and the requirements of the Companies Act, 1965 in Malaysia.

However, Note 40 to the financial statements set out on page 180 has been prepared in accordance with Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, as issued by the Malaysian Institute of Accountants ('MIA Guidance') and the 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 in conformity with FRSs requires the Directors to make estimates and assumptions that affect the reported amounts of assets, 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.

Notes to the Financial Statements

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 and operating policies, generally accompanied by a shareholding giving rise to the majority of the voting rights, so 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 profit or loss and statement of other comprehensive income as well as 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.

Components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at either fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by FRSs.

The choice of measurement basis is made on a 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.

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.

Notes to the Financial Statements

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Basis of consolidation (continued)

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.

4.3 Business combinations

<u>Business combinations from 1 July 2010 onwards</u>

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 share-based payment transactions of the acquiree or the replacement by the Group of an acquiree's share-based payment transactions are measured in accordance with FRS 2 *Share-based Payment* at the acquisition date; 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.

Notes to the Financial Statements

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 Business combinations (continued)

Business combinations from 1 July 2010 onwards (continued)

Any contingent consideration payable is recognised at fair value at the acquisition date. Measurement period adjustments to contingent consideration are dealt with as follows:

(a) If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity.

(b) Subsequent changes to contingent consideration classified as an asset or liability that is a financial instrument within the scope of FRS 139 are recognised either in profit or loss or in other comprehensive income in accordance with FRS 139. All other subsequent changes are recognised in profit or loss.

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 profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree 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 acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (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 4.11 to the financial statements. 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 4.11 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 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.

Notes to the Financial Statements

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 less any accumulated depreciation and any accumulated impairment losses. 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 subsequent costs would flow to the Group and the cost of the asset could 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 a 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 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	36 - 42 years
Leasehold hotel properties	43 years
Long term leasehold land	56 – 98 years
Short term leasehold land	47 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	2 – 5 years

Notes to the Financial Statements

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 Property, plant and equipment and depreciation (continued)

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 4.12 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.

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.

4.5 Biological assets

Biological assets represent plantation development expenditure for oil palm.

New planting expenditure, which represents total cost incurred from land clearing to the point of harvesting, is capitalised under biological assets and is not amortised. Replanting expenditure, which represents cost incurred in replanting old planted areas, is charged to profit or loss in the financial year it is incurred.

4.6 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 of 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 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.

Notes to the Financial Statements

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 Leases and hire purchase (continued)

(a) Finance leases and hire purchase (continued)

The minimum lease payments are apportioned between 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.

4.7 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.

Notes to the Financial Statements

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 Property development activities (continued)

(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.

4.8 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 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.

4.9 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.

Notes to the Financial Statements

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 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. Put options written over non-controlling interests on the acquisition of subsidiary shall be included as part of the cost of investment in the Company's separate financial statements. Subsequent changes in the fair value of the written put options over non-controlling interests shall be recognised in profit or loss. 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 neither control nor 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.

Notes to the Financial Statements

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Investments (continued)

(b) Associates (continued)

The interest in an 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 could 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 to the extent that there is no impairment.

When the Group's share of losses in the associate equals to 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 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 periods.

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

Notes to the Financial Statements

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Investments (continued)

(c) Jointly controlled entities

A jointly controlled entity is a joint venture that involves the establishment of a corporation, partnership or other entities over which there is contractually agreed sharing of joint control over the economic activity of the entity. Joint control exists when the strategic financial and operational decisions relating to the activity require the unanimous consent of all the parties sharing control.

In the Company's separate financial statements, an investment in jointly controlled entities is stated at cost.

The investment in jointly controlled entity is accounted for in the consolidated financial statements using the equity method of accounting. The Group's share of the profit or loss of the jointly controlled entity 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 joint control commences until the date that joint control ceases.

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other venturers. The Group does not recognise its share of profits or losses from the joint venture that result from the purchase of assets by the Group from the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss. When necessary, in applying the equity method, adjustments are made to the financial statements of the jointly controlled entity to ensure consistency of accounting policies with those of the Group.

Unrealised gains on transactions between the Group and its jointly controlled entity are eliminated to the extent of the Group's interest in the jointly controlled entity; unrealised losses are also eliminated unless the transaction provides evidence on impairment of the asset transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of the jointly controlled entity to ensure consistency of accounting policies with those of the Group.

Adjustments to the carrying amount may also be necessary for changes in the Group's proportionate interest in the jointly controlled entity arising from changes in the jointly controlled entity's equity that have not been recognised in the jointly controlled entity'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.

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

Notes to the Financial Statements

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.11 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 could be impaired. Objective events that would trigger a more frequent impairment review include adverse industry or economic trends, significant restructuring actions, significantly lowered projections of profitability, or a sustained decline in the acquiree's market capitalisation. 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.

4.12 Impairment of non-financial assets

The carrying amount of assets, except for financial assets (excluding investments in subsidiaries, associates and jointly controlled entity), 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 asset might be impaired.

Notes to the Financial Statements

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.12 Impairment of non-financial assets (continued)

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible 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 *Operating Segments*.

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 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.

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.

Notes to the Financial Statements

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.13 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.

4.14 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.

Notes to the Financial Statements

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.14 Financial instruments (continued)

(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.

(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.

Notes to the Financial Statements

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.14 Financial instruments (continued)

(a) Financial assets (continued)

(iii) Loans and receivables (continued)

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 with original maturities of three months or less 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.

Notes to the Financial Statements

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.14 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.

Notes to the Financial Statements

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.14 Financial instruments (continued)

(b) Financial liabilities (continued)

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.

Any 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 would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

At the end of every reporting period, the Group assesses whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If this assessment shows that the carrying amount of the insurance liabilities is inadequate, the entire deficiency shall be recognised in profit or loss.

Recognised insurance liabilities are only removed from the statement of financial position when, and only when, it is extinguished via a discharge, cancellation or expiration.

(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.

Notes to the Financial Statements

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.14 Financial instruments (continued)

(c) Equity (continued)

Interim dividends to shareholders are recognised in equity in the period in which they are declared. Final dividends are recognised upon the approval of shareholders in a general meeting.

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.

When the Group repurchases its own shares, the shares repurchased would be accounted for using the treasury stock method.

Where the treasury stock method is applied, the shares repurchased and held as treasury shares shall be measured and carried at the cost of repurchase on initial recognition and subsequently. It shall not be revalued for subsequent changes in the fair value or market price of the shares.

The carrying amount of the treasury shares shall be offset against equity in the statement of financial position. To the extent that the carrying amount of the treasury shares exceeds the share premium account, it shall be considered as a reduction of any other reserves as may be permitted by the Main Market Listing Requirements.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the own equity instruments of the Company. If such shares are issued by resale, any difference between the sales consideration and the carrying amount is shown as a movement in equity.

4.15 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 by the receivable, 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.

Notes to the Financial Statements

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.15 Impairment of financial assets (continued)

(a) Loans and receivables (continued)

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.

(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.

4.16 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualified 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.

Notes to the Financial Statements

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.16 Borrowing costs (continued)

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.

4.17 Income taxes

Income taxes include all domestic and foreign taxes on taxable profit. Income taxes also include other taxes, such as withholding taxes and real property gains taxes payable on disposal of properties, if any.

Taxes in the profit or loss comprise current tax and deferred tax.

(a) Current tax

Current tax expenses are determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon the taxable profits including withholding taxes and real property gains taxes payable on disposal of properties, if any.

(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 future taxable profits 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 profits 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 profits will be available, such reductions will be reversed to the extent of the taxable profits.

Notes to the Financial Statements

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.17 Income taxes (continued)

(b) Deferred tax (continued)

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 would 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 in the year when the asset is realised or the liability is settled, based on the announcement of tax rates and tax laws by the Government in the annual budgets which have the substantive effect of actual enactment by the end of the reporting period.

4.18 Provisions

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

If the effect of the time value of money is material, the amount of a provision would 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 would be required to settle the obligation, the provision would 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.

Notes to the Financial Statements

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.19 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence would 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 would 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 a contingent asset but discloses its existence where the 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.

4.20 Employee benefits

(a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed when employees 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 sick leave are recognised when the absences occur and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the Group.

Cash bonuses and bonuses 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 contributions already paid and as an expense in the period in which the employees render their services.

Notes to the Financial Statements

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.21 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 end of the reporting period exchange rates with respect to their assets and liabilities, and at exchange rates at the dates of the transactions with respect to the statement of profit or loss and statement of other comprehensive income. 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 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.

Notes to the Financial Statements

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.22 Revenue recognition

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

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction would 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 have been transferred to the customer and where the Group retains no 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.

Notes to the Financial Statements

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.22 Revenue recognition (continued)

(c) Construction contracts (continued)

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.

(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.

Notes to the Financial Statements

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.22 Revenue recognition (continued)

(h) Rental income

Rental income is accounted for on a straight line basis over the lease term of an ongoing lease.

(i) Management fees

Management fees are recognised when services are rendered.

4.23 Operating segments

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.

Notes to the Financial Statements

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.23 Operating segments (continued)

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.

4.24 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 FRSs adopted during the current financial year

The Group and Company adopted the following accounting standards and amendments of the FRS Framework that were issued by the Malaysian Accounting Standards Board ('MASB') during the financial year.

Title		Effective Date
Amendments to FRS 1	*Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*	1 January 2012
Amendments to FRS 7	*Disclosures- Transfers of Financial Assets*	1 January 2012
Amendments to FRS 112	*Deferred Tax: Recovery of Underlying Assets*	1 January 2012
FRS 124	*Related Party Disclosures*	1 January 2012
Amendments to FRS 101	*Presentation of Items of Other Comprehensive Income*	1 July 2012

There is no impact upon adoption of the above accounting standards and amendments of the FRS Framework during the current financial year.

Notes to the Financial Statements

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

5.2 New FRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2013

The following are accounting standards, amendments and interpretations of the FRS Framework that have been issued by the MASB but have not been early adopted by the Group and the Company.

Title		Effective Date
FRS 10	*Consolidated Financial Statements*	1 January 2013
FRS 11	*Joint Arrangements*	1 January 2013
FRS 12	*Disclosure of Interests in Other Entities*	1 January 2013
FRS 13	*Fair Value Measurement*	1 January 2013
FRS 119	*Employee Benefits (revised)*	1 January 2013
FRS 127	*Separate Financial Statements*	1 January 2013
FRS 128	*Investments in Associates and Joint Ventures*	1 January 2013
Amendments to FRS 1	*Government Loans*	1 January 2013
Amendments to FRS 7	*Disclosures - Offsetting Financial Assets and Financial Liabilities*	1 January 2013
Improvements to FRSs (2012)		1 January 2013
Amendments to FRS 10, FRS 11 and FRS 12	*Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance*	1 January 2013
IC Interpretation 20	*Stripping Costs in the Production Phase of a Surface Mine*	1 January 2013
Amendments to FRS 132	*Offsetting Financial Assets and Financial Liabilities*	1 January 2014
Amendments to FRS 136	*Recoverable Amount Disclosures for Non-Financial Assets*	1 January 2014
Amendments to FRS 139	*Novation of Derivatives and Continuation of Hedge Accounting*	1 January 2014
IC Interpretation 21	*Levies*	1 January 2014
Mandatory Effective Date of FRS 9 and Transition Disclosures		1 January 2015
FRS 9	*Financial Instruments*	1 January 2015

The Group is in the process of assessing the impact of the adoption of the above accounting standards, amendments and interpretations since the effects would only be observable in future financial years.

Notes to the Financial Statements

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

5.3 New Malaysian Financial Reporting Standards ('MFRSs') that have been issued, but have yet to be adopted during the current financial year

On 19 November 2011, the Malaysian Accounting Standards Board ('MASB') announced the issuance of the new MFRS Framework that is applicable to entities other than private entities. However, the Group has elected for the continued use of FRS for the financial year ending 30 June 2013 to 30 June 2015 as a transitioning entity affected by the scope of MFRS 141 Agriculture and/or IC Interpretation 15 Agreements for Construction of Real Estate. The Group would subsequently adopt the MFRS Framework for the financial year ending 30 June 2016.

The subsequent adoption of the MFRS Framework would result in the Group preparing an opening MFRS statement of financial position as at 1 July 2014, which adjusts for differences between the classification and measurement bases in the existing FRS Framework versus that in the new MFRS Framework. This would also result in a restatement of the annual and quarterly financial performance for the financial year ending 30 June 2015 in accordance with MFRS, which would form the MFRS comparatives for the annual and quarterly financial performance for the financial year ending 30 June 2016 respectively.

The accounting standards, amendments and interpretations expected to be adopted are as follows:

Title		**Effective Date**
MFRS 1	*First-time Adoption of Malaysian Financial Reporting Standards*	1 January 2015
Amendments to MFRS 1	*Government Loans*	1 January 2015
MFRS 2	*Share-based Payment*	1 January 2015
MFRS 3	*Business Combinations*	1 January 2015
MFRS 4	*Insurance Contracts*	1 January 2015
MFRS 5	*Non-current Assets Held for Sale and Discontinued Operations*	1 January 2015
MFRS 6	*Exploration for and Evaluation of Mineral Resources*	1 January 2015
MFRS 7	*Financial Instruments: Disclosures*	1 January 2015
Amendments to MFRS 7	*Disclosures - Offsetting Financial Assets and Financial Liabilities*	1 January 2015
MFRS 8	*Operating Segments*	1 January 2015
Mandatory Effective Date of MFRS 9 and Transition Disclosures		1 January 2015
MFRS 9	*Financial Instruments*	1 January 2015
MFRS 10	*Consolidated Financial Statements*	1 January 2015
MFRS 11	*Joint Arrangements*	1 January 2015
MFRS 12	*Disclosure of Interests in Other Entities*	1 January 2015
MFRS 13	*Fair Value Measurement*	1 January 2015

Notes to the Financial Statements

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

5.3 New Malaysian Financial Reporting Standards ('MFRSs') that have been issued, but have yet to be adopted during the current financial year (continued)

The accounting standards, amendments and interpretations expected to be adopted are as follows (continued):

Title		Effective Date
Amendments to MFRS 10, MFRS 11 and MFRS 12	*Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance*	1 January 2015
Amendments to MFRS 10, MFRS 12 and MFRS 127	*Investment Entities*	1 January 2015
MFRS 101	*Presentation of Financial Statements*	1 January 2015
Amendments to MFRS 101	*Presentation of Items of Other Comprehensive Income*	1 January 2015
MFRS 102	*Inventories*	1 January 2015
MFRS 107	*Statement of Cash Flows*	1 January 2015
MFRS 108	*Accounting Policies, Changes in Accounting Estimates and Errors*	1 January 2015
MFRS 110	*Events After the Reporting Period*	1 January 2015
MFRS 111	*Construction Contacts*	1 January 2015
MFRS 112	*Income Taxes*	1 January 2015
MFRS 116	*Property, Plant and Equipment*	1 January 2015
MFRS 117	*Leases*	1 January 2015
MFRS 118	*Revenue*	1 January 2015
MFRS 119	*Employee Benefits*	1 January 2015
MFRS 119	*Employee Benefits (revised)*	1 January 2015
MFRS 120	*Accounting for Government Grants and Disclosure of Government Assistance*	1 January 2015
MFRS 121	*The Effects of Changes in Foreign Exchange Rates*	1 January 2015
MFRS 123	*Borrowing Costs*	1 January 2015
MFRS 124	*Related Party Disclosures*	1 January 2015
MFRS 126	*Accounting and Reporting by Retirement Benefit Plans*	1 January 2015
MFRS 127	*Separate Financial Statements*	1 January 2015
MFRS 128	*Investments in Associates and Joint Ventures*	1 January 2015
MFRS 129	*Financial Reporting in Hyperinflationary Economies*	1 January 2015
MFRS 132	*Financial Instruments: Presentation*	1 January 2015

Notes to the Financial Statements

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

5.3 New Malaysian Financial Reporting Standards ('MFRSs') that have been issued, but have yet to be adopted during the current financial year (continued)

The accounting standards, amendments and interpretations expected to be adopted are as follows (continued):

Title		Effective Date
Amendments to MFRS 132	*Offsetting Financial Assets and Financial Liabilities*	1 January 2015
MFRS 133	*Earnings Per Share*	1 January 2015
MFRS 134	*Interim Financial Reporting*	1 January 2015
MFRS 136	*Impairment of Assets*	1 January 2015
MFRS 137	*Provisions, Contingent Liabilities and Contingent Assets*	1 January 2015
MFRS 138	*Intangible Assets*	1 January 2015
MFRS 139	*Financial Instruments: Recognition and Measurement*	1 January 2015
Amendments to MFRS 139	*Novation of Derivatives and Continuation of Hedge Accounting*	1 January 2015
MFRS 140	*Investment Property*	1 January 2015
MFRS 141	*Agriculture*	1 January 2015
Amendments to MFRSs	*Annual Improvements 2009 - 2011 Cycle*	1 January 2015
Improvements to MFRSs (2008)		1 January 2015
Improvements to MFRSs (2009)		1 January 2015
Improvements to MFRSs (2010)		1 January 2015
IC Interpretation 1	*Changes in Existing Decommissioning, Restoration and Similar Liabilities*	1 January 2015
IC Interpretation 2	*Members' Shares in Co-operative Entities and Similar Instruments*	1 January 2015
IC Interpretation 4	*Determining Whether an Arrangement Contains a Lease*	1 January 2015
IC Interpretation 5	*Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds*	1 January 2015
IC Interpretation 6	*Liabilities Arising from Participating in a Specific Market-Waste Electrical and Electronic Equipment*	1 January 2015
IC Interpretation 7	*Applying the Restatement Approach under MFRS 129 Financial Reporting in Hyper inflationary Economies*	1 January 2015
IC Interpretation 9	*Reassessment of Embedded Derivatives*	1 January 2015
IC Interpretation 10	*Interim Financial Reporting and Impairment*	1 January 2015

Notes to the Financial Statements

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

5.3 New Malaysian Financial Reporting Standards ('MFRSs') that have been issued, but have yet to be adopted during the current financial year (continued)

The accounting standards, amendments and interpretations expected to be adopted are as follows (continued):

Title		Effective Date
IC Interpretation 12	*Service Concession Arrangements*	1 January 2015
IC Interpretation 13	*Customer Loyalty Programmes*	1 January 2015
IC Interpretation 14	*MFRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*	1 January 2015
IC Interpretation 15	*Agreements for the Construction of Real Estate*	1 January 2015
IC Interpretation 16	*Hedges of a Net Investment in a Foreign Operation*	1 January 2015
IC Interpretation 17	*Distributions of Non-cash Assets to Owners*	1 January 2015
IC Interpretation 18	*Transfers of Assets from Customers*	1 January 2015
IC Interpretation 19	*Extinguishing Financial Liabilities with Equity Instruments*	1 January 2015
IC Interpretation 20	*Stripping Costs in the Production Phase of a Surface Mine*	1 January 2015
IC Interpretation 21	*Levies*	1 January 2015
IC Interpretation 107	*Introduction of the Euro*	1 January 2015
IC Interpretation 110	*Government Assistance - No Specific Relation to Operating Activities*	1 January 2015
IC Interpretation 112	*Consolidation - Special Purpose Entities*	1 January 2015
IC Interpretation 113	*Jointly Controlled Entities - Non-Monetary Contributions by Venturers*	1 January 2015
IC Interpretation 115	*Operating Leases - Incentives*	1 January 2015
IC Interpretation 125	*Income Taxes - Changes in the Tax Status of an Entity or its Shareholders*	1 January 2015
IC Interpretation 127	*Evaluating the Substance of Transactions Involving the Legal Form of a Lease*	1 January 2015
IC Interpretation 129	*Service Concession Arrangements: Disclosures*	1 January 2015
IC Interpretation 131	*Revenue - Barter Transactions Involving Advertising Services*	1 January 2015
IC Interpretation 132	*Intangible Assets - Web Site Costs*	1 January 2015

The Group is in the process of assessing the impact of implementing these accounting standards, amendments and interpretations, since the effects would only be observable for in future financial years.

Notes to the Financial Statements

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 during the reporting period and 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.

(b) Operating lease commitments - the Group as lessee

The Group had entered into non-cancellation operating lease arrangements for office lots under operating leases, which contain an option to renew features. The Group has determined that the options to renew features are not embedded derivatives to be separately accounted for due to the economic characteristics and risks of these option to renew features are closely related to the economic characteristics and risks of the underlying tenancy agreements.

(c) 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.

(d) 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.

Notes to the Financial Statements

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

6.3 Key sources of estimation uncertainty (continued)

(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.

(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 would be available against which the losses, capital allowances and deductible temporary differences could be utilised. Significant management judgement is required to determine the amount of deferred tax assets that could be recognised, based on the likely timing and extent of future taxable profits together with future tax planning strategies.

Notes to the Financial Statements

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

6.3 Key sources of estimation uncertainty (continued)

(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 would 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 could not be recovered. Management specifically analyses sales trend and current economic trends when making this judgement to evaluate the adequacy of the write down for obsolete or slow moving inventories. Where expectations differ from the original estimates, the differences would impact the carrying amount of inventories.

(h) Impairment of investments in subsidiaries, associates and jointly controlled entity and impairment of amounts due from subsidiaries and jointly controlled entity

The Company and/or its subsidiaries review the investments in subsidiaries, associates and jointly controlled entity for impairment when there is an indication of impairment and assess the impairment of receivables on the amounts due from subsidiaries and jointly controlled entity when the receivables are long outstanding.

The recoverable amounts of the investments in subsidiaries, associates and jointly controlled entity and amounts due from subsidiaries and jointly controlled entity are assessed by reference to the fair value less cost to sell of the underlying assets and value in use of the respective subsidiaries, associates and jointly controlled entity.

The value in use is the net present value of the projected future cash flows derived from the business operations of the respective subsidiaries, associates, and jointly controlled entity discounted at an appropriate discount rate. For such discounted cash flow method, it involves the use of estimated future results and a set of assumptions to support their income and cash flows. Judgement had also been used to determine the discount rate for the cash flows and the future growth of the businesses of the entities.

(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. Sensitivity analysis of the effects of interest rate risk has been disclosed in Note 38 to the financial statements.

Notes to the Financial Statements

7. PROPERTY, PLANT, EQUIPMENT AND BIOLOGICAL ASSETS

Group	Balance as at 1.7.2012 RM'000	Additions RM'000	Disposals RM'000	Write off RM'000	Impairment loss for the financial year RM'000	Depreciation charge for the financial year (Note 7(a)) RM'000	Reclassifications RM'000	Translation adjustments RM'000	Balance as at 30.6.2013 RM'000
Carrying amount									
Freehold hotel properties	165,589	*	-	(18)	-	(4,264)	-	(464)	160,843
Leasehold hotel properties	60,543	488	-	-	-	(1,687)	-	-	59,344
Freehold golf course	15,332	-	-	-	-	-	-	-	15,332
Freehold land	55,837	-	-	-	-	-	-	(536)	55,301
Long term leasehold land	40,540	-	-	-	-	(379)	-	-	40,161
Short term leasehold land	1,297	-	-	-	-	(28)	-	(29)	1,240
Buildings and improvements	57,367	1,161	-	-	-	(1,531)	658	(18)	57,637
Jetty and infrastructure	22,212	30	-	-	-	(580)	-	-	21,662
Plant, machinery and electrical installation	18,896	13,976	(199)	(3)	(589)	(5,968)	(*)	(68)	26,045
Motor vehicles and boats	3,193	1,412	(146)	(49)	-	(1,160)	-	(8)	3,242
Hotel furniture, fittings and equipment	20,885	1,670	(48)	(322)	-	(3,295)	196	(131)	18,955
Furniture, fittings and equipment	10,442	3,510	(218)	(88)	-	(2,705)	1,485	(1)	12,425
Computers	921	717	(4)	(1)	-	(464)	*	(1)	1,168
Construction-in-progress	5,007	7,101	-	-	-	-	(2,339)	-	9,769
	478,061	30,065	(615)	(481)	(589)	(22,061)	-	(1,256)	483,124
Biological assets	6,126	2,477	-	-	-	-	-	-	8,603

* Amount is less than RM1,000.

Notes to the Financial Statements

7. PROPERTY, PLANT, EQUIPMENT AND BIOLOGICAL ASSETS (continued)

	At 30.6.2013		
Group	Cost RM'000	Accumulated depreciation and impairment RM'000	Carrying amount RM'000
Freehold hotel properties	186,858	(26,015)	160,843
Leasehold hotel properties	72,682	(13,338)	59,344
Freehold golf course	15,332	-	15,332
Freehold land	55,301	-	55,301
Long term leasehold land	41,972	(1,811)	40,161
Short term leasehold land	1,441	(201)	1,240
Buildings and improvements	70,120	(12,483)	57,637
Jetty and infrastructure	29,532	(7,870)	21,662
Plant, machinery and electrical installation	93,722	(67,677)	26,045
Motor vehicles and boats	9,322	(6,080)	3,242
Hotel furniture, fittings and equipment	73,784	(54,829)	18,955
Furniture, fittings and equipment	31,945	(19,520)	12,425
Computers	6,419	(5,251)	1,168
Construction-in-progress	9,769	-	9,769
	698,199	(215,075)	483,124
Biological assets	8,603	-	8,603

Notes to the Financial Statements

7. PROPERTY, PLANT, EQUIPMENT AND BIOLOGICAL ASSETS (continued)

Group	Balance as at 1.7.2011 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	Transfer from land held for property development (Note 14) RM'000	Translation adjustments RM'000	Balance as at 30.6.2012 RM'000
Carrying amount									
Freehold hotel properties	168,760	1,147	-	-	(4,263)	-	-	(55)	165,589
Leasehold hotel properties	61,745	423	-	-	(1,625)	-	-	-	60,543
Freehold golf course	15,332	-	-	-	-	-	-	-	15,332
Freehold land	48,147	7,751	-	-	-	-	-	(61)	55,837
Long term leasehold land	11,695	-	-	-	(148)	-	28,993	-	40,540
Short term leasehold land	1,270	-	-	-	(30)	-	-	57	1,297
Buildings and improvements	57,732	1,034	-	-	(1,496)	-	-	97	57,367
Jetty and infrastructure	22,762	36	-	-	(586)	-	-	-	22,212
Plant, machinery and electrical installation	17,823	6,119	(113)	(100)	(4,916)	-	-	83	18,896
Motor vehicles and boats	2,785	1,484	(2)	-	(1,088)	-	-	14	3,193
Hotel furniture, fittings and equipment	21,817	3,010	-	(388)	(3,543)	-	-	(11)	20,885
Furniture, fittings and equipment	9,084	4,485	(118)	(135)	(2,881)	5	-	2	10,442
Computers	1,026	244	(3)	(1)	(395)	50	-	-	921
Construction-in-progress	247	4,815	-	-	-	(55)	-	-	5,007
	440,225	30,548	(236)	(624)	(20,971)	-	28,993	126	478,061
Biological assets	-	2,812	-	-	-	-	3,314	-	6,126

Notes to the Financial Statements

7. PROPERTY, PLANT, EQUIPMENT AND BIOLOGICAL ASSETS (continued)

	At 30.6.2012		
Group	Cost RM'000	Accumulated depreciation and impairment RM'000	Carrying amount RM'000
Freehold hotel properties	187,393	(21,804)	165,589
Leasehold hotel properties	72,195	(11,652)	60,543
Freehold golf course	15,332	-	15,332
Freehold land	55,837	-	55,837
Long term leasehold land	41,972	(1,432)	40,540
Short term leasehold land	1,470	(173)	1,297
Buildings and improvements	68,315	(10,948)	57,367
Jetty and infrastructure	29,502	(7,290)	22,212
Plant, machinery and electrical installation	82,553	(63,657)	18,896
Motor vehicles and boats	9,151	(5,958)	3,193
Hotel furniture, fittings and equipment	72,881	(51,996)	20,885
Furniture, fittings and equipment	29,711	(19,269)	10,442
Computers	5,766	(4,845)	921
Construction-in-progress	5,007	-	5,007
	677,085	(199,024)	478,061
Biological assets	6,126	-	6,126

Company	Balance as at 1.7.2012 RM'000	Additions RM'000	Disposals RM'000	Depreciation charge for the financial year RM'000	Balance as at 30.6.2013 RM'000
Carrying amount					
Computers	**171**	**21**	**(4)**	**(67)**	**121**
Furniture, fittings and equipment	**233**	**17**	**-**	**(42)**	**208**
Motor vehicles	**73**	**-**	**-**	**(73)**	*****
	477	**38**	**(4)**	**(182)**	**329**

* Amount is less than RM1,000.

Notes to the Financial Statements

7. PROPERTY, PLANT, EQUIPMENT AND BIOLOGICAL ASSETS (continued)

	At 30.6.2013		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Computers	**631**	**(510)**	**121**
Furniture, fittings and equipment	**774**	**(566)**	**208**
Motor vehicles	**400**	**(400)**	*****
	1,805	**(1,476)**	**329**

* Amount is less than RM1,000.

Company	Balance as at 1.7.2011 RM'000	Additions RM'000	Depreciation charge for the financial year RM'000	Reclassification RM'000	Balance as at 30.6.2012 RM'000
Carrying amount					
Computers	149	31	(59)	50	171
Furniture, fittings and equipment	273	49	(39)	(50)	233
Motor vehicles	153	-	(80)	-	73
	575	80	(178)	-	477

	At 30.6.2012		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Computers	616	(445)	171
Furniture, fittings and equipment	757	(524)	233
Motor vehicles	400	(327)	73
	1,773	(1,296)	477

Notes to the Financial Statements

7. PROPERTY, PLANT, EQUIPMENT AND BIOLOGICAL ASSETS (continued)

(a) The depreciation charge for the financial year is allocated as follows:

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Recognised in profit or loss	**18,380**	17,964	**182**	178
Amount due from customers for contract works (Note 16(c))	**3,681**	3,007	**-**	-
	22,061	20,971	**182**	178

(b) Security

The freehold land and buildings of the Group with a carrying amount of RM18,734,000 (2012: RM19,175,000) have been pledged to banks for credit facilities granted to the Group and the Company (Note 23).

The freehold land with buildings classified as hotel properties of the Group with a carrying amount of RM174,189,000 (2012: RM178,289,000) have been pledged to banks for credit facilities granted to the Group and the Company (Note 23).

Other property, plant and equipment of the Group with a carrying amount of RM1,233,000 (2012: RM2,640,000) have been pledged to banks for credit facilities granted to the Group (Note 23).

(c) Interest capitalisation

Included in the Group's biological assets is interest expense of RM272,000 (2012: RM364,000), which was capitalised during the financial year at interest rates ranging from 0.37% to 5.30% (2012: 0.32% to 5.30%) per annum.

Notes to the Financial Statements

8. INTANGIBLE ASSETS

	Group	
	2013	2012
	RM'000	RM'000
Goodwill		
Cost		
Balance as at 1 July 2012/2011	**6,615**	6,615
Additions	**3**	-
Balance as at 30 June 2013/2012	**6,618**	6,615
Less: Impairment loss		
Balance as at 1 July 2012/2011	**(2,047)**	(2,047)
Charge for the financial year	**(3)**	-
Balance as at 30 June 2013/2012	**(2,050)**	(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	
	2013	2012
	RM'000	RM'000
Manufacturing and trading	**2,183**	2,183
Hotel and leisure	**2,385**	2,385
	4,568	4,568

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 years period.

Notes to the Financial Statements

8. INTANGIBLE ASSETS (continued)

Impairment testing for cash-generating units containing goodwill **(continued)**

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 of 5% over the next five years with gradual improvement in the pre-tax margin.

(ii) Pre-tax discount rate of 6% 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 the end of year five.

With regards 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 further exceed 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.

9. INVESTMENT PROPERTIES

Group	Balance as at 1.7.2012 RM'000	Additions RM'000	Adjust-ments RM'000	Disposals RM'000	Depreciation charge for the financial year RM'000	Balance as at 30.6.2013 RM'000
Carrying amount						
Freehold land	52,673	-	-	-	-	52,673
Buildings	94,708	257	(41)	(153)	(3,896)	90,875
	147,381	257	(41)	(153)	(3,896)	143,548

Notes to the Financial Statements

9. INVESTMENT PROPERTIES (continued)

	At 30.6.2013 Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Freehold land	**52,673**	**-**	**52,673**
Buildings	**105,498**	**(14,623)**	**90,875**
	158,171	**(14,623)**	**143,548**

Fair value	
At 30 June 2013	**261,486**

Group	Balance as at 1.7.2011 RM'000	Additions RM'000	Adjust-ments RM'000	Disposals RM'000	Depreciation charge for the financial year RM'000	Balance as at 30.6.2012 RM'000
Carrying amount						
Freehold land	52,673	-	-	-	-	52,673
Buildings	98,405	134	57	-	(3,888)	94,708
	151,078	134	57	-	(3,888)	147,381

	At 30.6.2012 Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Freehold land	52,673	-	52,673
Buildings	105,454	(10,746)	94,708
	158,127	(10,746)	147,381

Fair value	
At 30 June 2012	267,149

Notes to the Financial Statements

9. INVESTMENT PROPERTIES (continued)

Investment properties comprise a number of offices cum commercial premise, supermarket premises, commercial and residential units 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 two years respectively. Subsequent renewals are negotiated with the lessee. No contingent rents are charged.

The fair value of the investment properties is estimated by the Directors by reference to transaction prices for similar properties in the vicinity as well as based on the investment method taking into account rental receipts, market rental yields and the use of appropriate capitalisation rates.

Investment properties of certain subsidiaries with a carrying value of RM139,316,000 (2012: RM142,952,000) are pledged to licensed financial institutions to secure banking facilities granted to the Company and certain subsidiaries (Note 23).

Direct operating expenses arising from investment properties during the financial year are as follow:

	Group	
	2013	**2012**
	RM'000	**RM'000**
Generating rental income		
Building insurance	**116**	122
Service charges	**46**	46
Quit rent and assessment	**1,312**	1,306
Security service	**438**	408
Maintenance	**952**	790
Utilities	**2,923**	2,837
Other expenses	**12**	15
	5,799	5,524
Non-generating rental income		
Quit rent and assessment	**11**	20
Building insurance	**-**	*
Maintenance	**-**	*
	11	20

* Amount is less than RM1,000.

Notes to the Financial Statements

10. INVESTMENTS IN SUBSIDIARIES

	Company 2013 RM'000	Company 2012 RM'000
Unquoted equity shares, at cost	**546,343**	543,843
Less: Impairment loss	**(11,824)**	(11,824)
	534,519	532,019

The details of the subsidiaries are as follows:

Name of company	Country of incorporation	Effective interest in equity 2013 %	Effective interest in equity 2012 %	Principal activities
Aco Built System Sdn. Bhd.	Malaysia	**100**	100	Installation of concrete wall panels
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**	100	Investment holding
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
PJD Highland Resort Sdn. Bhd.	Malaysia	**100**	100	Property development
PTC Management Services Sdn. Bhd.	Malaysia	**100**	100	Provision of property management services

Notes to the Financial Statements

10. INVESTMENTS IN SUBSIDIARIES (continued)

The details of the subsidiaries are as follows (continued):

Name of company	Country of incorporation	Effective interest in equity 2013 %	2012 %	Principal activities
OCC Cables Berhad and its subsidiaries	Malaysia	**100**	100	Investment holding
Olympic Cable Company Sdn. Bhd. and its subsidiary	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
P.J. (A) Pty. Limited	Australia	**100**	100	Investment holding and hotel business
PJ Equity Sdn. Bhd.	Malaysia	**100**	100	Investment holding
PJD Central Sdn. Bhd. (formerly known as Sun-PJDC Sdn. Bhd.)	Malaysia	**100**	50	Property development and investment
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

Notes to the Financial Statements

10. INVESTMENTS IN SUBSIDIARIES (continued)

The details of the subsidiaries are as follows (continued):

Name of company	Country of incorporation	Effective interest in equity 2013 %	Effective interest in equity 2012 %	Principal activities
PJD Land Sdn. Bhd.	Malaysia	**100**	100	Leasing of office cum commercial building
PJD Landmarks Sdn. Bhd.	Malaysia	**100**	100	Property development
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	Cultivation of oil palm
PJD Properties Management Sdn. Bhd.	Malaysia	**100**	100	Provision of project management services
PJD Realty Sdn. Bhd.	Malaysia	**100**	100	Property development
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 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

Notes to the Financial Statements

10. INVESTMENTS IN SUBSIDIARIES (continued)

The details of the subsidiaries are as follows (continued):

Name of company	Country of incorporation	Effective interest in equity 2013 %	Effective interest in equity 2012 %	Principal activities
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	**100**	100	Marketing of timeshare memberships
Swiss-Garden Rewards (Singapore) Pte. Ltd.**	Singapore	**100**	100	Agent providing services to hotel companies
Swiss-Inn JB Sdn. Bhd. (formerly known as Real Symphony Sdn. Bhd.) ***	Malaysia	**100**	-	Hotel and restaurant business

* Subsidiaries audited by BDO Member Firms.
** Subsidiaries consolidated based on unaudited management financial statements as they are not required to be audited under the jurisdiction of respective countries.
*** Consolidated using management financial statements.

In the previous year, an additional impairment loss on investment in a subsidiary, Aco Built System Sdn. Bhd., which amounted to RM1,157,000 had been recognised 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 2013 RM'000	Group 2012 RM'000
Unquoted equity shares in Malaysia, at cost	**-**	2
Unquoted equity shares in Overseas, at cost	**23,919**	23,919
	23,919	23,921
Share of post acquisition reserves, net of dividends received	**26,065**	29,574
	49,984	53,495

Notes to the Financial Statements

11. INVESTMENTS IN ASSOCIATES (continued)

The details of the associates are as follows:

Name of company	Country of incorporation	Effective interest in equity 2013 %	Effective interest in equity 2012 %	Principal activities
Associate of PJD Construction Sdn. Bhd.				
PJD Central Sdn. Bhd. (formerly known as Sun-PJDC Sdn. Bhd.)*	Malaysia	**-**	50.00	Securing and carrying out construction contracts
Associate of P.J. (A) Pty. Limited				
Equity & Property Investment Corporation Limited**	Australia	**27.40**	27.40	Property investment and property development

* Equity accounted in the previous financial year.

** Not audited by BDO Member Firms.

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

	Group 2013 RM'000	Group 2012 RM'000
Assets and liabilities		
Current assets	**53,353**	71,650
Non-current assets	**130,136**	124,043
Total assets	**183,489**	195,693
Current liabilities	**421**	1,064
Total liabilities	**421**	1,064
Results		
Revenue	**7,897**	7,048
Profit for the financial year	**4,964**	5,013

(b) The Group did not recognise its further share of losses of the associate, PJD Central Sdn. Bhd., in the previous financial years as the carrying amount of this investment had been reduced to nil. The unrecognised results are as follows:

	Group 2013 RM'000	Group 2012 RM'000
Profit for the financial year	**-**	6
Accumulated losses	**-**	5

Notes to the Financial Statements

12. INVESTMENT IN A JOINTLY CONTROLLED ENTITY

	Group 2013 RM'000	Group 2012 RM'000
Results		
Unquoted equity shares, at cost	*	*
Share of post acquisition reserves, net of dividends received	**(*)**	1,228
	-	1,228

* Amount is less than RM1,000.

The details of the jointly controlled entity are as follows:

Name of company	Country of incorporation	Effective interest in equity 2013 %	Effective interest in equity 2012 %	Principal activities
Scotia Acres Sdn. Bhd.	Malaysia	**50**	50	Property development and investment

(a) The Group's aggregate share of net assets, liabilities and income and expenses of the jointly controlled entity is as follows:

	Group 2013 RM'000	Group 2012 RM'000
Assets and liabilities		
Current assets	**2,429**	10,873
Non-current assets	**42,740**	39,353
Total assets	**45,169**	50,226
Current liabilities	**11,824**	48,921
Non-current liabilities	**34,179**	77
Total liabilities	**46,003**	48,998
Net (liabilities)/assets	**(834)**	1,228
Results		
Revenue	**3,684**	147
Income	**626**	1,203
Expenses, including finance costs and tax expense	**(6,372)**	(122)
(Loss)/Profit for the financial year	**(2,062)**	1,228

Notes to the Financial Statements

12. INVESTMENT IN A JOINTLY CONTROLLED ENTITY (continued)

(b) The Group's share of losses of the jointly controlled entity, Scotia Acres Sdn. Bhd., during the financial year was limited to RM1,228,000 as the carrying amount of this investment had been reduced to nil. The unrecognised results are as follows:

	Group	
	2013	2012
	RM'000	RM'000
Loss for the financial year	**2,062**	-
Accumulated losses	**834**	-

13. OTHER INVESTMENTS

Group	Carrying amount RM'000	Market value of quoted investments RM'000
2013		
Non-current		
Available-for-sale financial assets		
- Unquoted shares in Malaysia	**660**	-
- Quoted warrants in Malaysia	**434**	434
- Quoted shares in Malaysia	**52,492**	52,492
	53,586	52,926
2012		
Non-current		
Available-for-sale financial assets		
- Unquoted shares in Malaysia	**669**	-
- Quoted warrants in Malaysia	**946**	946
- Quoted shares in Malaysia	**32,917**	32,917
	34,532	33,863

Certain quoted investments are investments in companies in which certain Directors and close members of their families have interests.

Information on the fair value hierarchy is disclosed in Note 37(e) to the financial statements.

Notes to the Financial Statements

14. LAND HELD FOR PROPERTY DEVELOPMENT

		Group	
		2013	2012
	Note	RM'000	RM'000
Carrying amount			
Balance as at 1 July 2012/2011		**145,128**	166,896
Additions		**32,065**	40,859
Translation adjustment		**(785)**	54
Transfer to property development costs	17	**(38,587)**	(30,374)
Transfer to property, plant and equipment	7	**-**	(32,307)
Impairment loss during the financial year		**(492)**	-
Balance as at 30 June 2013/2012		**137,329**	145,128
Represented by:			
Land		**101,841**	104,760
Land development costs		**35,488**	40,368
		137,329	145,128

Included in the land held for property development is the following charge incurred during the financial year:

	Group	
	2013	2012
	RM'000	RM'000
Interest expense	**1,210**	2,524

Interest is capitalised in land held for property development at rates ranging from 4.00% to 7.60% (2012: 4.00% to 7.80%) per annum.

Certain land held for property development with a carrying amount of RM87,391,000 (2012: RM86,337,000) have been pledged to licensed banks for banking facilities granted to certain subsidiaries (Note 23).

Notes to the Financial Statements

15. DEFERRED TAX

(a) The deferred tax assets and liabilities are made up of the following:

	Group 2013 RM'000	Group 2012 RM'000
Balance as at 1 July 2012/2011	**22,074**	17,462
Recognised in profit or loss (Note 30)	**3,940**	4,612
Balance as at 30 June 2013/2012	**26,014**	22,074
Presented after appropriate offsetting:		
Deferred tax assets, net	**(3,298)**	(4,668)
Deferred tax liabilities, net	**29,312**	26,742
	26,014	22,074

(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 2011	(6,787)	(27,105)	11,187	(90)	(22,795)
Recognised in profit or loss	-	(255)	(3,433)	(259)	(3,947)
Reclassification	3,799	(3,799)	-	-	-
At 30 June 2012	(2,988)	(31,159)	7,754	(349)	(26,742)
Recognised in profit or loss	-	764	(3,770)	436	(2,570)
At 30 June 2013	**(2,988)**	**(30,395)**	**3,984**	**87**	**(29,312)**

Notes to the Financial Statements

15. DEFERRED TAX (continued)

(b) The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows (continued):

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 2011	933	11,237	2,344	1,569	(11,187)	437	5,333
Recognised in profit or loss	126	(4,195)	(514)	242	3,433	243	(665)
At 30 June 2012	1,059	7,042	1,830	1,811	(7,754)	680	4,668
Recognised in profit or loss	162	(4,178)	(95)	(349)	3,770	(680)	(1,370)
At 30 June 2013	**1,221**	**2,864**	**1,735**	**1,462**	**(3,984)**	**-**	**3,298**

(c) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group	
	2013 RM'000	**2012 RM'000**
Deductible temporary differences	**22,446**	17,538
Taxable temporary differences	**(48,114)**	(42,375)
Unused tax losses		
- No expiry date	**29,787**	34,895
- Expire by 30 June 2013	**-**	834
- Expire by 30 June 2014	**972**	992
- Expire by 30 June 2015	**990**	777
- Expire by 30 June 2016	**618**	-
- Expire by 30 June 2017	**926**	-
- Expire by 30 June 2018	**305**	-
Unabsorbed capital allowances	**65,324**	64,747
	73,254	77,408

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that taxable profits of the subsidiaries would be available against which the deductible temporary differences could 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.

Notes to the Financial Statements

16. TRADE AND OTHER RECEIVABLES

	Note	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Non-current					
Trade					
Third parties	a	**26,388**	21,402	**-**	-
Retention sum - third parties	b	**19,272**	11,361	**-**	-
		45,660	32,763	**-**	-
Current					
Trade					
Third parties	a	**170,607**	165,377	**-**	-
Accrued billings		**92,587**	12,209	**-**	-
Amount due from customers for contract works	c	**7,737**	25,368	**-**	-
Retention sum - third parties	b	**12,873**	9,485	**-**	-
		283,804	212,439	**-**	-
Less: Impairment loss - third parties		**(7,100)**	(1,557)	**-**	-
		276,704	210,882	**-**	-
Non-trade					
Jointly controlled entity	d	**10,095**	11,988	**-**	-
Subsidiaries	e	**-**	-	**197,232**	185,341
Other receivables	f	**6,979**	10,676	**98**	305
		17,074	22,664	**197,330**	185,646
Less: Impairment loss - other receivables	g	**(678)**	(962)	**-**	-
		16,396	21,702	**197,330**	185,646
Loans and receivables		**293,100**	232,584	**197,330**	185,646
Deposits and prepayments					
Deposits		**21,241**	5,414	**135**	134
Prepayments		**3,147**	2,526	**145**	151
		24,388	7,940	**280**	285
		317,488	240,524	**197,610**	185,931
Total trade and other receivables	h	**363,148**	273,287	**197,610**	185,931

Notes to the Financial Statements

16. TRADE AND OTHER RECEIVABLES (continued)

(a) Trade receivables are non-interest bearing and the normal credit terms granted by the Group range from 30 to 90 days (2012: 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 RM46,541,000 (2012: RM41,678,000) receivable from customers via monthly instalments ranging from 12 to 60 months (2012: 12 to 60 months).

Included in trade receivables of the Group are amounts owing by companies in which certain Directors have interest totalling RM3,939,000 (2012: RM2,781,000).

(b) The retention sums are unsecured, interest-free and are expected to be collected as follows:

	Group	
	2013	**2012**
	RM'000	**RM'000**
Within one year	**12,873**	9,485
Within two years	**11,252**	4,141
Within three years	**4,377**	7,220
Within four years	**3,643**	-
	32,145	20,846

(c) Amount due from customers for contract works are as follows:

		Group	
		2013	**2012**
	Note	**RM'000**	**RM'000**
Aggregate costs incurred to date		**828,636**	846,670
Add: Attributable profits		**29,769**	51,508
		858,405	898,178
Less: Progress billings		**(874,876)**	(878,960)
		(16,471)	19,218
Amount due to customers for contract works	22	**24,208**	6,150
		7,737	25,368

Addition to aggregate costs incurred during the financial year include:

		2013	**2012**
	Note	**RM'000**	**RM'000**
Staff costs	33	**5,027**	3,976
Depreciation	7(a)	**3,681**	3,007

Notes to the Financial Statements

16. TRADE AND OTHER RECEIVABLES (continued)

(d) Amount owing by a jointly controlled entity 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) Amounts owing by subsidiaries are 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 RM186,140,000 (2012: RM184,459,000), which is subject to interest at 0.37% (2012: 0.32%) per annum.

(f) Included in other receivables of the Group are advances to and payments made on behalf of subcontractors amounting to RM249,000 (2012: RM457,000), which are unsecured, interest-free and repayable on demand in cash and cash equivalents.

(g) In the previous financial year, bad debts in respect of other receivables amounting to RM2,000 had been written off against impairment loss.

(h) The currency exposure profile of receivables is as follows:

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	**356,865**	262,522	**197,610**	185,931
Thai Baht	**3,529**	7,630	**-**	-
Australian Dollar	**279**	299	**-**	-
Singapore Dollar	**769**	1,919	**-**	-
United States Dollar	**1,112**	85	**-**	-
Vietnamese Dong	**594**	832	**-**	-
	363,148	273,287	**197,610**	185,931

Notes to the Financial Statements

16. TRADE AND OTHER RECEIVABLES (continued)

(i) The ageing analysis of trade receivables of the Group is as follows:

	Group	
	2013	2012
	RM'000	RM'000
Neither past due nor impaired	**280,622**	212,608
Past due, not impaired		
0 to 30 days past due	**22,372**	15,854
31 to 60 days past due	**3,948**	9,077
61 to 90 days past due	**3,111**	803
91 to 120 days past due	**3,335**	836
More than 120 days past due	**8,976**	4,467
	41,742	31,037
Past due and impaired	**7,100**	1,557
	329,464	245,202

<u>Receivables that are neither past due nor impaired</u>

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 end of reporting period 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.

<u>Receivables that are past due but not impaired</u>

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.

Notes to the Financial Statements

16. TRADE AND OTHER RECEIVABLES (continued)

(i) The ageing analysis of trade receivables of the Group is as follows (continued):

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:

	Individually impaired	
	2013	**2012**
Group	**RM'000**	**RM'000**
Trade receivables, gross	**7,100**	1,557
Less: Impairment loss	**(7,100)**	(1,557)
	-	-

The reconciliation of movement in the impairment loss on trade receivables are as follows:

	Group	
	2013	**2012**
	RM'000	**RM'000**
At 1 July 2012/2011	**1,557**	3,115
Charge for the financial year	**6,026**	385
Written off	**(21)**	(1,663)
Reversal of impairment loss	**(462)**	(280)
At 30 June 2013/2012	**7,100**	1,557

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.

Notes to the Financial Statements

17. PROPERTY DEVELOPMENT COSTS

	Note	Group 2013 RM'000	Group 2012 RM'000
Balance as at 1 July 2012/2011			
Land		**151,104**	88,761
Development costs		**499,722**	404,187
Accumulated costs charged to profit or loss		**(431,935)**	(333,124)
		218,891	159,824
Transfer from land held for property development	14	**38,587**	30,374
Acquisition of land		**-**	34,958
Development costs incurred during the year		**146,761**	108,873
Reversal of accrued development costs		**-**	(3,066)
Cost charged to profit or loss		**(164,339)**	(112,072)
Completed developments			
- Reversal of land and development costs		**(219,570)**	(13,261)
- Reversal of costs charged to profit or loss		**219,570**	13,261
		21,009	59,067
Balance as at 30 June 2013/2012		**239,900**	218,891
Represented by:			
Land		**155,749**	151,104
Development costs		**453,641**	499,722
Accumulated costs charged to profit or loss		**(369,490)**	(431,935)
		239,900	218,891

Included in the property development costs is the following charge incurred during the financial year:

	Group 2013 RM'000	Group 2012 RM'000
Interest expense	**8,419**	5,153

Interest is capitalised in property development costs at rates ranging from 0.37% to 5.11% (2012: 0.32% to 7.80%) per annum.

The portion of property development costs where 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 RM221,408,000 (2012: RM107,663,000) have been pledged to licensed banks for banking facilities granted to certain subsidiaries (Note 23).

Notes to the Financial Statements

18. INVENTORIES

	Group 2013 RM'000	Group 2012 RM'000
At cost		
Completed properties held for sale	**3,185**	614
Raw materials	**6,164**	5,777
Consumables	**2,125**	2,223
Work-in-progress	**8,475**	4,337
Finished goods	**14,278**	17,605
	34,227	30,556
At net realisable value		
Completed properties held for sale	**-**	1,091
Raw materials	**249**	451
Consumables	**138**	-
Work-in-progress	**-**	18
Finished goods	**3,432**	3,298
	3,819	4,858
	38,046	35,414

During the financial year, inventories of the Group recognised as cost of sales amounted to RM179,032,000 (2012: RM164,007,000) while the write down of inventories to their net realisable value amounted to RM3,090,000 (2012: RM2,571,000).

19. CASH AND CASH EQUIVALENTS

	Note	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Cash and bank balances	a	**43,844**	53,594	**1,282**	823
Deposits with licensed banks	b	**50,029**	42,011	**-**	-
Per statements of financial position	c	**93,873**	95,605	**1,282**	823
Bank overdrafts included in borrowings	23	**(3,223)**	(4,977)	**-**	-
Deposits pledged as securities	b	**(840)**	(2,015)	**-**	-
Per statements of cash flows		**89,810**	88,613	**1,282**	823

Notes to the Financial Statements

19. CASH AND CASH EQUIVALENTS (continued)

(a) Included in the Group's cash and bank balances is an amount of RM15,430,000 (2012: RM33,706,000) 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 RM210,000 (2012: RM961,000) assigned for banking facilities granted to certain subsidiaries.

(b) Included in deposits placed with licensed banks is an amount of RM840,000 (2012: RM2,015,000) pledged for bank facilities granted to certain subsidiaries (Note 23).

(c) The currency exposure profile of cash and bank balances and deposits with licensed banks are as follows:

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Ringgit Malaysia	**56,115**	56,876	**1,260**	823
Australian Dollar	**31,747**	33,007	**-**	-
Thai Baht	**1,133**	2,282	**1**	-
Vietnamese Dong	**3,245**	3,347	**-**	-
United States Dollar	**1,560**	38	**1**	-
Singapore Dollar	**53**	55	**-**	-
British Pound	**20**	-	**20**	-
	93,873	95,605	**1,282**	823

20. SHARE CAPITAL AND TREASURY SHARES

	Group and Company			
	2013		**2012**	
	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	**456,134**	**456,134**	456,134	456,134

Notes to the Financial Statements

20. SHARE CAPITAL AND TREASURY SHARES (continued)

The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary 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.

During the financial year, the Company repurchased 2,200,000 (2012: Nil) ordinary shares of its issued share capital from the open market. The average price paid for the shares repurchased was RM0.84 per share. The repurchase transactions were financed by internally generated funds and the shares repurchased were retained as treasury shares in accordance with the provision of Section 67A of the Companies Act, 1965 in Malaysia.

Details of the repurchase of shares were as follows:

	← Purchase price →			Number of shares purchased	Total consideration
	Average	Highest*	Lowest*		
2013	**RM**	**RM**	**RM**	**'000**	**RM'000**
November 2012	**0.83**	**0.84**	**0.82**	**1,443**	**1,198**
December 2012	**0.82**	**0.83**	**0.82**	**557**	**460**
May 2013	**0.97**	**0.97**	**0.97**	**100**	**98**
June 2013	**0.93**	**0.93**	**0.93**	**100**	**93**
				2,200	**1,849**

* Purchase price excludes stamp duty, brokerage and clearing fees.

Of the total 456,134,000 (2012: 456,134,000) issued and fully paid ordinary shares of RM1.00 each as at 30 June 2013, there are 2,675,000 (2012: 475,000) ordinary shares of RM1.00 each with a cumulative total consideration amounting to RM2,115,000 (2012: RM266,000) held as treasury shares by the Company. The number of outstanding shares in issue after the share buy-back is 453,459,000 (2012: 455,659,000) ordinary shares of RM1.00 each as at 30 June 2013.

Notes to the Financial Statements

20. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) 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:

(i) 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

(ii) 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 2013, 213,811,972 Warrants C have yet to be converted to ordinary shares.

21. RESERVES

		Group		Company	
		2013	**2012**	**2013**	**2012**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Non-distributable:					
Share premium	a	**39,774**	39,774	**39,774**	39,774
Warrant reserve	b	**4,276**	4,276	**4,276**	4,276
Available-for-sale reserve	c	**10,247**	3,708	**-**	-
Exchange translation reserve	d	**(5,885)**	2,706	**-**	-
		48,412	50,464	**44,050**	44,050
Distributable:					
Retained earnings	e	**457,926**	414,011	**47,550**	56,690
		506,338	464,475	**91,600**	100,740

Notes to the Financial Statements

21. RESERVES (continued)

(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 Warrants C which are 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 a single tier system or latest by 31 December 2013.

Notes to the Financial Statements

22. TRADE AND OTHER PAYABLES

		Group		Company	
		2013	2012	2013	2012
	Note	RM'000	RM'000	RM'000	RM'000
Non-current					
Trade					
Retention sum					
- third parties	a	**15,102**	6,382	**-**	-
Current					
Trade					
Third parties	b	**97,603**	69,189	**-**	-
Amount due to customers for contract works	16(c)	**24,208**	6,150	**-**	-
Retention sum					
- third parties	a	**17,320**	19,481	**-**	-
		139,131	94,820	**-**	-
Non-trade					
Subsidiaries	c	**-**	-	**160,424**	165,996
Other payables	d	**27,332**	17,182	**103**	103
Accruals		**39,390**	54,415	**551**	445
Deposits received		**3,805**	2,498	**-**	-
		70,527	74,095	**161,078**	166,544
		209,658	168,915	**161,078**	166,544
Total trade and other payables	e	**224,760**	175,297	**161,078**	166,544

(a) The retention sums are unsecured, interest-free and are expected to be payable as follows:

	Group	
	2013	2012
	RM'000	RM'000
Within one year	**17,320**	19,481
Within two years	**7,020**	2,414
Within three years	**5,005**	3,852
Within four years	**3,077**	116
	32,422	25,863

Notes to the Financial Statements

22. 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 (2012: 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 RM35,167,000 (2012: RM24,867,000), which is subject to interest rate of 4.00% (2012: 4.00%) per annum.

(d) Other payables include enrolment fees payable to Interval International Inc. of RM2,925,000 (2012: RM2,796,000) to activate the exchange facility granted to timeshare members, which allows them to exchange their holiday accommodation through the exchange network.

(e) The currency exposure profile of payables is as follows:

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Ringgit Malaysia	**221,496**	173,007	**161,078**	166,544
Thai Baht	**63**	895	**-**	-
United States Dollar	**2,479**	613	**-**	-
Vietnamese Dong	**547**	557	**-**	-
Australian Dollar	**171**	185	**-**	-
Singapore Dollar	**4**	29	**-**	-
Euro	**-**	11	**-**	-
	224,760	175,297	**161,078**	166,544

Notes to the Financial Statements

23. BORROWINGS

		Group		Company	
		2013	2012	2013	2012
	Note	RM'000	RM'000	RM'000	RM'000
Non-current					
Secured term loans		**178,751**	230,442	**-**	368
Unsecured term loans		**-**	480	**-**	-
		178,751	230,922	**-**	368
Current					
Secured term loans		**67,978**	37,106	**368**	3,379
Unsecured term loans		**477**	1,018	**-**	-
Secured bank overdrafts	19	**3,045**	782	**-**	-
Unsecured bank overdrafts	19	**178**	4,195	**-**	-
Secured bankers' acceptances		**1,049**	2,132	**-**	-
Unsecured bankers' acceptances		**20,963**	16,937	**-**	-
Secured revolving credits		**90,200**	48,200	**32,750**	-
Unsecured revolving credits		**3,800**	3,800	**-**	-
		187,690	114,170	**33,118**	3,379
		366,441	345,092	**33,118**	3,747
Total borrowings					
Secured term loans		**246,729**	267,548	**368**	3,747
Unsecured term loans		**477**	1,498	**-**	-
Secured bank overdrafts	19	**3,045**	782	**-**	-
Unsecured bank overdrafts	19	**178**	4,195	**-**	-
Secured bankers' acceptances		**1,049**	2,132	**-**	-
Unsecured bankers' acceptances		**20,963**	16,937	**-**	-
Secured revolving credits		**90,200**	48,200	**32,750**	-
Unsecured revolving credits		**3,800**	3,800	**-**	-
		366,441	345,092	**33,118**	3,747

Notes to the Financial Statements

23. BORROWINGS (continued)

(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
2013						
Secured term loans	2024	**246,729**	**67,978**	**44,868**	**71,518**	**62,365**
Unsecured term loans	2014	**477**	**477**	**-**	**-**	**-**
Secured bank overdrafts	2014	**3,045**	**3,045**	**-**	**-**	**-**
Unsecured bank overdrafts	2014	**178**	**178**	**-**	**-**	**-**
Secured bankers' acceptances	2014	**1,049**	**1,049**	**-**	**-**	**-**
Unsecured bankers' acceptances	2014	**20,963**	**20,963**	**-**	**-**	**-**
Secured revolving credits	2014	**90,200**	**90,200**	**-**	**-**	**-**
Unsecured revolving credits	2014	**3,800**	**3,800**	**-**	**-**	**-**
		366,441	**187,690**	**44,868**	**71,518**	**62,365**
2012						
Secured term loans	2024	267,548	37,106	71,964	80,563	77,915
Unsecured term loans	2014	1,498	1,018	480	-	-
Secured bank overdrafts	2013	782	782	-	-	-
Unsecured bank overdrafts	2013	4,195	4,195	-	-	-
Secured bankers' acceptances	2013	2,132	2,132	-	-	-
Unsecured bankers' acceptances	2013	16,937	16,937	-	-	-
Secured revolving credits	2013	48,200	48,200	-	-	-
Unsecured revolving credits	2013	3,800	3,800	-	-	-
		345,092	114,170	72,444	80,563	77,915

Notes to the Financial Statements

23. BORROWINGS (continued)

(a) The borrowings are repayable over the following periods (continued):

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
2013						
Secured term loans	2014	**368**	**368**	**-**	**-**	**-**
Secured revolving credits	2014	**32,750**	**32,750**	**-**	**-**	**-**
		33,118	**33,118**	**-**	**-**	**-**
2012						
Secured term loans	2014	3,747	3,379	368	-	-

(b) The currency exposure profile of borrowings is as follows:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Ringgit Malaysia	**365,964**	344,036	**33,118**	3,747
United States Dollar	**477**	1,056	**-**	-
	366,441	345,092	**33,118**	3,747

(c) The borrowings of the Company are secured by way of charges over certain subsidiaries' hotel properties and freehold land and buildings (Note 7) and investment properties (Note 9).

The borrowings of subsidiaries are secured by way of charges over certain subsidiaries' freehold land and buildings, hotel properties, other property, plant and equipment (Note 7), investment properties (Note 9), land held for property development (Note 14), property development costs (Note 17) and deposits placed with licensed banks (Note 19). The borrowings are also guaranteed by the Company.

Notes to the Financial Statements

23. BORROWINGS (continued)

(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.

24. DEFERRED INCOME

	Group	
	2013	**2012**
	RM'000	**RM'000**
Non-current		
Membership fees	**43,512**	39,996
Current		
Membership fees	**2,502**	2,187
Maintenance fees	**104**	96
Rental income	**53**	-
Unredeemed vouchers	**133**	79
	2,792	2,362

Deferred income mainly represent membership fees received and receivable from timeshare members which are recognised based on the benefit to be enjoyed over the membership period.

Notes to the Financial Statements

25. COMMITMENTS

(a) Operating leases commitments

(i) The Group as lessee

The Group had entered into non-cancellable operating lease arrangements for office lots, shop lots and factories under operating leases for a term ranging from one to forty-nine 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	
	2013	**2012**	**2013**	**2012**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Not later than one year	**832**	1,273	**23**	23
Later than one year and not later than five years	**250**	788	**-**	4
Later than five years	**2,031**	2,102	**-**	-
	3,113	4,163	**23**	27

(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	
	2013	**2012**
	RM'000	**RM'000**
Not later than one year	**22,071**	8,225
Later than one year and not later than five years	**33,029**	5,825
Later than five years	**33,478**	34,954
	88,578	49,004

(b) Capital commitments

	Group	
	2013	**2012**
	RM'000	**RM'000**
Contracted but not provided for in respect of:		
- Property, plant and equipment	**20,865**	7,622
- Investment property	**111,780**	-
- Biological assets - new planting expenditure	**481**	37
	133,126	7,659

Notes to the Financial Statements

26. CONTINGENCIES

	Company	
	2013	2012
	RM'000	RM'000
Guarantees		
Corporate guarantees given to financial institutions relating to banking facilities of subsidiaries - unsecured	**820,771**	641,572
Corporate guarantees given to third parties relating to credit facilities granted to subsidiaries - unsecured	**23,200**	23,200
	843,971	664,772

The Directors are of the view that the chances of the financial institutions to call upon the corporate guarantees are not probable.

Contingent assets/liabilities not considered remote

Litigations

(a) Swiss-Garden International Vacation Club Berhad vs Swiss Marketing Corporation Sdn. Bhd.

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.

After a series of court hearings, on 27 August 2010, the High 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 as well as interest at 8% per annum, commencing from the date when the writ was filed until full and final satisfaction and costs.

At the same time, the High Court also 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 and set off with the damages awarded to the SGIVCB.

Notes to the Financial Statements

26. CONTINGENCIES (continued)

Contingent assets/liabilities not considered remote (continued)

Litigations (continued)

(a) Swiss-Garden International Vacation Club Berhad vs Swiss Marketing Corporation Sdn. Bhd. (continued)

The Agent appealed against the High Court's decision on 27 August 2010 ('Agent's Appeal'). The High Court appointed a qualified accountant for the assessment of the marketing fee on 3 September 2010. On 21 March 2011, the qualified accountant has submitted their assessment report to the Court.

On 17 November 2011, the High Court ordered that the Agent's claim for the marketing fee be allowed at RM7,880,000 with interest at the rate of 4% per annum from 22 August 2009 until full settlement. SGIVCB appealed to the Court of Appeal against the High Court's award ('SGIVCB's Appeal').

On 30 April 2012, the Court of Appeal allowed SGIVCB's Appeal and set aside the High Court's award given on 17 November 2011. The Court of Appeal further ordered that the amount of the marketing fee due to the Agent be remitted to the High Court for re-determination. On 20 September 2012, the High Court directed SGIVCB and the Agent to file their respective submissions and fixed the decision on 31 October 2012.

On 16 October 2012, the Court of Appeal dismissed the Agent's Appeal with costs of RM10,000 to be paid to SGIVCB.

On 31 October 2012, the High Court adjourned the decision on the re-determination of the Agent's marketing fee to 3 December 2012.

On 3 December 2012, the High Court rejected the qualified accountant's assessment report on its calculations of the marketing fees. Consequently, the High Court ordered the qualified accountant to recalculate the marketing fees ('High Court's Order dated 3 December 2012').

On 27 December 2012, the Agent filed an appeal to the Court of Appeal against the High Court's order dated 3 December 2012 ('Agent's 2nd Appeal'). There is no hearing date fixed at this stage.

On 20 February 2013, the Agent filed an application at the High Court to stay the execution and proceedings of the High Court's Order dated 3 December 2012 pending the determination of the Agent's 2nd Appeal ('Agent's Stay Application'). A case management date was fixed on 6 June 2013.

On 15 March 2013, the qualified accountant delivered the revised assessment report pursuant to the High Court's Order dated 3 December 2012 ('Revised Report'). The High Court fixed a mention date on 29 May 2013 for parties to update the High Court in relation to the Revised Report and the status of the Agent's 2nd Appeal and the Agent's Stay Application.

On 3 May 2013, the High Court advised the parties not to proceed with the proceedings in relation to the review of the Revised Report until after the disposal of the Agent's 2nd Appeal to save time and costs.

Notes to the Financial Statements

26. CONTINGENCIES (continued)

Contingent assets/liabilities not considered remote (continued)

Litigations (continued)

(a) Swiss-Garden International Vacation Club Berhad vs Swiss Marketing Corporation Sdn. Bhd. (continued)

On 29 May 2013, SGIVCB informed the High Court that SGIVCB agreed only to proceed with the review of the Revised Report after the 2nd Appeal. The Agent informed the High Court that the Agent was prepared to withdraw the Agent's Stay Application without costs which was fixed for 6 June 2013. A case management date is fixed on 29 August 2013.

On 6 June 2013, the Agent withdrew the Agent's Stay Application with no order for costs.

On 29 August 2013, the Agent informed the High Court that there is still no date fixed by the Court of Appeal for the Agent's 2nd Appeal. A mention date is fixed on 1 November 2013 for the parties to update the High Court in relation to the status of the Agent's 2nd Appeal.

The Board of Directors are of the opinion that, after taking into consideration the damages of RM5,280,000 and the damages for misrepresentation and loss of goodwill together with the accrued interests awarded by the High Court to SGIVCB, the decision of the Agent's 2nd Appeal will not have a material impact on the financial statements of the Group.

(b) Karisma Sempurna Sdn. Bhd., Koperasi Perumahan Kluang Berhad and Wonderful Mineral Resources Sdn. Bhd. vs PJD Pravest Sdn. Bhd.

PJD Pravest Sdn. Bhd. ('Pravest'), a wholly owned subsidiary of the Company discovered trespass on its land held under H.S.(D) No. 18906 P.T. 1664, Mukim Penor, District of Kuantan, Pahang ('Land') and a police report was lodged on 5 March 2011.

Pravest subsequently discovered that there was a purported joint venture agreement ('JVA') dated 29 July 2010 entered by Pravest with Karisma Sempurna Sdn. Bhd., Koperasi Perumahan Kluang Berhad and Wonderful Mineral Resources Sdn. Bhd. ('Plaintiffs') to cultivate the Land for 30 years. Another police report was lodged in respect of the alleged involvement in the JVA.

On 11 April 2011, the Plaintiffs then initiated a civil suit against Pravest, seeking to enforce the purported JVA ('Suit'). The Plaintiffs in the same Suit, also claimed, among others, for (i) an order for permanent injunction prohibiting Pravest and/or its directors and/or agents from leasing or selling or from dealing with the Land in any way until the expiry of the lease, (ii) an order for permanent injunction prohibiting Pravest or its workers or agents from entering the Land or interfering or stop or attempt to stop the Plaintiffs from cultivating the Land and (iii) an order for specific performance that Pravest comply with the terms and conditions of the JVA.

On 14 September 2011, the Plaintiffs filed an interlocutory application for an interim injunction, until the disposal of the Suit, which was allowed by the High Court with costs ('Injunction Order').

Notes to the Financial Statements

26. CONTINGENCIES (continued)

Contingent assets/liabilities not considered remote (continued)

Litigations (continued)

(b) Karisma Sempurna Sdn. Bhd., Koperasi Perumahan Kluang Berhad and Wonderful Mineral Resources Sdn. Bhd. vs PJD Pravest Sdn. Bhd. (continued)

On 20 January 2012, Pravest filed an application to vary the Injunction Order ('Pravest's Application'). On 9 March 2012, the High Court allowed to vary the Injunction Order, allowing inter alia, Pravest to take necessary steps to maintain the infrastructures built and oil palm seedlings that have been planted on the land.

The full trial for the Suit commenced on 2 April 2012 and was subsequently adjourned to 28 January 2013.

Full trial was held on 28 January 2013 and the High Court fixed the case for clarification on 26 February 2013, which was subsequently postponed to 18 April 2013.

On 18 April 2013 the High Court dismissed the Plaintiffs' claim with cost to be determined by the Registrar. The High Court had also allowed Pravest to enforce the undertaking as to damages by the Plaintiffs in the interim injunction. The Plaintiffs had filed an appeal against the High Court's decision.

On 16 May 2013, Pravest filed the Notice for Direction for assessment of damages in relation to the undertaking for damages under the order for interim injunction. The High Court of Kuantan has fixed the matter for further case management on the 25 October 2013.

The Board of Directors is of the opinion that as the High Court has dismissed the Plaintiffs' claim with costs, the appeal filed by the Plaintiffs will not have a material impact on the financial statements of the Group.

Notes to the Financial Statements

27. REVENUE

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Sale of goods	**254,380**	218,828	**-**	-
Property development revenue	**218,345**	162,834	**-**	-
Services rendered	**149,108**	129,988	**3,300**	3,300
Contract revenue	**202,455**	125,622	**-**	-
Dividend income				
- subsidiaries	**-**	-	**20,580**	20,000
- other investments	**2,697**	1,620	**-**	-
	826,985	638,892	**23,880**	23,300

28. COST OF SALES AND SERVICES

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Inventories sold	**195,807**	171,109	**-**	-
Property development costs	**158,948**	127,640	**-**	-
Services rendered	**67,045**	59,800	**12,270**	10,587
Contract works	**190,825**	108,717	**-**	-
	612,625	467,266	**12,270**	10,587

Notes to the Financial Statements

29. PROFIT BEFORE TAX

		Group		Company	
		2013	2012	2013	2012
	Note	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging:					
Auditors' remuneration:					
- statutory audit					
- current year		**368**	399	**44**	43
- under provision in prior years		**1**	4	**2**	-
- other services		**21**	30	**14**	16
Bad debts written off		**107**	20	**-**	-
Depreciation on:					
- investment properties	9	**3,896**	3,888	**-**	-
- property, plant and equipment	7(a)	**18,380**	17,964	**182**	178
Directors' remuneration:					
- salaries and other emoluments		**8,628**	7,212	**7,088**	5,922
- fees		**105**	105	**105**	105
Impairment loss on:					
- property, plant and equipment	7	**589**	-	**-**	-
- goodwill on consolidation	8	**3**	-	**-**	-
- investments in subsidiaries	10	**-**	-	**-**	1,157
- land held for property development	14	**492**	-	**-**	-
- trade and other receivables		**6,042**	396	**-**	-
Interest expense on:					
- bank overdrafts		**482**	332	**216**	80
- bankers' acceptances		**671**	451	**-**	-
- revolving credits		**1,471**	331	**554**	-
- term loans		**4,226**	6,605	**164**	415
- subsidiaries		**-**	-	**1,220**	1,092
- trust receipts		**35**	-	**-**	-
Inventories written down	18	**3,090**	2,571	**-**	-
Inventories written off		**18**	62	**-**	-
Property, plant and equipment written off	7	**481**	624	**-**	-
Rental expense on land and buildings		**1,618**	2,216	**27**	23
Rental of equipment		**643**	522	**-**	-
Replacement cost for operating equipment		**852**	721	**-**	-
Research and development expensed as incurred		**5,628**	5,237	**-**	-
Realised loss on foreign exchange		**105**	51	**-**	-
Unrealised loss on foreign exchange		**479**	114	**-**	-

Notes to the Financial Statements

29. PROFIT BEFORE TAX (continued)

		Group		Company	
		2013	2012	2013	2012
	Note	RM'000	RM'000	RM'000	RM'000
And crediting:					
Bad debts recovered		**-**	26	**-**	-
Gross dividends received from:					
- shares quoted in Malaysia	27	**2,522**	1,585	**-**	-
- subsidiaries	27	**-**	-	**20,580**	20,000
- unquoted shares	27	**175**	35	**-**	-
Gain on disposal of:					
- property, plant and equipment		**1,178**	244	**-**	-
- investment properties		**185**	-	**-**	-
- other investments		**1,416**	11,498	**-**	-
Interest accretion of trade receivables		**1,049**	1,036	**-**	-
Interest income received from:					
- fixed deposits		**1,613**	2,037	**-**	-
- housing development accounts		**307**	445	**-**	-
- subsidiaries		**-**	-	**714**	607
- others		**1,313**	475	**-**	-
Realised gain on foreign exchange		**14**	19	**-**	-
Rental income from land and buildings		**23,215**	25,379	**-**	-
Reversal of impairment loss on trade and other receivables		**763**	336	**-**	-
Reversal of inventories previously written off		**94**	-	**-**	-
Unrealised gain on foreign exchange		**28**	-	**-**	-

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 RM121,000 and RM32,000 (2012: RM129,000 and RM37,000) respectively.

Notes to the Financial Statements

30. TAX EXPENSE

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Current tax expense based on profit for the financial year:				
Malaysian income tax	**15,026**	11,688	**443**	2,713
Foreign income tax	**567**	956	**-**	-
	15,593	12,644	**443**	2,713
Under/(Over) provision in prior years:				
Malaysian income tax	**61**	(285)	**(13)**	23
Foreign income tax	**-**	7	**-**	-
	15,654	12,366	**430**	2,736
Deferred tax (Note 15):				
Relating to origination and reversal of temporary differences	**4,562**	4,755	**-**	-
Over provision in prior years	**(622)**	(143)	**-**	-
	3,940	4,612	**-**	-
	19,594	16,978	**430**	2,736

Malaysian income tax is calculated at the statutory tax rate of 25% (2012: 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.

Notes to the Financial Statements

30. TAX EXPENSE (continued)

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	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Tax at Malaysian statutory tax rate of 25% (2012: 25%)	**20,050**	17,261	**2,075**	2,154
Tax effect in respect of:				
Non-allowable expenses	**4,106**	3,899	**338**	543
Non-taxable income	**(996)**	(3,439)	**(2,000)**	-
Utilisation of previously unrecognised deferred tax assets	**(446)**	(962)	**-**	-
Deferred tax assets not recognised during the year	**(593)**	1,972	**30**	16
Tax incentives and allowances	**(2,059)**	(830)	**-**	-
Share of post tax results of associates and a jointly controlled entity	**74**	(554)	**-**	-
Effect of different tax rate in foreign jurisdiction	**19**	52	**-**	-
	20,155	17,399	**443**	2,713
Under/(Over) provision of income tax expense in prior years	**61**	(278)	**(13)**	23
Over provision of deferred tax in prior years	**(622)**	(143)	**-**	-
	19,594	16,978	**430**	2,736

Tax savings of the Group are as follows:

	Group	
	2013	2012
	RM'000	RM'000
Arising from utilisation of previously unrecognised capital allowances	**54**	50
Arising from utilisation of previously unrecognised tax losses	**392**	61
Arising from utilisation of previously unrecognised deductible temporary differences	**-**	851

Notes to the Financial Statements

31. 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 2013	Group 2012
Profit attributable to equity holders of the parent (RM'000)	**60,927**	52,282
Weighted average number of ordinary shares in issue (in '000)	**456,134**	456,134
Weighted average number of treasury shares held (in '000)	**(1,658)**	(475)
Adjusted weighted average number of ordinary shares applicable to basic earnings per share (in '000)	**454,476**	455,659
Basic earnings per share (sen)	**13.41**	11.47

(b) Diluted

The Warrants C that could potentially dilute the earnings per ordinary share were not included in the calculation of diluted earnings per ordinary share as it would have an anti-dilutive effect thereon. Accordingly, the diluted earnings per ordinary share is the same as the basic earnings per ordinary share.

32. DIVIDENDS

	Group and Company 2013		2012	
	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 2012	**5**	**17,012**	-	-
- year ended 30 June 2011	**-**	**-**	5	17,087

The first and final dividend in respect of the financial year ended 30 June 2013 comprising a dividend of 3.5 sen per ordinary share less tax of 25% and a tax exempt dividend of 1.5 sen per ordinary share amounting to RM18,705,000 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 proposed dividends. These dividends, if approved by shareholders, will be accounted for as an appropriation of retained earnings in the financial year ending 30 June 2014.

Notes to the Financial Statements

33. EMPLOYEE BENEFITS

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Wages, salaries and bonuses	**60,157**	51,952	**9,729**	8,494
Contributions to defined contribution plan	**7,766**	6,818	**1,589**	1,380
Social security contributions	**670**	651	**32**	32
Other benefits	**9,056**	8,699	**527**	285
	77,649	68,120	**11,877**	10,191

The above staff costs are allocated as follows:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Recognised in profit or loss	**72,622**	64,144	**11,877**	10,191
Amount due from customers for contract works (Note 16(c))	**5,027**	3,976	**-**	-
	77,649	68,120	**11,877**	10,191

34. ACQUISITION OF SUBSIDIARIES

On 30 April 2013, the Group acquired the remaining 50% equity interest in PJD Central Sdn. Bhd. ('PJD Central') (formerly known as Sun-PJDC Sdn. Bhd.) for a cash consideration of RM3,000. Consequently, PJD Central became a wholly-owned subsidiary of the Group. The previously held equity interest was accounted for using the equity method of accounting prior to the date of acquisition.

On 8 May 2013, the Company acquired 100% equity interest in Swiss-Inn JB Sdn. Bhd. ('Swiss-Inn JB') (formerly known as Real Symphony Sdn. Bhd.), a company incorporated in Malaysia engaged in the hotel and restaurant business, for a cash consideration of RM2.

The Group acquired these subsidiaries in order to strengthen its position in the property development and hotel industries in Malaysia. The acquisitions are also expected to enhance the Group's profile and to be in a better position to seize opportunities available in the property and hotel industries.

Notes to the Financial Statements

34. ACQUISITION OF SUBSIDIARIES (continued)

(a) Loss on remeasurement of cost of the initial shareholding in PJD Central to its fair value at the date of acquisition is as follows:

	RM'000
Cost of initial 50% shareholding	2
Share of accumulated losses	(3)
Carrying amount at 30 April 2013	(1)
Fair value of initial 50% shareholding at 30 April 2013	*
Loss to be recognised in profit or loss	(1)

(b) The fair value of the identifiable assets and liabilities of PJD Central and Swiss-Inn JB as at the date of acquisition are as follows:

	RM'000
Cash and bank balances	3
Other payables	(3)
Total identifiable assets and liabilities	*
Goodwill arising from acquisition (Note 8)	3
Total consideration	3

(c) The effects of the acquisition of PJD Central and Swiss-Inn JB on cash flows are as follows:

	RM'000
Total consideration	3
Less: Non-cash consideration	-
Consideration settled in cash	3
Less: Cash and cash equivalents of subsidiaries acquired	(3)
Net cash inflow of the Group on acquisition	(*)

* Amount is less than RM1,000.

(d) The newly acquired subsidiaries' contribution of revenue and results to the Group for the financial period from the acquisition date and had the business combination taken place at the beginning of the financial year was immaterial.

(e) On 18 June 2013, the Company subscribed for additional 2,494,998 ordinary shares of RM1.00 each in PJD Central for a cash consideration of RM2,494,998. The additional subscription had no significant impact to the financial position and results of the Group.

Notes to the Financial Statements

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	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Related parties:				
Construction and renovation costs payable	**(3,153)**	(1,910)	**-**	(8)
Sale of building materials	**31**	104	**-**	-
Disposal of other investments	**-**	9,780	**-**	-
Insurance premium payable	**(2,316)**	(2,196)	**(86)**	(94)
Legal fee payable	**(399)**	(353)	**-**	(8)
Progress claim payable	**(356)**	(541)	**-**	-
Room revenue receivable	**347**	388	**-**	-
Construction cost billed	**6,017**	4,576	**-**	-
Rental of premises payable	**(1,108)**	(1,135)	**(11)**	(7)
Purchase of security equipment and services	**(361)**	(358)	**-**	-
IT services receivable	**6**	6	**-**	-
Internal audit services receivable	**26**	9	**-**	-
Subsidiaries:				
Dividend receivable	**-**	-	**20,580**	20,000
Interest receivable	**-**	-	**714**	606
Interest payable	**-**	-	**(1,220)**	(1,092)
Facilities charges payable	**-**	-	**(12)**	(8)
Management fees receivable	**-**	-	**3,300**	3,300
Rental payable	**-**	-	**(16)**	(16)
IT maintenance services payable	**-**	-	**(113)**	(100)

Material balances with related parties at the end of the reporting period are disclosed in Note 16 and Note 22 to the financial statements.

These transactions have been entered into the normal course of business and have been established under negotiated commercial terms.

Notes to the Financial Statements

35. RELATED PARTY DISCLOSURES (continued)

(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	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Short term employee benefits	**8,806**	7,230	**6,110**	5,126
Contributions to defined contribution plan	**1,409**	1,176	**1,115**	938
	10,215	8,406	**7,225**	6,064

36. OPERATING SEGMENTS

The Group is principally engaged in property development and investment, construction, manufacturing and trading, hotel and leisure, cultivation of oil palm 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 follows:

(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 concrete wall panels, and trading of building materials.

Notes to the Financial Statements

36. OPERATING SEGMENTS (continued)

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 follows (continued):

(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 comprise operations related to software consultancy, product development and maintenance as well as cultivation of oil palm.

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.

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.

Notes to the Financial Statements

36. OPERATING SEGMENTS (continued)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by operating segment:

2013	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	240,343	323,241	213,147	59,443	127,795	22,777	1,566	988,312
Inter-segment revenue	(60)	(120,786)	-	(18,209)	(757)	(20,080)	(1,435)	(161,327)
Revenue from external customers	240,283	202,455	213,147	41,234	127,038	2,697	131	826,985
Results								
Segment results	39,374	2,812	23,473	7,143	19,156	(6,878)	(931)	84,149
Finance costs	(3,544)	(550)	(478)	-	(1,710)	(603)	-	(6,885)
Interest income	1,536	65	181	115	12	1,316	8	3,233
Share of profit of associates	-	-	-	-	-	931	-	931
Share of loss of a jointly controlled entity	-	-	-	-	-	(1,228)	-	(1,228)
Profit before tax	37,366	2,327	23,176	7,258	17,458	(6,462)	(923)	80,200
Tax expense	(9,241)	(1,476)	(6,260)	(1,333)	(3,355)	2,064	7	(19,594)
Profit for the financial year	28,125	851	16,916	5,925	14,103	(4,398)	(916)	60,606
Assets								
Segment assets	692,559	119,928	140,433	30,724	453,181	103,511	40,210	1,580,546
Investments in associates	-	-	-	-	-	49,984	-	49,984
Total assets	692,559	119,928	140,433	30,724	453,181	153,495	40,210	1,630,530
Liabilities								
Segment liabilities	345,830	123,671	43,511	8,708	112,218	34,206	4,143	672,287
Other segment information								
Additions to non-current assets other than financial instruments and deferred tax assets	2,138	11,430	4,206	1,367	11,137	37	2,484	32,799
Depreciation	5,361	4,545	2,095	1,316	12,211	298	131	25,957
Other material non-cash item:								
- Impairment loss on trade and other receivables	16	898	2,254	-	2,874	-	-	6,042

Notes to the Financial Statements

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):

			Manufacturing and trading					
	Properties	Construction	Cable	Building material	Hotel and leisure	Investment holding	Other operating segments	Consolidated
2012	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revenue								
Total revenue	184,544	197,962	190,481	34,090	108,731	19,620	1,373	736,801
Inter-segment revenue	(113)	(72,340)	-	(5,743)	(432)	(18,000)	(1,281)	(97,909)
Revenue from external customers	184,431	125,622	190,481	28,347	108,299	1,620	92	638,892
Results								
Segment results	22,155	8,883	22,375	4,414	10,948	3,612	(794)	71,593
Finance costs	(4,011)	(850)	(335)	-	(2,270)	(253)	-	(7,719)
Interest income	962	90	188	12	25	1,680	-	2,957
Share of profit of associates	-	-	-	-	-	986	-	986
Share of profit of a jointly controlled entity	-	-	-	-	-	1,228	-	1,228
Profit before tax	19,106	8,123	22,228	4,426	8,703	7,253	(794)	69,045
Tax expense	(7,046)	(2,913)	(5,796)	(417)	(2,664)	1,861	(3)	(16,978)
Profit for the financial year	12,060	5,210	16,432	4,009	6,039	9,114	(797)	52,067
Assets								
Segment assets	626,702	103,006	126,400	26,663	446,516	89,731	37,955	1,456,973
Investments in associates	-	-	-	-	-	53,495	-	53,495
Investment in a jointly controlled entity	-	-	-	-	-	1,228	-	1,228
Total assets	626,702	103,006	126,400	26,663	446,516	144,454	37,955	1,511,696
Liabilities								
Segment liabilities	344,532	86,769	34,397	5,792	111,679	3,380	6,477	593,026
Other segment information								
Additions to non-current assets other than financial instruments and deferred tax assets	2,952	4,716	3,984	874	18,057	80	2,831	33,494
Depreciation	5,874	3,801	1,791	1,013	12,189	176	15	24,859

Notes to the Financial Statements

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 whilst maximising the return to shareholders through the optimisation of the debt and equity ratios. The overall strategy of the Group remains unchanged from that in the previous financial year.

The Group manages its capital structure and makes adjustments to it, in response to changes in economic conditions. In order 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 2013 and 30 June 2012.

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	
	2013	**2012**	**2013**	**2012**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Borrowings	**366,441**	345,092	**33,118**	3,747
Less: Cash and cash equivalents	**(93,873)**	(95,605)	**(1,282)**	(823)
Net debt	**272,568**	249,487	**31,836**	2,924
Equity attributable to the owners of the parent	**960,357**	920,343	**545,619**	556,608
Less: Fair value adjustment reserve	**(10,247)**	(3,708)	**-**	-
Total capital	**950,110**	916,635	**545,619**	556,608
Gearing ratio	**29%**	27%	**6%**	1%

Pursuant to the requirements of Practice Note No. 17/2005 of Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity equal to or not less than 25% of the issued and paid-up share capital (excluding treasury shares) and such shareholders' equity is not less than RM40,000,000. The Company has complied with this requirement for the financial year ended 30 June 2013.

Notes to the Financial Statements

37. FINANCIAL INSTRUMENTS (continued)

(b) Financial instruments

Categories of financial instruments

Group	Loans and receivables RM'000	Available-for-sale RM'000	Total RM'000
2013			
Financial assets			
Other investments	-	53,586	53,586
Trade and other receivables	338,760	-	338,760
Cash and cash equivalents	93,873	-	93,873
	432,633	53,586	486,219

	Other financial liabilities RM'000	Total RM'000
Financial liabilities		
Borrowings	366,441	366,441
Trade and other payables	224,760	224,760
	591,201	591,201

Company	Loans and receivables RM'000	Total RM'000
2013		
Financial assets		
Trade and other receivables	197,330	197,330
Cash and cash equivalents	1,282	1,282
	198,612	198,612

	Other financial liabilities RM'000	Total RM'000
Financial liabilities		
Borrowings	33,118	33,118
Trade and other payables	161,078	161,078
	194,196	194,196

Notes to the Financial Statements

37. FINANCIAL INSTRUMENTS (continued)

(b) Financial instruments (continued)

Categories of financial instruments (continued)

Group	Loans and receivables RM'000	Available-for-sale RM'000	Total RM'000
2012			
Financial assets			
Other investments	-	34,532	34,532
Trade and other receivables	265,347	-	265,347
Cash and cash equivalents	95,605	-	95,605
	360,952	34,532	395,484

	Other financial liabilities RM'000	Total RM'000
Financial liabilities		
Borrowings	345,092	345,092
Trade and other payables	175,297	175,297
	520,389	520,389

Company	Loans and receivables RM'000	Total RM'000
2012		
Financial assets		
Trade and other receivables	185,646	185,646
Cash and cash equivalents	823	823
	186,469	186,469

	Other financial liabilities RM'000	Total RM'000
Financial liabilities		
Borrowings	3,747	3,747
Trade and other payables	166,544	166,544
	170,291	170,291

Notes to the Financial Statements

37. FINANCIAL INSTRUMENTS (continued)

(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	
	Carrying amount	Fair value
2013	**RM'000**	**RM'000**
Recognised		
Financial liabilities:		
Fixed rate term loans	-	-

	Group	
	Carrying amount	Fair value
2012	**RM'000**	**RM'000**
Recognised		
Financial liabilities:		
Fixed rate term loans	24,865	22,163

(d) 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.

The carrying amounts of the current position of loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

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.

Notes to the Financial Statements

37. FINANCIAL INSTRUMENTS (continued)

(d) Methods and assumptions used to estimate fair values (continued)

The fair values of financial assets and financial liabilities are determined as follows (continued):

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 at the end of the reporting period.

v. Unquoted shares

In previous financial year, the fair value of these unquoted investments had been estimated using a relative valuation technique based on the industry average price earnings ('PE') ratio obtained from the market. The valuation technique applied has been changed to price-to-book ('PB') ratio during the current financial year. The management is of the view that the estimated fair values derived from the new valuation technique is fairer and reflective under the prevailing stock market conditions as at the end of the current reporting period.

(e) Fair value hierarchy

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

Notes to the Financial Statements

37. FINANCIAL INSTRUMENTS (continued)

(e) Fair value hierarchy (continued)

As at 30 June 2013, 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	**52,492**	**52,492**	**-**	**-**
- Quoted warrants	**434**	**434**	**-**	**-**
- Unquoted shares	**660**	**-**	**-**	**660**
	53,586	**52,926**	**-**	**660**

As at 30 June 2012, 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	32,917	32,917	-	-
- Quoted warrants	946	946	-	-
- Unquoted shares	669	-	-	669
	34,532	33,863	-	669

There were no transfers between Level 1 and Level 2 fair value measurements during the financial years ended 30 June 2013 and 30 June 2012.

The following table shows a reconciliation of balances of financial instruments whose fair values have been classified in Level 3 of the fair value hierarchy:

	Group 2013 RM'000	Group 2012 RM'000
Available-for-sale financial assets		
Balance as at 1 July 2012/2011	**669**	612
Total gains recognised in other comprehensive income	**(9)**	57
Balance as at 30 June 2013/2012	**660**	669

Notes to the Financial Statements

37. FINANCIAL INSTRUMENTS (continued)

(e) Fair value hierarchy (continued)

Although the Group believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, changing one or more of the assumptions used to reasonably possible alternative assumptions would have the following effects:

	Effect on available-for-sale reserve	
	Favourable	(Unfavourable)
	RM'000	RM'000
2013		
Unquoted shares	**11**	**(28)**
2012		
Unquoted shares	57	(55)

A discounted forward price-to-book ('PB') ratio has been used as a critical assumption or input based on prevailing market conditions.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management objective of the Group 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 risk. Information on the management of the related exposures is detailed below.

(i) Credit risk

Cash deposits and trade receivables could give rise to credit risk which requires the loss to be recognised if a counterparty fails to perform as contracted. The primary exposure of the Group to credit risk arises through 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.

Notes to the Financial Statements

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(i) Credit risk (continued)

Exposure to credit risk

At the end of the reporting period, the maximum exposure of the Group and of the Company to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position, except for the following:

	Group	
	2013	2012
	RM'000	RM'000
Maximum exposure of amount due from timeshare members to credit risk	**51,737**	45,627

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 end of reporting period, 99% (2012: 96%) 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 is as follows:

	Group			
	2013		2012	
	RM'000	% of total	RM'000	% of total
By industry sectors:				
Properties	**120,425**	**37**	60,359	25
Construction	**85,380**	**27**	75,287	31
Manufacturing and trading	**62,187**	**19**	61,455	25
Hotel and leisure	**54,326**	**17**	46,525	19
Others	**46**	*****	19	*
	322,364	**100**	243,645	100

* Amount is less than 1%.

At the end of the reporting period, 1% (2012: 1%) of the Group's receivables were due from related parties whilst 99% (2012: 99%) of the Company's receivables were balances with related companies.

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 16 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.

Notes to the Financial Statements

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(i) Credit risk (continued)

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 16 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 executing its 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 liabilities of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations.

As at 30 June 2013	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Group				
Financial liabilities:				
Borrowings	**198,805**	**139,263**	**68,659**	**406,727**
Trade and other payables	**209,658**	**15,102**	**-**	**224,760**
Total undiscounted financial liabilities	**408,463**	**154,365**	**68,659**	**631,487**
Company				
Financial liabilities:				
Borrowings	**33,120**	**-**	**-**	**33,120**
Trade and other payables	**161,078**	**-**	**-**	**161,078**
Total undiscounted financial liabilities	**194,198**	**-**	**-**	**194,198**

Notes to the Financial Statements

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(ii) Liquidity and cash flow risk (continued)

Analysis of financial instruments by remaining contractual maturities (continued)

As at 30 June 2012	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Group				
Financial liabilities:				
Borrowings	126,609	180,102	87,937	394,648
Trade and other payables	168,915	6,382	-	175,297
Total undiscounted financial liabilities	295,524	186,484	87,937	569,945
Company				
Financial liabilities:				
Borrowings	3,543	370	-	3,913
Trade and other payables	166,544	-	-	166,544
Total undiscounted financial liabilities	170,087	370	-	170,457

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group and of the Company would 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 exposure of the Group and of the Company 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.

Notes to the Financial Statements

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Interest rate risk (continued)

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity analysis of the Group and the Company if interest rates at the end of reporting period changed by 50 basis points with all other variables held constant:

	Group		Company	
	2013	2012	2013	2012
Profit net of tax	**RM'000**	**RM'000**	**RM'000**	**RM'000**
- Increase by 0.5% (2012: 0.5%)	**(651)**	(604)	**(139)**	(81)
- Decrease by 0.5% (2012: 0.5%)	**650**	590	**139**	80

The sensitivity is higher in 2013 than in 2012 because of an increase in outstanding borrowings during the financial year. The assumed movement in basis points for interest rate sensitivity analysis is based on current 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 and the remaining maturities of the financial instruments of the Group and of the Company that are exposed to interest rate risk :

Group As at 30 June 2013	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
Fixed rate instruments									
Deposits with licensed banks	19	3.21	**50,029**	-	-	-	-	-	**50,029**
Floating rate instruments									
Housing development accounts	19	1.80	**15,430**	-	-	-	-	-	**15,430**
Secured term loans	23	4.73	**67,978**	**44,868**	**42,811**	**15,791**	**12,916**	**62,365**	**246,729**
Unsecured term loans	23	4.59	**477**	-	-	-	-	-	**477**
Secured bank overdrafts	23	7.40	**3,045**	-	-	-	-	-	**3,045**
Unsecured bank overdrafts	23	7.85	**178**	-	-	-	-	-	**178**
Secured bankers' acceptances	23	4.75	**1,049**	-	-	-	-	-	**1,049**
Unsecured bankers' acceptances	23	3.58	**20,963**	-	-	-	-	-	**20,963**
Secured revolving credits	23	4.68	**90,200**	-	-	-	-	-	**90,200**
Unsecured revolving credits	23	4.85	**3,800**	-	-	-	-	-	**3,800**

Notes to the Financial Statements

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 and the remaining maturities of the financial instruments of the Group and of the Company that are exposed to interest rate risk (continued):

Group As at 30 June 2012	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
Fixed rate instruments									
Deposits with licensed banks	19	3.78	42,011	-	-	-	-	-	42,011
Secured term loans	23	5.30	10,002	9,368	5,495	-	-	-	24,865
Floating rate instruments									
Housing development accounts	19	1.60	33,706	-	-	-	-	-	33,706
Secured term loans	23	4.25	27,104	62,596	37,170	22,058	15,840	77,915	242,683
Unsecured term loans	23	5.63	1,018	480	-	-	-	-	1,498
Secured bank overdrafts	23	7.10	782	-	-	-	-	-	782
Unsecured bank overdrafts	23	8.15	4,195	-	-	-	-	-	4,195
Secured bankers' acceptances	23	4.75	2,132	-	-	-	-	-	2,132
Unsecured bankers' acceptances	23	3.55	16,937	-	-	-	-	-	16,937
Secured revolving credits	23	4.49	48,200	-	-	-	-	-	48,200
Unsecured revolving credits	23	4.88	3,800	-	-	-	-	-	3,800

Notes to the Financial Statements

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 and the remaining maturities of the financial instruments of the Group and of the Company that are exposed to interest rate risk (continued):

Company	Note	Weighted average effective interest rate % per annum	Within 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	Over 5 years RM'000	Total RM'000
As at 30 June 2013							
Floating rate instruments							
Amount owing to subsidiaries	22	4.00	**35,167**	-	-	-	**35,167**
Secured term loans	23	7.35	**368**	-	-	-	**368**
As at 30 June 2012							
Floating rate instruments							
Amount owing to subsidiaries	22	4.00	24,867	-	-	-	24,867
Secured term loans	23	7.35	3,379	368	-	-	3,747

(iv) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would 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 amounted to RM37,758,000 (2012: RM38,729,000) 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.

Notes to the Financial Statements

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iv) Foreign currency risk (continued)

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 United States Dollar ('USD') 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 a significant impact on profit or loss.

		Group	
		2013	**2012**
		RM'000	**RM'000**
		Profit net of tax	Profit net of tax
USD/RM	- strengthen by 3%	**-413**	-358
	- weaken by 3%	**+413**	+358

(v) Market risk

Market risk is the risk that the fair value of future cash flows of the Group's financial instruments would 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 they 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 exposure of the Group to market risks or the manner in which these risks are managed and measured.

Sensitivity analysis for equity price risk

The following table demonstrates the sensitivity of other reserve in equity of the Group if Bursa Malaysia's Kuala Lumpur Composite Index ('KLCI') had been 3% higher or lower arising as a result of an increase or decrease in the fair value equity instruments classified as available-for-sale with all other variables held constant:

	Group	
	2013	**2012**
Available-for-sale reserve	**RM'000**	**RM'000**
- Increase by 3% (2012: 3%)	**1,588**	1,016
- Decrease by 3% (2012: 3%)	**(1,588)**	(1,016)

Notes to the Financial Statements

39. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

On 30 April 2013, the Group acquired the remaining 50% equity interest in PJD Central Sdn. Bhd. (‘PJD Central’) (formerly known as Sun-PJDC Sdn. Bhd.) for a cash consideration of RM3,000. Consequently, PJD Central became a wholly-owned subsidiary of the Group.

On 8 May 2013, the Company acquired 100% equity interest in Swiss-Inn JB Sdn. Bhd. (formerly known as Real Symphony Sdn. Bhd.), a company incorporated in Malaysia engaged in the hotel and restaurant business, for a cash consideration of RM2.

On 31 May 2013, PJD Central entered into a Sale and Purchase Agreement with DKSH Central Services Malaysia Sdn. Bhd. to acquire a piece of leasehold land measuring approximately 258,746 square feet with office and industrial buildings and warehouses erected thereon held under Title No. PN 3696, Lot 52, Seksyen 13, Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor, for a cash consideration of RM124,200,000. As at the end of the reporting period, the Sale and Purchase Agreement has yet to be completed.

Notes to the Financial Statements

40. 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:

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries:				
- Realised	**434,104**	379,029	**47,550**	56,690
- Unrealised	**(28,181)**	(24,017)	**-**	-
	405,923	355,012	**47,550**	56,690
Total share of retained earnings from associates:				
- Realised	**25,121**	28,592	**-**	-
- Unrealised	**944**	982	**-**	-
	431,988	384,586	**47,550**	56,690
Total share of (accumulated losses)/ retained earnings from a jointly controlled entity:				
- Realised	**(1,228)**	1,228	**-**	-
	430,760	385,814	**47,550**	56,690
Add: Consolidation adjustments	**27,166**	28,197	**-**	-
Total retained earnings	**457,926**	414,011	**47,550**	56,690

List of Group's Top Ten Properties
as at 30 June 2013

Location	Area (sq ft)	Tenure	Description/ Existing Use	Age of Building	Date of Acquisition	Net Book Value ('000)
Menara PJD No 50, Jalan Tun Razak 50400 Kuala Lumpur Wilayah Persekutuan	796,355 (built-up)	Freehold	Building	3 years 6 months	15.11.2006	116,211
Damai Laut Country Resort Mukim of Lumut District of Dindings Perak Darul Ridzuan	15,044,751	Freehold and leasehold (99 years expiring on 08.06.2094)	Resort & property development	N/A	1990	115,650
Swiss-Garden Hotel & Residences Kuala Lumpur 117 Jalan Pudu 55100 Kuala Lumpur Wilayah Persekutuan	342,752 (built-up)	Freehold	Hotel	17 years	-	86,499
Geran No. 71968 Lot 67756 Mukim Batu Kuala Lumpur Wilayah Persekutuan	442,719	Freehold	Land for residential development	N/A	28.11.2001	85,601
Harbour Place Sek. 4, Bandar Butterworth Daerah Seberang Prai Utara Pulau Pinang	704,691	Freehold	Land for mixed development	N/A	14.10.1996	71,493

List of Group's Top Ten Properties
as at 30 June 2013

Location	Area (sq ft)	Tenure	Description/ Existing Use	Age of Building	Date of Acquisition	Net Book Value ('000)
YOU City Mukim Cheras, District of Ulu Langat Selangor Darul Ehsan	573,250	Freehold	Land for mixed development	N/A	02.08.2007	64,937
Swiss-Garden Resort & Spa Kuantan Lot PT 7566 Mukim Sungai Karang 26100 Berserah Daerah Kuantan Pahang Darul Makmur	250,512 (built-up)	Freehold	Hotel	15 years	-	53,132
HS (M) 11318 PT 565 Mukim Damansara Pekan Subang Jaya Daerah Petaling Selangor Darul Ehsan	116,918	Freehold	Land for mixed development	-	27.10.2010	38,260
Geran 27568 Lot 309, Sek 52 Bandar Kuala Lumpur Daerah Kuala Lumpur Wilayah Persekutuan	22,127	Freehold	Land for residential & commercial development	N/A	28.07.2011	37,895
PT No. 1664 & 1665, H.S.(D) 18906 & 18907, Mukim Penor, Daerah Kuantan, Pahang Darul Makmur	43,560,479	Leasehold (99 years expiring on 31.03.2098)	Land for oil palm cultivation	N/A	01.11.2006	37,366

Analysis of Shareholdings
as at 30 September 2013

Authorised Capital	:	RM1,000,000,000
Issued and fully paid-up capital	:	RM456,133,692 (Including 2,912,300 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	508	3.99	9,455	0.00
100 - 1,000	2,999	23.56	2,382,487	0.53
1,001 - 10,000	6,891	54.13	31,245,243	6.89
10,001 - 100,000	2,020	15.86	62,475,083	13.78
100,001 - 22,661,068	310	2.44	238,383,477	52.60
22,661,069 and above	2	0.02	118,725,647	26.20
TOTAL	12,730	100.00	453,221,392	100.00

THIRTY LARGEST REGISTERED HOLDERS

	NAME	SHAREHOLDINGS	PERCENTAGE
1	DINDINGS CONSOLIDATED SDN BHD	90,285,481	19.92
2	KHOR CHAI MOI	28,440,166	6.26
3	KHOR CHEI YONG	14,015,175	3.09
4	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG AH CHIEW	10,924,500	2.41
5	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)	10,655,000	2.35
6	LADANG SETIA SDN BHD	8,391,360	1.85
7	RHB NOMINEES (TEMPATAN) SDN BHD WONG CHONG NGIN	7,086,400	1.56
8	HSBC NOMINEES (ASING) SDN BHD AA NOMS SG FOR YC LTD	6,400,000	1.41
9	HSBC NOMINEES (ASING) SDN BHD AA NOMS SG FOR JX LTD	6,380,000	1.41
10	HSBC NOMINEES (ASING) SDN BHD AA NOMS SG FOR YS LTD	6,215,900	1.37
11	HSBC NOMINEES (ASING) SDN BHD AA NOMS SG FOR JY LTD	6,113,600	1.35

Analysis of Shareholdings
as at 30 September 2013

	NAME	SHAREHOLDINGS	PERCENTAGE
12	HSBC NOMINEES (ASING) SDN BHD AA NOMS SG FOR YM LTD	6,008,800	1.33
13	LOCK KAI SANG	4,922,800	1.09
14	LIM KIAN HUAT	4,839,000	1.07
15	LAND MANAGEMENT SDN BHD	4,400,000	0.97
16	AMSEC NOMINEES (TEMPATAN) SDN BHD AMTRUSTEE BERHAD FOR PACIFIC PEARL FUND (UT-PM-PPF)	4,351,400	0.96
17	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG NGOW @ NG SOO HAR (E-TCS)	4,231,700	0.93
18	LOH SIEW HOOI	4,170,000	0.92
19	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MAH SIEW SEONG	3,955,000	0.87
20	CITIGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG CHONG SHEE	3,904,000	0.86
21	NG AH BOON	3,618,700	0.79
22	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DIMENSIONAL EMERGING MARKETS VALUE FUND	3,354,800	0.74
23	LIM PEI TIAM @ LIAM AHAT KIAT	3,000,000	0.66
24	CHAN YAN PING	2,502,100	0.55
25	RHB NOMINEES (TEMPATAN) SDN BHD KHOR CHAI MOI	2,448,000	0.54
26	JASMIN VILLA DEVELOPMENT SDN.BHD.	2,290,000	0.51
27	CIMSEC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CIMB SECURITIES (SINGAPORE) PTE LTD (RETAIL CLIENTS)	2,272,500	0.50
28	THZEW BEE CHOO	2,195,000	0.48
29	WONG CHONG KIM	2,032,000	0.45
30	MAH SIEW SEONG	1,805,000	0.39

Analysis of Shareholdings
as at 30 September 2013

SUBSTANTIAL SHAREHOLDERS

According to the register required to be kept under Section 69L of the Companies Act, 1965, the following are the substantial shareholders of the Company:

	No. of shares held			
Name	**Direct Interest**	**%**	**Indirect/Deemed Interest**	**%**
Dindings Consolidated Sdn. Bhd.	90,285,481	19.92	-	-
Puan Sri Khor Chai Moi	28,440,166	6.28	*107,821,841	23.79
Wong Ah Chiew	2,376,000	0.52	**94,097,681	20.76

Notes:

* 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 2013

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	72	2.19	3,196	0.00
100 - 1,000	522	15.90	357,548	0.17
1,001 - 10,000	1,436	43.74	6,072,842	2.84
10,001 - 100,000	1,044	31.80	39,768,152	18.60
100,001 - 10,690,597	207	6.31	102,747,334	48.05
10,690,598 and above	2	0.06	64,862,900	30.34
TOTAL	3,283	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	7,811,222	3.65
4	LADANG SETIA SDN BHD	4,328,900	2.02
5	RHB NOMINEES (TEMPATAN) SDN BHD WONG CHONG NGIN	3,321,750	1.55
6	LAND MANAGEMENT SDN BHD	2,554,900	1.19
7	KHOR CHEI YONG	2,468,600	1.15
8	HSBC NOMINEES (ASING) SDN BHD AA NOMS SG FOR YC LTD	2,362,500	1.10
9	HSBC NOMINEES (ASING) SDN BHD AA NOMS SG FOR JX LTD	2,280,000	1.07
10	HSBC NOMINEES (ASING) SDN BHD AA NOMS SG FOR YM LTD	2,253,300	1.05
11	RHB INVESTMENT BANK BERHAD IVT (DSP)	2,167,500	1.01
12	SHIN CHANG FUN	1,905,800	0.89
13	LOW AH LIN	1,800,000	0.84
14	MAK NGIA NGIA @ MAK YOKE LUM	1,692,100	0.79
15	HENG AH LIK	1,633,300	0.76

Analysis of Warrantholdings
as at 30 September 2013

	NAME	WARRANTHOLDINGS	PERCENTAGE
16	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR HONG LEONG ASIA-PACIFIC INCOME PLUS FUND (50076 BHLBT)	1,550,000	0.72
17	HSBC NOMINEES (ASING) SDN BHD AA NOMS SG FOR YS LTD	1,500,337	0.70
18	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG AH CHIEW	1,497,800	0.70
19	MAK PAK LIN	1,410,100	0.66
20	HSBC NOMINEES (ASING) SDN BHD AA NOMS SG FOR JY LTD	1,353,450	0.63
21	MAYBANK SECURITIES NOMINEES (ASING) SDN BHD MAYBANK KIM ENG SECURITIES PTE LTD FOR LIM CHUAN SENG	1,300,000	0.61
22	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG NGOW @ NG SOO HAR (E-TCS)	1,274,000	0.59
23	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM LIAN SENG	1,200,000	0.56
24	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FONG JONG HAN (CEB)	1,200,000	0.56
25	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MAH SIEW SEONG	1,183,900	0.55
26	MAH SIEW SEONG	1,120,000	0.52
27	MAH KENG LOO	1,116,000	0.52
28	WONG AH CHIEW	1,046,300	0.49
29	GOH TEN FOOK	1,015,000	0.47
30	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEOH KOK KEAT	1,001,100	0.47

Other Information

1. Directors' Interest As At 30 September 2013

COMPANY

	Ordinary Shares Of RM1.00 Each			
	Direct Interest		Indirect/Deemed Interest	
Director	No.	%	No.	%
Wong Chong Shee	3,904,000	0.86	-	-
Puan Sri Khor Chai Moi	28,440,166	6.28	107,821,841	23.79
Yap Yoon Kong	-	-	1,025,000	0.23
Ong Ju Xing	68,000	0.015	8,391,360	1.85

	Warrants C			
	Direct Interest		Indirect/Deemed Interest	
Director	No.	%	No.	%
Puan Sri Khor Chai Moi	15,888,100	7.43	57,421,100	26.86
Ong Ju Xing	-	-	4,328,900	2.02

RELATED CORPORATION

	Ordinary Shares Of RM1.00 Each			
	Direct Interest		Indirect/Deemed Interest	
Director	No.	%	No.	%
a) Puan Sri Khor Chai Moi				
• Damai Laut Golf Resort Sdn. Bhd.	-	-	49,500,000	99.00

	Ordinary Shares Of 10.00 Thai Baht Each			
	Direct Interest		Indirect/Deemed Interest	
Director	No.	%	No.	%
a) Puan Sri 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 2013.

3. Non-Audit Fee

The non-audit fees paid by Company to external auditors for the financial year ended 30 June 2013 are disclosed in Note 29 of the financial statements.

Other Information

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 2013 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, OJX, DC	25
OSKP Group	Award of construction contracts (includes construction of buildings and ancillary infrastructure works and related services)	KCM, WAC, WCS, OJX OLH, OYC, DC	6,100
Ke-Zan	Rental of premises in Plaza OSK	KCM, WAC, WCS, OJX, OLH, OYC, OJY, DC	409
WMSC Group	Purchase Supervisory Control and Data Acquisition (SCADA), information technology services, security system and smart home system	KCM, WAC, WCS, OJX, SW, OYC, DC	1,721

Notes :

(1) Dindings Consolidated Sdn Bhd ("DC")
DC is a major shareholder of PJD. Wong Ah Chiew ("WAC") and Puan Sri Khor Chai Moi ("KCM") are both directors and major shareholders of DC and PJD.

Ong Ju Xing ("OJX") is a director of PJD, a son of KCM and a shareholder of DC.

(2) OSK Property Holdings Berhad ("OSKP")
Tan Sri Ong Leong Huat ("OLH") is a director and major shareholder of OSKP, he is father of Ong Yee Ching ("OYC"), who is a director of OSKP.

OLH is a brother of Wong Chong Shee ("WCS"), who is a director of PJD.

KCM is the spouse of OLH and also a major shareholder of OSKP.

OJX is a son of OLH and KCM, brother of OYC and a shareholder of OSKP.

(3) KE-ZAN Berhad ("Ke-Zan")
Ke-Zan is a wholly-owned subsidiary company of OSK Holdings Berhad ("OSK").

OLH is a director and major shareholder of OSK. Ong Ju Yan ("OJY") is a son of OLH and a director of Ke-Zan.

(4) Willowglen MSC Berhad ("WMSC")
WMSC is a 52.14% 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 a son of WAC. OYC is a daughter of KCM. WAC and KCM hold 0.62% and 0.73% direct interest respectively in WMSC.

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

No. of Shares held
CDS Account No.

FORM OF PROXY

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 Forty-Eighth 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, 21 November 2013 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 Puan Sri Khor Chai Moi as Director		
3.	Re-election of Loy Tuan Bee as Director		
4.	Re-election of Dato' Abdul Rahman Bin Yusof as Director		
5.	Re-election of Foo San Kan as Director		
6.	Approval on payment of Directors' Fees		
7.	Re-appointment of Auditors and authorising the Directors to fix their remuneration		
8.	Authority to Issue Shares		
9.	Proposed Shareholders' Mandate		
10.	Proposed Share Buy-Back Renewal		
11.	Re-appointment of YM Ungku Haji Mohd Afandi Bin Suleiman as Independent Non-Executive Director		

(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 2013

....
***Signature (s)/Common Seal of Shareholder**

* Delete if not appropriate

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 13 November 2013 ("General Meeting Record of Depositors") are entitled to attend, speak and vote at the forty-eighth Annual General Meeting of the Company to be held on 21 November 2013.
2. 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 and there shall be no restriction as to the qualification of the proxy.
3. Where a member of the Company is an exempt authorize nominee as defined under the Securities Industry (Central Depositors) Act, 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. 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.
5. 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

Affix
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

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