ANNUAL REPORT

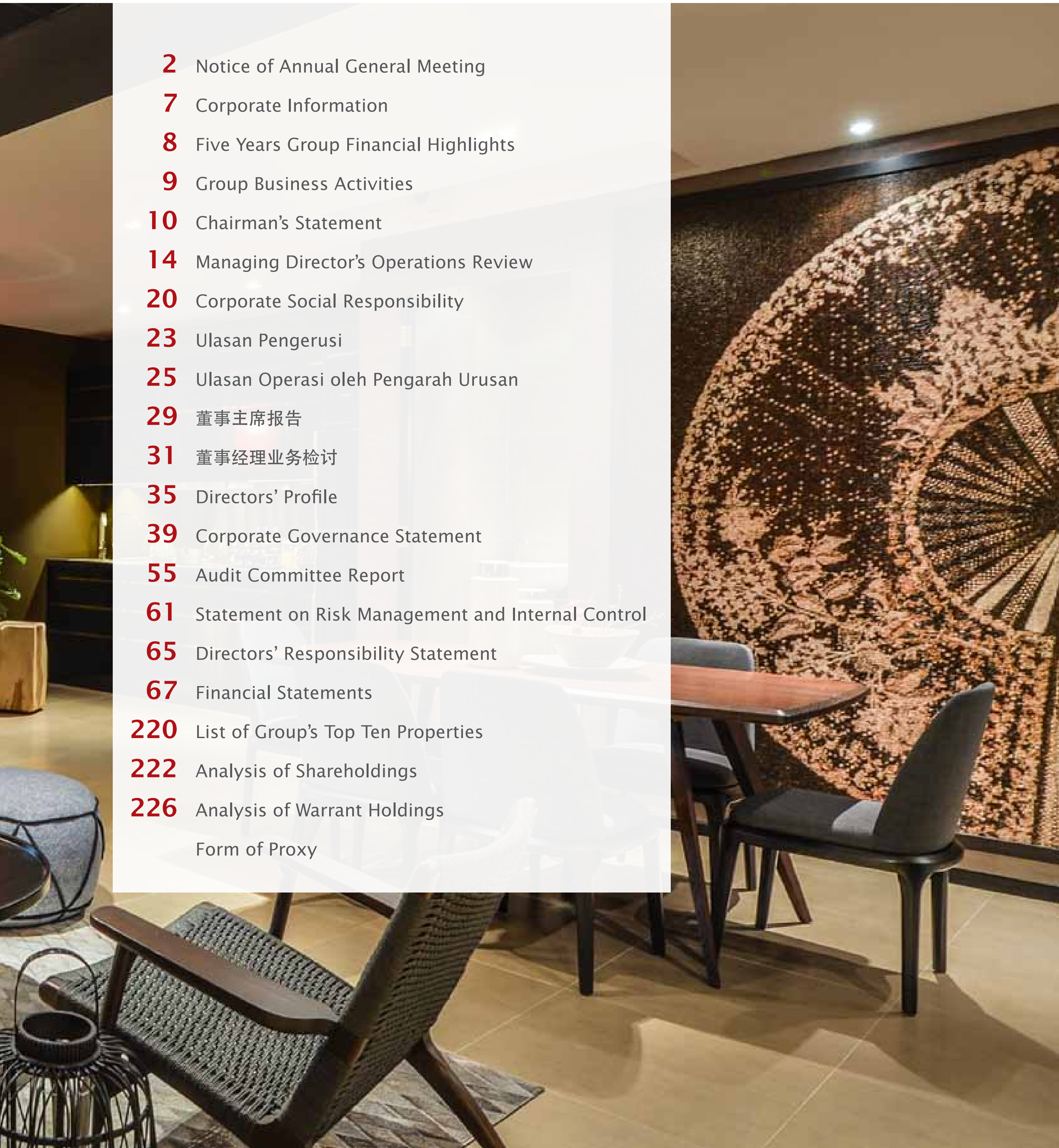
# 2014

PJD GROUP

*You One @ Subang Jaya, USJ*

# Contents





# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the Forty-Ninth 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, 27 November 2014 at 10.00 a.m. for the following purposes:

## AGENDA

### As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 30 June 2014 together with the Reports of the Directors and the Auditors thereon. **(Please refer Explanatory Note 1)**

2. To declare a single tier final dividend of 2.5 sen per ordinary share for the financial year ended 30 June 2014. **ORDINARY RESOLUTION 1**

3. To approve the payment of Directors' fees of RM342,000.00 for the financial year ended 30 June 2014. **ORDINARY RESOLUTION 2**

4. To re-elect the following Directors who retire in accordance with Article 114 of the Company's Articles of Association and being eligible, offer themselves for re-election:

   (a) Mr. Yap Yoon Kong **ORDINARY RESOLUTION 3**

   (b) Mr. Ong Ju Xing **ORDINARY RESOLUTION 4**

5. To re-elect Mr. Wong Chong Shee who retires in accordance with Article 115 of the Company's Articles of Association and being eligible, offers himself for re-election. **ORDINARY RESOLUTION 5**

6. To re-appoint Tan Sri Ong Leong Huat @ Wong Joo Hwa who retires pursuant to Section 129(6) of the Companies Act, 1965 to hold office until the conclusion of the next Annual General Meeting of the Company. **ORDINARY RESOLUTION 6**

7. To re-appoint Messrs BDO as the Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration. **ORDINARY RESOLUTION 7**

## As Special Business

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

8. **AUTHORITY TO ISSUE SHARES**

   “THAT, subject always to the Companies Act 1965, the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued and paid-up capital of the Company for the time being 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 and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.” **ORDINARY RESOLUTION 8**

9. **PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

   “THAT, subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries (“PJD Group”) to enter into all arrangements and/or transactions involving the interests of Directors, major shareholders or persons connected with the Directors and/or major shareholders of PJD Group (“Related Parties”) as set out in Part A of the Circular/Statement to Shareholders dated 31 October 2014 (“Proposed Renewal of RRPT Mandate”) provided that such arrangements and/or transactions are: **ORDINARY RESOLUTION 9**

   (i) recurrent transactions of a revenue or trading nature;

   (ii) necessary for the day-to-day operations; and

   (iii) carried out in the ordinary course of business on normal commercial terms which are not more favourable to Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

THAT such authority conferred by the shareholders of the Company upon passing of this resolution pertaining to the Proposed Renewal of RRPT Mandate will continue to be in force until:

(i) the conclusion of the next Annual General Meeting of the Company, unless by a resolution passed at that meeting, the authority is renewed;

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

(iii) the authority is revoked or varied by a resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby empowered to complete and to do all such acts and things, including executing all such documents as may be required, as they may consider expedient or necessary to give effect to this resolution."

10. **PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES**

**ORDINARY RESOLUTION 10**

"THAT, subject to the Companies Act, 1965 ("the Act"), the Memorandum and Articles of Association of the Company, the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, guidelines, rules and regulations, approval be and is hereby given to the Company to purchase at any time 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 Securities upon such terms and conditions as the Directors in their absolute discretion deem fit and expedient in the interest of the Company ("Proposed Renewal of Share Buy-Back Mandate") provided that:

(i) the aggregate number of ordinary shares which may be purchased and retained as treasury shares by the Company pursuant to the Proposed Renewal of Share Buy-Back Mandate shall not exceed 10% of the total issued and paid-up share capital of the Company at any point of time; and

(ii) the maximum funds to be allocated by the Company pursuant to the Proposed Renewal of Share Buy-Back Mandate shall not exceed the retained earnings and/or share premium of the Company as of the audited financial statements for the financial year ended 30 June 2014 at the time of purchase(s).

THAT the Directors of the Company may decide either to retain the shares purchased as treasury shares or to resell the shares or distribute the shares as dividends or to cancel the shares or to retain part of the shares so purchased as treasury shares and cancel the remainder, or to deal with the shares purchased in any other manner as prescribed by the applicable guidelines, rules and regulations made pursuant to the Act, the Listing Requirements and any other relevant authority for the time being in force.

THAT such authority conferred by the shareholders of the Company upon passing of this resolution pertaining to the Proposed Renewal of Share Buy-Back Mandate will continue to be in force until:

(i) the conclusion of the next Annual General Meeting of the Company, unless by a resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;

(ii) the expiration of the period within which the next Annual General Meeting of the Company is required to be held pursuant to Section 143(1) of the Act (but must not extend to such extensions as may be allowed pursuant to Section 143(2) of the Act); or

(iii) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first.

AND THAT the Directors of the Company be and are hereby empowered to complete and to do all such acts and things, including executing all such documents as may be required, as they may consider expedient or necessary to give effect to this resolution."

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

By Order of the Board

**CHUA SIEW CHUAN (MAICSA 0777689)**
**YAU JYE YEE (MAICSA 7059233)**
Company Secretaries

Kuala Lumpur
31 October 2014

# Notice of Annual General Meeting

**NOTES:**

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 20 November 2014 ("General Meeting Record of Depositors") are entitled to attend, speak and vote at the Forty-Ninth Annual General Meeting of the Company to be held on 27 November 2014.
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 can be any person and there shall be no restriction as to the qualification of the proxy. A proxy shall be entitled to vote both on a show of hands and on a poll on any question and shall have the same rights as a member to speak at the Meeting.
3. Where a member of the Company is an Exempt Authorised Nominee 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. 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.
5. All forms of proxy must be deposited at the office of the Share Registrar of the Company at Boardroom Corporate Services (KL) Sdn. Bhd. at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.

**Explanatory Notes:**

1. **Item 1 of the Agenda**
   This Agenda item is meant for discussion only, as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.
2. **Ordinary Resolution 8**
   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 21 November 2013, which will lapse at the conclusion of the Forty-Ninth 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 9**
   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/Statement to Shareholders dated 31 October 2014 for further information.
4. **Ordinary Resolution 10**
   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/Statement to Shareholders dated 31 October 2014 for further information.

# Corporate Information

## BOARD OF DIRECTORS

**Tan Sri Ong Leong Huat @ Wong Joo Hwa**
*(Non-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)*

**Foo San Kan**
*(Independent Non-Executive Director)*

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

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

## AUDIT COMMITTEE

Foo San Kan (Chairman)
Dato' Abdul Rahman Bin Yusof (Member)
Loy Tuan Bee (Member)

## STOCK EXCHANGE LISTING

Main Market, Bursa Malaysia Securities Berhad

## STOCK NAME AND STOCK CODE

PJDEV (1945)

## REGISTERED OFFICE

18th Floor, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Malaysia
Tel No. : (603) 2162 1111
Fax No. : (603) 2163 3336

## COMPANY SECRETARIES

Chua Siew Chuan (MAICSA 0777689)
Yau Jye Yee (MAICSA 7059233)

## REGISTRARS

Boardroom Corporate Services (KL) Sdn. Bhd.
Lot 6.05, Level 6, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel No. : (603) 7720 1188
Fax No. : (603) 7720 1111

## AUDITORS

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

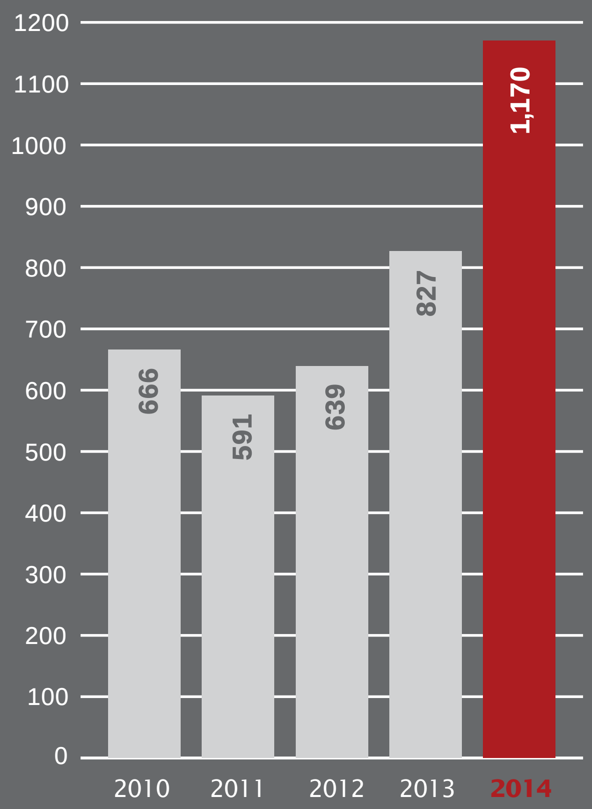
## PRINCIPAL BANKERS

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

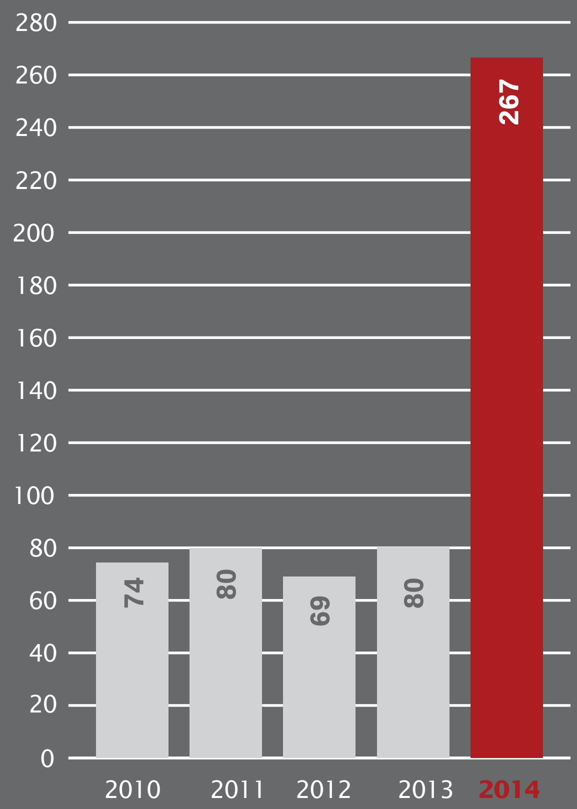
# Five Years Group Financial Highlights

| Financial Year Ended (RM Million) | 2014 June | 2013 June | 2012 June | 2011 June | 2010 June |
|---|---|---|---|---|---|
| Revenue | **1,170** | 827 | 639 | 591 | 666 |
| Profit Before Tax | **267** | 80 | 69 | 80 | 74 |
| Profit After Tax And Non-Controlling Interests | **224** | 61 | 52 | 57 | 53 |
| Paid-up Capital | **456** | 456 | 456 | 456 | 456 |
| Shareholders' Funds | **1,145** | 960 | 920 | 895 | 826 |
| Basic Earnings Per Share (sen) | **49.47** | 13.41 | 11.47 | 12.51 | 11.58 |
| Dividends Per Share (sen) | **5.00** | 5.00 | 5.00 | 5.00 | 5.00 |
| Net Assets Per Share (RM) | **2.54** | 2.12 | 2.02 | 1.96 | 1.81 |

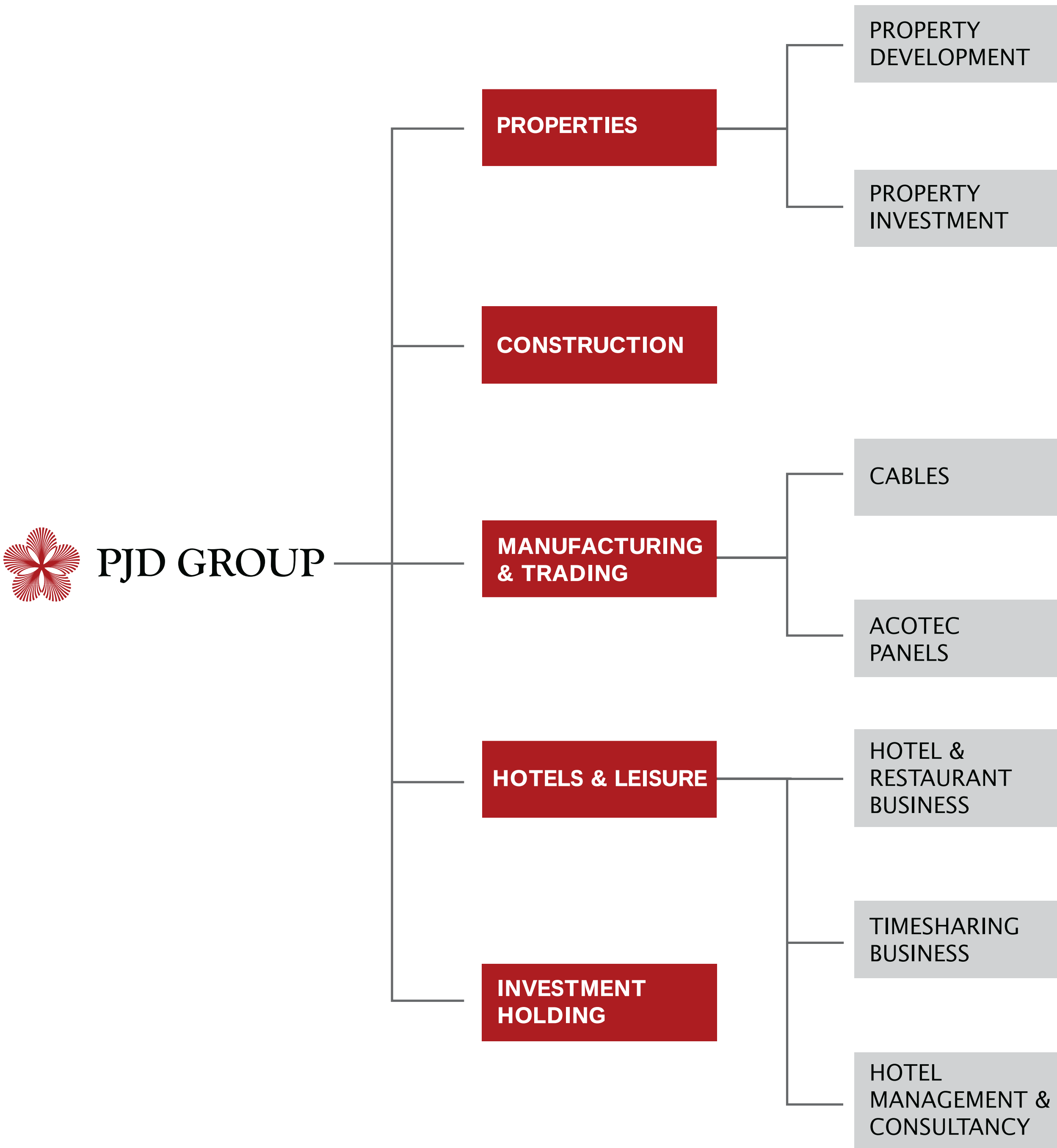
## REVENUE
(RM Million)




## PROFIT BEFORE TAX
(RM Million)



# Group Business Activities



# Chairman's Statement


*Artist's Impression*
*You City @ Cheras*

Dear Valued Shareholders,

On behalf of the Board of Directors, I am pleased to present to you the Annual Report and Audited Financial Statements of PJ Development Holdings Berhad and its group of companies ("the Group") for the financial year ended 30 June 2014 ("FY2014"). The Group achieved new milestones in terms of financial results and recognitions for the year under review.

## FINANCIAL REVIEW

Despite a moderate economic environment and business landscape, the Group performed exceptionally well in FY2014 with total revenue increasing from RM827 million in the financial year ended 30 June 2013 ("FY2013") to RM1.17 billion. It has been a commendable year for the Group as it posted a record profit before tax in its corporate history of RM266.6 million in FY2014, of which RM131.6 million was derived from operations, representing a 64% increase from RM80.2 million in the previous financial year. The Group recorded profit after tax attributable to shareholders of RM223.9 million in FY2014.

The Group's property and construction divisions continue to be the top earning contributors in FY2014, recording about 69% of the Group's total revenue, followed by cables, hotels and leisure and Acotec panels divisions. All the business divisions, except for hotels and leisure, recorded improved performance in FY2014 compared to the previous year. Our hotels and leisure division, reported a slight decrease in profit before tax and exceptional item, mainly due to lower profit contribution from our resort hotels in Kuantan and Damai Laut, which was partially cushioned by the earnings improvement from our timeshare business.

*Artist's Impression*
*Night view of D'Majestic Sky Lounge @ Kuala Lumpur*

*Artist's Impression*
*Swiss-Garden Resort Residences*
*Sungai Karang @ Kuantan*

The Group's profitability was also boosted by two corporate exercises undertaken by the Group in FY2014 in our effort to streamline our businesses. The disposal of Menara PJD and the joint venture for the development of the land in Sri Hartamas, Kuala Lumpur generated RM160.3 million in profit before tax for the Group.

With the improved performance, the net assets per share of the Group grew from RM2.12 to RM2.54 as at 30 June 2014, while earnings per share for FY2014 was 49.47 sen, representing an increase of 269% from 13.41 sen in the previous year.

## DIVIDEND

The Board has recommended a single tier final dividend of 2.5% per ordinary share for the financial year ended 30 June 2014, subject to shareholders' approval at the forthcoming Annual General Meeting.

Coupled with the single tier interim dividend of 2.5% per ordinary share which was paid on 25 June 2014, the total dividend for FY2014 is 5% per ordinary share (FY2013: 3.5% per ordinary share less 25% income tax and a tax exempt dividend of 1.5% per ordinary share).

## CORPORATE HIGHLIGHTS

The financial year under review saw two significant corporate exercises undertaken by the Group's property division.

On 31 December 2013, PJD Land Sdn Bhd, a wholly-owned subsidiary of PJ Development Holdings Berhad, entered into a Sale & Purchase Agreement with Able Starship Sdn Bhd for the disposal of a 28-storey freehold commercial building in Kuala Lumpur known as Menara PJD, for a total cash consideration of RM220 million. The disposal was completed on 21 May 2014.

On 20 January 2014, PJD Hartamas Sdn Bhd (formerly known as PJD MM2H Sdn Bhd), sealed a shareholders' agreement with the Agile Group, one of the top integrated developers in China, to develop a land totaling 10.24 acres in Sri Hartamas, Kuala Lumpur. The Chinese partner owns 70% interest in the joint-venture company. Partnering with the Agile Group will enable us to leverage on the strengths of both groups to optimise the potential value of this development. The Agile Group will have its maiden development project in Kuala Lumpur, while the Group will benefit from access to the customers base of The Agile Group.


The joint venture was consummated on 20 January 2014.

## AWARDS AND ACHIEVEMENTS

I would like to congratulate the management team of the property division as our two property development projects, namely 'You City' and 'Swiss-Garden Resort Residences' garnered the title of Highly Commended Mixed-Use Architecture Malaysia 2014-2015 and Highly Commended Leisure Architecture Malaysia 2014-2015 respectively at the Asia Pacific Property Awards ceremony held in May 2014. The two titles will further boost the brand name of PJD as we move one step closer of achieving our aim to become a developer of choice among the house buyers.

I am also delighted to note that our leisure division, SGI Vacation Club was named the Best Brand in Leisure – Vacation Club at the prestigious BrandLaureate – SME Chapter Awards 2013 in recognition for its strong brand presence in the timeshare industry. The award is not only a true testimony of the division's diligent team work, but it also demonstrates the division's firm commitment


*PJD Property Division shines at Asia Pacific Property Awards 2014*

in delivering high-quality products and creating value for its members.

## ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to convey my heartfelt thanks to YM Ungku Haji Mohd Afandi bin Ungku Suleiman, who retired as our Chairman for his invaluable services and contributions to the Group during his tenure.

I wish to also place on record my sincere appreciation to all the shareholders, valued customers, business partners and associates, bankers and regulatory authorities for your continued support and faith in us.

Most importantly, my gratitude to the management and all employees of the Group for the commendable results in FY2014. They are a fine reflection of your hard work and commitment to excel. It is my earnest wish that all of you will continue to stay focus as we propel the Group to greater heights. I look forward to another exciting year ahead.

**TAN SRI ONG LEONG HUAT @ WONG JOO HWA**
Chairman

*Artist's Impression*
*Woodsbury Suites*
*@ Harbour Place, Butterworth*

# Managing Director's Operations Review

On behalf of the management, it gives me great pleasure to present the review of the Group's operations for financial year ended 30 June 2014 ("FY2014"). The Group achieved commendable results in FY2014 with strong performances from the property division. In addition to property, the Group was well supported by other divisions, which continued to perform well in the year under review.

## PROPERTY DEVELOPMENT

The property division had another good run in FY2014 with strong sales momentum and profitability. The division generated record performance with revenue of RM597.1 million in FY2014, a 148% rise from RM240.3 million in the previous financial year. This figure sets a new benchmark for the property division as it was the first year we have surpassed the half a billion mark.

The division's profit before tax surged to RM225.5 million in FY2014 from RM37.4 million in the previous year. The strong results were mainly attributed to the disposal of investment property and development land coupled with good sales recorded for the development projects within the Klang Valley.

During the year under review, the property division was occupied with seven projects locally with a combined gross development value (GDV) of over RM1.5 billion.

*Northern Region*

Capitalising on the success of the Wellesley Residences, the fourth phase of the high-rise residential development in Butterworth's first metrocity, Harbour Place, the fifth phase dubbed Woodsbury Suites project was launched in September 2013 to capture greater market share in our key target markets.

Scheduled to complete by February 2017, Woodsbury Suites comprise a two-tower freehold serviced apartments featuring chic city living that triumphs over a collection of 5-star facilities, including Rooftop Sky Aqua Gym, Sky Garden and a residents' clubhouse. Boosted by spillover demands from the Penang Island, the Woodsbury Suites saw an encouraging take-up rate.

*East Coast Region*

The award-winning Swiss-Garden Resort Residences located at one of the pristine coastlines in Kuantan was an instant sell-out for its first phase of development – Sand Series. All the 289 units, including 263 units of serviced apartment, 12 units of town villa, 12 units of business kiosk and 2 office units were quickly snapped up by the enthusiastic investors after its official launch in October 2011.

Conceived as an exclusive modern beachfront resort

*Artist's Impression*
*Overview of Woodsbury Suites @ Harbour Place, Butterworth*

## Managing Director's Operations Review


*Artist's Impression*
*You One @ Subang Jaya, USJ*

village, the Swiss-Garden Resort Residences is sited on a 23-acre freehold land, located merely 10 km north of the Kuantan Town. Conceptualised similar to the Sand Series, the second phase of the development which comprises serviced apartment and retail units, is set to launch by end of 2014. Standing tall on the sea front with state-of-the-art resort facilities, the second phase of development is expected to be popular among the local and foreign investors who are seeking high-yield holiday houses with resort facilities.

*Central Region*

The FY2014 was a remarkable year for You City as it bagged the title of "Highly Commended Mixed-Use Architecture Malaysia 2014/2015" in The Asia Pacific Property Awards ceremony held in May 2014. This achievement underlines the innovation of the You City's You Living development concept, which integrated five pillars of living experience within one development.

Sprawling across 20.6 acres of land in the hustle bustling vicinity of Cheras, You City is the first integrated development project under the Group's 'You' series that is premised on five pillars – living, connectivity, leisure, design and value, which includes serviced apartments, shop offices, offices and a lifestyle mall.

The award-winning You City has been well-received by the community with 95% take-up rate for its You Residences serviced apartments and 85% of the units taken up for its You Vista serviced apartment. Following the success of the first two phases, the commercial components of the You City development, namely You Festival Walk and You Place are in the pipeline for launching, expected to be in the coming financial year.

The second project of the 'You' series, the You One project in Subang Jaya USJ, has proven to be another successful project with 93% of its units taken up. With a total GDV of RM260 million, You One is set to welcome the dwellers, occupants and visitors of its serviced apartments, SoHo units and retail shops by 2016.

Both You City and You One projects are poised to enjoy spin-off benefits from the Government's MRT project as the strategic locations of these developments have been earmarked as one of the stations for the massive infrastructure project.

D'Majestic, a luxury serviced residence that is strategically situated in the heart of Kuala Lumpur city prime central business district achieved strong sales of 93% take-up rate since its launch in 2012.

The next exciting project in the pipeline is the commercial development, which will be built on a piece of prime land that was acquired in 2013. Located in Section 13, Petaling Jaya, the planned integrated development with an estimated GDV of RM900 million is expected to benefit from the redevelopment plan initiated by the local council.

Our unbilled sales of RM846.14 million as at 30 June 2014 with unrealised GDV of RM317 million will provide us a consistent stream of earnings in the coming financial year. Moving forward, we will continue to source for more prime development lands to expand the portfolio of our undeveloped landbank of approximately 1,100 acres.

## CONSTRUCTION

FY2014 was a good year for the construction division as new records set for both its revenue and profit before tax. The division had been busy with large number of construction works across Peninsular Malaysia throughout the year. This enabled us to deliver sterling financial results with profit before tax increasing to RM12.8 million in FY2014.

In the coming financial year, we will partner with the property division to replenish our order book. Customers and shareholders will benefit from this strong partnership as these two business divisions will work closely to deliver quality products that fulfil the evolving demands of the customers, at the same time manage the cost efficiently to increase the profit margin for the Group as a whole.

With the impending implementation of the Goods and Services Tax (GST) in April 2015, margin compression is a possibility for contracts that spill over the cut-off date. However, we are confident that the division is well-prepared to embrace changes that are coming our way. Despite the prevailing uncertainty on the external front, we remain optimistic to achieving positive results in the coming financial year.

## CABLES

The cables division demonstrated resilience with its profit before tax recorded a moderate increase of 8.6% to RM25.2 million in FY2014, from RM23.2 million in the previous year. The results were achieved despite lower revenue from our Vietnam operations due to the moderation of growth in the market.

The positive performance was attributed to strong domestic demand, buoyed by robust construction and infrastructure activities. Our sales to oil and gas sectors showed a healthy expansion, with an increase of 134% or RM1.6 million to RM2.8 million in FY2014.

We expect market conditions to turn increasingly competitive next year with concerns over softening demand in construction sector. Nevertheless, we remain confident of maintaining our performance as the division will continue to aggressively seek new business opportunities in Myanmar and develop more products for oil and gas sectors.

Managing Director's Operations Review

## ACOTEC PANELS

The acotec panels division recorded another profitable year with its profit before tax chalked up a double-digit growth to RM12.6 million in FY2014 from RM7.3 million in the previous financial year. The division's profit soared on higher revenue with an increase of RM9.6 million in the financial year ended 2013 ("FY2013") to RM50.9 million in FY2014. The robust financial performance was driven by the sustained strong domestic and overseas demand and higher production capacities as a result of the division's expansion plan.

As we strive to scale up our production capability to cater to larger demand, we are on track to realise our expansion plan with the construction of the new production building on the existing plant in Johor, which is expected to be completed by end of 2014. When the new building achieves full scale operations by the first quarter of 2015, it will further boost our production capacity by 30%, enabling the division to achieve greater growth in the coming financial years.

To ride on the growing demand for the eco-friendly raw materials for green industrial building, we undertook expansion trails to increase the productivity in our manufacturing process, which will contribute to higher revenue for the division in the long run. We are confident that our established brand name, coupled with the tactical expansion plans will take the division to the next level of growth and being one of the top leaders in the industry.

## HOTELS & LEISURE

*Hotels*

The hotels business posted an increase of 2.8% in revenue to RM112.2 million in FY2014 from RM109.1 million in the previous year, and posted a slight decrease of profit before tax and exceptional items due to lower profit contribution from our resort hotels in Kuantan and Damai Laut.

As part of the Group's business strategy to encourage repeat visitations, continuous enhancements were undertaken for the Swiss-Garden Beach Resort Kuantan. Upgrading works in the Swiss-Garden Beach Resort Damai Laut were completed with the brand new club floors and a spacious Damai Club Lounge to attract more business and corporate travelers.

The prospects for the Malaysia's hospitality market remain favourable as the country's tourism industry performed above expectations in 2013. Tourist receipts grew by 8.1% to RM65.4 billion compared to RM60.6 billion in 2012, while tourist arrivals saw an increase of close to 3% to 25.7 million compared to RM25.0 million in 2012. The average tourist spending per capita also grew from RM2,419 per person in 2012 to RM2,545 in 2013.

From January to April 2014, the report published by Tourism Malaysia showed an increase in tourist arrivals from key markets such as Singapore, South Korea and Australia compared to the same period in the preceding year.

The substantial growth in tourist arrivals and receipts reflected growth opportunities for our hotels. While the Malaysian tourism industry is expected to perform well in 2014 with the National Key Economic Area (NKEA)

## Managing Director's Operations Review

Tourism initiated by the Government to promote Malaysia as a duty-free and affordable luxury shopping destination, we expect it will further boost the number of tourists to our hotels, and spur the division's growth momentum in the coming financial year.

*SGI Vacation Club*

In FY2014, the SGI Vacation Club business registered with a 34% growth in profit before tax of RM4.4 million although revenue decreased by RM8.9 million compared to the previous year. The improvement in profit before tax is a result of our prudent management and firm rein on costs.

To further strengthen our brand as the preferred vacation club of choice, a plan of action is in motion to build its brand visibility among targeted market segments. Recognising that the sales and marketing force is always the driver of the division's profit, we place great emphasis in marketing execution to grow the number of our marketing tie-up partners to offer combined benefits to our members. In addition, we will explore new marketing platforms to capture the new generation of IT savvy travelers in view of the surge in popularity of mobile devices.

In order to grow our presence regionally, we are seizing every opportunity to expand the division's portfolio of properties by acquiring additional home-based hotels and resorts. With the strategic expansion plan and our market position, the division is optimistic to perform well in the next financial year.

### OUTLOOK AND PROSPECTS

The outlook for the global economy is expected to be moderate in 2015. The developed countries will continue their recovery trajectory despite the upheaval in certain parts of the world. In Malaysia, the property cooling measures announced in the Budget 2014 may soften the property market. However, despite these cooling measures and stricter lending guidelines imposed by the Bank Negara Malaysia, market sentiment in Malaysia's property sector is expected to be favourable and rebound in the second half of 2014.

Despite the impending implementation of GST in 2015, we believe that a stronger 2014 GDV growth outlook and massive upcoming infrastructure projects will act as the catalyst for the property market and spur demand for our property projects, particularly in the Klang Valley.

Over the years, the Group has built a strong platform of diversified businesses and the Group is well positioned to seize any opportunities as well as to face any challenges. We are cautiously optimistic of the prospects in 2015 and we continue to be excited about what lies ahead of us as we propel the Group's growth in the coming years.

**WONG CHONG SHEE**
Managing Director


*SGI Vacation Club won the Best Brand in Leisure-Vacation Club at the BrandLaureate - SME Chapter Awards 2013*

*Swiss-Garden Beach Resort Kuantan*

# Corporate Social Responsibility

The motto "Together We Build A Brighter Future" spells out our commitment towards good corporate social responsibility (CSR) practices which has long been embedded in our corporate philosophy.

During the year under review, PJD and its subsidiary companies remained steadfast in engaging stakeholders in our CSR activities that focus on the areas of environment, community and workplace. As the company grows bigger, we want to not only be profitable but also to bring positive changes to the society and the community in which we operate.

1

## ENVIRONMENT

In our efforts to minimise the impact of our business operations to the environment and the community, regular housekeeping and fumigation are carried out by the construction division at the construction site and its surroundings, ensuring the vicinity of our construction site is free from diseases and other inconveniences caused to the community as well as the environment.


2

## COMMUNITY

The Group continues to reach out to the community to enhance the quality of life for the underprivileged communities and needy individuals.

On 19 October 2013, the annual CSR event of PJD was held in Pusat Sains Negara, Bukit Kiara, Kuala Lumpur for 61 children from Rumah Anak Yatim Damai and Triniti Children Centre. The kids had fun exploring and experimenting with the various gadgets and equipments on display at the Centre and at the Nature Science Lab.


3

1. *Fostering sports talents among the underprivileged children*
2. *Weekly toolbox meeting by the construction division's safety officer*
3. *PJD Kids Day 2013*

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While the Selangorians experienced the water rationing period in the early of 2014, PJD property division eased the plight of Yayasan Sunbeams Home (YSH) and Pusat Jagaan Kasih Anugerah (PJKA) by donating 24 water barrels to the two welfare homes to store water for 60 children of YSH and 30 old folks of PJKA. In addition, the division helped replenish water supply for both centres by sponsoring each with 18 boxes of mineral water.

To promote healthy lifestyle among the young generation, the property division organised a badminton coaching session for 60 children of Shelter Home and Rumah Shalom on 14 June 2014 at Michael's Badminton Academy (MBA) in Bandar Puteri Puchong. On top of that, the two welfare homes also received a cash donation from PJD property division for the homes' operating expenses. Besides, the Butterworth branch of property division also showed their care for the community and held a similar CSR activity for the Pertubuhan Penyayang Chi Yun in Bukit Mertajam in November 2013.

Apart from in-kind donation, the property division also made a cash contribution of RM5,000 to Rainbow Home in Cheras which will be used to fund the home's operating expenses.

As a corporation with the community at heart, our hospitality division always hosts annual charity events in the hotels' premises during festive seasons, sharing the joy and cheer with the less fortunate children.

In collaboration with Kementerian Kesihatan Malaysia (KKM), the cable division held its annual blood donation drive to replenish the blood bank of KKM in December 2013. The annual event saw active participation from all levels of staff in the division, including foreign workers.

4. *Annual Dinner 2014*
5. *PJD staff is distributing water barrels to Yayasan Sunbeams Home at Kampung Baru Ampang and Pusat Jagaan Kasih Anugerah at Cheras Perdana*
6. *Birthday treat with children of Pertubuhan Penyayang Chi Yun*

Corporate Social Responsibility


7


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9

## WORKPLACE

We place great emphasis on the health and safety of our employees. To this end, the construction division's safety officer conducts a toolbox meeting every week to ensure our workforce are protected and equipped with sufficient safety knowledge, minimising injuries at the construction sites.

In May 2014, we collaborated with the National Kidney Foundation (NKF) to conduct a free health screening for all employees in our principal office in Plaza OSK. The health screening consists of blood pressure test, urine test, body mass index, waist circumference, random blood glucose and wrandom blood total cholesterol. Two sessions of 45-minute health talks entitled "Kidney Disease: Common, Harmful but Treatable" and "Diabetes and Its Complications" were presented by the NKF nutritionist, to create awareness about kidney disease among employees.

On 28 March 2014, the Group's annual dinner saw our employees flooding Sime Darby Convention Centre with yellow and red attires and accessories as the participants dressed to the theme "Royal Night", reflecting the corporate colours of the Group.

Other activities such as festive celebrations, intra company sports tournament, team building sessions, employees recognition, incentive and company trips were organised by the subsidiary companies of PJD to foster closer rapport and camaraderie amongst the employees. Lunch Talk is held on a monthly basis for employees of the Corporate Office to create culture of learning and fellowship at the work place.

"Together We Build a Brighter Future" has become an integral part of our work culture and way of life in PJD and this has established a stronger teamwork and team spirit among our employees.

*7. Bowling Tournament at Endah Promenade, Sri Petaling*
*8. Health Screening*
*9. Blood Donation Drive 2014*

# Ulasan Pengerusi

Kepada pemegang saham yang dihargai,

Bagi pihak Lembaga Pengarah, saya dengan sukacitanya membentangkan kepada anda Laporan Tahunan dan Penyata Kewangan yang telah diaudit bagi PJ Development Holdings Berhad dan kumpulan syarikat ("Kumpulan") untuk tahun kewangan yang berakhir pada 30 Jun 2014 ("TK2014"). Kumpulan telah memperolehi pencapaian baru dari segi keputusan kewangan dan pengiktirafan untuk tahun penilaian.

## ULASAN KEWANGAN

Sungguhpun persekitaran ekonomi dan landskap bisnes hanya sederhana, Kumpulan mencatatkan prestasi yang amat baik dalam TK2014 dengan pertambahan jumlah keuntungan daripada RM827 juta dalam tahun kewangan yang berakhir pada 30 Jun 2013 ("TK2013") kepada RM1.17 bilion. Ini merupakan tahun yang patut dipuji untuk Kumpulan kerana keuntungan sebelum cukainya telah memecah rekod sejarah korporat sebanyak RM266.6 juta dalam TK2014, di mana RM131.6 juta yang diperolehi daripada operasi melambangkan peningkatan 64% daripada RM80.2 juta dalam tahun kewangan sebelumnya. Kumpulan mencatatkan keuntungan selepas cukai yang yang berpunca daripada pemegang saham sebanyak RM223.9 juta dalam TK2014.

Bahagian hartanah dan pembinaan Kumpulan terus menjadi penyumbang perolehan tertinggi dalam TK2014, dengan mencatatkan lebih kurang 69% daripada jumlah keseluruhan pendapatan Kumpulan, diikuti dengan bahagian kabel, hotel dan peranginan dan bahagian panel Acotec. Semua bahagian perniagaan, kecuali hotel dan peranginan, mencatatkan prestasi yang lebih baik dalam TK2014 berbanding dengan tahun sebelumnya. Bahagian hotel dan peranginan kami melaporkan sedikit penyusutan dalam keuntungan sebelum cukai dan perkara terkecuali, terutamanya disebabkan oleh sumbangan keuntungan yang rendah daripada hotel peranginan kami di Kuantan dan Damai Laut, yang mana sebahagiannya ditampan oleh peningkatan perolehan daripada perniagaan kongsi masa kami.

Keuntungan Kumpulan juga dirangsangkan oleh dua perlaksanaan korporat yang dilaksanakan oleh Kumpulan dalam TK2014 dalam usaha untuk menyelaraskan bisnes-bisnes kami. Pelupusan Menara PJD dan usaha sama untuk pembangunan tanah di Sri Hartamas, Kuala Lumpur telah menjana RM160.3 juta dalam keuntungan sebelum cukai untuk Kumpulan.

Dengan prestasi lebih baik ini, aset bersih setiap saham untuk Kumpulan meningkat daripada RM2.12 kepada RM2.54 pada 30 Jun 2014, manakala pendapatan setiap saham untuk TK2014 adalah 49.47 sen, mewakili peningkatan sebanyak 269% daripada 13.41 sen pada tahun sebelumnya.

## DIVIDEN

Lembaga telah mengesyorkan dividen akhir satu peringkat sebanyak 2.5% setiap saham biasa untuk tahun kewangan yang berakhir 30 Jun 2014, tertakluk kepada kelulusan pemegang saham pada Mesyuarat Agung Tahunan akan datang.

Berserta dengan dividen sementara satu peringkat sebanyak 2.5% setiap saham biasa yang dibayar pada 25 Jun 2014, jumlah dividen untuk TK2014 adalah 5% setiap saham biasa (TK2013: 3.5% setiap saham biasa tolak 25% cukai pendapatan dan dividen

Ulasan Pengerusi

yang dikecualikan cukai sebanyak 1.5% setiap saham biasa).

## PENCAPAIAN KORPORAT

Tahun kewangan yang dinilai melihatkan dua perlaksanaan korporat penting yang dilaksana oleh bahagian hartanah Kumpulan.

Pada 31 Disember 2013, PJD Land Sdn Bhd, anak syarikat yang dimiliki sepenuhnya oleh PJ Development Holdings Berhad, memasuki Perjanjian Jual Beli dengan Able Starship Sdn Bhd untuk pelupusan bangunan komersil hak milik kekal 28 tingkat di Kuala Lumpur yang dikenali sebagai Menara PJD, untuk pertimbangan tunai yang berjumlah RM220 juta. Pelupusan ini telah selesai pada 21 May 2014.

Pada 20 Januari 2014, PJD Hartamas Sdn Bhd (yang dahulunya dikenali sebagai PJD MM2H Sdn Bhd), menandatangani perjanjian usaha sama dengan Kumpulan Agile, salah satu pemaju berintegrasi yang terkemuka di China, untuk membangunkan tanah berjumlah 10.24 ekar di Sri Hartamas, Kuala Lumpur. Rakan kongsi China memiliki 70% kepentingan dalam syarikat usahasama ini. Usahasama dengan Kumpulan Agile ini akan membolehkan kami memanfaatkan kekuatan kedua-dua kumpulan untuk mengoptimumkan lagi nilai potensi pembangunan projek ini. Kumpulan Agile akan mempunyai projek pembangunan sulungnya di Kuala Lumpur, manakala Kumpulan pula akan mendapat manfaat daripada akses kepada pangkalan pelanggan Kumpulan Agile. Usaha sama ini disempurnakan pada 20 Januari 2014.

## ANUGERAH DAN PENCAPAIAN

Saya ingin mengucapkan tahniah kepada pengurusan pasukan bahagian hartanah kerana dua projek pembangunan hartanah kami, iaitu 'You City' dan 'Swiss-Garden Resort Residences' masing-masing telah meraih gelaran Seni Bina Penggunaan Bergabung Pujian Tinggi Malaysia 2014-2015 dan Seni Bina Peranginan Pujian Tinggi Malaysia 2014-2015 di upacara Anugerah Hartanah Asia Pasifik yang dianjurkan pada Mei 2014. Dua anugerah yang diraih ini akan menaikkan lagi jenama PJD dan mendekatkan kami untuk mencapai matlamat menjadi pemaju pilihan di kalangan pembeli rumah.

Saya juga berbesar hati untuk memaklumkan bahawa bahagian peranginan kami, Kelab Percutian SGI telah dinamakan sebagai Jenama Terbaik dalam Kelab Peranginan – Percutian di Anugerah BrandLaureate – SME Chapter 2013 yang berprestij sebagai pengiktirafan atas kewujudan jenamanya yang kukuh dalam industri kongsi masa. Anugerah ini bukan sahaja merupakan testimoni sebenar usaha kerjasama kerajinan kerja berpasukan bahagian tersebut, tetapi juga menunjukkan komitmen teguh bahagian ini dalam menyediakan produk berkualiti tinggi dan menghasilkan nilai untuk ahlinya.

## PENGHARGAAN

Bagi pihak Lembaga Pengarah, saya ingin menyampaikan penghargaan tulus ikhlas saya kepada YM Ungku Haji Mohd Afandi bin Ungku Suleiman yang telah bersara sebagai Pengerusi kami, atas khidmat dan sumbangan beliau yang tidak ternilai kepada Kumpulan sepanjang tempoh khidmatnya.

Saya juga ingin merakamkan penghargaan ikhlas saya kepada semua pemegang saham, pelanggan yang dihargai, rakan perniagaan dan syarikat-syarikat bersekutu, jurubank dan pihak-pihak berkuasa pengawalseliaan untuk sokongan yang berterusan dan kepercayaan anda terhadap kami.

Yang paling penting, ucapan terima kasih saya kepada pihak pengurusan dan semua kakitangan Kumpulan untuk prestasi yang memberangsangkan dalam TK2014. Sememangnya ini mencerminkan kerja keras dan komitmen anda dalam mencapai kecemerlangan. Ia merupakan hasrat saya supaya anda semua akan terus kekal fokus selaras bagi melonjakkan Kumpulan ke tahap yang lebih tinggi. Saya menjangkakan satu lagi tahun yang memberangsangkan pada tahun-tahun seterusnya.

**TAN SRI ONG LEONG HUAT @ WONG JOO HWA**
Pengerusi

# Ulasan Operasi oleh Pengarah Urusan

Bagi pihak pengurusan, saya amat berbesar hati untuk membentangkan kepada anda ulasan operasi Kumpulan untuk tahun kewangan yang berakhir pada 30 Jun 2014 ("TK2014"). Kumpulan telah mencapai keputusan membanggakan dalam TK2014 dengan prestasi yang kukuh dari bahagian hartanah. Selain daripada hartanah, Kumpulan juga mendapat sokongan yang padu daripada bahagian-bahagian lain di mana mereka terus menunjukkan prestasi yang baik bagi tahun ulasan.

## PEMBANGUNAN HARTANAH

Bahagian hartanah berjaya mendapat momentum jualan serta keuntungan yang kukuh pada TK2014. Bahagian ini telah menghasilkan prestasi rekod dengan pendapatan sebanyak RM597.1 juta bagi TK2014, iaitu kenaikan 148% berbanding dengan RM240.3 juta bagi tahun kewangan sebelumnya. Angka ini menetapkan tanda aras baru bagi bahagian hartanah kerana ia merupakan tahun pertama kami melepasi tanda separuh billion.

Keuntungan sebelum cukai untuk bahagian ini melonjak kepada RM225.5 juta bagi TK2014 berbanding dengan RM37.4 juta pada tahun sebelumnya. Keputusan kukuh ini terutamanya adalah disebabkan oleh pelupusan hartanah pelaburan dan tanah pembangunan berserta dengan jualan baik yang dicatatkan bagi projek-projek pembangunan di sekitar Lembah Klang.

Semasa tahun kewangan di bawah ulasan, bahagian hartanah terlibat dalam tujuh projek tempatan dengan jumlah nilai pembangunan kasar (GDV) yang melebihi RM1.5 bilion.

*Rantau Utara*

Berkesempatan dengan kejayaan Wellesley Residences, fasa keempat pembangunan kediaman tinggi di bandar metro pertama Butterworth iaitu Harbour Place, fasa kelima yang digelar projek Woodsbury Suites telah dilancarkan pada September 2013 untuk menguasai bahagian pasaran yang lebih besar dalam pasaran sasaran utama kami.

Woodsbury Suites yang dijadualkan siap pada Febuari 2017 adalah merupakan dua menara apartmen servis hak milik bebas yang bercirikan kehidupan bandar yang bergaya dengan kemudahan 5 bintang termasuk gymnasium Rooftop Sky Aqua, Taman Langit serta rumah kelab untuk semua penduduk. Dirangsangkan oleh limpahan permintaan dari Pulau Pinang, Woodsbury Suites melihatkan kadar langganan yang sangat menggalakkan.

*Rantau Pantai Timur*

Pemenang anugerah, Swiss-Garden Resort Residences yang terletak di salah satu persisiran pantai yang bersih di Kuantan telah habis dijual serta merta dalam pembangunan fasa pertamanya – Siri Sand. Kesemua 289 unit termasuk 263 unit apartmen servis, 12 unit villa bandar, 12 unit gerai dan 2 unit pejabat telah habis direbut oleh para pelabur yang bersemangat selepas pelancaran rasminya pada October 2011.

Diilhamkan sebagai sebuah kampung resort tepi pantai yang moden dan eksklusif, Swiss-Garden Resort Residences terletak di atas tanah hak milik kekal berukuran 23 ekar, hanya kira-kira 10 km utara Bandar Kuantan. Berkonsepkan serupa dengan Siri Sand, pembangunan fasa kedua terdiri daripada apartmen servis dan kedai-kedai runcit telah dijadualkan dan bakal dilancarkan pada akhir 2014. Tersergam megah di hadapan lautan dengan kemudahan resort yang canggih, pembangunan fasa kedua dijangka akan menjadi terkenal di kalangan para pelabur tempatan dan asing yang sedang mencari rumah percutian yang berhasil tinggi dan lengkap dengan kemudahan resort.

Ulasan Operasi oleh Pengarah Urusan

*Rantau Tengah*

Tahun 2013 merupakan tahun yang menakjubkan bagi You City di mana ia telah merangkul gelaran "Highly Commended Mixed-Use Architecture Malaysia 2014/2015" di Majlis Anugerah Hartanah Asia Pacific yang diadakan pada May 2014. Pencapaian ini menekankan inovasi konsep pembangunan You City's You Living di mana ia mengintegrasikan lima asas pengalaman hidup di dalam satu pembangunan.

Dengan tanah seluas 20.6 ekar di kawasan Cheras yang sibuk membangun, You City merupakan projek pembangunan bersepadu pertama di bawah siri 'You' Kumpulan di mana ia berasaskan lima tunggak iaitu kehidupan, perhubungan, riadah, reka bentuk dan nilai, termasuk apartmen servis, kedai pejabat, pejabat dan pusat membeli-belah bergaya hidup.

You City beranugerah ini telah diterima dengan baik oleh komuniti dengan kadar pembelian sebanyak 95% bagi apartmen servis You Residences dan 85% bagi apartmen servis You Vista. Berikutan kejayaan dua fasa pertama ini, komponen komersil untuk pembangunan You City iaitu You Festival Walk dan You Place akan dilancarkan tidak lama lagi dan dijangka akan berada di dalam tahun kewangan seterusnya.

Projek kedua siri 'You' iaitu You One di USJ Subang Jaya, telah terbukti menjadi satu lagi projek yang berjaya dengan kadar pembelian unit sebanyak 93%. Dengan jumlah GDV sebanyak RM260 juta, apartmen servis, unit SoHo serta kedai runcit You One akan sedia diduduki dan dilawati pada 2016.

Kedua-dua projek You City dan You One juga bakal menikmati faedah sampingan dari projek MRT kerajaan di mana lokasi strategic kedua-dua pembangunan ini telah dikenalpasti sebagai salah satu stesen untuk projek infrastuktur besar-besaran ini.

D'Majestic, sebuah projek kediaman servis mewah yang terletak dengan strategic di tengah-tengah kawasan pusat perniagaan perdana di Bandar Kuala Lumpur mencapai jualan kukuh sebanyak 93% kadar pembelian sejak pelancarannya pada 2012.

Projek menarik seterusnya yang dalam perancangan adalah pembangunan komersil yang akan dibina di atas sebidang tanah prima yang diperolehi pada 2013. Pembangunan bersepadu yang dirancang ini terletak di Seksyen 13, Petaling Jaya dengan anggaran GDV sebanyak RM900 juta dan dijangka akan mendapat manfaat dari rancangan pembangunan semula oleh majlis tempatan.

Jualan kami sebanyak RM846.14 juta yang belum dibilkan pada 30 Jun 2014 dengan GDV RM317 juta yang belum direalisasikan akan menyediakan kami pendapatan yang konsisten dalam tahun kewangan seterusnya. Bergerak ke hadapan, kita akan terus mendapatkan kawasan pembangunan prima untuk meluaskan portfolio simpanan tanah sekitar 1,100 ekar yang belum dibangunkan lagi.

## PEMBINAAN

TK2014 merupakan tahun yang baik untuk bahagian pembinaan kerana rekod-rekod baru telah ditetapkan untuk kedua-dua pendapatan serta keuntungan sebelum cukai. Bahagian ini sangat sibuk dengan sejumlah besar kerja pembinaannya di seluruh Semenanjung Malaysia untuk sepanjang tahun. Ini membolehkan kami memberi keputusan kewangan yang kukuh dengan keuntungan sebelum cukai meningkat kepada RM12.8 juta pada TK2014.

Pada tahun kewangan seterusnya, kami akan bekerjasama dengan bahagian hartanah untuk menambah tembahan pesanan. Para pelanggan serta pemegang saham akan mendapat faedah dari kerjasama yang kukuh ini kerana kedua-dua bahagian perniagaan ini akan bekerjasama untuk menyampaikan produk berkualiti yang memenuhi permintaan pelanggan yang sering berubah dan pada masa yang sama, menguruskan kos dengan cekap untuk meningkatkan margin keuntungan bagi Kumpulan secara keseluruhannya.

Dengan pelaksanaan cukai barangan dan perkhidmatan (GST) yang akan berlaku pada April 2015, margin mampatan menjadi kemungkinan untuk kontrak-kontrak yang melebihi tarikh tamat. Walau bagaimanapun, kami yakin bahagian ini bersedia untuk menempuhi perubahan-perubahan yang akan datang. Walaupun keadaan semasa yang masih kabur bagi sektor luar, kami kekal optimis untuk mencapai keputusan positif pada tahun kewangan akan datang.

## KABEL

Bahagian kabel menunjukkan daya ketahanannya di mana keuntungan sebelum cukai merekodkan kenaikan sederhana sebanyak 8.6% kepada RM25.2 juta pada TK2014, berbanding RM23.2 juta pada tahun sebelumnya. Keputusan ini dicapai walaupun dengan hasil yang lebih rendah dari operasi Vietnam kami kerana pertumbuhan yang sederhana dalam pasaran.

Prestasi yang positif ini disebabkan oleh permintaan tempatan yang kukuh dan disokong aktiviti-aktiviti pembinaan dan infrastuktur yang mantap. Jualan kami dalam sektor minyak dan gas menunjukkan perkembangan yang sihat dengan peningkatan sebanyak 134% atau RM1.6 juta kepada RM2.8 juta pada TK2014.

Kami menjangkakan keadaan pasaran akan menjadi lebih berdaya saing pada tahun depan dengan kebimbangan terhadap permintaan yang semakin rendah dalam sektor pembinaan. Namun, kami tetap yakin dapat mengekalkan prestasi kami kerana bahagian ini akan terus gigih mencari peluang perniagaan baru di Myanmar dan membangunkan lebih banyak lagi produk bagi sektor minyak dan gas.

## PANEL ACOTEC

Bahagian Panel Acotec telah mencatatkan satu lagi tahun yang menguntungkan dengan peningkatan keuntungan sebelum cukai sebanyak RM12.6 juta pada TK2014 daripada RM7.3 juta pada tahun sebelumnya. Keuntungan bahagian melambung pada hasil yang lebih tinggi dengan peningkatan RM9.6 juta pada tahun kewangan berakhir 2013 ("TK2013") hingga RM50.9 juta pada TK2014. Prestasi kewangan yang mantap ini didorong oleh permintaan berterusan dalam dan luar negara yang kukuh serta kapasiti pengeluaran yang lebih tinggi akibat daripada rancangan perkembangan bahagian.

Kami telah berusaha untuk meningkatkan keupayaan pengeluaran kami untuk memenuhi permintaan yang lebih besar. Oleh itu, kami dapat merealisasikan rancangan perkembangan dengan pembinaan bangunan pengeluaran baru di kilang yang sedia ada di Johor. Pembinaan ini dijangka siap pada akhir tahun 2014. Apabila bangunan baru ini mencapai operasi skala penuh pada suku pertama tahun 2015, ia akan meningkatkan kapasiti pengeluaran kami sehingga 30% dan ini membolehkan bahagian mencapai peningkatan yang lebih cemerlang pada tahun-tahun kewangan seterusnya.

Untuk mengambil kesempatan atas permintaan yang semakin meningkat bagi bahan-bahan mentah yang mesra alam untuk industry bangunan hijau, kami telah melaksanakan jejak-jejak perkembangan untuk meningkatkan produktiviti dalam proses pembuatan yang akan menyumbang kepada hasil yang lebih tinggi bagi bahagian ini dalam jangka masa panjang. Kami yakin bahawa jenama terkenal kami, digandingkan pula dengan rancangan perkembangan taktikal, akan membawa bahagian ini ke tahap pembangunan seterusnya dan menjadi salah satu pemimpin utama dalam industri ini.

## HOTEL & PERCUTIAN

*Hotel*

Perniagaan hotel mencatatkan peningkatan hasil sebanyak 2.8% ke RM112.2 juta pada TK2014 berbanding dengan RM109.1 juta pada tahun sebelumnya, dan mencatatkan sedikit penyusutan keuntungan sebelum cukai serta barangan terkecuali disebabkan oleh sumbangan keuntungan yang rendah daripada hotel-hotel resort kami di Kuantan dan Damai Laut.

Sebagai sebahagian daripada strategi perniagaan Kumpulan untuk menggalakkan jumlah lawatan berulang, penambahbaikan berterusan telah dilaksanakan di Swiss-Garden Beach Resort Kuantan. Kerja-kerja menaik taraf di Swiss-Garden Beach Resort Damai Laut telah selesai dengan kemasan lantai kelab yang baru serta Damai Club Lounge yang lebih lapang untuk menarik lebih ramai pelancong perniagaan dan korporat.

Prospek untuk pasaran hospitaliti Malaysia kekal baik di mana industri pelancongan Malaysia menunjukkan prestasi yang diluar jangkaan pada 2013. Kunjungan pelancong meningkat 8.1% kepada RM65.4 bilion berbanding dengan RM60.6 bilion pada 2012, manakala ketibaan pelancong menunjukkan peningkatan sebanyak hampir 3% ke RM25.7 juta berbanding dengan RM25.0 juta pada

Ulasan Operasi oleh Pengarah Urusan

2012. Purata perbelanjaan pelancong per kapita juga meningkat daripada RM2,419 seorang pada 2012 kepada RM2,545 pada 2013.

Dari Januari ke April 2014, laporan yang diterbitkan oleh Pelancongan Malaysia menunjukkan peningkatan ketibaan pelancong dari pasaran-pasaran utama seperti Singapura, Korea Selatan dan Australia berbanding dengan tempoh yang sama pada tahun sebelumnya.

Pertumbuhan yang besar dalam ketibaan dan kunjungan pelancong mencerminkan peluang-peluang peningkatan untuk hotel-hotel kami. Sementara industri pelancongan dijangka menunjukkan prestasi yang baik pada 2014 dengan bidang ekonomi utama negara (NKEA) pelancongan yang dimulakan oleh kerajaan bagi memperkenalkan Malaysia sebagai sebuah destinasi membeli-belah mewah berpatutan serta bebas cukai, kami menjangkakan ini akan menambahkan jumlah para pelancong ke hotel-hotel kami dan merangsang peningkatan momentum bahagian ini untuk tahun kewangan seterusnya.

*SGI Vacation Club*

Pada TK2014, perniagaan SGI Vacation Club mendaftarkan peningkatan 34% dalam keuntungan sebelum cukai, iaitu sebanyak RM4.4 juta walaupun hasilnya berkurangan sebanyak RM8.9 juta berbanding dengan tahun sebelumnya. Peningkatan keuntungan sebelum cukai adalah hasil daripada pengurusan berhemat serta kawalan ketat kos kami.

Untuk mengukuhkan lagi jenama kami sebagai pilihan kelab percutian utama, satu pelan tindakan sedang dilaksanakan untuk membina jenama kami supaya jelas diketahui di kalangan segmen pasaran yang disasarkan. Menyedari bahawa pasukan jualan dan pemasaran adalah daya penggerak keuntungan bahagian ini, kami memberi penekanan besar dalam pelaksanaan pasaran untuk menambahkan rakan-rakan kongsi pasaran supaya dapat menyediakan faedah bergabung kepada ahli-ahli kami. Tambahan pula, kami akan meneroka platform-platform pasaran baru untuk menarik perhatian generasi baru pelancong celik IT memandangkan adanya peningkatan populariti bagi alat-alat mudah alih.

Dalam usaha meluaskan jenama kami secara serantau, kami sedang merebut setiap peluang untuk mengembangkan portfolio hartanah bahagian ini dengan memperolehi lebih hotel berasaskan rumah dan resort. Dengan pelan perkembangan yang strategic dan kedudukan pasaran kami, bahagian ini optimis untuk mendapatkan pencapaian yang lebih baik pada tahun kewangan seterusnya.

## SUDUT PANDANGAN DAN RAMALAN

Sudut pandangan bagi ekonomi global dijangkakan sederhana pada 2015. Negara-negara membangun akan meneruskan pemulihan trajektori walaupun adanya pergolakan di bahagian-bahagian tertentu di dunia. Di Malaysia, langkah-langkah 'penyejukan' hartanah yang diumumkan di dalam Bajet 2014 mungkin memperlahankan pasaran hartanah. Meskipun dengan adanya langkah-langkah 'penyejukan' dan garis panduan peminjaman yang lebih ketat yang dikenakan Bank Negara Malaysia, sentimen pasaran dalam sektor hartanah Malaysia dijangkakan akan menjadi baik dan bangkit semula pada separuh kedua tahun 2014.

Walaupun pelaksanaan GST akan berlaku pada 2015, kami percaya peningkatan sudut pandangan NPK 2014 yang kukuh serta projek-projek infrastruktur besar yang akan datang, akan bertindak sebagai pemangkin bagi pasaran hartanah dan merangsangkan permintaan untuk projek-projek hartanah kami terutamanya di Lembah Klang.

Selama ini, Kumpulan telah membina platform kepelbagaian perniagaan yang kuat dan Kumpulan mempunyai kedudukan yang baik untuk merebut apa-apa peluang serta menempuhi segala cabaran yang ada. Kami juga optimis secara berwaspada terhadap prospek-prospek 2015 dan kami akan terus berasa teruja tentang masa depan apabila kami menggerakkan perkembangan Kumpulan pada tahun-tahun berikutnya.

**WONG CHONG SHEE**
Pengarah Urusan

# 董事主席报告

## 尊贵的股东，

## 本人谨代表董事会，向各位呈献辟捷发展控股有限公司和集团公司(下称“集团”)，截至2014年6月30日(“2014财政年”)的年度报告及经审核财务报告。本集团在2014财政年中表现亮丽，业绩表现及领域成就皆达到新的里程碑。

### 财务报告

尽管经济环境及商业氛围处于温和水平，本集团在2014财政年的表现依然耀眼，总营业额从2013年6月30日财政年（“2013财政年”）的8.27亿令吉跃增至11.7亿令吉。集团在今年的税前盈利刷新高，达到2.666亿令吉，其中1.316亿令吉来自业务营运，较上个财政年的8千零20万令吉增加64%。2014财政年可归于股东的税后盈利为2.239亿令吉。

房地产发展和建筑业务部继续成为集团在2014财政年的主要收入来源，占了总营业额约69%；接着是电缆、酒店和休闲及建材业务部。相比前一年，所有业务部门，除了酒店和休闲，皆在2014财政年取得更佳的表现。酒店和休闲业务部的税前盈利略降，主要是特殊项目以及关丹和Damai Laut的渡假酒店盈利表现下跌所致；而盈利上扬的时光分享业务缓冲了这方面的冲击。

配合集团的精简业务行动，我们在2014财政年进行了两项显著的企业活动，包括脱售Menara PJD及联合发展吉隆坡Sri Hartamas的土地。这进一步地激增了集团的盈利能力，并创造了1.603亿令吉的税前盈利。

随着业绩表现强健，集团截至2014年6月30日的每股净资产值从RM2.12上扬至RM2.54；而2014财政年的每股盈利为49.47仙，比上个财政年度的13.41仙增加269%。

### 股息

截至2014年6月30日的财政年，董事会已建议派发每股普通股2.5%单层终期股息，此建议有待股东在股东常年大会上批准。

再加上2014年6月25日派发的每股普通股2.5%单层中期股息，2014财政年的总股息为每股普通股5%（2013财政年：每股普通股3.5%须扣税25%及免税股息1.5%）。

### 企业要览

在受检讨的财政年度，本集团的房地产发展部门进行了两项显著的企业活动。

2013年12月31日，辟捷发展控股独资子公司PJD Land Sdn Bhd和Able Starship Sdn Bhd签订一项买卖协议，以总现金2.2亿令吉脱售位于吉隆坡名为Menara PJD 的28层永久地契商业大厦，并于2014年5月21日完成交易。

# 董事主席报告

2014年1月20日，PJD Hartamas Sdn Bhd（前称为PJD MM2H Sdn Bhd）与中国著名的综合发展商Agile集团达成一项股东协议，发展一块位于吉隆坡Sri Hartamas共10.24英亩的土地。该中国合作伙伴持有合资公司70%股权。借着与Agile集团的合作，Agile集团将在吉隆坡展开首个房地产发展计划，而本集团则能够接触Agile集团的客户群，充分地利用双方的优势来优化此发展计划的潜在价值。有关合资企业已在2014年1月20日落实。

## 奖誉和成就

本人在此祝贺房地产发展业务部的管理层，在2014年5月举行的亚太区房地产奖颁奖典礼上凭着'You City'和'Swiss-Garden Resort Residences'两个房地产发展计划，囊括2014-2015年马来西亚高度赞扬综合建筑奖及2014-2015年马来西亚高度赞扬休闲建筑奖。这两项殊荣将进一步加强辟捷发展控股的品牌，成为购屋者首选发展商的目标。

同时值得一提的是，本集团的休闲业务部SGI Vacation Club在时光分享行业的品牌地位获得认可，并在BrandLaureate – SME Chapter Awards 2013中荣获最佳休闲–度假俱乐部品牌奖。此奖项不仅彰显了休闲业务部群策群力的团队精神，同时也显示它致力为会员们提供优质产品与创造价值的承诺。

## 鸣谢

本人谨代表董事会，衷心地感谢已退休的主席YM Ungku Haji Mohd Afandi bin Ungku Suleiman，在任职期间为集团所作出的宝贵服务和贡献。

同时本人也要向各位股东、尊贵的顾客、业务伙伴、银行和执法机构对我们的支持及信任表示由衷的感激。

最重要的是，本人要感谢管理层和所有员工为2014财政年所付出的努力，并交出亮眼的成绩。这一切体现了您们辛勤努力和追求卓越的承诺。本人诚心期望大家继续全力以赴，引领本集团迈向更高峰。让我们一起期待另一个激奋人心的一年。

**丹斯里黄宗华**
主席

# 董事经理业务检讨

**本人谨代表管理层，向各位汇报集团截至2014年6月30日财政年度（“2014财政年”）的业务检讨。本集团于2014财政年取得令人鼓舞的业绩，房地产发展部门的表现尤其强劲。此外，集团也获得其他部门的相助，所交出的亮眼成绩让集团在业务检讨年度中再攀新高。**

## 房地产发展

在2014财政年，房地产发展部再攀高峰，继续展现强劲销售动力和获利潜力。在受检讨的财政年度，房地产发展部的营业额取得5.971亿令吉的创记录表现，比上个财政年度的2.403亿令吉跃升148%，为本集团的房地产发展部立下一个新基准，标志着我们第一年突破5亿令吉大关。

相比上个财政年度的3千740万令吉，本业务部在2014财政年的税前盈利激增至2.255亿令吉，主要归功于脱售投资产业和发展土地，以及在巴生谷的发展项目取得良好销售。

在受检讨的财政年度，房地产发展部积极于发展国内7个产业计划，发展总值（GDV）超过15亿令吉。

*北马区*

继槟城北海首个新都城槟城港（Harbour Place）的第4期共管公寓发展计划威乐轩（Wellesley Residences）得成功后，我们在2013年9月推出第5期的Woodsbury Suites发展计划，以扩展我们在市场的占有额。

预计在2017年2月建竣的Woodsbury Suites，是一项拥有两座永久地契的服务公寓，具备时尚城市生活风格和5星级设施，包含顶楼空中水疗健身池、空中花园和住户俱乐部。槟城北海受到槟岛溢出需求的支撑，Woodsbury Suites 获得购屋者热烈反应。

*东海岸区*

屡获奖项的Swiss-Garden Resort Residences，座落于关丹最纯朴的海岸线，在推出首期发展计划沙滩系列（Sand Series）后即全数售罄。在2011年10月推出的沙滩系列共有289个单位，其中包括263个服务公寓、12个城市别墅、12个商业亭和2个办公室单位。

占地23英亩，拥有永久地契土地的Swiss-Garden Resort Residences，距离关丹以北10公里，是一项以现代海滨渡假村发展概念为主的渡假酒店。同样以沙滩系列做为发展概念的第二期发展计划，包含服务公寓及零售单位，预定在2014年年底推展。耸立在海滨的渡假酒店加上先进的渡假村设施，第二期的发展将获得本地和外国投资者的青睐，尤其是寻求高收益兼附有渡假村设施之渡假屋的投资者们。

*中马区*

2014财政年对优乐城（You City）来说是超棒的一年，它在2014年5月举行的亚太区房地产奖颁奖典礼上荣获“2014-2015年马来

# 董事经理业务检讨

西亚高度赞扬综合建筑奖”。这项成就突显了优乐城集5大生活体验为一体的革新优乐生活发展概念。

位于蕉赖兴旺地区，占地20.6英亩的优乐城（You City）是本集团‘优乐’产业发展系列下的首个综合发展计划。建基于5大生活体验的优乐城结合了服务公寓、商店、办公室、时尚购物广场于一体，贴切的带出了生活、交通、休闲、设计和价值的5大优乐生活体验。

荣获奖项的优乐城自推出后引起抢购热潮，其中You Residences服务公寓的认购率为95%，You Vista服务公寓单位的认购率则达到85%。继首二期成功推介后，优乐城的商业单位，即You Festival Walk 和You Place亦在筹备中，预计在下个财政年度推介。

‘优乐’系列的第二个发展项目，位于首邦市USJ的优旺城（You One）是另一个成功佳话，其认购率达到93%。发展总值为2.6亿令吉的优旺城，包含服务公寓、SoHo单位及零售商店，预计将在2016年建峻。

优乐城及优旺城这两个发展计划的策略性位置已被预留为政府捷运路线中的站点之一，此大型基建设施发展将为我们的发展计划带来更高的回酬价值。

坐落在吉隆坡市主要商业中心地带的D’Majestic 豪华服务公寓，在2012年推介后取得强劲的销售额，迄今已售出93%。

另一个备受瞩目的发展计划是一项商业发展计划。位于八打灵再也第13区的地皮是集团于2013年收购，并计划展开一项发展总值为9亿令吉的综合发展项目。此计划有望从地方市议会所推动的重建计划中获益。

截至2014年6月30日为止，房地产发展部的尚未入帐销售额为8.4614亿令吉，而未实现的发展总值为3.17亿令吉，预计将在未来的财政年度为本集团带来稳定收益。展望未来，我们将继续物色更多黄金发展地皮，以扩大我们目前大约1千100英亩有待发展的地库。

## 建筑

建筑业务部在2014财政年表现出色，其收入及税前盈利均创下新记录。本业务部在大马半岛全年忙碌展开大型建筑工程，使我们在2014财政年得以保持稳定的财务业绩，税前盈利增至1千280万令吉。

在来临的财政年，我们将与房地产发展部合作，以补充我们的工程订单。客户及股东将从此强大的伙伴关系中受益。两个业务部门的紧密合作将能为客户提供优质产品，满足客户不断转换的需求，同时有效地管理成本，全面提高集团的盈利表现。

随着消费税（GST）即将在2015年4月落实，受截止日期影响之合同的盈利率可能会被压缩。但是，我们相信建筑业务部已作好准备面对即将到来的挑战。尽管外围因素出现不确定，不过我们仍然对接下来的财政年保持乐观。

## 电缆

我们的电缆业务部在2014财政年度展现出韧力，其税前盈利取得8.6%的适度增长，从上个财政年度的2千320万令吉增至2千520万令吉。尽管我们在越南的营运收入因市场增长放缓而下降，不过我们的电缆业务部依然表现良好。

电缆业务部的正面表现应归功于庞大的国内需求，主要拜强劲的建筑及基建设施活动所赐。我们在石油及天然气领域的销售处于稳健发展的轨道，并在受检讨的财政年写下134%或160万令吉的增长，至280万令吉。

我们预计明年的市场会更加竞争，建筑行业的需求可能放缓。尽管如此，我们仍然有信心保持良好表现。此业务部将积极地在缅甸寻求新的商业机会和开发更多石油及天然气领域的产品。

## 建材

在受检讨的财政年，我们的建材业务部取得另一个丰收年，税前盈利取得双位数增长，从上个财政年的730万令吉增至1千260万令吉。建材业务部的盈利因较高的营业额而激增，从截至2013年为止的财政年（“2013财政年”）的960万令吉提高至2014财政年的5千零90万令吉。出色的业绩表现主要得益于持续强劲的国内及海外市场需求，以及此业务部扩张计划所带来的较高生产量。

在致力于扩充产量以应付庞大的需求，我们正逐步落实扩张计划，并在柔佛州现有的工厂内兴建一个新的生产厂房，预计可在2014年年底完成。一旦新厂房在2015年首季全面投入运作，它将进一步提高产能30%，促使建材业务部在未来的财政年达更高业绩。

在绿色工业建筑对环保原材料需求增长的带动下，我们展开了扩张计划提高生产效能，以长期性的提升建材业务部的收入。我们相信所建立起来的品牌，再加上策略性的扩张计划，将引领此业务部迈向另一个成长水平，并成为此行业的翘楚。

## 酒店与休闲

*酒店*

酒店业务部的收入取得2.8%增长率，从上个财政年的1.091亿令吉增至2014财政年的1.122亿令吉。税前盈利略为下降，主要是特殊项目和关丹及Damai Laut 的渡假酒店的盈利贡献放缓所致。

作为本集团鼓励旅客重复到访的商业策略之一，我们继续优化关丹的瑞园渡假村(Swiss-Garden Beach Resort Kuantan)。另外，在 Swiss-Garden Beach Resort Damai Laut 的提升工作已经完成，所建造


*Swiss-Garden Beach Resort Damai Laut*

# 董事经理业务检讨

的全新俱乐部楼层和宽阔的Damai俱乐部贵宾厅将吸引更多的商务和企业旅客。

大马的礼待业市场前景依然良好，2013年的国内旅游业表现优于预期。旅游收入增长8.1%至654亿令吉，相比2012年为606亿令吉；入境旅客人数从2012年的2千500万人增至2千570万人，增长率将近3%。平均旅游消费也从2012年的每人RM2,419增加到2013年的RM2,545。

从2014年1月至4月，大马旅游局公布的报告显示，来自新加坡、韩国及澳洲等主要市场的旅客人数较上年同期有所增加。

入境旅游人数及旅游收入大幅度提升对我们的酒店业务成长有利。配合我国政府发起的国家重点经济区（NKEA）旅游业，推动大马成为免税及可负担的豪华购物目的地，大马旅游局预计2014年的旅游业表现持续向好。有鉴于此，我们相信入住我们酒店的旅客人数将相对增加，并在下一个财政年带动此业务部的增长。

*SGI Vacation Club*

在受检讨的财政年，尽管SGI Vacation Club 的业务比上财政年下滑了890万令吉，税前盈利扬升34%至440万令吉。税前盈利获得改善有赖于该部门谨慎管理和严控成本的有效策略。

为了进一步加强我们作为旅客首选的时光分享俱乐部的品牌，我们正在展开计划以针对目标市场提升我们品牌的知名度。鉴于销售及营销团队是此业务部盈利表现的最大主力，因此我们非常重视营销执行力，以增加我们的营销联合伙伴，为我们的会员提供更多的综合优惠。此外，我们也在探索新的营销平台，应对逐渐受到欢迎的移动设备，吸引新一代追求资讯科技的旅游达人。

为了提升我们在区域性的地位，我们抓紧每一个机会，透过收购更多住宅式酒店及渡假村，以进一步扩大此业务部的产业组合。配合策略性的扩张计划和我们的市场定位，我们有信心在来年取得更好的增长。

## 前景与展望

我们预计2015年的全球经济前景处于温和水平。发达国家将继续走在复苏轨道，尽管世界某些地区会出现动荡。在大马，2014年财政预算案所公布的房地产降温措施将使产业市场出现放缓现象。尽管在种种降温措施及大马国家银行所实行的严格贷款指南管制下，国内房地产领域的市场情绪有望在2014年下半年回升。

虽然消费税将在2015年实施，但我们相信2014年强劲的国内生产总值增长前景，以及即将进行的大型基建设施工程，将成为房地产市场的催化剂，刺激我们尤其是在巴生谷地区的房地产发展项目。

多年来，本集团已建立起强稳及多元化的企业平台，我们已准备就绪抓住任何机会面对任何挑战。我们谨慎和乐观地看待2015年的前景，在继续推动集团成长的当儿，对未来抱着积极的态度。

**黄宗耀**
董事经理

# Directors' Profile

## Tan Sri Ong Leong Huat @ Wong Joo Hwa
*Non-Independent Non-Executive Chairman*

Malaysian, aged 70

Tan Sri Ong Leong Huat @ Wong Joo Hwa joined the Board of Directors as a Non-Independent Non-Executive Chairman on 23 December 2013. He is a member of the Nomination and Remuneration Committee.

Tan Sri Ong holds a Capital Markets and Services Representative's licence issued by the Securities Commission of Malaysia under the Capital Markets and Services Act, 2007 for dealing in securities. He was a Director of MESDAQ from July 1999 to March 2002, a member of the Capital Market Advisory Council appointed by the Securities Commission in 2004 to advise on issues relating to the implementation of the Capital Market Master Plan. He was previously a member of the Securities Market Consultative Panel of Bursa Malaysia.

For over seventeen (17) years since 1969, he was attached to a leading financial institution where he last held the position of Senior General Manager. He was the Managing Director/Chief Executive Officer of OSK Securities Berhad (which was later renamed as OSK Investment Bank Berhad) from July 1985 to January 2007 and thereafter appointed as the Group Managing Director/ Chief Executive Officer of OSK Investment Bank Berhad. He was then re-designated as a Non-Independent Non-Executive Director of OSK Investment Bank Berhad (which was later renamed as OSKIB Sdn Bhd) on 18 January 2011, a position he held until 30 April 2013.

Tan Sri Ong is the Chief Executive Officer/Group Managing Director of OSK Holdings Berhad, the Managing Director/Chief Executive Officer of OSK Property Holdings Berhad, an Independent Non-Executive Director of Bursa Malaysia Berhad, a Non-Independent Non-Executive Director of OSK Ventures International Berhad, RHB Bank Berhad and RHB Investment Bank Berhad and a Director of KE-ZAN Holdings Berhad.

Tan Sri Ong is the husband of Puan Sri Khor Chai Moi, the Executive Director and a major shareholder of the Company. He is the father of Mr. Ong Ju Xing, the Executive Director of the Company and brother of Mr. Wong Chong Shee, the Managing Director of the Company.

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

Tan Sri Ong has no conviction for any offences within the past ten (10) years.

## Mr. Wong Chong Shee
*Managing Director*

Malaysian, aged 59

Mr. Wong Chong Shee joined the Board of Director of the Company on 27 March 1993 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 is the brother of Tan Sri Ong Leong Huat @ Wong Joo Hwa, the Non-Independent Non-Executive Chairman and a major shareholder of the Company. He is also the brother-in-law of Puan Sri Khor Chai Moi, the Executive Director and a major shareholder of the Company and the uncle of Mr. Ong Ju Xing, the Executive Director of the Company.

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

Mr. Wong has no conviction for any offences within the past ten (10) years.

# Directors' Profile

## Puan Sri Khor Chai Moi
*Executive Director*

Malaysian, aged 62

Puan Sri Khor Chai Moi 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, Risk 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 has experience in manufacturing business mainly involved in production of acotec panels. She also has vast experience heading the Dindings Consolidated Group, actively involved in property development, construction, trading and insurance services.

She was the Managing Director of Willowglen MSC Berhad before her retirement on 31 July 2013.

Puan Sri Khor is the wife of Tan Sri Ong Leong Huat @ Wong Joo Hwa, the Non-Independent Non-Executive Chairman and a major shareholder of the Company. She is the sister-in-law of Mr. Wong Chong Shee, the Managing Director of the Company and the mother of Mr. Ong Ju Xing, the Executive Director of the Company.

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

Puan Sri Khor has no conviction for any offences within the past ten (10) years.

## Mr. Yap Yoon Kong
*Executive Director*

Malaysian, aged 57

Mr. Yap Yoon Kong 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 and Corporate Announcement and Compliance 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 does not hold any directorship in other public listed companies.

He is not related to any Director or a major shareholder of the Company nor does he have any conflict of interest other than those disclosed under Additional Compliance Information and Notes to the Financial Statements of this Annual Report.

Mr. Yap has no conviction for any offences within the past ten (10) years.

**Mr. Ong Ju Xing**
*Executive Director*

Malaysian, aged 29

Mr. Ong Ju Xing 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 in Business Management from University of London, United Kingdom and a Master of Philosophy in Land Economy from 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. His experience in the various fields expands to management consulting in the process and systems re-engineering of financial institutions, real estate investment banking, private fund raising, REITS IPO, financial valuation, modelling and analysis, personal financial services, banking product development & management and corporate restructuring advisory services.

He is also an Executive Director of OSK Property Holdings Berhad and a Director of KE-ZAN Holdings Berhad.

Mr. Ong is the son of Tan Sri Ong Leong Huat @ Wong Joo Hwa, the Non-Independent Non-Executive Chairman and a major shareholder of the Company and Puan Sri Khor Chai Moi, the Executive Director and a major shareholder of the Company. He is also the nephew of Mr. Wong Chong Shee, the Managing Director of the Company.

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

Mr. Ong has no conviction for any offences within the past ten (10) years.

**Mr. Foo San Kan**
*Independent Non-Executive Director*

Malaysian, aged 66

Mr. Foo San Kan 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 and Nomination and Remuneration 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 thirty-four (34) years of experience in the accounting profession, the first four (4) years in the United Kingdom and the other thirty (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 also a Director of OSK Holdings Berhad, OSK Property Holdings Berhad, Symphony House Berhad, Allianz Malaysia Berhad, Allianz Life Insurance Malaysia Berhad, Allianz General Insurance Company (Malaysia) Berhad, RHB Trustees Berhad (formerly known as OSK Trustee Berhad) and Malaysian Trustees Berhad.

Mr. Foo is not related to any Director or major shareholder of the Company nor does he have any conflict of interest with the Company.

Mr. Foo has no conviction for any offences within the past ten (10) years.

# Directors' Profile

## Dato' Abdul Rahman Bin Yusof

*Independent Non-Executive Director*

Malaysian, aged 59

Dato' Abdul Rahman Bin Yusof joined the Board of Directors of the Company on 1 August 2013 as an Independent Non-Executive Director. He is a member of the Audit Committee, Nomination and Remuneration Committee and Risk Management Committee of the Company.

He holds a Bachelor of Science in Electronic and Electrical Engineering from 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 does not hold any directorship in other public listed companies. He is not related to any Director or major shareholder of the Company nor does he have any conflict of interest with the Company.

Dato' Abdul Rahman has no conviction for any offences within the past ten (10) years.

## Mr. Loy Tuan Bee

*Independent Non-Executive Director*

Malaysian, aged 60

Mr. Loy Tuan Bee joined the Board of Directors of the Company on 18 November 2010 as an Independent Non-Executive Director. He is the Chairman of the Risk Management Committee and a member of the Audit 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 does not hold any directorship in other public listed companies. He is not related to any Director or major shareholder of the Company nor does he have any conflict of interest with the Company.

Mr. Loy has no conviction for any offences within the past ten (10) years.

# Corporate Governance Statement

The Board of Directors of PJ Development Holdings Berhad ("PJD" or "the Company") believes that good corporate governance and long term shareholder value are intertwined. The Board of Directors of the Company ("the Board") is committed to enhance corporate governance standards and ensure comprehensive application of the principles and recommendations set out in the Malaysian Code on Corporate Governance 2012 ("the Code").

The Board is pleased to report to the shareholders of the Company on the corporate governance practices of PJD Group ("the Group") during the financial year ended 30 June 2014 ("FY 2014") in accordance with the Code and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements").

## A. THE BOARD OF DIRECTORS

### a) Duties and Responsibilities of the Board

The Board is responsible in establishing corporate goals and strategic direction, and assuming responsibility for effective stewardship of the business and affairs of the Company to enhance long-term shareholder value.

The Board ensures that appropriate policies and practices are in place and performs the oversight role on the management of the Company's business. The Board delegates certain day-to-day management related matters to the Executive Directors and the Executive Committee.

Having recognised the importance of an effective and dynamic Board, the Board has established and adopted a Board Charter to ensure that all Board members are aware of the Board's fiduciary and leadership functions. The main duties and responsibilities of the Board set out in the Board Charter, amongst others, include:

- define corporate vision and objectives
- formulate corporate policies
- review and approve corporate plans and annual budgets
- evaluate business plans and ensure proper implementation
- review and approve acquisitions and disposals of major assets
- undertake major corporate exercises
- review the adequacy and effectiveness of the Group's risk management and internal control systems
- formulate framework for reporting on financial controls and regularity compliance
- competent management and succession planning
- implement investor relations programmes.

On top of the Board Charter, the Board had formulated and adopted for the Group the Code of Ethics and Business Conduct, Corporate Governance Policy, Board Remuneration Policy, Corporate Disclosure Policy, Independency of Director Policy and Board Gender Diversity Policy. The Board will take steps to review the same from time to time and make available the updated version on the Company's website.

# Corporate Governance Statement

The Board also intends to take steps to formalise a Sustainability Policy which sets out the business strategy that drives long-term corporate growth and profitability, by including environmental and social considerations in the business model, as well as a Whistleblowing Policy which sets out the principle and grievance procedures for employees to raise genuine concerns of possible improprieties perpetrated within the Group. The Board will take steps to make available the said policy on the Company's website.

**b) Composition of the Board**

The Board comprises eight (8) members of whom four (4) are Executive Directors (including the Managing Director) and four (4) are Non-Executive Directors (including the Chairman of the Board). The Independent Directors make up one-third (1/3) of the membership of the Board.

The Board is of the view that the Board composition is appropriate in terms of membership and size with a good mix of skills and core competencies. The Board is well represented by Board members with diverse professional backgrounds and experiences in the areas of property development, finance, accounting, economics and law, as well as business management, engineering and manufacturing.

The Independent Directors provide the necessary check and balance to the Board's decision-making process through objective participation in Board deliberations and exercise of independent judgement.

The positions of the Chairman of the Board and the Managing Director are held by different individual Directors whilst the Chairman of the Board is a Non-Executive Director to promote accountability and facilitate the division of responsibilities between the Chairman and the Managing Director.

Pursuant to the recommendation of the Code, the Board must comprise a majority of Independent Directors where the Chairman of the Board is not an Independent Director. The Board endeavours to take steps to adhere with the aforesaid recommendation in the coming years.

The Board is supportive of gender diversity in the Boardroom and has developed a Board Gender Diversity Policy. Presently, one (1) female Director is sitting on the Board of the Company.

The Board is of opinion that the appointment of a Senior Independent Non-Executive Director is not necessary as any enquiries and concerns of stakeholders may be conveyed to any Director instead of a particular Director.

The Directors' profile is set out on pages 35 to 38 of this Annual Report.

**c) Board Meetings**

The Board meets on a quarterly basis, with additional meetings convened as necessary. Matters specifically reserved for the Board's decision, including quarterly interim financial results, are forwarded to its members prior to the meetings.

During FY 2014, seven (7) Board meetings were held. The details of the Directors' attendance are as follows:

| | Directors | Designation | Attendance |
|---|---|---|---|
| 1. | Tan Sri Ong Leong Huat @ Wong Joo Hwa (Appointed on 23 December 2013) | Non-Independent Non-Executive Chairman | 2/2 |
| 2. | Wong Chong Shee | Managing Director | 7/7 |
| 3. | Puan Sri Khor Chai Moi | Executive Director | 7/7 |
| 4. | Ong Ju Xing | Executive Director | 7/7 |
| 5. | Yap Yoon Kong | Executive Director | 7/7 |
| 6. | Foo San Kan (Appointed on 1 August 2013) | Independent Non-Executive Director | 6/6 |
| 7. | Dato' Abdul Rahman Bin Yusof (Appointed on 1 August 2013) | Independent Non-Executive Director | 6/6 |
| 8. | Loy Tuan Bee | Independent Non-Executive Director | 7/7 |
| 9. | YM Ungku Haji Mohd Afandi Bin Ungku Suleiman (Retired on 20 December 2013) | Independent Non-Executive Chairman | 4/5 |
| 10. | Wong Ah Chiew (Retired on 31 July 2013) | Managing Director | 1/1 |
| 11. | Au Chun Choong (Retired on 31 July 2013) | Independent Non-Executive Director | 1/1 |

The Chairman of the Board ensures that all Board members are given ample opportunity to express their views and opinions during meetings. All Directors participate in the discussions and are free to express their views and opinions during the Board meetings. The Directors will not participate in the deliberations on matters of which they have a material personal interest, and will abstain from voting on such matters.

The Board's deliberation, decisions and all proceedings of meetings are recorded in the minutes of meetings for the Board's confirmation at the next meeting.

**d) Supply of Information**

The quality of information supplied to the Board is imperative as it leads to good decision-making. In order to monitor the Company's performance against its strategic objectives, the Board is supplied with both financial and non-financial information.

Members of the Board have access to the management and Company Secretaries at any time as well as all the relevant information which allows the Board to carry out their duties and oversee the Company's business affairs, operations and performance. The Directors also have access to independent professional advice whenever such services are needed to assist them in carrying out their duties.

The Chairman of each Board Committee reports to the Directors at Board meetings on any salient issues deliberated at the Board Committees' meetings which require the Board's notice, discussion or decision.

# Corporate Governance Statement

**e) Appointment and Assessment of Directors**

The Nominating Committee (now known as the Nomination and Remuneration Committee) established by the Board is responsible for evaluating and nominating suitable candidates as new members of the Board or Board Committees.

In respect of the appointment of Directors, the Company practices a transparent nomination process which involves identification and evaluation of candidates followed by deliberation of the Nomination and Remuneration Committee and recommendation to the Board for approval.

The Company will ensure that all the Directors, chief executive or chief financial officer heve the character, experience, integrity, competence and time to effectively discharge respectively roles.

The Directors observe the recommendation of the Code that they are required to notify the Chairman of the Board before accepting any new directorship and to indicate the time expected to be spent on the new appointment.

**f) Re-appointment and Re-election of Directors**

In accordance with the Company's Articles of Association, one-third (1/3) or the number nearest one-third (1/3) of the Directors, including the Managing Director, shall retire from office at least once in three (3) years but shall be eligible for re-election. Directors who are appointed during the year shall retire at the next Annual General Meeting ("AGM") of the Company and shall be eligible for re-election.

The recommendation of the Code sets out that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. As at the date of this statement, none of the Independent Directors of the Company has exceeded a cumulative term of nine (9) years.

The Directors who are subject to re-appointment and re-election at the AGM will be assessed by the Nomination and Remuneration Committee whereupon their recommendations will be considered by the Board for recommendation to shareholders for approval at the AGM.

**g) Remuneration of Directors**

The Remuneration Committee (now known as the Nomination and Remuneration Committee) is responsible for developing a formal and transparent policy and framework on the remuneration of the Directors to attract and retain Directors.

The Executive Directors' remuneration is linked to the performance of the Company and the Non-Executive Directors' remuneration reflects the experience and responsibilities undertaken and contribution to the effective functioning of the Board.

The remuneration package for Directors is determined by the Board following the review by and recommendations of the Nomination and Remuneration Committee. The Director concerned will abstain from deliberations and voting on his/her remuneration package.

The details of the Directors' remuneration for FY 2014 are as follows:

| Directors' remuneration | Executive RM | Non-Executive RM | Total RM |
|---|---|---|---|
| **Amount received/receivable from the Group:** | | | |
| Fee (Provision for the year) | 168,333 | 173,333 | 341,666 |
| Defined contribution plan | 971,162 | - | 971,162 |
| Salaries, bonuses and other emoluments | 7,683,186 | - | 7,683,186 |
| | 8,822,681 | 173,333 | 8,996,014 |
| Benefits-in-kind | 57,455 | - | 57,455 |

The number of Directors of the Company whose aggregate remuneration (excluding benefits-in-kind) categorised under the following bands during FY 2014 is set out as follows:

| Directors' remuneration | Executive | Non-Executive | Total |
|---|---|---|---|
| RM50,000 and below | - | 6 | 6 |
| RM600,001 up to RM650,000 | 1 | - | 1 |
| RM900,001 up to RM950,000 | 1 | - | 1 |
| RM1,850,001 up to RM1,900,000 | 1 | - | 1 |
| RM2,500,001 up to RM2,550,000 | 1 | - | 1 |
| RM2,800,001 up to RM2,850,000 | 1 | - | 1 |
| | 5 | 6 | 11 |

**h) Continuing Education of Directors**

All Directors of the Company have completed the Mandatory Accreditation Programme prescribed by Bursa Malaysia Securities Berhad ("Bursa Securities").

Directors' training is an on-going process as the Directors recognise the need to continually develop and refresh their skills and knowledge and to update themselves on the developments in the related industry and business landscape. The Board, through the annual assessment, determines training needs of the Directors in their respective field of responsibilities.

During FY 2014, all Directors attended a number of training and seminar programmes, amongst others, as follows, which are relevant and useful to enable the Directors to effectively discharge their duties:

- Bursa Malaysia Advocacy Session on Corporate Disclosure for Directors of Listed Issuers
- Engagement Session with Financial Institution's Board Nomination Committee by Bank Negara Malaysia
- Sharpening the Audit Committee Governance Challenges and the Internal Audit Function Value Creation Culture
- Budget 2014 Tax Seminar Moving Ahead Regionally
- 2014 Invest Malaysia Kuala Lumpur
- Roundtable Discussion on Financial Reporting by Malaysia Accounting Standards Board
- Environmental, Social and Governance (ESG) Index
- Training and Awareness Seminar on Personal Data Protection Act 2010
- The World Market Summit Malaysia 2013
- Singapore National ICT Masterplan
- Derivatives Trading, Global Trends and Moving Forward
- The Scenario Planning
- MIRA Boardroom Conference on Governance & Enterprise Risk Management
- Failed Business - Deriving Sound Strategic Insights
- Mid-Tier Companies Development Programme
- Cardinal Principles in Interpreting Housing Development
- Strata Title Act 2013
- Construction Industry Payment and Adjudication Act 2012 Conference
- Key Life Insurance Product and Reserving and Solvency Requirements under Risk Based Capital Framework
- Life Agency Business.

The Directors will continue to devote sufficient time in continuous training to enhance their knowledge and skills as well as to enable them to actively participate in Board deliberations. The Board is also kept informed of the requirements and updates issued by Bursa Malaysia and other regulatory authorities.

**i) Company Secretaries**

The Company Secretaries of PJD are qualified Chartered Secretaries and are responsible for ensuring that the Board procedures are adhered to and the applicable rules and regulations for the conduct of the affairs of the Board are complied with.

The Company Secretaries advise the Board on issues relating to corporate governance, compliance with Listing Requirements, laws, rules, procedures and regulatory requirements.

The Company Secretaries attend all Board meetings and ensure that all Board meetings are properly convened, and the proceedings and resolutions passed are properly recorded in the minutes of meetings.

**j) Effective Communication with Shareholders**

The Board acknowledges the importance of effective communication with shareholders and stakeholders and has adopted a Corporate Disclosure Policy.

The Group practices accurate and timely dissemination of information to shareholders and the investing public. The channels used by the Company to disseminate information on a timely basis including announcements and corporate disclosures released to Bursa Securities, Annual Reports, quarterly reports and the official website of the Company.

The AGM has been the main forum of dialogue for shareholders to raise their concerns, if any, pertaining to the Company and the Group. The Board will ensure that any votes of shareholders on resolutions required to be taken on a poll at the general meeting are complied with. Shareholders are also informed of their right to demand a poll vote at the commencement of all general meetings of the Company.

Where possible and applicable, the Group provides additional disclosure of information on a voluntary basis. The Board believes that on-going communication with shareholders is vital to them to make informed investment decisions.

**k) Investor Relations**

The Board recognises that effective and timely communication is essential in maintaining good relations with the existing and potential investors. Besides the Company's website at *www.pjd.com.my* which provides timely corporate information, an email address has been designated at ir@pjd.com.my to attend to inquiries from shareholders, investors and the general public.

The Board aims to improve on the holding of investor relations meetings and dialogues with shareholders, investors and other stakeholders.

## B. ACCOUNTABILITY AND AUDIT

**a) Financial Reporting**

The Board is responsible for ensuring that the financial statements give a true and fair view of the state of affairs and financial position of the Company and the Group. The Audit Committee reviews and recommends the quarterly results and annual financial statements to the Board for its approval before public release to Bursa Securities. The Audit Committee also reviews the appropriateness of the Company's and the Group's accounting policies and the changes to these policies as well as ensures the financial statements comply with the applicable accounting standards and other regulatory requirements.

The Directors' Responsibility Statement in respect of the Audited Financial Statements for FY 2014 is set out on page 65 of this Annual Report.

b) **Risk Management and Internal Control**

The Board acknowledges its responsibilities of setting up and maintaining a sound risk management framework and an effective internal control system. In achieving this, the Board ensures that an appropriate risk management and internal control system is in place to identify, measure and manage principal risks in the Group, and that the effectiveness and adequacy of the risk management and internal control system are reviewed on an on-going basis.

The Board recognises that the system of internal controls is designed to manage and control risks within an acceptable risks appetite, rather than to eliminate risks altogether. The system of internal controls provides reasonable but not absolute assurance against material misstatement, loss or fraud.

An overview of the state of risk management and internal controls of the Group is set out in the Statement on Risk Management and Internal Control on pages 61 to 64 of this Annual Report.

c) **Relationship with Auditors**

The Board has established formal and transparent relationships with both the internal and external auditors through the Audit Committee. The Audit Committee meets with the internal and external auditors to discuss the audit plan, audit findings and the Group's financial statements.

The Audit Committee is supported by the Internal Audit Department in the discharge of its duties and responsibilities. The Internal Audit Department, which reports directly to the Audit Committee, conducts independent assessments of the Group's internal controls, risk management and governance processes.

The Audit Committee has yet to formulate policies and procedures to assess the independence of the external auditors, but had obtained confirmation from the external auditors that they are independent in accordance with the By-laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants. The external auditors meet the Audit Committee of the Company at least once a year without the presence of the management and Executive Directors. In addition, the external auditors are invited to be present at the AGM and to attend to enquiries from shareholders in relation to the annual financial statements.

## C. BOARD COMMITTEES AND WORKING COMMITTEES

The Board has established the following Board Committees to assist the Board in carrying out the relevant duties and responsibilities as set out in the respective terms of reference approved by the Board:

- Executive Committee
- Audit Committee
- Nomination and Remuneration Committee
- Risk Management Committee.

In August 2014, the Remuneration Committee and Nominating Committee were merged into a single Board Committee known as the Nomination and Remuneration Committee.

**a) Executive Committee**

The Executive Committee comprises four (4) Executive Directors who primarily assist the Board in managing the business, operations and financial aspects of the Group as well as implementing decisions of the Board.

The Executive Committee members meet on a monthly basis to review and deliberate on corporate plans, operational issues, capital expenditure, annual budgets, capital investments, project and business development, risk management, internal controls and changes in the Group's policies and procedures, amongst others, and recommend the relevant propositions to the Board for approval.

**b) Audit Committee**

The Audit Committee comprises exclusively of Independent Non-Executive Directors.

The Audit Committee is established by the Board to provide independent oversight of the Company's internal and external audit functions, financial reporting and internal control system and to ensure checks and balances within the Company.

Details of the activities conducted by the Audit Committee during FY 2014, and the summary of duties and responsibilities as outlined in the Audit Committee's terms of reference approved by the Board, are set out in the Audit Committee Report on pages 54 to 60 of this Annual Report.

**c) Nomination and Remuneration Committee**

Following the FY 2014, the Nominating Committee had been merged with the Remuneration Committee, effective 28 August 2014, into a single Board Committee namely the Nomination and Remuneration Committee. The composition of the Nomination and Remuneration Committee is as follows:-

| | |
|---|---|
| Chairman | - Mr. Foo San Kan<br>*(Independent Non-Executive Director)* |
| Members | - Tan Sri Ong Leong Huat @ Wong Joo Hwa<br>*(Non-Independent Non-Executive Chairman)* |
| | Dato' Abdul Rahman Bin Yusof<br>*(Independent Non-Executive Director)* |

<u>Report on the Nominating Committee during FY 2014</u>

The Nominating Committee comprised two (2) Independent Non-Executive Directors, as follows:-

| | |
|---|---|
| Chairman | - Mr. Loy Tuan Bee<br>*(Independent Non-Executive Director)* |
| Member | - Dato' Abdul Rahman Bin Yusof<br>*(Independent Non-Executive Director)* |

The Nominating Committee met three (3) times during FY 2014.

# Corporate Governance Statement

The main duties and responsibilities of the Nominating Committee pursuant to its terms of reference are as follows:

- provides a formal and transparent procedure for nomination and appointment of members of the Board and the Board Committees
- develop and review criteria to be used for nomination and appointment of members of the Board and the Board Committees
- develop and review criteria to be used for annual assessment of the Board and the Board Committees, individual Directors and the independence of Directors
- assess the effectiveness of the Board and the Board Committees as a whole as well as contribution of individual Directors, and determine the training needs of Directors to facilitate them in the discharge of their duties
- formulate policy for and develop criteria to assess independence of Directors
- formulate policy for gender diversity for the Board.

The key activities undertaken by the Nominating Committee during FY 2014 were as follows:

- assessed the effectiveness of the Board as a whole and the Board Committees
- reviewed and assessed the performance of all individual Directors and the independence of Directors
- reviewed the independency of the Independent Directors
- assessed the overall composition of the Board in terms of its size, mix of skills, experience, core competencies and balance of the Board composition
- reviewed the training programmes attended by the Directors during the financial year under review and determined training needs of the Directors
- recommended to the Board the re-election or the re-appointment of Directors who will retire at the forthcoming AGM of the Company
- evaluated and recommended suitable candidates for the appointment of new members of the Board and/or the Board Committees
- evaluated and recommended to the Board for the appointment of the new Chief Financial Officer of the Company.

Following the annual review, the Nominating Committee agreed that the Board, the Board Committees and each individual Director had performed effectively and the composition of the Board is appropriate and well balanced in terms of size, mix of skills, experience and core competencies.

The annual assessment of each individual Director enables the Board to ensure that each of the Board members including the Managing Director has the character, experience, integrity, competence and time to effectively discharge their respective roles.

The Nominating Committee obtained an annual declaration of independence from the Independent Directors confirming that they will continue to maintain their status of independence pursuant to the Listing Requirements. The Board is also satisfied that these Directors remain independent of management, and objective in expressing their views and in participating in deliberations and decision making of the Board and Board Committees.

Report on the Remuneration Committee during FY 2014

The Remuneration Committee comprised three (3) Directors, a majority of whom are Non-Executive Directors, as follows:-

| | |
|---|---|
| Chairman | - Tan Sri Ong Leong Huat @ Wong Joo Hwa<br>*(Non-Independent Non-Executive Chairman)* |
| Members | - Mr. Wong Chong Shee<br>*(Managing Director)* |
| | Mr. Loy Tuan Bee<br>*(Independent Non-Executive Director)* |

The Remuneration Committee met four (4) times during FY 2014 under review.

The Remuneration Committee was set up by the Board to establish formal and transparent remuneration policies and procedures to attract, retain and motivate Directors.

The main duties and responsibilities of the Remuneration Committee pursuant to its terms of reference are as follows:

- review and recommend Directors' fees to shareholders for approval
- review and recommend remuneration package of Executive Directors for the Board's approval
- ensure the remuneration package of Director will reflect the Director's responsibilities, time commitment, experience and expertise in discharging his/her duties
- ensure the remuneration of Executive Directors is linked to the achievement of actual financial results and financial key performance indicators of the Group
- ensure the Director's remuneration framework is aligned with the business strategy and long-term objectives of the Company and reflect the Board's responsibilities and complexity of the Company's activities
- ensure the Directors concerned will abstain from discussion on the respective remuneration packages.

**d) Risk Management Committee**

The Board through the Audit Committee has established the Risks Management Committee. The Risks Management Committee comprises three (3) Directors, one (1) of whom is an Independent Non-Executive Director, and two (2) senior managers.

# Corporate Governance Statement

In August 2014, the Risks Management Committee was renamed as the Management Risk Committee ("MRC") and a Board Risk Management Committee was constituted comprising the following members:

| | |
|---|---|
| Chairman | - Mr. Loy Tuan Bee<br>*(Independent Non-Executive Director)* |
| Members | - Dato' Abdul Rahman Bin Yusof<br>*(Independent Non-Executive Director)*<br><br>Puan Sri Khor Chai Moi<br>*(Executive Director)* |

The MRC shall meet twice a year. It oversees the risks concerning the business and operations to ensure that the respective business divisions or units 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.

Details of the MRC and the summary of its duties and responsibilities are set out in the Statement on Risk Management and Internal Control on pages 61 to 64 of this Annual Report.

In addition, the Board delegates to the following working committees the specific scope of functions, the relevant duties and responsibilities of which are as set out in the respective terms of reference approved by the Board:

- Tender Committee
- Corporate Announcement and Compliance Committee.

**a) Tender Committee**

The Tender Committee comprises four (4) members, including three (3) Executive Directors and a corporate management officer, who meet as and when required to ensure tendering processes are fairly and properly conducted.

The main duties and responsibilities of the Tender Committee pursuant to its terms of reference are as follows:

- assess suppliers recommended by various divisions for capital expenditure purchases approved by the Executive Committee
- administer tendering and purchasing processes
- review and approve proposals and recommendations for awards or purchases.

**b) Corporate Announcement and Compliance Committee**

The Corporate Announcement and Compliance Committee shall comprise at least two (2) Executive Directors and at least one (1) corporate management officer.

The main duties and responsibilities of the Corporate Announcement and Compliance Committee pursuant to its terms of reference are as follows:

- prepare and review corporate announcements
- take responsibility for the contents of announcements and/or Circular/Statement to Shareholders before releasing to Bursa Securities as to its accuracy, completeness and compliance with the Listing Requirements.

This Statement on Corporate Governance was approved by the Board of the Company on 9 October 2014.

## D. ADDITIONAL COMPLIANCE INFORMATION PURSUANT TO THE LISTING REQUIREMENTS

### a) Utilisation of proceeds raised from corporate proposals

There were no proceeds raised from any corporate proposals during FY 2014.

### b) Share Buy-Backs

During FY 2014, there were shares bought back by the Company, the details of which are set out in Note 20 to the Financial Statements 2014 of this Annual Report.

### c) Options, Warrants or Convertible Securities

No options or convertible securities were issued by the Company during FY 2014.

Information pertaining to the exercise of Warrant C 2010/2020 during FY 2014 is set out in Note 20 to the Financial Statements 2014 of this Annual Report.

### d) Variation in Results

There was no significant variation between the results for FY 2014 and unaudited results previously released by the Company. The Company had not released or announced any estimated profit, financial forecast and projection for FY 2014.

### e) Depository Receipt Programme

The Company did not sponsor any depository receipt programme during FY 2014.

### f) Imposition of Sanctions and/or Penalties

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

### g) Non-Audit Fees

During FY 2014, non-audit fees of RM38,175 were paid to the external auditors of the Company in connection with the services rendered to the Company and/or the Group.

### h) Profit Guarantees

No profit guarantees were given by the Company during FY 2014.

# Corporate Governance Statement

**i) Employee Share Scheme ("ESS")**

The Company does not have any allocation of options or shares pursuant to ESS.

**j) Material Contract**

Save as disclosed below, neither the Company nor its subsidiaries had entered into any material contracts which involve interests of Directors and/or major shareholders and are still subsisting at the end of FY 2014:

| Date | Transacting parties | Nature of transaction | Consideration | Mode of settlement of consideration | Nature of relationship between the Director/ major shareholders and the transacting party |
|---|---|---|---|---|---|
| 19 July 2014 | Yarra Park City Pty Ltd (formerly known as Yarra Vision Park Pty Ltd) ("Yarra") and Dynasty Falls Pty Ltd ("Dynasty") | Put and Call Option Deed executed by Yarra and Dynasty for the option to purchase a freehold land bearing the address of 93-119 Kavanagh Street, Southbank, Victoria 3006, Australia | AUD145,000,000 exclusive of the Goods and Services Tax imposed by the Australian Goods and Services Tax Act 1999 | Cash | Yarra is a 75% owned subsidiary of the Company and the balance 25% equity interest is owned by Equity & Property Investment Corporation Pty Limited, a person connected to the Director and/or major shareholder of the Company |

**k) Recurrent related party transactions of a revenue or trading nature ("RRPTs")**

At the last AGM of the Company held on 21 November 2013, the Company had obtained an approval from the shareholders to allow the Group to enter into RRPTs as specified in the Circular to Shareholders of the Company dated 30 October 2013.

In accordance with paragraph 3.1.5 of Practice Note 12 of the Listing Requirements, the details of RRPTs conducted during FY 2014 pursuant to the aforesaid shareholders' mandate are set out in the table below:

| | Nature of RRPTs | Transacting companies with whom the Group transacts (as defined hereinunder) * | Interested Directors, major shareholders and persons connected with them (as defined hereinunder) # | Amount transacted during the financial year ended on 30 June 2014 RM'000 |
|---|---|---|---|---|
| 1. | Award of construction contracts including construction of buildings and ancillary infrastructure works and related services | OSKP Group OLH, KCM, WCS, OJX, | OLH, KCM, WCS, OJX, OYC, WAC, DCSB | 8,187 |
| 2. | Purchase of Supervisory Control and Data Acquisition (SCADA) system, information technology services, security system and smart home system | WMSC Group | KCM, WCS, OJX, OYC, WAC, SW, DCSB | 1,667 |

Notes (Disclosure in accordance with the Company's Circular to Shareholders dated 30 October 2013):

# Interested Directors and major shareholders of the Company and persons connected with them:

| | |
|---|---|
| Dindings Consolidated Sdn Bhd ("DCSB") | DCSB is a major shareholder of PJD. It is a person connected with OLH, KCM, OJX and OYC. |
| Tan Sri Ong Leong Huat @ Wong Joo Hwa ("OLH") | OLH is a person connected with KCM, OJX, OYC, DCSB, OSKP, WMSC, WCS and WAC.<br><br>OLH is a substantial shareholder of DCSB and WMSC respectively. OLH is the Managing Director/Chief Executive Officer and a substantial shareholder of OSKP.<br><br>He is the spouse of KCM, the father of OJX and OYC, and the brother of WCS and WAC. |

# Corporate Governance Statement

| | |
|---|---|
| Puan Sri Khor Chai Moi ("KCM") | KCM is an Executive Director and a major shareholder of PJD. KCM is a director and a substantial shareholder of DCSB. She is a substantial shareholder of OSKP.<br><br>She is the spouse of OLH and the mother of OJX and OYC. |
| Wong Chong Shee ("WCS") | WCS is the brother of OLH and WAC. |
| Ong Ju Xing ("OJX") | OJX is an Executive Director and a shareholder of PJD. OJX is a shareholder of DCSB. OJX is a director and a shareholder of OSKP.<br><br>He is the son of OLH and KCM and the brother of OYC. |
| Ong Yee Ching ("OYC") | OYC is a shareholder of PJD. OYC is a director and a shareholder of OSKP.<br><br>She is the daughter of OLH and KCM and the sister of OJX. |
| Wong Ah Chiew ("WAC") | WAC was the Managing Director (retired on 31 July 2013) and a major shareholder of PJD (ceased on 6 November 2013). He is the Managing Director and a substantial shareholder of WMSC.<br><br>He is the father of SW and the brother of OLH and WCS. |
| Simon Wong Chu Keong ("SW") | SW is a director and a substantial shareholder of WMSC.<br><br>He is the son of WAC. |

* Related parties with whom the Group transacts:

| | |
|---|---|
| OSK Property Holdings Berhad ("OSKP") and its subsidiaries ("OSKP Group") | OSKP is a person connected with OLH, KCM, OJX and OYC. |
| Willowglen MSC Berhad ("WMSC") and its subsidiaries ("WMSC Group") | WMSC is a person connected with OLH, KCM, WCS, WAC and SW. |

# Audit Committee Report

## MEMBERS

The present members of the Audit Committee ("AC") comprise:

Foo San Kan
*(Chairman & Independent Non-Executive Director)*

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

Dato' Abdul Rahman Bin Yusof *[Appointed on 23 December 2013]*
*(Independent Non-Executive Director)*

YM Ungku Haji Mohd Afandi Bin Ungku Suleiman *[Retired on 20 December 2013]*
*(Independent Non-Executive Director)*

## COMPOSITION AND MEETINGS

The AC comprises three (3) Independent Non-Executive Directors. The three (3) Independent Non-Executive Directors are financially literate and one (1) 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 (4) meetings were held and details of attendance of each member are as follows:

| Committee Members | Attendance |
|---|---|
| Foo San Kan (Chairman) | 4/4 |
| Loy Tuan Bee | 4/4 |
| Dato' Abdul Rahman Bin Yusof | 2/2 |
| YM Ungku Haji Mohd Afandi Bin Ungku Suleiman | 1/2 |

The General Manager – Group Finance & Accounts and subsequently, the Chief Financial Officer who was employed on 1 April 2014 and the Chief Internal Auditor were invited to attend the meetings with the Company Secretary in attendance.

During the financial year under review, two (2) 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.

# Audit Committee Report

## SUMMARY OF ACTIVITIES OF THE COMMITTEE DURING THE YEAR

In line with the Terms of Reference of the AC, the Committee met four (4) times during the financial year ended 30 June 2014. The activities of the AC for the financial year under review are summarised as follows:

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

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

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

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

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

vi) Reviewed the adequacy of risk management process to identify significant risks that may materially affect the achievement of the Group's strategic business, 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.

ix) Met once with the Chief Internal Auditor without the presence of the Executive Directors and Management to have a private discussion.

## INTERNAL AUDIT FUNCTION

The Group's internal audit function is carried out by the Internal Audit Department ("IAD") which is responsible for the overall internal audit activities of the Group. The IAD is governed by the Company's Internal Audit Charter which adopts the global best practices and industry standards. The Head of the IAD reports directly to the Audit Committee

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 and ensuring that the relevant controls are in place to address those risks reviewed. IAD also reviewed compliance with the Group's established policies, procedures and guidelines as well as compliance with applicable laws, regulations and directives. 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 IAD executed the audit engagements based on the approved Annual Internal Audit Plan for the financial year ended 30 June 2014. The following activities were carried out during the year:-

- Completed 24 planned audits of the Group's operating divisions including its subsidiaries by reviewing the adequacy and effectiveness of the systems of internal control and risk management. Recommended improvements where necessary.
- Conducted follow up reviews to assess if appropriate actions had been taken to address audit issues highlighted in previous audit reports.
- 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.
- Coordinated the submission of Recurrent Related Party Transactions from operating divisions concerned, reviewed them to ensure that they were within the mandated amounts and prepared quarterly Recurrent Related Party Transactions reports for the attention of the Audit Committee.
- Attended annual and half yearly stocktakes at various locations/subsidiaries to observe stocktake procedures and to verify the physical existence of stocks.

Audit reports, incorporating the audit findings, audit recommendations and management responses and action plans were presented to the AC for their consideration.

The human resources expenses incurred for the internal audit function totalled RM881,586 in respect of the financial year ended 30 June 2014.

## 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.

# Audit Committee Report

Size and Composition

The Committee shall comprise at least three (3) 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 (1) 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 (4) 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 (2) 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.

  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 & 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;

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

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

   c) audit report with the external auditors.

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

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

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

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

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

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

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

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

# Audit Committee Report

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.

## 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.

# 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 ("Bursa Securities") 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 2014.

## 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 continues to be in place as at the date of approval of this Statement.

## 3. RISK MANAGEMENT

The Board through the Audit Committee has established a Risks Management Committee (now known as Management Risk Committee) ("MRC"). The Committee comprises three (3) Directors, one (1) of whom is an Independent Non Executive Director, and two (2) senior managers whilst at the operations level, Risks Management Units ("RMUs") are established, led by the respective Head of each business division/unit.

The MRC meets twice a year. It oversees the risks concerning the business and operations to ensure that the respective business divisions/units 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 MRC 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 MRC reviews and discusses these reports and this is documented in the minutes of the MRC meetings.

A summary of the risks discussed at the MRC 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.

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 meetings are held monthly for the respective divisions to review operational, business development and financial performance. The proceedings of these meetings are minuted for further action and reference.
- Risks Management Units at the operational/business divisions/units are responsible for identifying, evaluating and effectively managing the risks and taking appropriate action plans and measures to manage or minimise the risks affecting them. Quarterly risk management reports are submitted to Group Internal Audit for review.

- 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 discuss business strategies going forward.
- Proper financial and operational information systems are in place to capture and present timely and pertinent internal business information. Clear reporting structure ensures financial and operational reports are prepared and presented to the Management and the Board for review on a timely basis.
- Policies, procedures and guidelines are in place to guide staff. They are updated as and when necessary to meet the continually changing operational needs.
- Human Resources practices ensure high recruitment standard for new employees with emphasis on integrity and competence. 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.
- 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 AND THE MANAGEMENT

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 written statements from the Chief Financial Officer and respective Heads of Operations and Heads of Finance of the various Business Divisions that their 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.

# Statement on Risk Management and Internal Control

## 7. REVIEW OF THIS STATEMENT

Pursuant to paragraph 15.23 of the Main Market Listing Requirements of Bursa Securities, the external auditors have been engaged to perform a limited assurance engagement on this Statement for inclusion in the Annual Report of the Group for the year ended 30 June 2014. The engagement was conducted by them in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information and RPG 5 (Revised), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report in order to assess whether the Statement appropriately reflects the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers. In a limited assurance engagement, the scope of evidence-gathering procedures is less comprehensive than in a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement. The external auditors are not required to consider whether the Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and management thereon. They are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

Based on the procedures performed, nothing has come to their attention that causes them to believe that the Statement intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

## 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.

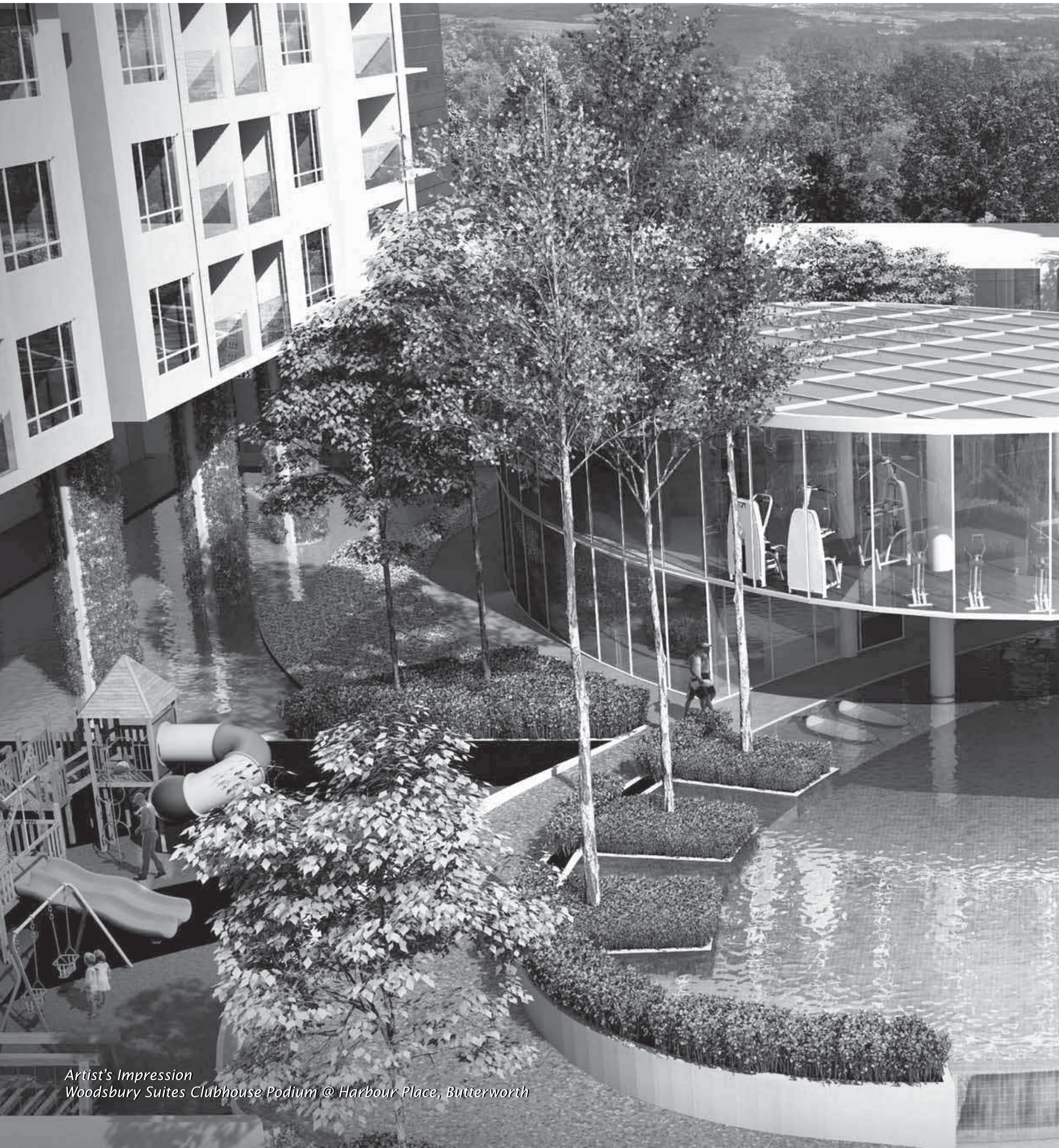
# Directors' Responsibility Statement

in respect of the audited financial statements

Pursuant to the Companies Act 1965 ("the Act"), the Directors are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group at the end of the financial year, and the results and cash flows of the Company and the Group for the financial year.

The Directors are of the view that the financial statements for the year ended 30 June 2014 of the Company and the Group have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Act. The Directors considered that in preparing the financial statements of the Company and the Group for the year ended 30 June 2014, the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates.

The Directors are responsible for ensuring that the Company and the Group keep accounting records which disclose, with reasonable accuracy, the financial position of the Company and the Group and enable the Directors to ensure that the financial statements are in compliance with the Act and in accordance with MFRS and IFRS. The Directors have general responsibility to take such steps that are reasonably open to them to safeguard the assets of the Company and the Group and to prevent and detect fraud and other irregularities.



*Artist's Impression*
*Woodsbury Suites Clubhouse Podium @ Harbour Place, Butterworth*

# 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 2014.

## 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 in nature of business by a subsidiary from licensed agent to handle applications for Malaysia My Second Home programme to property development and investment.

## RESULTS

| | Group RM'000 | Company RM'000 |
|---|---|---|
| Profit for the financial year | 214,221 | 41,787 |
| Attributable to: | | |
| Owners of the parent | 223,999 | 41,787 |
| Non-controlling interests | (9,778) | - |
| | 214,221 | 41,787 |

## DIVIDENDS

Dividends paid, declared or proposed since the end of the previous financial year were as follows:

| | Company RM'000 |
|---|---|
| In respect of financial year ended 30 June 2013: | |
| First and final dividend of 3.5 sen per ordinary share, less tax of 25% and a tax exempt dividend of 1.5 sen per ordinary share, paid on 20 December 2013 | 18,680 |
| In respect of financial year ended 30 June 2014: | |
| Interim single tier dividend of 2.5 sen per ordinary share, paid on 25 June 2014 | 11,284 |
| | 29,964 |

The Directors propose a single tier final dividend of 2.5 sen per ordinary share, in respect of the financial year ended 30 June 2014. The amount to be paid is dependent on the number of issued and paid up ordinary shares of the Company as at the entitlement date subject to the approval of shareholders at the forthcoming Annual General Meeting.

## RESERVES AND PROVISIONS

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

## ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and paid-up share capital of the Company was increased from RM456,134,000 to RM456,137,000 by way of issuance of 3,000 new ordinary shares of RM1.00 each arising from the exercise of the subscription rights of Warrants C by the allottee at an exercise price of RM1.02 per ordinary share. The newly issued shares rank pari passu in all respects with the existing shares of the Company. There were no other issues of shares during the financial year.

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

## SHARES REPURCHASED

During the financial year, the Company repurchased 2,103,000 (2013: 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 RM3,018,000 (2013: RM1,849,000). The ordinary shares repurchased are held as treasury shares and treated in accordance with the requirement of Section 67A of the Companies Act, 1965. 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 Warrants C 2010/2020 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 Warrants B 2000/2010 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 Warrants B 2000/2010 held on the Expiry Date at an issue price of RM0.02 per Warrant C.

# Directors' Report

## OPTIONS GRANTED OVER UNISSUED SHARES (cont'd)

***Warrants C (cont'd)***

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 2014, 213,808,972 (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:

Wong Chong Shee
Puan Sri Khor Chai Moi
Yap Yoon Kong
Loy Tuan Bee
Ong Ju Xing
Dato' Abdul Rahman bin Yusof
Foo San Kan
Tan Sri Ong Leong Huat @ Wong Joo Hwa (appointed on 23 December 2013)
YM Ungku Haji Mohd. Afandi bin Ungku Suleiman (resigned on 20 December 2013)

## 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 2014 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 1.7.2013/date of appointment** | **Bought** | **Sold** | **Balance as at 30.6.2014** |
| **Shares in the Company** | | | | |
| Direct interests: | | | | |
| Tan Sri Ong Leong Huat @ Wong Joo Hwa | 241,802 | - | - | **241,802** |
| Wong Chong Shee | 3,904,000 | 100,000 | - | **4,004,000** |
| Puan Sri Khor Chai Moi | 32,388,166 | 391,040 | - | **32,779,206** |
| Ong Ju Xing | 68,000 | 650,000 | (500,000) | **218,000** |
| Indirect interests: | | | | |
| Tan Sri Ong Leong Huat @ Wong Joo Hwa* | 97,722,481 | - | - | **97,722,481** |
| Puan Sri Khor Chai Moi** | 103,873,841 | 2,240,000 | - | **106,113,841** |
| Ong Ju Xing*** | 8,391,360 | - | - | **8,391,360** |
| Yap Yoon Kong**** | 1,025,000 | - | - | **1,025,000** |

**DIRECTORS' INTERESTS (cont'd)**

| | [------- Number of Warrant C -------] | | | |
|---|---|---|---|---|
| | **Balance as at 1.7.2013/date of appointment** | **Bought** | **Sold** | **Balance as at 30.6.2014** |
| **Warrants C in the Company** | | | | |
| Direct interests: | | | | |
| Puan Sri Khor Chai Moi | 17,450,600 | 134,600 | - | **17,585,200** |
| Indirect interests: | | | | |
| Tan Sri Ong Leong Huat @ Wong Joo Hwa* | 46,501,010 | - | - | **46,501,010** |
| Puan Sri Khor Chai Moi** | 56,143,675 | - | (5,313,765) | **50,829,910** |
| Ong Ju Xing*** | 4,328,900 | - | - | **4,328,900** |

* By virtue of shares/warrants held by Dindings Consolidated Sdn. Bhd., Land Management Sdn. Bhd. and family members.

** By virtue of shares/warrants held by Dindings Consolidated Sdn. Bhd., Ladang Setia Sdn. Bhd., Land Management Sdn. Bhd. and family members.

*** By virtue of shares/warrants held by Ladang Setia Sdn. Bhd..

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

Tan Sri Ong Leong Huat @ Wong Joo Hwa is the spouse of Puan Sri Khor Chai Moi. By virtue of their relationship, they are also deemed to have interests in shares held by each other, both direct and indirect.

By virtue of their interests in the shares of the Company, Tan Sri Ong Leong Huat @ Wong Joo Hwa 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, 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 except for:

(i) impairment loss on property, plant and equipment resulting in a decrease in the profit of the Group for the financial year by RM25,359,000 as disclosed in Note 7 to the financial statements;

(ii) impairment loss on trade and other receivables resulting in a decrease in the profit of the Group for the financial year by RM6,380,000 as disclosed in Note 16 to the financial statements;

(iii) gain on disposal of investment properties resulting in an increase in the profit of the Group for the financial year by RM102,885,000 as disclosed in Note 29 to the financial statements; and

(iv) liquidated and ascertained damages resulting in a decrease in the profit of the Group for the financial year by RM14,610,000 as disclosed in Note 29 to the financial statements.

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

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

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

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

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

**OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (cont'd)**

**(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT (cont'd)**

(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 would 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 this report or the 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**

Significant events during the financial year are disclosed in Note 39 to the financial statements.

**SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD**

Significant event subsequent to the end of the reporting period is disclosed in Note 40 to the financial statements.

**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

**Yap Yoon Kong**
Director

Kuala Lumpur
9 October 2014

# Statement by Directors

In the opinion of the Directors, the financial statements set out on pages 77 to 218 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 2014 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 41 to the financial statements on page 219 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

**Yap Yoon Kong**
Director

Kuala Lumpur
9 October 2014

# Statutory Declaration

I, Eng Kim Haw, being the officer primarily responsible for the financial management of PJ Development Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 77 to 219 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 9 October 2014.

**Eng Kim Haw**

Before me:

S. Ideraju (W451)
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 2014 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 77 to 218.

*Directors' Responsibility for the Financial Statements*

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with 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 2014 and of their financial performance and cash flows for the financial 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 financial statements of the Company 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 41 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
9 October 2014

# Statements of Financial Position
as at 30 June 2014

| | Note | Group 2014 RM'000 | Group 2013 RM'000 | Company 2014 RM'000 | Company 2013 RM'000 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Property, plant and equipment | 7 | **487,387** | 483,124 | **829** | 329 |
| Biological assets | 7 | **9,966** | 8,603 | **-** | - |
| Intangible assets | 8 | **4,568** | 4,568 | **-** | - |
| Investment properties | 9 | **26,841** | 143,548 | **-** | - |
| Investments in subsidiaries | 10 | **-** | - | **557,019** | 534,519 |
| Associates | 11 | **85,852** | 49,984 | **-** | - |
| Investment in a joint venture | 12 | **-** | - | **-** | - |
| Other investments | 13 | **695** | 53,586 | **-** | - |
| Land held for property development | 14 | **247,327** | 137,329 | **-** | - |
| Deferred tax assets | 15 | **937** | 3,298 | **-** | - |
| Trade and other receivables | 16 | **41,258** | 45,660 | **-** | - |
| | | **904,831** | 929,700 | **557,848** | 534,848 |
| **Current assets** | | | | | |
| Property development costs | 17 | **123,847** | 239,900 | **-** | - |
| Inventories | 18 | **36,975** | 38,046 | **-** | - |
| Trade and other receivables | 16 | **572,519** | 317,488 | **198,643** | 197,610 |
| Current tax assets | | **2,670** | 11,523 | **1,889** | 6,075 |
| Cash and bank balances | 19 | **136,976** | 93,873 | **1,244** | 1,282 |
| | | **872,987** | 700,830 | **201,776** | 204,967 |
| **TOTAL ASSETS** | | **1,777,818** | 1,630,530 | **759,624** | 739,815 |
| **EQUITY AND LIABILITIES** | | | | | |
| **Equity attributable to owners of the parent** | | | | | |
| Share capital | 20 | **456,137** | 456,134 | **456,137** | 456,134 |
| Treasury shares | 20 | **(5,133)** | (2,115) | **(5,133)** | (2,115) |
| Reserves | 21 | **693,826** | 506,338 | **103,423** | 91,600 |
| | | **1,144,830** | 960,357 | **554,427** | 545,619 |
| **Non-controlling interests** | | **(7,813)** | (2,114) | **-** | - |
| **TOTAL EQUITY** | | **1,137,017** | 958,243 | **554,427** | 545,619 |

# Statements of Financial Position
as at 30 June 2014

| | | Group | | Company | |
|---|---|---|---|---|---|
| | Note | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| **LIABILITIES** | | | | | |
| **Non-current liabilities** | | | | | |
| Trade and other payables | 22 | **20,593** | 15,102 | **-** | - |
| Borrowings | 23 | **213,243** | 178,751 | **15,000** | - |
| Deferred income | 24 | **45,478** | 43,512 | **-** | - |
| Deferred tax liabilities | 15 | **22,364** | 29,312 | **-** | - |
| | | **301,678** | 266,677 | **15,000** | - |
| **Current liabilities** | | | | | |
| Trade and other payables | 22 | **238,353** | 209,658 | **190,197** | 161,078 |
| Borrowings | 23 | **58,934** | 187,690 | **-** | 33,118 |
| Deferred income | 24 | **3,236** | 2,792 | **-** | - |
| Current tax liabilities | | **38,600** | 5,470 | **-** | - |
| | | **339,123** | 405,610 | **190,197** | 194,196 |
| **TOTAL LIABILITIES** | | **640,801** | 672,287 | **205,197** | 194,196 |
| **TOTAL EQUITY AND LIABILITIES** | | **1,777,818** | 1,630,530 | **759,624** | 739,815 |

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

# Statements of Profit or Loss
for The Financial Year Ended 30 June 2014

| | Note | Group 2014 RM'000 | Group 2013 RM'000 | Company 2014 RM'000 | Company 2013 RM'000 |
|---|---|---|---|---|---|
| Revenue | 27 | **1,169,502** | 826,985 | **59,862** | 23,880 |
| Cost of sales and services | 28 | **(852,766)** | (612,625) | **(13,654)** | (12,270) |
| Gross profit | | **316,736** | 214,360 | **46,208** | 11,610 |
| Other income | | **129,580** | 10,971 | **1,457** | 714 |
| Administrative expenses | | **(30,993)** | (25,786) | **(929)** | (851) |
| Other expenses | | **(146,815)** | (112,163) | **(1,060)** | (1,017) |
| Finance costs | | **(3,298)** | (6,885) | **(3,293)** | (2,154) |
| Share of profit of associates | | **1,356** | 931 | **-** | - |
| Share of loss of a joint venture | | **-** | (1,228) | **-** | - |
| Profit before tax | 29 | **266,566** | 80,200 | **42,383** | 8,302 |
| Tax expense | 30 | **(52,345)** | (19,594) | **(596)** | (430) |
| Profit for the financial year | | **214,221** | 60,606 | **41,787** | 7,872 |
| Profit attributable to: | | | | | |
| Owners of the parent | | **223,999** | 60,927 | **41,787** | 7,872 |
| Non-controlling interests | | **(9,778)** | (321) | **-** | - |
| | | **214,221** | 60,606 | **41,787** | 7,872 |
| Earnings per ordinary share attributable to owners of the parent (sen): | | | | | |
| Basic | 31 | **49.47** | 13.41 | | |
| Diluted | 31 | **44.33** | 13.41 | | |

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

# Statements of Other Comprehensive Income

for The Financial Year Ended 30 June 2014

| | Group | | Company | |
|---|---|---|---|---|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Profit for the financial year | **214,221** | 60,606 | **41,787** | 7,872 |
| **Other comprehensive income/(loss):** | | | | |
| **Items that may be reclassified subsequently to profit or loss** | | | | |
| Disposal of available-for-sale financial assets | **(9,621)** | (1,022) | **-** | - |
| Fair value gains on available-for-sale financial assets | **35** | 7,561 | **-** | - |
| Foreign currency translations | **1,689** | (4,268) | **-** | - |
| Share of other comprehensive income of associates | **1,471** | (4,443) | **-** | - |
| Other comprehensive loss, net of tax | **(6,426)** | (2,172) | **-** | - |
| Total comprehensive income | **207,795** | 58,434 | **41,787** | 7,872 |
| Total comprehensive income attributable to: | | | | |
| Owners of the parent | **217,452** | 58,875 | **41,787** | 7,872 |
| Non-controlling interests | **(9,657)** | (441) | **-** | - |
| | **207,795** | 58,434 | **41,787** | 7,872 |

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

# Consolidated Statement of Changes in Equity
for The Financial Year Ended 30 June 2014

| | | Attributable to the owners of the parent | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Group | Note | Share capital RM'000 | Share premium RM'000 | Warrant reserve RM'000 | Available-for-sale reserve RM'000 | Exchange translation reserve RM'000 | Treasury shares RM'000 | Retained earnings RM'000 | Total RM'000 | Non-controlling interests RM'000 | Total equity RM'000 |
| Balance 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 |

# Consolidated Statement of Changes in Equity
for The Financial Year Ended 30 June 2014

| 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 2013 | | 456,134 | 39,774 | 4,276 | 10,247 | (5,885) | (2,115) | 457,926 | 960,357 | (2,114) | 958,243 |
| Profit for the financial year | | - | - | - | - | - | - | 223,999 | 223,999 | (9,778) | 214,221 |
| Fair value gains on available-for-sale financial assets | | - | - | - | 35 | - | - | - | 35 | - | 35 |
| Disposal of available-for-sale financial assets | | - | - | - | (9,621) | - | - | - | (9,621) | - | (9,621) |
| Foreign currency translations | | - | - | - | - | 1,568 | - | - | 1,568 | 121 | 1,689 |
| Share of other comprehensive income of associate | | - | - | - | - | 1,471 | - | - | 1,471 | - | 1,471 |
| Total comprehensive (loss)/ income | | - | - | - | (9,586) | 3,039 | - | 223,999 | 217,452 | (9,657) | 207,795 |
| **Transactions with owners** | | | | | | | | | | | |
| Dividend paid to shareholders | 32 | - | - | - | - | - | - | (29,964) | (29,964) | - | (29,964) |
| Issuance of new ordinary shares arising from exercise of Warrants C | 20 | 3 | * | (*) | - | - | - | - | 3 | - | 3 |
| Ordinary shares contributed by non-controlling interests of a subsidiary | | - | - | - | - | - | - | - | - | 3,958 | 3,958 |
| Repurchase of shares | 20 | - | - | - | - | - | (3,018) | - | (3,018) | - | (3,018) |
| Total transactions with owners | | 3 | * | (*) | - | - | (3,018) | (29,964) | (32,979) | 3,958 | (29,021) |
| Balance as at 30 June 2014 | | 456,137 | 39,774 | 4,276 | 661 | (2,846) | (5,133) | 651,961 | 1,144,830 | (7,813) | 1,137,017 |

* Amount is less than RM1,000.

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

# Statement of Changes In Equity
For The Financial Year Ended 30 June 2014

| Company | Note | Share capital RM'000 | [-----Non-distributable-----] Share premium RM'000 | Warrant reserve RM'000 | [---- Distributable ----] Treasury shares RM'000 | Retained earnings RM'000 | Total equity RM'000 |
|---|---|---|---|---|---|---|---|
| Balance as at 1 July 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** |
| Profit for the financial year | | **-** | **-** | **-** | **-** | **41,787** | **41,787** |
| Total comprehensive income | | **-** | **-** | **-** | **-** | **41,787** | **41,787** |
| **Transactions with owners** | | | | | | | |
| Dividend paid to shareholders | 32 | **-** | **-** | **-** | **-** | **(29,964)** | **(29,964)** |
| Issuance of new ordinary shares arising from exercise of Warrants C | 20 | **3** | ***** | **(*)** | **-** | **-** | **3** |
| Repurchase of shares | 20 | **-** | **-** | **-** | **(3,018)** | **-** | **(3,018)** |
| Total transactions with owners | | **3** | ***** | **(*)** | **(3,018)** | **(29,964)** | **(32,979)** |
| Balance as at 30 June 2014 | | **456,137** | **39,774** | **4,276** | **(5,133)** | **59,373** | **554,427** |

* Amount is less than RM1,000.

# Statements of Cash Flows
for The Financial Year Ended 30 June 2014

| | Note | Group 2014 RM'000 | Group 2013 RM'000 | Company 2014 RM'000 | Company 2013 RM'000 |
|---|---|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | | |
| Profit before tax | | **266,566** | 80,200 | **42,383** | 8,302 |
| Adjustments for: | | | | | |
| Bad debts written off | | **10** | 107 | **-** | - |
| Depreciation on: | | | | | |
| - property, plant and equipment | 7(a) | **17,965** | 18,380 | **174** | 182 |
| - investment properties | 9 | **2,223** | 3,896 | **-** | - |
| Dividend income | 27 | **(87)** | (2,697) | **(56,562)** | (20,580) |
| Gain on disposal of: | | | | | |
| - property, plant and equipment | | **(415)** | (1,178) | **-** | - |
| - investment properties | | **(102,885)** | (185) | **-** | - |
| - other investments | | **(9,442)** | (1,416) | **-** | - |
| Impairment loss on: | | | | | |
| - property, plant and equipment | 7 | **25,359** | 589 | **-** | - |
| - goodwill on consolidation | 8 | **-** | 3 | **-** | - |
| - land held for property development | 14 | **1,473** | 492 | **-** | - |
| - trade and other receivables | | **6,380** | 6,042 | **-** | - |
| - current tax assets | | **5,035** | - | **-** | - |
| Interest accretion on trade receivables | | **(1,476)** | (1,049) | **-** | - |
| Interest expense | | **3,298** | 6,885 | **3,293** | 2,154 |
| Interest income | | **(3,055)** | (3,233) | **(1,457)** | (714) |
| Inventories written down | 18 | **2,646** | 3,090 | **-** | - |
| Inventories written off | | **184** | 18 | **-** | - |
| Loss on remeasurement of previously held equity interest in a subsidiary | | **-** | 1 | **-** | - |
| Liquidated and ascertained damages | | **14,610** | 4,919 | **-** | - |
| Reversal of inventories previously written off | | **-** | (94) | **-** | - |
| Property, plant and equipment written off | 7 | **578** | 481 | **19** | - |
| Reversal of impairment loss on trade and other receivables | | **(7,024)** | (763) | **-** | - |
| Share of (profit)/loss of: | | | | | |
| - associates | | **(1,356)** | (931) | **-** | - |
| - a joint venture | | **-** | 1,228 | **-** | - |
| Unrealised profit on gain on disposal of land and related development costs to an associate | | **22,300** | - | **-** | - |
| Unrealised gain on foreign exchange | | **(186)** | (28) | **-** | - |
| Unrealised loss on foreign exchange | | **82** | 479 | **-** | - |

# Statements of Cash Flows
for The Financial Year Ended 30 June 2014

| | Note | Group 2014 RM'000 | Group 2013 RM'000 | Company 2014 RM'000 | Company 2013 RM'000 |
|---|---|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES (cont'd)** | | | | | |
| Operating profit/(loss) before changes in working capital | | **242,783** | 115,236 | **(12,150)** | (10,656) |
| Inventories | | **(1,759)** | (5,646) | - | - |
| Property development costs and land held for property development | | **19,505** | (4,586) | - | - |
| Trade and other receivables | | **(243,273)** | (89,752) | **(113)** | 212 |
| Trade and other payables | | **22,124** | 48,049 | **119** | 103 |
| Cash generated from/(used in) operations | | **39,380** | 63,301 | **(12,144)** | (10,341) |
| Tax paid | | **(29,108)** | (17,346) | - | - |
| Tax refunded | | **9,150** | 6,053 | **6,072** | 4,289 |
| Net cash from/(used in) operating activities | | **19,422** | 52,008 | **(6,072)** | (6,052) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | |
| Acquisition of: | | | | | |
| - associate for cash | | **(300)** | - | - | - |
| - subsidiary for cash, net of cash acquired | | - | * | - | - |
| Advances to an associate | | **(57,486)** | - | - | - |
| Repayments by/(Advances to) subsidiaries | | - | - | **28,080** | (17,465) |
| Decrease in pledged deposits placed with licensed banks | | **840** | 1,175 | - | - |
| Dividends received from: | | | | | |
| - other investment | | **87** | 2,058 | - | - |
| - subsidiaries | | - | - | **54,080** | 17,435 |
| - an associate | | **951** | - | - | - |
| Deposit placed with a financial institution with original maturity of more than three months | | **(14,926)** | - | - | - |
| Interest received | | **3,055** | 3,233 | **1,457** | 714 |
| Proceeds from disposal of: | | | | | |
| - property, plant and equipment | | **858** | 1,793 | - | 4 |
| - investment properties | | **220,000** | 338 | - | - |
| - other investments | | **52,747** | 5,162 | - | - |

# Statements of Cash Flows
for The Financial Year Ended 30 June 2014

| | Note | Group 2014 RM'000 | Group 2013 RM'000 | Company 2014 RM'000 | Company 2013 RM'000 |
|---|---|---|---|---|---|
| **CASH FLOWS FROM INVESTING ACTIVITIES (cont'd)** | | | | | |
| Purchase of: | | | | | |
| - property, plant, equipment and biological assets | 7 | **(54,360)** | (32,542) | **(693)** | (38) |
| - investment properties | 9 | **(2,690)** | (257) | **-** | - |
| - other investments | | **-** | (16,261) | **-** | - |
| Subscription of shares in subsidiaries | | **-** | - | **(22,500)** | (2,495) |
| Net cash from/(used in) investing activities | | **148,776** | (35,301) | **60,424** | (1,845) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | | |
| Interest paid | | **(18,209)** | (16,786) | **(3,293)** | (2,154) |
| Dividend paid to shareholders of the Company | 32 | **(29,964)** | (17,012) | **(29,964)** | (17,012) |
| Drawdowns of loans and borrowings | | **335,447** | 236,946 | **14,632** | 39,500 |
| Ordinary share capital contributed by non-controlling interests of a subsidiary | | **5,452** | - | **-** | - |
| Proceeds from issuance of new ordinary shares arising from exercise of Warrants C | 20 | **3** | - | **3** | - |
| Repayments of loans and borrowings | | **(434,253)** | (213,843) | **(32,750)** | (10,129) |
| Repurchase of shares | 20 | **(3,018)** | (1,849) | **(3,018)** | (1,849) |
| Net cash (used in)/from financing activities | | **(144,542)** | (12,544) | **(54,390)** | 8,356 |
| Net increase/(decrease) in cash and cash equivalents | | **23,656** | 4,163 | **(38)** | 459 |
| Effects of exchange rate changes on cash and cash equivalents | | **819** | (2,966) | **-** | - |
| Cash and cash equivalents at beginning of financial year | | **89,810** | 88,613 | **1,282** | 823 |
| Cash and cash equivalents at end of financial year | 19 | **114,285** | 89,810 | **1,244** | 1,282 |

* Amount is less than RM1,000.

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

# Notes to The Financial Statements
30 June 2014

## 1. CORPORATE INFORMATION

PJ Development Holdings Berhad ('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 2014 comprise the Company and its subsidiaries and the interest of the Group in associates and a joint venture. These financial statements are presented in Ringgit Malaysia ('RM'), which is also the functional currency of the Company. 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 9 October 2014.

## 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 in nature of business by a subsidiary from licensed agent to handle applications for Malaysia My Second Home programme to property development and investment.

## 3. BASIS OF PREPARATION

The financial statements of the Group and of the Company set out on pages 77 to 218 have been prepared in accordance with Financial Reporting Standards ('FRSs') and the requirements of the Companies Act, 1965 in Malaysia.

However, Note 41 to the financial statements set out on page 219 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.

**4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**4.1 Basis of accounting (cont'd)**

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.

**4.2 Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(a) Power over the investee;
(b) Exposure, or rights, to variable returns from its involvement with the investee; and
(c) The ability to use its power over the investee to affect its returns.

If the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) The contractual arrangement with the other vote holders of the investee;
(b) Rights arising from other contractual agreements; and
(c) The voting rights of the Group and potential voting rights.

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 interest of the Group 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.

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.2 Basis of consolidation (cont'd)

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. 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. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the financial year are included in the statement of profit or loss and statement of other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

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.

If 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 joint venture.

# Notes to The Financial Statements
30 June 2014

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.3 Business combinations

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 services are received.

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.

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 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 an combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.3 Business combinations (cont'd)

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 previously held equity interest of the Group 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.

### 4.4 Property, plant and equipment and depreciation

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset 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 would 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.

# Notes to The Financial Statements
30 June 2014

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.4 Property, plant and equipment and depreciation (cont'd)

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 |

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.

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.4 Property, plant and equipment and depreciation (cont'd)

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 incremental borrowing rate of the Group is used. Any initial direct costs incurred by the Group are added to the amount recognised as an asset. The assets are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. The property, plant and equipment capitalised are depreciated on the same basis as owned assets.

The minimum lease payments are apportioned between 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.

# Notes to The Financial Statements
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## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.6 Leases and hire purchase (cont'd)

(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.

(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.

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.7 Property development activities (cont'd)

(b) Property development costs (cont'd)

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. Investment properties also include properties that are being constructed or developed for future use as investment properties. Investment properties are initially measured at cost, including transaction costs, less any accumulated depreciation and any accumulated impairment losses.

Subsequent costs are included in the carrying amount of the investment properties or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset 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 investment properties 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 investment properties are acquired, if applicable.

After initial recognition, investment properties are stated at cost less any accumulated depreciation and any accumulated impairment losses.

# Notes to The Financial Statements
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## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.9 Investment properties (cont'd)

Depreciation is calculated to write off the cost of the investment properties to their residual values on a straight line basis over their estimated useful lives. The principal depreciation period for buildings is 50 years. Freehold land is not depreciated.

At the end of each reporting period, the carrying amount of an item of the investment properties are 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 investment properties. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

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

### 4.10 Investments

(a) Subsidiaries

A subsidiary is an entity in which the Group and the Company are exposed, or have rights, to variable returns from its involvement with the subsidiary and have the ability to affect those returns through its power over the subsidiary.

An investment in subsidiary, which is eliminated on consolidation, is stated in the separate financial statements of the Company 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 separate financial statements of the Company. 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.

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.10 Investments (cont'd)

(a) Subsidiaries (cont'd)

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 arrangement. 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 separate financial statements of the Company, 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 share of net assets of the investments of the Group.

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 net investment in the associate of the Group. Amount owing by an associate represents advances granted by the Group for which settlement is neither planned nor likely to occur in the foreseeable future. It is, in substance, an addition to the interests in the associate of the Group and accordingly, form part of the net investment in the associate in accordance with FRS 128 *Investments in Associates.*

The share of the profit or loss of the associate by the Group 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 proportionate interest of the Group 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 share of those changes by the Group 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 interest of the Group in the associate to the extent that there is no impairment.

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.10 Investments (cont'd)

(b) Associates (cont'd)

When the share of losses of the Group 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 audited financial statements for which the difference in 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.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the interest of the Group in an associate decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

(c) Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. The parties are bound by a contractual arrangement which gives two or more parties joint control of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is either a joint operation or a joint venture.

(i) Joint operation

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. These parties are known as joint operators.

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.10 Investments (cont'd)

(c) Joint arrangements (cont'd)

(i) Joint operation (cont'd)

The Group and the Company recognise in relation to its interest in a joint operation:

(a) its assets, including its share of any assets held jointly;
(b) its liabilities, including its share of any liabilities incurred jointly;
(c) its revenue from the sale of its share of the output arising from the joint operation;
(d) its share of the revenue from the sale of the output by the joint operation; and
(e) its expenses, including its share of any expenses incurred jointly.

When the Group transacts with a joint operation (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, as such the gains and losses resulting from the transactions are recognised only to the extent of interests of other parties in the joint operation.

When the Group transacts with a joint operation (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

(ii) Joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. These parties are known as joint venturers.

In the separate financial statements of the Company, an investment in a joint venture is stated at cost.

Any premium paid for an investment in a joint venture above the fair value of the share of the identifiable assets, liabilities and contingent liabilities acquired of the Group is capitalised and included in the carrying amount of the investment in joint venture. Where there is an objective evidence that the investment in a joint venture has been impaired, the carrying amount of the investment is tested for impairment in accordance with FRS 136 *Impairment of Assets* as a single asset, by comparing its recoverable amount with its carrying amount.

**4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**4.10 Investments (cont'd)**

(c) Joint arrangements (cont'd)

(ii) Joint venture (cont'd)

The Group recognises its interest in a joint venture as an investment and accounts for that investment using the equity method in accordance with FRS 128 *Investments in Associates and Joint Ventures*.

The Group determines the type of joint arrangement in which it is involved, based on the rights and obligations of the parties to the arrangement. In assessing the classification of interests in joint arrangements, the Group considers:

(i) The structure of the joint arrangement;
(ii) The legal form of joint arrangements structured through a separate vehicle;
(iii) The contractual terms of the joint arrangement agreement; and
(iv) Any other facts and circumstances.

When there are changes in the facts and circumstances, the Group reassesses whether the type of joint arrangement in which it is involved has changed.

**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 interest of the Group 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.

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.11 Intangible assets (cont'd)

***Goodwill (cont'd)***

Goodwill arising on acquisition of an associate is the excess of cost of investment over the share of the net fair value of net assets of the associates' identifiable assets and liabilities by the Group 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 share of the net fair value of the associate's identifiable assets and liabilities by the Group over the cost of investment is included as income in the determination of the share of the associate's profit or loss by the Group 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 a joint venture), inventories, assets arising from construction contracts, 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.

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 CGU or groups of CGU of the Group 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.

# Notes to The Financial Statements
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## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.12 Impairment of non-financial assets (cont'd)

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.

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.

### 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.

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.13 Inventories (cont'd)

(b) Other inventories (cont'd)

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
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## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.14 Financial instruments (cont'd)

(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.

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.14 Financial instruments (cont'd)

(a) Financial assets (cont'd)

(iii) Loans and receivables (cont'd)

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 right of the Group to receive payment is established.

Cash and bank balances include cash and cash equivalents, bank overdrafts, fixed deposits pledged to financial institutions, 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.

# Notes to The Financial Statements
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## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.14 Financial instruments (cont'd)

(a) Financial assets (cont'd)

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.

(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.

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.14 Financial instruments (cont'd)

(b) Financial liabilities (cont'd)

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.

# Notes to The Financial Statements
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## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.14 Financial instruments (cont'd)

(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.

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. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 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.

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.

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.15 Impairment of financial assets (cont'd)

(b) Available-for-sale financial assets (cont'd)

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

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

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

### 4.17 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.

**4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**4.17 Income taxes (cont'd)**

(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 would 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 would 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 would be reduced accordingly. When it becomes probable that sufficient taxable profits would be available, such reductions would be reversed to the extent of the taxable profits.

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 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 would 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.

# Notes to The Financial Statements
30 June 2014

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 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.

### 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 would 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.

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.20 Employee benefits (cont'd)

(a) Short term employee benefits (cont'd)

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.

Bonuses 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.

### 4.21 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of each of the entities of the Group 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 functional and presentation currency of the Company.

(b) Foreign currency transactions and balances

Transactions in foreign currencies are converted into functional currency 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 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.

# Notes to The Financial Statements
30 June 2014

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.21 Foreign currencies (cont'd)

(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.

### 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 activities of the Group 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.

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.22 Revenue recognition (cont'd)

(b) Services

*Hotel and golf course*

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

*Property investment and property management services*

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

*Management and operation of timeshare membership scheme*

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

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

(c) Construction contracts

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

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

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

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.22 Revenue recognition (cont'd)

(d) Property development

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

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

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

(e) Completed properties held for sale

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

(f) Dividend income

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

(g) Interest income

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

(h) Rental income

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

(i) Management fees

Management fees are recognised when services are rendered.

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 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 chief operating decision maker of the Group (i.e. the Group's Managing Director) in making decisions about resources to be allocated to the segment and assessing its performance; and

(c) For which discrete financial information is available.

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

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

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

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

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

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

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

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

Total external revenue reported by operating segments shall constitute at least 75 per cent of the revenue of the Group. 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.

# Notes to The Financial Statements
30 June 2014

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 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 owners 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 owners 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.

### 4.25 Fair value measurements

The fair value of an asset or a liability is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

The Group measures the fair value of an asset or a liability by taking into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability. The Group has considered the following characteristics when determining fair value:

(a) The condition and location of the asset; and

(b) Restrictions, if any, on the sale or use of the asset.

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

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

(a) A liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and

(b) An entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

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

### 5.1 New FRSs adopted during the current financial year

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

| 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 (2011)* | 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 |
| Amendments to FRSs | *Annual Improvements 2009-2011 Cycle* | 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 |

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

### 5.2 New FRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2014

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 |
|---|---|---|
| Amendments to FRS 10 | *Consolidated Financial Statements: Investment Entities* | 1 January 2014 |
| Amendments to FRS 12 | *Disclosure of Interest in Other Entities: Investment Entities* | 1 January 2014 |
| Amendments to FRS 127 | *Separate Financial Statements (2011): Investment Entities* | 1 January 2014 |

# Notes to The Financial Statements
30 June 2014

## 5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (cont'd)

### 5.2 New FRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2014 (cont'd)

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 (cont'd).

| Title | | Effective Date |
|---|---|---|
| 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 |
| Amendments to FRS 119 | *Defined Benefit Plans: Employee Contributions* | 1 July 2014 |
| Amendments to FRSs | *Annual Improvements to FRSs 2010 – 2012 Cycle* | 1 July 2014 |
| Amendments to FRSs | *Annual Improvements to FRSs 2011 – 2013 Cycle* | 1 July 2014 |
| *Mandatory Effective Date of FRS 9 and Transition Disclosures* | | Deferred |
| FRS 9 | *Financial Instruments (2009)* | Deferred |
| FRS 9 | *Financial Instruments (2010)* | Deferred |
| FRS 9 | *Financial Instruments* (Hedge Accounting and Amendments to FRS 9, FRS 7 and FRS 139) | Deferred |
| FRS 14 | *Regulatory Deferral Accounts* | 1 January 2016 |
| Amendments to FRS 116 and FRS 138 | *Clarification of Acceptable Methods of Depreciation and Amortisation* | 1 January 2016 |
| Amendments to FRS 11 | *Accounting for Acquisitions of Interests in Joint Operations* | 1 January 2016 |

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.

**5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (cont'd)**

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

The Group and the Company have yet to adopt the following accounting standards, amendments and interpretations of the MFRS Framework that were issued by the MASB during the financial year.

| **Title** | | **Effective Date** |
|---|---|---|
| MFRS 1 | *First-time Adoption of Malaysian Financial Reporting Standards* | 1 January 2017 |
| Amendments to MFRS 1 | *Government Loans* | 1 January 2017 |
| MFRS 2 | *Share-based Payment* | 1 January 2017 |
| MFRS 3 | *Business Combinations* | 1 January 2017 |
| MFRS 4 | *Insurance Contracts* | 1 January 2017 |
| MFRS 5 | *Non-current Assets Held for Sale and Discontinued Operations* | 1 January 2017 |
| MFRS 6 | *Exploration for and Evaluation of Mineral Resources* | 1 January 2017 |
| MFRS 7 | *Financial Instruments: Disclosures* | 1 January 2017 |
| Amendments to MFRS 7 | *Disclosures – Offsetting Financial Assets and Financial Liabilities* | 1 January 2017 |
| MFRS 8 | *Operating Segments* | 1 January 2017 |
| *Mandatory Effective Date of MFRS 9 and Transition Disclosures* | | Deferred |
| MFRS 9 | *Financial Instruments* | Deferred |
| MFRS 9 | *Financial Instruments* (Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139) | Deferred |
| MFRS 10 | *Consolidated Financial Statements* | 1 January 2017 |
| MFRS 11 | *Joint Arrangements* | 1 January 2017 |
| Amendments to MFRS 11 | *Accounting for Acquisitions of Interests in Joint Operations* | 1 January 2017 |
| MFRS 12 | *Disclosure of Interests in Other Entities* | 1 January 2017 |
| MFRS 13 | *Fair Value Measurement* | 1 January 2017 |
| MFRS 14 | *Regulatory Deferral Accounts* | 1 January 2017 |
| MFRS 15 | *Revenue from Contracts with Customers* | 1 January 2017 |
| 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 2017 |
| Amendments to MFRS 10, MFRS 12 and MFRS 127 | *Investment Entities* | 1 January 2017 |
| MFRS 101 | *Presentation of Financial Statements* | 1 January 2017 |

# Notes to The Financial Statements
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## 5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (cont'd)

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

The Group and the Company have yet to adopt the following accounting standards, amendments and interpretations of the MFRS Framework that were issued by the MASB during the financial year (cont'd).

| Title | | Effective Date |
|---|---|---|
| Amendments to MFRS 101 | *Presentation of Items of Other Comprehensive Income* | 1 January 2017 |
| MFRS 102 | *Inventories* | 1 January 2017 |
| MFRS 107 | *Statement of Cash Flows* | 1 January 2017 |
| MFRS 108 | *Accounting Policies, Changes in Accounting Estimates and Errors* | 1 January 2017 |
| MFRS 110 | *Events After the Reporting Period* | 1 January 2017 |
| MFRS 112 | *Income Taxes* | 1 January 2017 |
| MFRS 116 | *Property, Plant and Equipment* | 1 January 2017 |
| Amendments to MFRS 116 | *Clarification of Acceptable Methods of Depreciation and Amortisation* | 1 January 2017 |
| MFRS 117 | *Leases* | 1 January 2017 |
| MFRS 119 | *Employee Benefits* | 1 January 2017 |
| MFRS 119 | *Employee Benefits (revised)* | 1 January 2017 |
| Amendments to MFRS 119 | *Defined Benefit Plans: Employee Contributions* | 1 January 2017 |
| MFRS 120 | *Accounting for Government Grants and Disclosure of Government Assistance* | 1 January 2017 |
| MFRS 121 | *The Effects of Changes in Foreign Exchange Rates* | 1 January 2017 |
| MFRS 123 | *Borrowing Costs* | 1 January 2017 |
| MFRS 124 | *Related Party Disclosures* | 1 January 2017 |
| MFRS 126 | *Accounting and Reporting by Retirement Benefit Plans* | 1 January 2017 |
| MFRS 127 | *Separate Financial Statements* | 1 January 2017 |
| MFRS 128 | *Investments in Associates and Joint Ventures* | 1 January 2017 |
| MFRS 129 | *Financial Reporting in Hyperinflationary Economies* | 1 January 2017 |
| MFRS 132 | *Financial Instruments: Presentation* | 1 January 2017 |
| Amendments to MFRS 132 | *Offsetting Financial Assets and Financial Liabilities* | 1 January 2017 |
| MFRS 133 | *Earnings Per Share* | 1 January 2017 |
| MFRS 134 | *Interim Financial Reporting* | 1 January 2017 |
| MFRS 136 | *Impairment of Assets* | 1 January 2017 |

## 5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (cont'd)

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

The Group and the Company have yet to adopt the following accounting standards, amendments and interpretations of the MFRS Framework that were issued by the MASB during the financial year (cont'd).

| Title | | Effective Date |
|---|---|---|
| Amendments to MFRS 136 | *Recoverable Amount Disclosures for Non-Financial Assets* | 1 January 2017 |
| MFRS 137 | *Provisions, Contingent Liabilities and Contingent Assets* | 1 January 2017 |
| MFRS 138 | *Intangible Assets* | 1 January 2017 |
| Amendments to MFRS 138 | *Clarification of Acceptable Methods of Depreciation and Amortisation* | 1 January 2017 |
| MFRS 139 | *Financial Instruments: Recognition and Measurement* | 1 January 2017 |
| Amendments to MFRS 139 | *Novation of Derivatives and Continuation of Hedge Accounting* | 1 January 2017 |
| MFRS 140 | *Investment Property* | 1 January 2017 |
| MFRS 141 | *Agriculture* | 1 January 2017 |
| Amendments to MFRSs | *Annual Improvements 2009 – 2011 Cycle* | 1 January 2017 |
| Annual Improvements to MFRSs 2010 – 2012 Cycle | | 1 January 2017 |
| Annual Improvements to MFRSs 2011 – 2013 Cycle | | 1 January 2017 |
| Improvements to MFRSs (2008) | | 1 January 2017 |
| Improvements to MFRSs (2009) | | 1 January 2017 |
| Improvements to MFRSs (2010) | | 1 January 2017 |
| IC Interpretation 1 | *Changes in Existing Decommissioning, Restoration and Similar Liabilities* | 1 January 2017 |
| IC Interpretation 2 | *Members' Shares in Co-operative Entities and Similar Instruments* | 1 January 2017 |
| IC Interpretation 4 | *Determining Whether an Arrangement Contains a Lease* | 1 January 2017 |
| IC Interpretation 5 | *Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds* | 1 January 2017 |
| IC Interpretation 6 | *Liabilities Arising from Participating in a Specific Market-Waste Electrical and Electronic Equipment* | 1 January 2017 |

## 5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (cont'd)

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

The Group and the Company have yet to adopt the following accounting standards, amendments and interpretations of the MFRS Framework that were issued by the MASB during the financial year (cont'd).

| Title | | Effective Date |
|---|---|---|
| IC Interpretation 7 | *Applying the Restatement Approach under MFRS 129 Financial Reporting in Hyperinflationary Economies* | 1 January 2017 |
| IC Interpretation 9 | *Reassessment of Embedded Derivatives* | 1 January 2017 |
| IC Interpretation 10 | *Interim Financial Reporting and Impairment* | 1 January 2017 |
| IC Interpretation 12 | *Service Concession Arrangements* | 1 January 2017 |
| IC Interpretation 14 | *MFRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* | 1 January 2017 |
| IC Interpretation 16 | *Hedges of a Net Investment in a Foreign Operation* | 1 January 2017 |
| IC Interpretation 17 | *Distributions of Non-cash Assets to Owners* | 1 January 2017 |
| IC Interpretation 19 | *Extinguishing Financial Liabilities with Equity Instruments* | 1 January 2017 |
| IC Interpretation 20 | *Stripping Costs in the Production Phase of a Surface Mine* | 1 January 2017 |
| IC Interpretation 21 | *Levies* | 1 January 2017 |
| IC Interpretation 107 | *Introduction of the Euro* | 1 January 2017 |
| IC Interpretation 110 | *Government Assistance – No Specific Relation to Operating Activities* | 1 January 2017 |
| IC Interpretation 112 | *Consolidation – Special Purpose Entities* | 1 January 2017 |
| IC Interpretation 113 | *Jointly Controlled Entities – Non-Monetary Contributions by Venturers* | 1 January 2017 |
| IC Interpretation 115 | *Operating Leases – Incentives* | 1 January 2017 |
| IC Interpretation 125 | *Income Taxes – Changes in the Tax Status of an Entity or its Shareholders* | 1 January 2017 |
| IC Interpretation 127 | *Evaluating the Substance of Transactions Involving the Legal Form of a Lease* | 1 January 2017 |
| IC Interpretation 129 | *Service Concession Arrangements: Disclosures* | 1 January 2017 |
| IC Interpretation 132 | *Intangible Assets – Web Site Costs* | 1 January 2017 |

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.

## 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 accounting policies of the Group 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, shop lots and factories 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) Classification of leasehold land

The Group has assessed and classified land use rights of the Group as finance leases based on the extent to which risks and rewards incidental to ownership of the land resides with the Group arising from the lease term. Consequently, the Group has classified the unamortised upfront payment for land use rights as finance leases in accordance with FRS 117 *Leases*.

(d) 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.

# Notes to The Financial Statements
30 June 2014

## 6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

### 6.2 Critical judgements made in applying accounting policies (cont'd)

(d) Impairment of available-for-sale investments (cont'd)

The determination of what is 'significant' or 'prolonged' requires judgement. The Group believes that a significant or prolonged decline in fair value of an investment in equity instrument is a decline in fair value of more than 20 percent of the cost, or the decline in fair value below its original cost has persisted for more than 9 to 12 months.

(e) Contingent liabilities

The determination of the treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies for matters in the ordinary course of business.

(f) Classification of non-current bank borrowings

Term loan agreements entered into by the Group include repayment on demand clauses at the discretion of financial institutions. The Group believes that in the absence of a default being committed by the Group, these financial institutions are not entitled to exercise their right to demand for repayment. Accordingly, the carrying amount of the term loans have been classified between current and non-current liabilities based on their repayment period.

(g) Contingent liabilities on corporate guarantees

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

(h) Classification of joint arrangement

For the joint arrangements structured in separate vehicle, the Group assesses the substance of the joint arrangement in determining whether it is classified as a joint venture or joint operation. This assessment requires the Group to consider whether there are any factors that give the Group rights to the net assets of the joint arrangement (in which case it is classified as a joint venture), or rights to specific assets, liabilities, expenses, and revenues (in which case it is classified as a joint operation). These factors include:

(i) Structure;
(ii) Legal form;
(iii) Contractual agreement; and
(iv) Other facts and circumstances.

## 6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

### 6.2 Critical judgements made in applying accounting policies (cont'd)

(h) Classification of joint arrangement (cont'd)

Upon consideration of these factors, the Group has determined that its joint arrangement structured through separate vehicle provide rights to the net assets and are therefore, classified as joint venture.

### 6.3 Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Impairment of property, plant and equipment

The Group assesses whether there are any indicators of impairment for its property, plant and equipment at each reporting date. Property, plant and equipment are tested for impairment when there are indicators that the carrying amounts may not be recoverable. Such assessment requires management to make an estimate of the recoverable amounts and where expectations differ from the original estimates, the differences will impact the carrying amounts of the property, plant and equipment. In assessing such as impairment, the recoverable amount of the property, plant and equipment is estimated using the latest available fair value after taking into account the costs to sell or expected value in use of the relevant assets.

(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) 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.

## 6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

### 6.3 Key sources of estimation uncertainty (cont'd)

(d) 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. The total property development revenue and costs also include an estimation of variation works that are recoverable from customers. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

(e) 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. The total construction contract revenue and expenses also include an estimation of variation works that are recoverable from customers. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

(f) 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.

## 6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

### 6.3 Key sources of estimation uncertainty (cont'd)

(g) 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.

(h) 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.

(i) Impairment of investments in subsidiaries, associates and joint venture and impairment of amounts due from subsidiaries, associates and joint venture

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

The recoverable amounts of the investments in subsidiaries, associates and joint venture and amounts due from subsidiaries, associates and joint venture 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 joint venture.

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 joint venture 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.

## 6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

### 6.3 Key sources of estimation uncertainty (cont'd)

(j) 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.

(k) Fair value measurement

The fair value measurement of the financial and non-financial assets and liabilities of the Group utilises market observable inputs and data as far as possible, where applicable. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are:

(i) Level 1: Quoted prices in active markets for identical items (unadjusted);
(ii) Level 2: Observable direct or indirect inputs other than Level 1 inputs; and
(iii) Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used in the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The Group measures these elements in the financial statements at fair value:

(i) Other investments, Note 13 to the financial statements; and
(ii) Financial instruments, Note 37 to the financial statements.

## 7. PROPERTY, PLANT, EQUIPMENT AND BIOLOGICAL ASSETS

| Group | Balance as at 1.7.2013 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 (Note7(a)) RM'000 | Adjustments* RM'000 | Reclassified from/(to) investment properties (Note 9) RM'000 | Reclassifications RM'000 | Translation adjustments RM'000 | Balance as at 30.6.2014 RM'000 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Carrying amount** | | | | | | | | | | | |
| Freehold hotel properties | 160,843 | 106 | - | - | - | (4,264) | (34) | - | - | 148 | 156,799 |
| Leasehold hotel properties | 59,344 | 694 | - | - | - | (1,725) | - | - | 688 | - | 59,001 |
| Freehold golf course | 15,332 | - | - | - | - | - | - | - | - | - | 15,332 |
| Freehold land | 55,301 | - | - | - | - | - | - | 82 | - | 174 | 55,557 |
| Long term leasehold land | 40,161 | - | - | - | - | (264) | - | - | - | - | 39,897 |
| Short term leasehold land | 1,240 | - | - | - | - | (31) | - | - | - | 6 | 1,215 |
| Buildings and improvements | 57,637 | 26,543 | - | (23) | (3,923) | (1,546) | - | 78 | - | 18 | 78,784 |
| Jetty and infrastructure | 21,662 | - | - | - | (21,073) | (589) | - | - | - | - | - |
| Plant, machinery and electrical installation | 26,045 | 15,463 | (159) | - | - | (6,888) | - | - | 46 | 13 | 34,520 |
| Motor vehicles and boats | 3,242 | 1,217 | (90) | - | (4) | (1,162) | - | - | (28) | 1 | 3,176 |
| Hotel furniture, fittings and equipment | 18,955 | 2,328 | (97) | (290) | (359) | (3,300) | - | (21) | 2,089 | 39 | 19,344 |
| Furniture, fittings and equipment | 12,425 | 2,189 | (86) | (264) | - | (2,623) | - | (79) | (19) | - | 11,543 |
| Computers | 1,168 | 362 | (11) | (1) | - | (386) | - | (1) | - | - | 1,131 |
| Construction-in-progress | 9,769 | 4,095 | - | - | - | - | - | - | (2,776) | - | 11,088 |
| | 483,124 | 52,997 | (443) | (578) | (25,359) | (22,778) | (34) | 59 | - | 399 | 487,387 |
| Biological assets | 8,603 | 1,363 | - | - | - | - | - | - | - | - | 9,966 |

* Adjustments due to over accrual for construction cost in prior year.

# Notes to The Financial Statements
30 June 2014

## 7. PROPERTY, PLANT, EQUIPMENT AND BIOLOGICAL ASSETS (cont'd)

| Group | [---- At 30.6.2014 ---- | | ----] |
|---|---|---|---|
| | Cost RM'000 | Accumulated depreciation and impairment RM'000 | Carrying amount RM'000 |
| Freehold hotel properties | 187,097 | (30,298) | 156,799 |
| Leasehold hotel properties | 74,064 | (15,063) | 59,001 |
| Freehold golf course | 15,332 | - | 15,332 |
| Freehold land | 55,557 | - | 55,557 |
| Long term leasehold land | 41,972 | (2,075) | 39,897 |
| Short term leasehold land | 1,447 | (232) | 1,215 |
| Buildings and improvements | 96,732 | (17,948) | 78,784 |
| Jetty and infrastructure | 29,532 | (29,532) | - |
| Plant, machinery and electrical installation | 103,833 | (69,313) | 34,520 |
| Motor vehicles and boats | 9,255 | (6,079) | 3,176 |
| Hotel furniture, fittings and equipment | 77,737 | (58,393) | 19,344 |
| Furniture, fittings and equipment | 32,107 | (20,564) | 11,543 |
| Computers | 6,296 | (5,165) | 1,131 |
| Construction-in-progress | 11,088 | - | 11,088 |
| | 742,049 | (254,662) | 487,387 |
| Biological assets | 9,966 | - | 9,966 |

## 7. PROPERTY, PLANT, EQUIPMENT AND BIOLOGICAL ASSETS (cont'd)

| 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
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## 7. PROPERTY, PLANT, EQUIPMENT AND BIOLOGICAL ASSETS (cont'd)

| Group | [---- At 30.6.2013 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 |

## 7. PROPERTY, PLANT, EQUIPMENT AND BIOLOGICAL ASSETS (cont'd)

| Company | Balance as at 1.7.2013 RM'000 | Additions RM'000 | Disposals RM'000 | Write off RM'000 | Depreciation charge for the financial year RM'000 | Balance as at 30.6.2014 RM'000 |
|---|---|---|---|---|---|---|
| **Carrying amount** | | | | | | |
| Computers | **121** | **1** | **(*)** | **(*)** | **(54)** | **68** |
| Furniture, fittings and equipment | **208** | **177** | - | **(19)** | **(45)** | **321** |
| Motor vehicles | * | **502** | - | - | **(75)** | **427** |
| Construction-in-progress | - | **13** | - | - | - | **13** |
| | **329** | **693** | **(*)** | **(19)** | **(174)** | **829** |

| | At 30.6.2014 Cost RM'000 | Accumulated depreciation RM'000 | Carrying amount RM'000 |
|---|---|---|---|
| Computers | **619** | **(551)** | **68** |
| Furniture, fittings and equipment | **857** | **(536)** | **321** |
| Motor vehicles | **902** | **(475)** | **427** |
| Construction-in-progress | **13** | - | **13** |
| | **2,391** | **(1,562)** | **829** |

* Amount is less than RM1,000.

| 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
30 June 2014

## 7. PROPERTY, PLANT, EQUIPMENT AND BIOLOGICAL ASSETS (cont'd)

| Company | [------ 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.

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

| | Note | Group 2014 RM'000 | Group 2013 RM'000 | Company 2014 RM'000 | Company 2013 RM'000 |
|---|---|---|---|---|---|
| Recognised in profit or loss | 29 | **17,965** | 18,380 | **174** | 182 |
| Amount due from customers for contract works | 16(c) | **4,813** | 3,681 | **-** | - |
| | | **22,778** | 22,061 | **174** | 182 |

(b) The freehold land and buildings of the Group with a carrying amount of RM16,139,000 (2013: RM18,734,000) have been pledged to licensed 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 RM157,428,000 (2013: RM174,189,000) 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 RM1,063,000 (2013: RM1,233,000) have been pledged to banks for credit facilities granted to the Group (Note 23).

(c) Included in the Group's biological assets is interest expense of RM163,000 (2013: RM272,000), which was capitalised during the financial year at interest rates ranging from 0.42% to 4.55% (2013: 0.37% to 5.30%) per annum.

**7. PROPERTY, PLANT, EQUIPMENT AND BIOLOGICAL ASSETS (cont'd)**

(d) During the financial year, as a result of the under-utilisation of the jetty and the deteriorating performance of the golf operations of the Group, the Directors had re-assessed the recoverable amount in respect of jetty and infrastructure as well as plant and equipment related to the golf operations. Based on their re-assessment, an impairment loss of RM25,359,000 had been recognised in respect of these assets. The impairment loss was recorded under other expenses in the statement of profit or loss.

The recoverable amount was determined based on the value-in-use of the assets. The value-in-use was determined by discounting the future cash flows to be generated from the continuing use of the assets based on financial budgets prepared by management covering a five-year period. The key assumptions used in the value-in-use calculations were as follows:

(i) Revenue is projected to decline at rates of 20% to 30% over the five years;

(ii) Pre-tax discount rate of 7% was applied to these cash flow projections. The discount rate was determined based on the weighted average cost of capital; and

(iii) Terminal value representing the projected proceeds from disposal of the assets at the end of year five.

**8. INTANGIBLE ASSETS**

| | **Group** | |
|---|---|---|
| | **2014 RM'000** | **2013 RM'000** |
| ***Goodwill*** | | |
| **Cost** | | |
| Balance as at 1 July 2013/2012 | **6,618** | 6,615 |
| Additions | - | 3 |
| Balance as at 30 June 2014/2013 | **6,618** | 6,618 |
| **Less: Impairment loss** | | |
| Balance as at 1 July 2013/2012 | **(2,050)** | (2,047) |
| Charge for the financial year | - | (3) |
| Balance as at 30 June 2014/2013 | **(2,050)** | (2,050) |
| **Carrying amount** | **4,568** | 4,568 |

# Notes to The Financial Statements
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## 8. INTANGIBLE ASSETS (cont'd)

***Impairment testing for cash-generating units containing goodwill***

For the purpose of impairment 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 | |
|---|---|---|
| | **2014 RM'000** | **2013 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.

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 five years with gradual improvement in the pre-tax margin;

(ii) Pre-tax discount rate of 7% was applied to the cash flow projections. The discount rate was estimated based on the weighted average cost of capital; and

(iii) Terminal value representing the projected net assets of the operating divisions at the end of year five.

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.

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 its recoverable amount.

## 9. INVESTMENT PROPERTIES

| Group | Balance as at 1.7.2013 RM'000 | Additions RM'000 | Reclassified (to)/from property, plant and equipment (Note 7) RM'000 | Disposals RM'000 | Depreciation charge for the financial year RM'000 | Balance as at 30.6.2014 RM'000 |
|---|---|---|---|---|---|---|
| **Carrying amount** | | | | | | |
| Freehold land | **52,673** | **-** | **(82)** | **(40,651)** | **-** | **11,940** |
| Buildings | **90,875** | **2,690** | **23** | **(76,464)** | **(2,223)** | **14,901** |
| | **143,548** | **2,690** | **(59)** | **(117,115)** | **(2,223)** | **26,841** |

| | [---------- At 30.6.2014 | ----------] | |
|---|---|---|---|
| | **Cost RM'000** | **Accumulated depreciation RM'000** | **Carrying amount RM'000** |
| Freehold land | **11,940** | **-** | **11,940** |
| Buildings | **16,861** | **(1,960)** | **14,901** |
| | **28,801** | **(1,960)** | **26,841** |
| **Fair value** | | | |
| At 30 June 2014 | | | **38,092** |

| 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
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## 9. INVESTMENT PROPERTIES (cont'd)

| | [------ 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 |

Investment properties comprise 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 which contain an initial non-cancellable period of six years. 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 RM21,348,000 (2013: RM139,316,000) are pledged to licensed financial institutions to secure banking facilities granted to the Group (Note 23).

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

| | Group | |
|---|---|---|
| | 2014 RM'000 | 2013 RM'000 |
| **Generating rental income** | | |
| Building insurance | **108** | 116 |
| Service charges | **78** | 46 |
| Quit rent and assessment | **1,198** | 1,312 |
| Security service | **401** | 438 |
| Maintenance | **817** | 952 |
| Utilities | **2,751** | 2,923 |
| Other expenses | **6** | 12 |
| | **5,359** | 5,799 |
| **Non-generating rental income** | | |
| Quit rent and assessment | **11** | 11 |

## 10. INVESTMENTS IN SUBSIDIARIES

| | Company 2014 RM'000 | Company 2013 RM'000 |
|---|---|---|
| Unquoted equity shares, at cost | **568,843** | 546,343 |
| Less: Impairment loss | **(11,824)** | (11,824) |
| | **557,019** | 534,519 |

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

| Name of company | Country of incorporation | Effective interest in equity 2014 % | Effective interest in equity 2013 % | Principal activities |
|---|---|---|---|---|
| Aco Built System Sdn. Bhd. | Malaysia | **100** | 100 | Installation of concrete wall panels |
| Acotec Sdn. Bhd. (formerly known as 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 |
| Ancient Capital Sdn. Bhd.** | Malaysia | **100** | - | Dormant |
| 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 |

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## 10. INVESTMENTS IN SUBSIDIARIES (cont'd)

(a) The details of the subsidiaries are as follows (cont'd):

| Name of company | Country of incorporation | Effective interest in equity 2014 % | 2013 % | Principal activities |
|---|---|---|---|---|
| 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 |
| 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 |

## 10. INVESTMENTS IN SUBSIDIARIES (cont'd)

(a) The details of the subsidiaries are as follows (cont'd):

| Name of company | Country of incorporation | Effective interest in equity 2014 % | Effective interest in equity 2013 % | Principal activities |
|---|---|---|---|---|
| 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 and its subsidiary | Australia | **100** | 100 | Investment holding and hotel business |
| Yarra Park City Pty. Limited** (formerly known as Yarra Vision Park Pty. Limited and PJA South Corporation Pty. Limited) | Australia | **81.9** | - | Property development and investment |
| PJ Equity Sdn. Bhd. | Malaysia | **100** | 100 | Investment holding |
| PJD Central Sdn. Bhd. | Malaysia | **100** | 100 | 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 |

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## 10. INVESTMENTS IN SUBSIDIARIES (cont'd)

(a) The details of the subsidiaries are as follows (cont'd):

| Name of company | Country of incorporation | Effective interest in equity 2014 % | 2013 % | Principal activities |
|---|---|---|---|---|
| PJD Eastern Land Sdn. Bhd. | Malaysia | **100** | 100 | Property development and investment |
| PJD Hartamas Sdn. Bhd. (formerly known as PJD-MM2H Sdn. Bhd.) | Malaysia | **100** | 100 | Property development and investment |
| PJD Hotels Sdn. Bhd. and its subsidiaries | Malaysia | **100** | 100 | Investment holding and hotel and restaurant business |
| Damai Laut Golf Resort Sdn. Bhd. | Malaysia | **99** | 99 | Development and investment in resort property, hotel and restaurant business and operation of golf course |
| MM Hotels Sdn. Bhd. | Malaysia | **100** | 100 | Hotel and restaurant business |
| Swiss-Garden Management Services Sdn. Bhd. | Malaysia | **100** | 100 | Hotel and restaurant business |
| PJD Land Sdn. Bhd. | Malaysia | **100** | 100 | Leasing of office cum commercial building |
| PJD Landmarks Sdn. Bhd. | Malaysia | **100** | 100 | Property development |
| PJD Management Services Sdn. Bhd. | Malaysia | **100** | 100 | Provision of property management and facilities services |
| 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 |

**10. INVESTMENTS IN SUBSIDIARIES (cont'd)**

(a) The details of the subsidiaries are as follows (cont'd):

| Name of company | Country of incorporation | Effective interest in equity 2014 % | 2013 % | Principal activities |
|---|---|---|---|---|
| PJD Regency Sdn. Bhd. | Malaysia | **100** | 100 | Property development |
| PJD Sejahtera Sdn. Bhd. | Malaysia | **100** | 100 | Property development |
| 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 Hotel Management Sdn. Bhd. | Malaysia | **100** | 100 | Hotel management and consultancy services |
| Swiss-Garden International Sdn. Bhd. and its subsidiaries | Malaysia | **100** | 100 | Hotel management and consultancy services |
| Swiss-Garden International Limited | British Virgin Islands | **100** | 100 | Hotel management and consultancy services |
| Swiss-Garden International Hotels & Resorts (Australia) Pty. Ltd.** | Australia | **100** | 100 | Hotel management and consultancy services |
| Swiss-Garden International Limited** | United Kingdom | **100** | 100 | Dormant |
| Swiss-Garden International Vacation Club Berhad | Malaysia | **100** | 100 | Operation and management of timeshare membership scheme |
| Swiss-Garden Rewards Sdn. Bhd. and its subsidiary | Malaysia | **100** | 100 | Marketing of timeshare memberships |

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## 10. INVESTMENTS IN SUBSIDIARIES (cont'd)

(a) The details of the subsidiaries are as follows (cont'd):

| Name of company | Country of incorporation | Effective interest in equity 2014 % | 2013 % | Principal activities |
|---|---|---|---|---|
| Swiss-Garden Rewards (Singapore) Pte. Ltd.** | Singapore | **100** | 100 | Agent providing services to hotel companies |
| Swiss-Inn JB Sdn. Bhd. | Malaysia | **100** | 100 | Hotel and restaurant business |
| Vibrant Practice Sdn. Bhd.** | Malaysia | **100** | - | Dormant |

* Subsidiaries audited by BDO Member Firms.
** Consolidated using management financial statements.
*** Not audited by BDO Member Firms.

(b) The subsidiaries of the Group that have material non-controlling interests ('NCI') are as follows:

| 2014 | PJDC Co., Ltd. | PJDCI Co., Ltd. | Yarra Park City Pty. Limited | Other individual immaterial subsidiary | Total |
|---|---|---|---|---|---|
| NCI percentage of ownership interest and voting interest | **11.5%** | **21.5%** | **18.1%** | | |
| Carrying amount of NCI (RM'000) | **(3,049)** | **(8,443)** | **3,957** | **(278)** | **(7,813)** |
| Loss allocated to NCI (RM'000) | **(1,118)** | **(8,396)** | **(1)** | **(263)** | **(9,778)** |

**10. INVESTMENTS IN SUBSIDIARIES (cont'd)**

(b) The subsidiaries of the Group that have material non-controlling interests ('NCI') are as follows (cont'd):

| **2013** | **PJDC Co., Ltd.** | **PJDCI Co., Ltd.** | **Other individual immaterial subsidiary** | **Total** |
|---|---|---|---|---|
| NCI percentage of ownership interest and voting interest | 11.5% | 21.5% | | |
| Carrying amount of NCI (RM'000) | (1,806) | (294) | (14) | (2,114) |
| (Loss)/Profit allocated to NCI (RM'000) | (325) | (1) | 5 | (321) |

(c) The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at the end of each reporting period are as follows:

| **2014** | **PJDC Co., Ltd. RM'000** | **PJDCI Co., Ltd. RM'000** | **Yarra Park City Pty. Limited RM'000** |
|---|---|---|---|
| **Assets and liabilities** | | | |
| Current assets | **80** | **56** | **21,939** |
| Current liabilities | **(39,472)** | **(43,280)** | **(140)** |
| Net (liabilities)/assets | **(39,392)** | **(43,224)** | **21,799** |

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## 10. INVESTMENTS IN SUBSIDIARIES (cont'd)

(c) The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at the end of each reporting period are as follows (cont'd):

| 2014 | PJDC Co., Ltd. RM'000 | PJDCI Co., Ltd. RM'000 | Yarra Park City Pty. Limited RM'000 |
|---|---|---|---|
| **Results** | | | |
| Revenue | - | - | - |
| Loss for the financial year | **(9,773)** | **(39,122)** | **(7)** |
| Total comprehensive loss | **(9,773)** | **(39,122)** | **(7)** |
| Cash flows used in operating activities | **(1,499)** | **(37,971)** | **(21,806)** |
| Cash flows from investing activities | **1,545** | **37,770** | - |
| Cash flows from financing activities | - | - | **21,806** |
| Net increase/(decrease) in cash and cash equivalents | **46** | **(201)** | - |

| 2013 | PJDC Co., Ltd. RM'000 | PJDCI Co., Ltd. RM'000 |
|---|---|---|
| **Assets and liabilities** | | |
| Non-current assets | 1,462 | - |
| Current assets | 7,674 | 258 |
| Current liabilities | (37,662) | (5,506) |
| Net liabilities | (28,526) | (5,248) |
| **Results** | | |
| Revenue | - | - |
| Loss for the financial year | (2,846) | (6) |
| Total comprehensive loss | (2,846) | (6) |
| Cash flows from/(used in) operating activities | 3,610 | (876) |
| Cash flows (used in)/from investing activities | (3,627) | 919 |
| Net (decrease)/increase in cash and cash equivalents | (17) | 43 |

## 11. ASSOCIATES

| | Group 2014 RM'000 | Group 2013 RM'000 |
|---|---|---|
| Unquoted equity shares in Malaysia, at cost | **300** | - |
| Unquoted equity shares in Overseas, at cost | **23,919** | 23,919 |
| | **24,219** | 23,919 |
| Share of post acquisition reserves, net of dividends received | **4,147** | 26,065 |
| | **28,366** | 49,984 |
| Amount owing by an associate | **57,486** | - |
| | **85,852** | 49,984 |

(a) The details of the associates are as follows:

| Name of company | Country of incorporation | Effective interest in equity 2014 % | Effective interest in equity 2013 % | Principal activities |
|---|---|---|---|---|
| **Associate of PJD Hartamas Sdn. Bhd. (formerly known as PJD-MM2H Sdn. Bhd.)** | | | | |
| Agile PJD Development Sdn. Bhd. (formerly known as Rexpoint Capital Sdn. Bhd.)* | Malaysia | **30.0** | - | Property development and investment |
| **Associate of P.J. (A) Pty. Limited** | | | | |
| Equity & Property Investment Corporation Pty. Limited** | Australia | **27.4** | 27.4 | Property investment and property development |

* Equity accounted using management financial statements.

** Not audited by BDO Member Firms.

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## 11. ASSOCIATES (cont'd)

(b) The financial statements of the above associates are coterminous with those of the Group, except for Agile PJD Development Sdn. Bhd., which has a financial year end of 31 December 2014 to conform with the financial year end of its controlling investor. In applying the equity method of accounting, the management financial statements of Agile PJD Development Sdn. Bhd. for the financial period ended 30 June 2014 have been used.

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

| 2014 | Equity & Property Investment Corporation Pty. Limited RM'000 | Agile PJD Development Sdn. Bhd. RM'000 | Total RM'000 |
|---|---|---|---|
| **Assets and liabilities** | | | |
| Non-current assets | 167,298 | 192,927 | 360,225 |
| Current assets | 54,198 | 1,211 | 55,409 |
| Non-current liabilities | (14,323) | - | (14,323) |
| Current liabilities | (433) | (193,426) | (193,859) |
| Net assets | 206,740 | 712 | 207,452 |
| **Results** | | | |
| Revenue | 11,273 | - | 11,273 |
| Profit/(Loss) for the financial year/period | 5,233 | (287) | 4,946 |
| Total comprehensive income/(loss) | 5,233 | (287) | 4,946 |
| Cash flows from/(used in) operating activities | 6,140 | (191,731) | (185,591) |
| Cash flows (used in)/from investing activities | (5,451) | 192,118 | 186,667 |
| Cash flows (used in)/from financing activities | (3,470) | 1,000 | (2,470) |
| Net (decrease)/increase in cash and cash equivalents | (2,781) | 1,387 | (1,394) |

## 11. ASSOCIATES (cont'd)

(c) The summarised financial information of the associates are as follows (cont'd):

| 2013 | Equity & Property Investment Corporation Pty. Limited RM'000 | Agile PJD Development Sdn. Bhd. RM'000 | Total RM'000 |
|---|---|---|---|
| **Assets and liabilities** | | | |
| Non-current assets | 130,136 | - | 130,136 |
| Current assets | 53,353 | - | 53,353 |
| Current liabilities | (421) | - | (421) |
| Net assets | 183,068 | - | 183,068 |
| **Results** | | | |
| Revenue | 7,897 | - | 7,897 |
| Profit for the financial year | 3,474 | - | 3,474 |
| Total comprehensive income | 3,474 | - | 3,474 |
| Cash flows used in operating activities | (10,530) | - | (10,530) |
| Cash flows used in investing activities | (730) | - | (730) |
| Net decrease in cash and cash equivalents | (11,260) | - | (11,260) |

# Notes to The Financial Statements
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## 11. ASSOCIATES (cont'd)

(d) The reconciliation of net assets of the associates to the carrying amount of the associates are as follows:

| | Equity & Property Investment Corporation Pty. Limited RM'000 | Agile PJD Development Sdn. Bhd. RM'000 | Total RM'000 |
|---|---|---|---|
| **As at 30 June 2014** | | | |
| Share of net assets of the Group | **51,946** | **57,700** | **109,646** |
| Elimination of indirect interest | **(1,494)** | - | **(1,494)** |
| Elimination of unrealised profits | - | **(22,300)** | **(22,300)** |
| Carrying amount in the statement of financial position | **50,452** | **35,400** | **85,852** |
| **Share of results of the Group for the financial year ended 30 June 2014** | | | |
| Share of profit or loss of the Group/ Share of total comprehensive income/(loss) of the Group | **1,442** | **(86)** | **1,356** |
| **Other information** | | | |
| Dividend received | **951** | - | **951** |
| **As at 30 June 2013** | | | |
| Share of net assets of the Group/ Carrying amount in the statement of financial position | 49,984 | - | 49,984 |
| **Share of results of the Group for the financial year ended 30 June 2013** | | | |
| Share of profit or loss of the Group/ Share of total comprehensive income of the Group | 931 | - | 931 |

## 12. INVESTMENT IN A JOINT VENTURE

| | Group 2014 RM'000 | Group 2013 RM'000 |
|---|---|---|
| **Results** | | |
| Unquoted equity shares, at cost | * | * |
| Share of post acquisition reserves, net of dividends received | **(*)** | (*) |
| | - | - |

* Amount is less than RM1,000.

(a) The details of the joint venture are as follows:

| Name of company | Country of incorporation | Effective interest in equity 2014 % | Effective interest in equity 2013 % | Principal activities |
|---|---|---|---|---|
| Scotia Acres Sdn. Bhd. ('Scotia') | Malaysia | 50 | 50 | Property development and investment |

(b) Scotia, the only joint venture in which the Group participates, is an unlisted separate structured entity whose quoted market price is not available. The contractual arrangement provides the Group with only the rights to the net assets of the joint arrangement, with the right to the assets and obligation for liabilities of the joint arrangement resting primarily with Scotia. This joint arrangement has been classified as a joint venture and has been included in the consolidated financial statements using the equity method.

# Notes to The Financial Statements
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## 12. INVESTMENT IN A JOINT VENTURE (cont'd)

(c) The summarised financial information of the joint venture and a reconciliation to the carrying amount in the consolidated financial statements are as follows:

| | Group 2014 RM'000 | Group 2013 RM'000 |
|---|---|---|
| **Assets and liabilities** | | |
| Non-current assets | **93,511** | 85,480 |
| Current assets | **2,490** | 4,858 |
| Non-current liabilities | **(75,238)** | (68,358) |
| Current liabilities | **(27,723)** | (23,649) |
| Net liabilities | **(6,960)** | (1,669) |
| Proportion of the ownership of the Group | **50%** | 50% |
| Carrying amount of the investment in a joint venture | - | - |
| **Results** | | |
| Revenue | **5,774** | 7,369 |
| Cost of sales | **(6,290)** | (7,163) |
| Gross (loss)/profit | **(516)** | 206 |
| Other income | **768** | 1,251 |
| Administrative expenses | **(24)** | (40) |
| Other expenses | **(475)** | (2,062) |
| Finance costs | **(3,625)** | (3,555) |
| Loss before tax | **(3,872)** | (4,200) |
| Taxation | **296** | 76 |
| Loss for the financial year | **(3,576)** | (4,124) |
| Share of losses by the Group for the financial year (Note (d)) | - | (1,228) |
| **Contingent liabilities** | | |
| Share of a joint venture's contingent liabilities incurred jointly with other investors: | | |
| - Guaranteed bank facilities | **75,120** | 68,205 |

## 12. INVESTMENT IN A JOINT VENTURE (cont'd)

(c) The summarised financial information of the joint venture and a reconciliation to the carrying amount in the consolidated financial statements are as follows (cont'd):

The joint venture had no capital commitments as at 30 June 2014 and 2013. Scotia cannot distribute its profits until it obtains the consent from the two venture partners.

(d) The Group does not recognised its further share of losses of the joint venture, Scotia, during the financial year as the carrying amount of this investment had been reduced to nil. The unrecognised results are as follows:

| | Group | |
|---|---|---|
| | **2014 RM'000** | **2013 RM'000** |
| Loss for the financial year | **1,788** | 2,062 |
| Accumulated losses | **2,622** | 834 |

## 13. OTHER INVESTMENTS

| **Group** | **Carrying amount RM'000** |
|---|---|
| **2014** | |
| **Non-current** | |
| Available-for-sale financial assets | |
| - Unquoted shares in Malaysia | **695** |

| | **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 |

# Notes to The Financial Statements
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## 13. OTHER INVESTMENTS (cont'd)

In the previous financial year, certain quoted investments were 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(d) to the financial statements.

Information on financial risk of other investments is disclosed in Note 38 to the financial statements.

## 14. LAND HELD FOR PROPERTY DEVELOPMENT

| | Note | Group 2014 RM'000 | Group 2013 RM'000 |
|---|---|---|---|
| **Carrying amount** | | | |
| Balance as at 1 July 2013/2012 | | **137,329** | 145,128 |
| Additions | | **142,768** | 32,065 |
| Translation adjustment | | **12** | (785) |
| Transfer to property development costs | 17 | **(31,309)** | (38,587) |
| Impairment loss during the financial year | | **(1,473)** | (492) |
| Balance as at 30 June 2014/2013 | | **247,327** | 137,329 |
| Represented by: | | | |
| Land | | **198,115** | 101,841 |
| Land development costs | | **49,212** | 35,488 |
| | | **247,327** | 137,329 |

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

| | Group 2014 RM'000 | Group 2013 RM'000 |
|---|---|---|
| Interest expense | **3,259** | 1,210 |

Interest is capitalised in land held for property development at rates ranging from 4.25% to 7.60% (2013: 4.00% to 7.60%) per annum.

Certain land held for property development with a carrying amount of RM200,803,000 (2013: RM87,391,000) have been pledged to licensed banks for banking facilities granted to the Group (Note 23).

## 15. DEFERRED TAX

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

| | Group 2014 RM'000 | Group 2013 RM'000 |
|---|---|---|
| Balance as at 1 July 2013/2012 | **26,014** | 22,074 |
| Recognised in profit or loss (Note 30) | **(4,587)** | 3,940 |
| Balance as at 30 June 2014/2013 | **21,427** | 26,014 |
| Presented after appropriate offsetting: | | |
| Deferred tax assets, net | **(937)** | (3,298) |
| Deferred tax liabilities, net | **22,364** | 29,312 |
| | **21,427** | 26,014 |

## 15. DEFERRED TAX (cont'd)

(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 | Others RM'000 | Total RM'000 |
|---|---|---|---|---|---|---|
| At 1 July 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) |
| Recognised in profit or loss | 2,984 | 6,506 | (2,338) | - | (204) | 6,948 |
| At 30 June 2014 | **(4)** | **(23,889)** | **1,646** | **87** | **(204)** | **(22,364)** |

## 15. DEFERRED TAX (cont'd)

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

**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 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 |
| Recognised in profit or loss | (713) | (1,667) | (1,805) | (514) | 2,338 | - | (2,361) |
| At 30 June 2014 | **508** | **1,197** | **(70)** | **948** | **(1,646)** | **-** | **937** |

# Notes to The Financial Statements
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## 15. DEFERRED TAX (cont'd)

(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 2014 RM'000 | Group 2013 RM'000 |
|---|---|---|
| Deductible temporary differences | **18,844** | 22,005 |
| Taxable temporary differences | **(40,298)** | (50,496) |
| Unused tax losses | | |
| - No expiry date | **29,746** | 29,727 |
| - Expire by 30 June 2014 | **-** | 972 |
| - Expire by 30 June 2015 | **994** | 990 |
| - Expire by 30 June 2016 | **620** | 618 |
| - Expire by 30 June 2017 | **930** | 926 |
| - Expire by 30 June 2018 | **306** | 305 |
| - Expire by 30 June 2019 | **1,317** | - |
| Unabsorbed capital allowances | **81,748** | 67,184 |
| | **94,207** | 72,231 |

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.

## 16. TRADE AND OTHER RECEIVABLES

| | Note | Group 2014 RM'000 | Group 2013 RM'000 | Company 2014 RM'000 | Company 2013 RM'000 |
|---|---|---|---|---|---|
| **Non-current** | | | | | |
| **Trade** | | | | | |
| Third parties | a | **26,065** | 26,388 | **-** | - |
| Retention sum - third parties | b | **15,193** | 19,272 | **-** | - |
| **Loans and receivables** | | **41,258** | 45,660 | **-** | - |

## 16. TRADE AND OTHER RECEIVABLES (cont'd)

| | Note | Group 2014 RM'000 | Group 2013 RM'000 | Company 2014 RM'000 | Company 2013 RM'000 |
|---|---|---|---|---|---|
| **Current** | | | | | |
| **Trade** | | | | | |
| Third parties | a | **166,299** | 170,607 | **-** | - |
| Accrued billings | | **214,089** | 92,587 | **-** | - |
| Amount due from customers for contract works | c | **9,935** | 7,737 | **-** | - |
| Retention sum - third parties | b | **18,367** | 12,873 | **-** | - |
| | | **408,690** | 283,804 | **-** | - |
| Less: Impairment loss - third parties | i | **(2,208)** | (7,100) | **-** | - |
| | | **406,482** | 276,704 | **-** | - |
| **Non-trade** | | | | | |
| Joint venture | d | **11,671** | 10,095 | **-** | - |
| Subsidiaries | e | **-** | - | **198,152** | 197,232 |
| Other receivables | f | **123,344** | 6,979 | **292** | 98 |
| | | **135,015** | 17,074 | **198,444** | 197,330 |
| Less: Impairment loss - other receivables | i | **(563)** | (678) | **-** | - |
| | | **134,452** | 16,396 | **198,444** | 197,330 |
| **Loans and receivables** | | **540,934** | 293,100 | **198,444** | 197,330 |
| **Deposits and prepayments** | | | | | |
| Deposits | | **28,428** | 21,241 | **52** | 135 |
| Prepayments | | **3,157** | 3,147 | **147** | 145 |
| | | **31,585** | 24,388 | **199** | 280 |
| | | **572,519** | 317,488 | **198,643** | 197,610 |
| Total trade and other receivables | g | **613,777** | 363,148 | **198,643** | 197,610 |

## 16. TRADE AND OTHER RECEIVABLES (cont'd)

(a) Trade receivables are non-interest bearing and the normal credit terms granted by the Group range from 30 to 90 days (2013: 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 RM48,223,000 (2013: RM46,541,000) receivable from customers via monthly instalments ranging from 12 to 60 months (2013: 12 to 60 months).

Included in trade receivables of the Group are amounts owing by companies in which certain Directors have interest totalling RM3,181,000 (2013: RM3,939,000).

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

| | Group | |
|---|---|---|
| | **2014 RM'000** | **2013 RM'000** |
| Within one year | **18,367** | 12,873 |
| Within two years | **5,900** | 11,252 |
| Within three years | **9,293** | 4,377 |
| Within four years | - | 3,643 |
| | **33,560** | 32,145 |

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

| | | Group | |
|---|---|---|---|
| | **Note** | **2014 RM'000** | **2013 RM'000** |
| Aggregate costs incurred to date | | **1,044,559** | 828,636 |
| Add: Attributable profits | | **37,117** | 29,769 |
| | | **1,081,676** | 858,405 |
| Less: Progress billings | | **(1,119,775)** | (874,876) |
| | | **(38,099)** | (16,471) |
| Amount due to customers for contract works | 22 | **48,034** | 24,208 |
| | | **9,935** | 7,737 |

## 16. TRADE AND OTHER RECEIVABLES (cont'd)

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

Addition to aggregate costs incurred during the financial year include:

| | Note | 2014 RM'000 | 2013 RM'000 |
|---|---|---|---|
| Staff costs | 33 | **5,653** | 5,027 |
| Depreciation | 7(a) | **4,813** | 3,681 |

(d) Amount owing by a joint venture 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 RM187,614,000 (2013: RM186,140,000), which is subject to interest at 0.42% (2013: 0.37%) per annum.

(f) Included in other receivables is an amount of RM117,208,000 (2013: Nil), which represents the balance outstanding arising from the sale of land and related development costs as disclosed in Note 39(e) to the financial statements. As of the date of the financial statements, the entire amount had been subsequently received by the Group.

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

| | Group | | Company | |
|---|---|---|---|---|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Ringgit Malaysia | **588,173** | 356,865 | **198,643** | 197,610 |
| Thai Baht | **-** | 3,529 | **-** | - |
| Australian Dollar | **22,286** | 279 | **-** | - |
| Singapore Dollar | **209** | 769 | **-** | - |
| United States Dollar | **1,386** | 1,112 | **-** | - |
| Vietnamese Dong | **1,723** | 594 | **-** | - |
| | **613,777** | 363,148 | **198,643** | 197,610 |

**16. TRADE AND OTHER RECEIVABLES (cont'd)**

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

| | Group 2014 RM'000 | Group 2013 RM'000 |
|---|---|---|
| Neither past due nor impaired | **402,339** | 280,622 |
| Past due, not impaired | | |
| 0 to 30 days past due | **20,375** | 22,372 |
| 31 to 60 days past due | **6,539** | 3,948 |
| 61 to 90 days past due | **4,223** | 3,111 |
| 91 to 120 days past due | **3,592** | 3,335 |
| More than 120 days past due | **10,672** | 8,976 |
| | **45,401** | 41,742 |
| Past due and impaired | **2,208** | 7,100 |
| | **449,948** | 329,464 |

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. These customers had maintained long working relationship with the Group and there is no indication as of the 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.

Receivables that are past due but not impaired

Owing to the reason that no loss event had occurred to these receivables, such as significant financial difficulties, no impairment was made in respect of these past due trade receivables. These receivables are unsecured in nature.

Receivables that are past due and impaired

Trade receivables of the Group that are past due and impaired at the end of the reporting period are as follows:

| Group | Individually impaired 2014 RM'000 | Individually impaired 2013 RM'000 |
|---|---|---|
| Trade receivables, gross | **2,208** | 7,100 |
| Less: Impairment loss | **(2,208)** | (7,100) |
| | **-** | - |

## 16. TRADE AND OTHER RECEIVABLES (cont'd)

(i) The reconciliation of movement in the impairment loss are as follows:

| | Group 2014 RM'000 | Group 2013 RM'000 |
|---|---|---|
| **Trade receivables** | | |
| At 1 July 2013/2012 | **7,100** | 1,557 |
| Charge for the financial year | **6,250** | 6,025 |
| Written off | **(4,232)** | (20) |
| Reversal of impairment loss | **(6,910)** | (462) |
| At 30 June 2014/2013 | **2,208** | 7,100 |
| **Other receivables** | | |
| At 1 July 2013/2012 | **678** | 962 |
| Charge for the financial year | **-** | 17 |
| Written off | **(1)** | - |
| Reversal of impairment loss | **(114)** | (301) |
| At 30 June 2014/2013 | **563** | 678 |
| **Deposits** | | |
| Charge for the financial year | **130** | - |
| Written off | **(130)** | - |
| At 30 June 2014/2013 | **-** | - |
| | **2,771** | 7,778 |

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.

(j) Information on financial risk of trade and other receivables is disclosed in Note 38 to the financial statements.

## 17. PROPERTY DEVELOPMENT COSTS

| | Note | Group 2014 RM'000 | Group 2013 RM'000 |
|---|---|---|---|
| Balance as at 1 July 2013/2012 | | | |
| 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 |
| Transfer from land held for property development | 14 | **31,309** | 38,587 |
| Development costs incurred during the year | | **231,235** | 146,761 |
| Cost charged to profit or loss | | **(378,597)** | (164,339) |
| Completed developments | | | |
| - Reversal of land and development costs | | - | (219,570) |
| - Reversal of costs charged to profit or loss | | - | 219,570 |
| | | **(116,053)** | 21,009 |
| Balance as at 30 June 2014/2013 | | **123,847** | 239,900 |
| Represented by: | | | |
| Land | | **176,999** | 155,749 |
| Development costs | | **637,859** | 453,641 |
| Accumulated costs charged to profit or loss | | **(691,011)** | (369,490) |
| | | **123,847** | 239,900 |

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

| | Group 2014 RM'000 | Group 2013 RM'000 |
|---|---|---|
| Interest expense | **11,652** | 8,419 |

Interest is capitalised in property development costs at rates ranging from 0.42% to 7.10% (2013: 0.37% to 5.11%) 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.

**17. PROPERTY DEVELOPMENT COSTS (cont'd)**

Certain land under development with a carrying amount of RM117,695,000 (2013: RM221,408,000) have been pledged to licensed banks for banking facilities granted to the Group (Note 23).

**18. INVENTORIES**

| | Group 2014 RM'000 | Group 2013 RM'000 |
|---|---|---|
| **At cost** | | |
| Completed properties held for sale | **3,391** | 3,185 |
| Raw materials | **7,223** | 6,164 |
| Consumables | **2,220** | 2,125 |
| Work-in-progress | **3,117** | 8,475 |
| Finished goods | **16,001** | 14,278 |
| | **31,952** | 34,227 |
| **At net realisable value** | | |
| Raw materials | **355** | 249 |
| Consumables | - | 138 |
| Finished goods | **4,668** | 3,432 |
| | **5,023** | 3,819 |
| | **36,975** | 38,046 |

During the financial year, inventories of the Group recognised as cost of sales amounted to RM164,234,000 (2013: RM179,032,000) while the write down of inventories to their net realisable value amounted to RM2,646,000 (2013: RM3,090,000).

## 19. CASH AND BANK BALANCES

| | Note | Group 2014 RM'000 | Group 2013 RM'000 | Company 2014 RM'000 | Company 2013 RM'000 |
|---|---|---|---|---|---|
| Cash and bank balances | a | **99,461** | 43,844 | **1,244** | 1,282 |
| Deposits with licensed banks | b | **37,515** | 50,029 | **-** | - |
| Per statements of financial position | c | **136,976** | 93,873 | **1,244** | 1,282 |
| Bank overdrafts included in borrowings | 23 | **(7,765)** | (3,223) | **-** | - |
| Deposits pledged as securities | b | **-** | (840) | **-** | - |
| Deposit placed with a financial institution with original maturity of more than three months | | **(14,926)** | - | **-** | - |
| Per statements of cash flows | | **114,285** | 89,810 | **1,244** | 1,282 |

(a) Included in the Group's cash and bank balances is an amount of RM48,839,000 (2013: RM15,430,000) 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 RM225,000 (2013: RM210,000) assigned for banking facilities granted to the Group.

## 19. CASH AND BANK BALANCES (cont'd)

(b) In the previous financial year, included in deposits placed with licensed banks was an amount of RM840,000 pledged for bank facilities granted to the Group (Note 23).

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

| | Group | | Company | |
|---|---|---|---|---|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Ringgit Malaysia | **115,129** | 56,115 | **1,222** | 1,260 |
| Australian Dollar | **18,641** | 31,747 | **-** | - |
| Thai Baht | **137** | 1,133 | **1** | 1 |
| Vietnamese Dong | **539** | 3,245 | ***** | * |
| United States Dollar | **2,456** | 1,560 | **1** | 1 |
| Singapore Dollar | **54** | 53 | ***** | * |
| British Pound | **20** | 20 | **20** | 20 |
| | **136,976** | 93,873 | **1,244** | 1,282 |

* Amount is less than RM1,000.

(d) Information on financial risks of cash and bank balances is disclosed in Note 38 to the financial statements.

## 20. SHARE CAPITAL AND TREASURY SHARES

| | Group and Company | | | |
|---|---|---|---|---|
| | 2014 | | 2013 | |
| | RM'000 | Number of shares '000 | RM'000 | Number of shares '000 |
| Ordinary shares of RM1.00 each: | | | | |
| Authorised | **1,000,000** | **1,000,000** | 1,000,000 | 1,000,000 |
| Issued and fully paid: | | | | |
| Balance as at 1 July 2013/2012 | **456,134** | **456,134** | 456,134 | 456,134 |
| Issued for cash pursuant to exercise of Warrants C | **3** | **3** | - | - |
| Balance as at 30 June 2014/2013 | **456,137** | **456,137** | 456,134 | 456,134 |

# Notes to The Financial Statements
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## 20. SHARE CAPITAL AND TREASURY SHARES (cont'd)

During the financial year, the issued and fully paid-up ordinary share capital of the Company was increased from RM456,134,000 to RM456,137,000 by way of issuance of 3,000 new ordinary shares of RM1.00 each for cash pursuant to the exercise of Warrants C.

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 residual assets of the Company.

(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 2,103,000 (2013: 2,200,000) ordinary shares of its issued share capital from the open market. The average price paid for the shares repurchased was RM1.43 (2013: 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 | Total |
|---|---|---|---|---|---|
| | Average RM | Highest* RM | Lowest* RM | purchased '000 | consideration RM'000 |
| **2014** | | | | | |
| August 2013 | **0.92** | **0.92** | **0.91** | **237** | **218** |
| October 2013 | **1.07** | **1.07** | **1.05** | **277** | **298** |
| November 2013 | **1.29** | **1.29** | **1.29** | **100** | **129** |
| May 2014 | **1.59** | **1.60** | **1.58** | **1,489** | **2,373** |
| | | | | **2,103** | **3,018** |
| **2013** | | | | | |
| 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.

**20. SHARE CAPITAL AND TREASURY SHARES (cont'd)**

(a) Treasury shares (cont'd)

Of the total 456,137,000 (2013: 456,134,000) issued and fully paid ordinary shares of RM1.00 each as at 30 June 2014, there are 4,778,000 (2013: 2,675,000) ordinary shares of RM1.00 each with a cumulative total consideration amounting to RM5,133,000 (2013: RM2,115,000) held as treasury shares by the Company. The number of outstanding shares in issue after the share buy-back is 451,359,000 (2013: 453,459,000) ordinary shares of RM1.00 each as at 30 June 2014.

(b) Warrants C

A total of 213,811,972 Warrants C 2010/2020 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 Warrants B 2000/2010 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 Warrants B 2000/2010 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 2014, 213,808,972 (2013: 213,811,972) Warrants C have yet to be converted to ordinary shares.

# Notes to The Financial Statements
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## 21. RESERVES

| | | Group | | Company | |
|---|---|---|---|---|---|
| | Note | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 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 | **661** | 10,247 | **-** | - |
| Exchange translation reserve | d | **(2,846)** | (5,885) | **-** | - |
| | | **41,865** | 48,412 | **44,050** | 44,050 |
| Distributable: | | | | | |
| Retained earnings | e | **651,961** | 457,926 | **59,373** | 47,550 |
| | | **693,826** | 506,338 | **103,423** | 91,600 |

(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.

## 21. RESERVES (cont'd)

(e) Retained earnings

The Company is under a single tier system and as a result, there are no longer any restrictions on the Company to frank the payment of dividends out of its entire retained earnings as at the end of the reporting period.

## 22. TRADE AND OTHER PAYABLES

| | | Group | | Company | |
|---|---|---|---|---|---|
| | Note | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| **Non-current** | | | | | |
| **Trade** | | | | | |
| Retention sum | | | | | |
| - third parties | a | **20,593** | 15,102 | **-** | - |
| **Current** | | | | | |
| **Trade** | | | | | |
| Third parties | b | **107,251** | 97,603 | **-** | - |
| Amount due to customers for contract works | 16(c) | **48,034** | 24,208 | **-** | - |
| Retention sum | | | | | |
| - third parties | a | **17,959** | 17,320 | **-** | - |
| | | **173,244** | 139,131 | **-** | - |
| **Non-trade** | | | | | |
| Subsidiaries | c | **-** | - | **189,424** | 160,424 |
| Other payables | d | **25,369** | 27,332 | **186** | 103 |
| Accruals | | **37,945** | 39,390 | **587** | 551 |
| Deposits received | | **1,795** | 3,805 | **-** | - |
| | | **65,109** | 70,527 | **190,197** | 161,078 |
| | | **238,353** | 209,658 | **190,197** | 161,078 |
| Total trade and other payables | e | **258,946** | 224,760 | **190,197** | 161,078 |

# Notes to The Financial Statements
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## 22. TRADE AND OTHER PAYABLES (cont'd)

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

| | Group | |
|---|---|---|
| | **2014 RM'000** | **2013 RM'000** |
| Within one year | **17,959** | 17,320 |
| Within two years | **19,674** | 7,020 |
| Within three years | **919** | 5,005 |
| Within four years | **-** | 3,077 |
| | **38,552** | 32,422 |

(b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days (2013: 30 to 90 days).

(c) Amounts owing to subsidiaries are 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 an amount of RM36,387,000 (2013: RM35,167,000), which is subject to interest rate of 4.00% (2013: 4.00%) per annum.

(d) Other payables include enrolment fees payable to Interval International Inc. of RM3,188,000 (2013: RM2,925,000) 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 | |
|---|---|---|---|---|
| | **2014 RM'000** | **2013 RM'000** | **2014 RM'000** | **2013 RM'000** |
| Ringgit Malaysia | **255,455** | 221,496 | **190,197** | 161,078 |
| Thai Baht | **334** | 63 | **-** | - |
| United States Dollar | **2,318** | 2,479 | **-** | - |
| Vietnamese Dong | **543** | 547 | **-** | - |
| Australian Dollar | **292** | 171 | **-** | - |
| Singapore Dollar | **4** | 4 | **-** | - |
| | **258,946** | 224,760 | **190,197** | 161,078 |

(f) Information on financial risk of trade and other payables is disclosed in Note 38 to the financial statements.

## 23. BORROWINGS

| | Note | Group 2014 RM'000 | Group 2013 RM'000 | Company 2014 RM'000 | Company 2013 RM'000 |
|---|---|---|---|---|---|
| **Non-current** | | | | | |
| Secured term loans | | **213,243** | 178,751 | **15,000** | - |
| **Current** | | | | | |
| Secured term loans | | **30,884** | 67,978 | - | 368 |
| Unsecured term loans | | - | 477 | - | - |
| Secured bank overdrafts | 19 | **7,619** | 3,045 | - | - |
| Unsecured bank overdrafts | 19 | **146** | 178 | - | - |
| Secured bankers' acceptances | | - | 1,049 | - | - |
| Unsecured bankers' acceptances | | **6,023** | 20,963 | - | - |
| Secured revolving credits | | **14,262** | 90,200 | - | 32,750 |
| Unsecured revolving credits | | - | 3,800 | - | - |
| | | **58,934** | 187,690 | - | 33,118 |
| | | **272,177** | 366,441 | **15,000** | 33,118 |
| **Total borrowings** | | | | | |
| Secured term loans | | **244,127** | 246,729 | **15,000** | 368 |
| Unsecured term loans | | - | 477 | - | - |
| Secured bank overdrafts | 19 | **7,619** | 3,045 | - | - |
| Unsecured bank overdrafts | 19 | **146** | 178 | - | - |
| Secured bankers' acceptances | | - | 1,049 | - | - |
| Unsecured bankers' acceptances | | **6,023** | 20,963 | - | - |
| Secured revolving credits | | **14,262** | 90,200 | - | 32,750 |
| Unsecured revolving credits | | - | 3,800 | - | - |
| | | **272,177** | 366,441 | **15,000** | 33,118 |

# Notes to The Financial Statements
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## 23. BORROWINGS (cont'd)

(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 |
|---|---|---|---|---|---|---|
| **2014** | | | | | | |
| Secured term loans | **2024** | **244,127** | **30,884** | **47,279** | **140,399** | **25,565** |
| Secured bank overdrafts | **2015** | **7,619** | **7,619** | - | - | - |
| Unsecured bank overdrafts | **2015** | **146** | **146** | - | - | - |
| Unsecured bankers' acceptances | **2015** | **6,023** | **6,023** | - | - | - |
| Secured revolving credits | **2015** | **14,262** | **14,262** | - | - | - |
| | | **272,177** | **58,934** | **47,279** | **140,399** | **25,565** |
| **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 |

## 23. BORROWINGS (cont'd)

(a) The borrowings are repayable over the following periods (cont'd):

| 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 |
|---|---|---|---|---|---|---|
| **2014** | | | | | | |
| Secured term loans | **2021** | **15,000** | - | **1,672** | **7,524** | **5,804** |
| **2013** | | | | | | |
| Secured term loans | 2014 | 368 | 368 | - | - | - |
| Secured revolving credits | 2014 | 32,750 | 32,750 | - | - | - |
| | | 33,118 | 33,118 | - | - | - |

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

| | Group | | Company | |
|---|---|---|---|---|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Ringgit Malaysia | **272,177** | 365,964 | **15,000** | 33,118 |
| United States Dollar | - | 477 | - | - |
| | **272,177** | 366,441 | **15,000** | 33,118 |

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

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
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## 23. BORROWINGS (cont'd)

(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.

(e) Information on financial risk of borrowings is disclosed in Note 38 to the financial statements.

## 24. DEFERRED INCOME

| | Group | |
|---|---|---|
| | **2014 RM'000** | **2013 RM'000** |
| **Non-current** | | |
| Membership fees | **45,478** | 43,512 |
| **Current** | | |
| Membership fees | **2,485** | 2,502 |
| Maintenance fees | **121** | 104 |
| Rental income | **428** | 53 |
| Unredeemed vouchers | **202** | 133 |
| | **3,236** | 2,792 |

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.

## 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 | |
|---|---|---|---|---|
| | **2014 RM'000** | **2013 RM'000** | **2014 RM'000** | **2013 RM'000** |
| Not later than one year | **1,632** | 832 | **23** | 23 |
| Later than one year and not later than five years | **2,230** | 250 | **34** | - |
| Later than five years | **1,998** | 2,031 | **-** | - |
| | **5,860** | 3,113 | **57** | 23 |

(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 | |
|---|---|---|
| | **2014 RM'000** | **2013 RM'000** |
| Not later than one year | **22,118** | 22,071 |
| Later than one year and not later than five years | **12,783** | 33,029 |
| Later than five years | **31,941** | 33,478 |
| | **66,842** | 88,578 |

# Notes to The Financial Statements
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## 25. COMMITMENTS (cont'd)

(b) Capital commitments

| | Group 2014 RM'000 | Group 2013 RM'000 |
|---|---|---|
| **Contracted but not provided for in respect of:** | | |
| - Property, plant and equipment | **31,252** | 20,865 |
| - Investment property | - | 111,780 |
| - Biological assets - new planting expenditure | **82** | 481 |
| | **31,334** | 133,126 |

## 26. CONTINGENCIES

| | Company 2014 RM'000 | Company 2013 RM'000 |
|---|---|---|
| **Guarantees** | | |
| Corporate guarantees given to financial institutions relating to banking facilities of subsidiaries - unsecured | **775,503** | 820,771 |
| Corporate guarantees given to third parties relating to credit facilities granted to subsidiaries - unsecured | **23,200** | 23,200 |
| | **798,703** | 843,971 |

The Directors are of the view that the chances of the financial institutions to call upon the corporate guarantees are not probable. Accordingly, the fair values of the above corporate guarantees given to subsidiaries for banking facilities are negligible.

## 26. CONTINGENCIES (cont'd)

**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.

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.

# Notes to The Financial Statements
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## 26. CONTINGENCIES (cont'd)

**Contingent assets/liabilities not considered remote (cont'd)**

***Litigations (cont'd)***

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

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.

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.

26. **CONTINGENCIES (cont'd)**

**Contingent assets/liabilities not considered remote (cont'd)**

***Litigations (cont'd)***

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

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 was still no date fixed by the Court of Appeal for the Agent's 2nd Appeal. A mention date was fixed on 1 November 2013 for the parties to update the High Court in relation to the status of the Agent's 2nd Appeal.

On 2 July 2014, the Court of Appeal dismissed the Agent's 2nd Appeal with costs of RM10,000 to be paid to SGIVCB ('Decision dated 2 July 2014'). The Agent subsequently filed a Notice of Motion in the Federal Court seeking for leave to appeal against the Decision dated 2 July 2014 ('Agent's 3rd Appeal'). The Agent was to revert on 2 September 2014 to confirm the acceptability of the revised marketing fees. The High Court has fixed a final mention date on 7 October 2014 for the Agent to check with the qualified accountant on the Revised Report.

On 7 October 2014, the Agent informed the High Court that there were three parts of the Revised Report that they were not agreeable with. As such, the High Court had fixed a hearing date on 21 October 2014 for the parties to submit the said issues and for the High Court to decide whether to adopt the Revised Report.

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 3rd Appeal will not have a material impact on the financial statements of the Group.

# Notes to The Financial Statements
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## 26. CONTINGENCIES (cont'd)

**Contingent assets/liabilities not considered remote (cont'd)**

***Litigations (cont'd)***

**(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').

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 ('High Court Appeal').

## 26. CONTINGENCIES (cont'd)

**Contingent assets/liabilities not considered remote (cont'd)**

***Litigations (cont'd)***

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

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 Application for Assessment of Damages'). The High Court had fixed the matter for further case management on 25 October 2013.

On 14 March 2014, the Plaintiffs informed their intention to withdraw the High Court Appeal in due course. The High Court Appeal was withdrawn on 10 April 2014.

On 17 June 2014, the Plaintiffs had filed an application to cross-examine the deponent of Pravest's affidavit in support of Pravest's Application for Assessment of Damages ('the Plaintiffs' Application'). The High Court had directed the parties to exhaust the affidavits by 9 July 2014 and fixed the hearing on 27 August 2014. The High Court heard both parties' oral submissions on 27 August 2014 and will deliver its decision on the Plaintiffs' Application on 30 September 2014.

On 30 September 2014, the High Court dismissed the Plaintiffs' Application with costs. The High Court had subsequently fixed Pravest's Application for Assessment of Damages for hearing on 31 October 2014 without a need to cross-examine the deponent of Pravest's affidavit.

The Board of Directors are of the opinion that as the High Court had dismissed the Plaintiffs' claim with costs, coupled with the fact that the Plaintiffs had withdrawn their High Court Appeal, the case will not have a material impact on the financial statements of the Group.

## 27. REVENUE

| | Group | | Company | |
|---|---|---|---|---|
| | **2014 RM'000** | **2013 RM'000** | **2014 RM'000** | **2013 RM'000** |
| Sale of goods | **243,127** | 254,380 | **-** | - |
| Property development revenue | **577,072** | 218,345 | **-** | - |
| Services rendered | **145,148** | 149,108 | **3,300** | 3,300 |
| Contract revenue | **204,068** | 202,455 | **-** | - |
| Dividend income | | | | |
| - subsidiaries | **-** | - | **56,562** | 20,580 |
| - other investments | **87** | 2,697 | **-** | - |
| | **1,169,502** | 826,985 | **59,862** | 23,880 |

# Notes to The Financial Statements
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## 28. COST OF SALES AND SERVICES

| | Group 2014 RM'000 | Group 2013 RM'000 | Company 2014 RM'000 | Company 2013 RM'000 |
|---|---|---|---|---|
| Inventories sold | **178,568** | 195,807 | **-** | - |
| Property development costs | **421,928** | 158,948 | **-** | - |
| Services rendered | **68,948** | 67,045 | **13,654** | 12,270 |
| Contract works | **183,322** | 190,825 | **-** | - |
| | **852,766** | 612,625 | **13,654** | 12,270 |

## 29. PROFIT BEFORE TAX

| | Note | Group 2014 RM'000 | Group 2013 RM'000 | Company 2014 RM'000 | Company 2013 RM'000 |
|---|---|---|---|---|---|
| Profit before tax is arrived at after charging: | | | | | |
| Auditors' remuneration: | | | | | |
| - statutory audit | | | | | |
| - current year | | **372** | 368 | **47** | 44 |
| - under-provision in prior years | | **12** | 1 | **3** | 2 |
| - other services | | | | | |
| - current year | | **38** | 25 | **27** | 14 |
| - under-provision in prior years | | **(1)** | (4) | **-** | - |
| Bad debts written off | | **10** | 107 | **-** | - |
| Depreciation on: | | | | | |
| - property, plant and equipment | 7(a) | **17,965** | 18,380 | **174** | 182 |
| - investment properties | 9 | **2,223** | 3,896 | **-** | - |
| Directors' remuneration: | | | | | |
| - salaries and other emoluments | | **8,654** | 7,088 | **8,654** | 7,088 |
| - fees | | **342** | 105 | **342** | 105 |
| Impairment loss on: | | | | | |
| - property, plant and equipment | 7 | **25,359** | 589 | **-** | - |
| - goodwill on consolidation | 8 | **-** | 3 | **-** | - |
| - land held for property development | 14 | **1,473** | 492 | **-** | - |
| - trade and other receivables | | **6,380** | 6,042 | **-** | - |
| - current tax assets | | **5,035** | - | **-** | - |
| Interest expense on: | | | | | |
| - bank overdrafts | | **795** | 482 | **177** | 216 |
| - bankers' acceptances | | **240** | 671 | **-** | - |
| - revolving credits | | **1,611** | 1,471 | **538** | 554 |
| - term loans | | **652** | 4,226 | **478** | 164 |
| - subsidiaries | | **-** | - | **2,101** | 1,220 |
| - trust receipts | | **-** | 35 | **-** | - |

## 29. PROFIT BEFORE TAX (cont'd)

| | | Group | | Company | |
|---|---|---|---|---|---|
| | Note | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Profit before tax is arrived at after charging (cont'd): | | | | | |
| Inventories written down | 18 | **2,646** | 3,090 | **-** | - |
| Inventories written off | | **184** | 18 | **-** | - |
| Property, plant and equipment written off | 7 | **578** | 481 | **19** | - |
| Liquidated and ascertained damages | | **14,610** | 4,919 | **-** | - |
| Rental expense on land and buildings | | **1,089** | 1,618 | **25** | 27 |
| Rental of equipment | | **944** | 643 | **-** | - |
| Replacement cost for operating equipment | | **678** | 852 | **-** | - |
| Research and development expensed as incurred | | **5,250** | 5,628 | **-** | - |
| Realised loss on foreign exchange | | **-** | 105 | **-** | - |
| Unrealised loss on foreign exchange | | **82** | 479 | **-** | - |
| And crediting: | | | | | |
| Gross dividends received from: | | | | | |
| - shares quoted in Malaysia | 27 | **-** | 2,522 | **-** | - |
| - subsidiaries | 27 | **-** | - | **56,562** | 20,580 |
| - unquoted shares | 27 | **87** | 175 | **-** | - |
| Gain on disposal of: | | | | | |
| - property, plant and equipment | | **415** | 1,178 | **-** | - |
| - investment properties | | **102,885** | 185 | **-** | - |
| - other investments | | **9,442** | 1,416 | **-** | - |
| Interest accretion of trade receivables | | **1,476** | 1,049 | **-** | - |
| Interest income received from: | | | | | |
| - fixed deposits | | **1,430** | 1,613 | **44** | - |
| - housing development accounts | | **745** | 307 | **-** | - |
| - subsidiaries | | **-** | - | **1,414** | 714 |
| - others | | **880** | 1,313 | **-** | - |
| Realised gain on foreign exchange | | **17** | 14 | **-** | - |
| Rental income from land and buildings | | **23,233** | 23,215 | **-** | - |
| Reversal of impairment loss on trade and other receivables | | **7,024** | 763 | **-** | - |

# Notes to The Financial Statements
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## 29. PROFIT BEFORE TAX (cont'd)

| | Note | Group 2014 RM'000 | Group 2013 RM'000 | Company 2014 RM'000 | Company 2013 RM'000 |
|---|---|---|---|---|---|
| And crediting (cont'd): | | | | | |
| Reversal of inventories previously written off | | **-** | 94 | **-** | - |
| Unrealised gain on foreign exchange | | **186** | 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 RM57,000 (2013: RM32,000).

## 30. TAX EXPENSE

| | Group 2014 RM'000 | Group 2013 RM'000 | Company 2014 RM'000 | Company 2013 RM'000 |
|---|---|---|---|---|
| Current tax expense based on profit for the financial year: | | | | |
| Malaysian income tax | **57,119** | 15,026 | **593** | 443 |
| Foreign income tax | **507** | 567 | **-** | - |
| | **57,626** | 15,593 | **593** | 443 |
| (Over)/Under-provision in prior years: | | | | |
| Malaysian income tax | **(690)** | 61 | **3** | (13) |
| Foreign income tax | **(4)** | - | **-** | - |
| | **56,932** | 15,654 | **596** | 430 |
| Deferred tax (Note 15): | | | | |
| Relating to origination and reversal of temporary differences | **(5,730)** | 4,562 | **-** | - |
| Under/(Over)-provision in prior years | **1,143** | (622) | **-** | - |
| | **(4,587)** | 3,940 | **-** | - |
| | **52,345** | 19,594 | **596** | 430 |

Malaysian income tax is calculated at the statutory tax rate of 25% (2013: 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.

## 30. TAX EXPENSE (cont'd)

The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rates of the Group and of the Company are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Tax at Malaysian statutory tax rate of 25% (2013: 25%) | **66,642** | 20,050 | **10,596** | 2,075 |
| Tax effect in respect of: | | | | |
| Non-allowable expenses | **7,833** | 4,106 | **1,794** | 368 |
| Non-taxable income | **(26,285)** | (996) | **(11,797)** | (2,000) |
| Utilisation of previously unrecognised deferred tax assets | **(1,284)** | (446) | **-** | - |
| Deferred tax assets not recognised during the year | **6,778** | (593) | **-** | - |
| Tax incentives and allowances | **(1,480)** | (2,059) | **-** | - |
| Share of post-tax results of associates and a joint venture | **(339)** | 74 | **-** | - |
| Effect of different tax rate in foreign jurisdiction | **31** | 19 | **-** | - |
| | **51,896** | 20,155 | **593** | 443 |
| (Over)/Under-provision of income tax expense in prior years | **(694)** | 61 | **3** | (13) |
| Under/(Over)-provision of deferred tax in prior years | **1,143** | (622) | **-** | - |
| | **52,345** | 19,594 | **596** | 430 |

Tax savings of the Group are as follows:

| | Group | |
|---|---|---|
| | 2014 RM'000 | 2013 RM'000 |
| Arising from utilisation of previously unrecognised capital allowances | **41** | 54 |
| Arising from utilisation of previously unrecognised tax losses | **210** | 392 |
| Arising from utilisation of previously unrecognised deductible temporary differences | **1,033** | - |

# Notes to The Financial Statements
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## 30. TAX EXPENSE (cont'd)

Tax on each component of other comprehensive income is as follows:

| | Group | | | | | |
|---|---|---|---|---|---|---|
| | | 2014 | | | 2013 | |
| | Before tax RM'000 | Tax effect RM'000 | After tax RM'000 | Before Tax RM'000 | Tax effect RM'000 | After tax RM'000 |
| **Items that may be reclassified subsequently to profit or loss** | | | | | | |
| Disposal of available-for-sale financial assets | **(9,621)** | **-** | **(9,621)** | (1,022) | - | (1,022) |
| Fair value gains on available-for-sale financial asset | **35** | **-** | **35** | 7,561 | - | 7,561 |
| Foreign currency translations | **1,689** | **-** | **1,689** | (4,268) | - | (4,268) |
| Share of other comprehensive income of an associate | **1,471** | **-** | **1,471** | (4,443) | - | (4,443) |
| | **(6,426)** | **-** | **(6,426)** | (2,172) | - | (2,172) |

## 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 owners 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 Company.

| | Group | |
|---|---|---|
| | 2014 | 2013 |
| Profit attributable to owners of the parent (RM'000) | **223,999** | 60,927 |
| Weighted average number of ordinary shares in issue (in '000) | **456,135** | 456,134 |
| Weighted average number of treasury shares held (in '000) | **(3,295)** | (1,658) |
| Adjusted weighted average number of ordinary shares applicable to basic earnings per share (in '000) | **452,840** | 454,476 |
| Basic earnings per share (sen) | **49.47** | 13.41 |

## 31. EARNINGS PER ORDINARY SHARE (cont'd)

(b) Diluted

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

| | Group 2014 | 2013 |
|---|---|---|
| Profit attributable to owners of the parent (RM'000) | **223,999** | 60,927 |
| Weighted average number of ordinary shares in issue applicable to basic earnings per ordinary share (in '000) | **452,840** | 454,476 |
| Effect of dilution: | | |
| - Adjustments for conversion of Warrants C at fair value (in '000) | **52,402** | - |
| Adjusted weighted average number of ordinary shares applicable to diluted earnings per ordinary share (in '000) | **505,242** | 454,476 |
| Diluted earnings per share (sen) | **44.33** | 13.41 |

## 32. DIVIDENDS

| | Group and Company 2014 Gross dividend per share Sen | 2014 Amount of dividend net of tax RM'000 | 2013 Gross dividend per share Sen | 2013 Amount of dividend net of tax RM'000 |
|---|---|---|---|---|
| Interim dividend paid | | | | |
| - year ended 30 June 2014 | **2.5** | **11,284** | - | - |
| First and final dividend paid | | | | |
| - year ended 30 June 2013 | **5.0** | **18,680** | - | - |
| - year ended 30 June 2012 | - | - | 5.0 | 17,012 |
| | **7.5** | **29,964** | 5.0 | 17,012 |

A single tier final dividend in respect of the financial year ended 30 June 2014 of 2.5 sen per ordinary share has been proposed by the Directors after the reporting period for shareholders' approval at the forthcoming Annual General Meeting. The amount to be paid is dependent on the number of issued and paid up ordinary shares of the Company as at entitlement date.

The financial statements for the current financial year do not reflect this proposed dividend. This dividend, if approved by shareholders, would be accounted for as an appropriation of retained earnings in the financial year ending 30 June 2015.

# Notes to The Financial Statements
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## 33. EMPLOYEE BENEFITS

| | Group | | Company | |
|---|---|---|---|---|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Wages, salaries and bonuses | **64,711** | 60,157 | **8,656** | 9,729 |
| Contributions to defined contribution plan | **8,591** | 7,766 | **1,401** | 1,589 |
| Social security contributions | **658** | 670 | **28** | 32 |
| Other benefits | **13,143** | 9,056 | **3,250** | 527 |
| | **87,103** | 77,649 | **13,335** | 11,877 |

The above staff costs are allocated as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Recognised in profit or loss | **81,450** | 72,622 | **13,335** | 11,877 |
| Amount due from customers for contract works (Note 16(c)) | **5,653** | 5,027 | **-** | - |
| | **87,103** | 77,649 | **13,335** | 11,877 |

## 34. ACQUISITION OF SUBSIDIARIES

(a) On 20 May 2014, a subsidiary, P.J. (A) Pty. Limited acquired 75% of the issued and paid-up ordinary share capital of Yarra Park City Pty. Limited (formerly known as Yarra Vision Park Pty. Limited and PJA South Corporation Pty. Limited) ('Yarra'), a company incorporated in New South Wales, Australia engaged in property development and investment, for a cash consideration of AUS$2,250,000. The remaining 25% of the issued and paid up ordinary share capital of Yarra is held by an associate, Equity & Property Investment Corporation Pty. Limited.

(b) On 21 May 2014, the Company acquired 100% of the issued and paid-up ordinary share capital of Vibrant Practice Sdn. Bhd. and Ancient Capital Sdn. Bhd., which are both incorporated in Malaysia, for a cash consideration of RM2 each.

(c) On 5 June 2014, a subsidiary, P.J. (A) Pty. Limited subscribed for additional 3,187,500 ordinary shares of AUS$1.00 each in Yarra, for a cash consideration of AUS$3,187,500 to maintain its 75% equity interest in Yarra.

The above acquisitions had no material impact to the financial position and results of the Group.

## 35. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could 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 | |
|---|---|---|---|---|
| | **2014 RM'000** | **2013 RM'000** | **2014 RM'000** | **2013 RM'000** |
| Related parties: | | | | |
| Construction and renovation costs payable | **(1,146)** | (3,153) | **(164)** | - |
| Sale of building materials | **-** | 31 | **-** | - |
| Insurance premium payable | **(2,534)** | (2,316) | **(97)** | (86) |
| Legal fee payable | **(223)** | (399) | **-** | - |
| Progress claim payable | **(1,586)** | (356) | **-** | - |
| Room revenue receivable | **193** | 347 | **-** | - |
| Construction cost billed | **8,187** | 6,017 | **-** | - |
| Rental of premises payable | **(2,068)** | (1,108) | **(9)** | (11) |
| Purchase of security equipment and services | **(81)** | (361) | **-** | - |
| IT services receivable | **48** | 6 | **-** | - |
| Internal audit services receivable | **14** | 26 | **-** | - |
| Subsidiaries: | | | | |
| Dividend receivable | **-** | - | **56,562** | 20,580 |
| Interest receivable | **-** | - | **1,414** | 714 |
| Interest payable | **-** | - | **(2,101)** | (1,220) |
| Facilities charges payable | **-** | - | **(9)** | (12) |
| Management fees receivable | **-** | - | **3,300** | 3,300 |
| Rental payable | **-** | - | **(16)** | (16) |
| IT maintenance services payable | **-** | - | **(144)** | (113) |

Material balances with related parties as at 30 June 2014 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
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## 35. RELATED PARTY DISCLOSURES (cont'd)

(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, including any Director (whether executive or otherwise) of the Group and the Company.

The remuneration of the Directors and other key management personnel during the financial year was as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2014 RM'000** | **2013 RM'000** | **2014 RM'000** | **2013 RM'000** |
| Short term employee benefits | **10,595** | 8,806 | **8,082** | 6,110 |
| Contributions to defined contribution plan | **1,259** | 1,409 | **971** | 1,115 |
| | **11,854** | 10,215 | **9,053** | 7,225 |

## 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.

## 36. OPERATING SEGMENTS (cont'd)

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 (cont'd):

(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.

(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.

## 36. OPERATING SEGMENTS (cont'd)

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

| 2014 | 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 | 597,200 | 403,898 | 192,249 | 80,126 | 125,623 | 43,797 | 1,843 | 1,444,736 |
| Inter-segment revenue | (79) | (199,829) | - | (29,249) | (768) | (43,710) | (1,599) | (275,234) |
| Revenue from external customers | 597,121 | 204,069 | 192,249 | 50,877 | 124,855 | 87 | 244 | 1,169,502 |
| **Results** | | | | | | | | |
| Segment results | 225,325 | 12,875 | 25,344 | 12,565 | (6,802) | (3,012) | (842) | 265,453 |
| Finance costs | (1,517) | (32) | (237) | - | (1,150) | (309) | (53) | (3,298) |
| Interest income | 1,717 | 2 | 135 | 50 | 23 | 1,074 | 54 | 3,055 |
| Share of profit of associates | - | - | - | - | - | 1,356 | - | 1,356 |
| Profit before tax | 225,525 | 12,845 | 25,242 | 12,615 | (7,929) | (891) | (841) | 266,566 |
| Tax expense | (36,292) | (3,829) | (7,295) | (3,144) | (3,666) | 1,885 | (4) | (52,345) |
| Profit for the financial year | 189,233 | 9,016 | 17,947 | 9,471 | (11,595) | 994 | (845) | 214,221 |

## 36. OPERATING SEGMENTS (cont'd)

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

| 2014 | Properties RM'000 | Construction RM'000 | [--Manufacturing and trading--] Cable RM'000 | Building material RM'000 | Hotel and leisure RM'000 | Investment holding RM'000 | Other operating segments RM'000 | Consolidated RM'000 |
|---|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | | |
| Segment assets | 863,663 | 112,577 | 122,648 | 41,768 | 452,742 | 34,999 | 63,569 | 1,691,966 |
| Associates | - | - | - | - | - | 85,852 | - | 85,852 |
| Total assets | 863,663 | 112,577 | 122,648 | 41,768 | 452,742 | 120,851 | 63,569 | 1,777,818 |
| **Liabilities** | | | | | | | | |
| Segment liabilities | 311,828 | 185,142 | 19,302 | 12,123 | 83,724 | 16,430 | 12,252 | 640,801 |
| **Other segment information** | | | | | | | | |
| Additions to non-current assets other than financial instruments and deferred tax assets | 4,840 | 6,653 | 2,665 | 7,268 | 33,555 | 691 | 1,378 | 57,050 |
| Depreciation | (3,599) | (5,273) | (2,346) | (1,256) | (12,221) | (172) | (134) | (25,001) |
| Other material non-cash item: | | | | | | | | |
| - Impairment loss on property, plant and equipment | - | - | - | - | (25,359) | - | - | (25,359) |
| - Impairment loss on trade and other receivables | - | (2,658) | (3,250) | - | (472) | - | - | (6,380) |

## 36. OPERATING SEGMENTS (cont'd)

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

| 2013 | Properties RM'000 | Construction RM'000 | [--Manufacturing and trading--] Cable RM'000 | 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 joint venture | - | - | - | - | - | (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 |

## 36. OPERATING SEGMENTS (cont'd)

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

| 2013 | Properties RM'000 | Construction RM'000 | [--Manufacturing and trading--] Cable RM'000 | Building material RM'000 | Hotel and leisure RM'000 | Investment holding RM'000 | Other operating segments RM'000 | Consolidated RM'000 |
|---|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | | |
| Segment assets | 692,559 | 119,928 | 140,433 | 30,724 | 453,181 | 103,511 | 40,210 | 1,580,546 |
| 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) |

## 37. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the capital management of the Group 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 2014 and 30 June 2013.

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 bank balances whereas total capital represents equity attributable to the owners of the parent less the fair value adjustment reserve.

| | Group | | Company | |
|---|---|---|---|---|
| | **2014 RM'000** | **2013 RM'000** | **2014 RM'000** | **2013 RM'000** |
| Borrowings | **272,177** | 366,441 | **15,000** | 33,118 |
| Less: Cash and bank balances | **(136,976)** | (93,873) | **(1,244)** | (1,282) |
| Net debt | **135,201** | 272,568 | **13,756** | 31,836 |
| Equity attributable to the owners of the parent | **1,144,830** | 960,357 | **554,427** | 545,619 |
| Less: Fair value adjustment reserve | **(661)** | (10,247) | **-** | - |
| Total capital | **1,144,169** | 950,110 | **554,427** | 545,619 |
| Gearing ratio | **12%** | 29% | **2%** | 6% |

Pursuant to the requirements of Practice Note No. 17/2005 of the 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 2014.

**37. FINANCIAL INSTRUMENTS (cont'd)**

(b) Financial instruments

Categories of financial instruments

| Group | Loans and receivables RM'000 | Available-for-sale RM'000 | Total RM'000 |
|---|---|---|---|
| **2014** | | | |
| **Financial assets** | | | |
| Other investments | - | 695 | 695 |
| Trade and other receivables, excluding deposits and prepayments | 582,192 | - | 582,192 |
| Cash and bank balances | 136,976 | - | 136,976 |
| | 719,168 | 695 | 719,863 |

| | Other financial liabilities RM'000 | Total RM'000 |
|---|---|---|
| **Financial liabilities** | | |
| Borrowings | 272,177 | 272,177 |
| Trade and other payables | 258,946 | 258,946 |
| | 531,123 | 531,123 |

| Company | Loans and receivables RM'000 | Total RM'000 |
|---|---|---|
| **2014** | | |
| **Financial assets** | | |
| Trade and other receivables, excluding deposits and prepayments | 198,444 | 198,444 |
| Cash and bank balances | 1,244 | 1,244 |
| | 199,688 | 199,688 |

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## 37. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial instruments (cont'd)

Categories of financial instruments (cont'd)

| | Other financial liabilities RM'000 | Total RM'000 |
|---|---|---|
| **Financial liabilities** | | |
| Borrowings | **15,000** | **15,000** |
| Trade and other payables | **190,197** | **190,197** |
| | **205,197** | **205,197** |

| **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, excluding deposits and prepayments | 338,760 | - | 338,760 |
| Cash and bank balances | 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 |

## 37. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial instruments (cont'd)

Categories of financial instruments (cont'd)

| Company | Loans and receivables RM'000 | Total RM'000 |
|---|---|---|
| **2013** | | |
| **Financial assets** | | |
| Trade and other receivables, excluding deposits and prepayments | 197,330 | 197,330 |
| Cash and bank balances | 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 |

(c) 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 portion of loans and borrowings are reasonable approximation of fair values due to the insignificant impact of discounting.

# Notes to The Financial Statements
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## 37. FINANCIAL INSTRUMENTS (cont'd)

(c) Methods and assumptions used to estimate fair values (cont'd)

The fair values of financial assets and financial liabilities are determined as follows (cont'd):

ii. Non-current trade receivables

The carrying amounts of non-current trade receivables in respect of timeshare membership fees receivable represent future cash flows discounted at the market interest rate. Hence, their carrying amounts closely approximate their fair values.

iii. Quoted shares and quoted warrants

In the previous financial year, 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.

iv. Unquoted shares

The fair value of these unquoted investments has been estimated using a relative valuation technique based on the price-to-book ('PB') ratio during the current financial year. Management believes that the estimated fair values resulting from the valuation technique are reasonable and the most appropriate at the end of the reporting period.

(d) Fair value hierarchy

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).

## 37. FINANCIAL INSTRUMENTS (cont'd)

(d) Fair value hierarchy (cont'd)

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of Level 3 financial instruments as well as the relationship between key unobservable inputs and fair value, is detailed in the table below.

| Financial instrument | Fair value hierarchy | Valuation technique inputs | Significant unobservable inputs | Inter-relationship between key unobservable input and fair value |
|---|---|---|---|---|
| Financial assets | | | | |
| Unquoted shares | Level 3 | Price-to-book ratio | Fair value of the asset and liability | The higher the fair value of the asset or the lower the fair value of the liability, the lower the fair value of unquoted shares would be. |

## 37. FINANCIAL INSTRUMENTS (cont'd)

(d) Fair value hierarchy (cont'd)

The following tables set out the financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

| | Fair value of financial instruments carried at fair value | | | | Fair value of financial instruments not carried at fair value | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Group | Level 1 RM'000 | Level 2 RM'000 | Level 3 RM'000 | Total RM'000 | Level 1 RM'000 | Level 2 RM'000 | Level 3 RM'000 | Total RM'000 | Total fair value RM'000 | Carrying amount RM'000 |
| **2014** | | | | | | | | | | |
| **Financial assets** | | | | | | | | | | |
| **Available-for-sale financial assets** | | | | | | | | | | |
| - Unquoted shares | - | - | **695** | **695** | - | - | - | - | **695** | **695** |
| **2013** | | | | | | | | | | |
| **Financial assets** | | | | | | | | | | |
| **Available-for-sale financial assets** | | | | | | | | | | |
| - Quoted shares | 52,492 | - | - | 52,492 | - | - | - | - | 52,492 | 52,492 |
| - Quoted warrants | 434 | - | - | 434 | - | - | - | - | 434 | 434 |
| - Unquoted shares | - | - | 660 | 660 | - | - | - | - | 660 | 660 |
| | 52,926 | - | 660 | 53,586 | - | - | - | - | 53,586 | 53,586 |

## 37. FINANCIAL INSTRUMENTS (cont'd)

(e) The following table shows a reconciliation of Level 3 fair values:

| | Group 2014 RM'000 | Group 2013 RM'000 |
|---|---|---|
| **Financial assets** | | |
| Balance as at 1 July 2013/2012 | **660** | 669 |
| Total gains recognised in other comprehensive income | **35** | (9) |
| Balance as at 30 June 2014/2013 | **695** | 660 |

(f) The following table shows the sensitivity analysis for the Level 3 fair value measurements:

| | Group 2014 RM'000 | Group 2013 RM'000 |
|---|---|---|
| **Discounted PB ratio** | | |
| - Increase by 0.5% | **35** | 33 |
| - Decrease by 0.5% | **(35)** | (33) |

(g) The Group has established guidelines in respect to the measurement of fair value of financial instruments. The management regularly reviews significant unobservable inputs and valuation adjustments.

## 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.

**38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)**

(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.

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 | |
|---|---|---|
| | **2014** | **2013** |
| | **RM'000** | **RM'000** |
| Maximum exposure of amount due from timeshare members to credit risk | **53,163** | 51,737 |

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% (2013: 99%) of trade receivables are generated from Malaysia.

The credit risk concentration profile of the trade receivables of the Group by industry sectors at the end of the reporting period is as follows:

## 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(i) Credit risk (cont'd)

Credit risk concentration profile (cont'd)

| | Group | | | |
|---|---|---|---|---|
| | 2014 | | 2013 | |
| | RM'000 | % of total | RM'000 | % of total |
| **By industry sectors:** | | | | |
| Properties | **254,844** | **57** | 120,425 | 37 |
| Construction | **74,105** | **17** | 85,380 | 27 |
| Manufacturing and trading | **63,589** | **14** | 62,187 | 19 |
| Hotel and leisure | **55,122** | **12** | 54,326 | 17 |
| Others | **80** | * | 46 | * |
| | **447,740** | **100** | 322,364 | 100 |

* Amount is less than 1%.

At the end of the reporting period, 1% (2013: 1%) of the Group's receivables were due from related parties whilst 99% (2013: 99%) of the Company's receivables were balances with subsidiaries.

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.

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 bank balances deemed adequate to finance the Group's activities.

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**38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)**

(ii) Liquidity and cash flow risk (cont'd)

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 2014** | **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 | **69,006** | **211,465** | **27,670** | **308,141** |
| Trade and other payables | **238,353** | **20,593** | **-** | **258,946** |
| Total undiscounted financial liabilities | **307,359** | **232,058** | **27,670** | **567,087** |
| **Company** | | | | |
| **Financial liabilities:** | | | | |
| Borrowings | **688** | **11,196** | **6,124** | **18,008** |
| Trade and other payables | **190,197** | **-** | **-** | **190,197** |
| Total undiscounted financial liabilities | **190,885** | **11,196** | **6,124** | **208,205** |

## 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(ii) Liquidity and cash flow risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

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 (cont'd).

| 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 |

(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 income and operating cash flows of the Group are substantially independent of changes in market interest rates. The interest-bearing financial assets of the Group are mainly short term in nature and have been mostly placed as short term deposits with financial institutions.

# Notes to The Financial Statements
30 June 2014

## 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(iii) Interest rate risk (cont'd)

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.

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** | |
|---|---|---|---|---|
| | **2014** | **2013** | **2014** | **2013** |
| **Profit net of tax** | **RM'000** | **RM'000** | **RM'000** | **RM'000** |
| - Increase by 0.5% (2013: 0.5%) | **(297)** | (651) | **(75)** | (139) |
| - Decrease by 0.5% (2013: 0.5%) | **297** | 651 | **75** | 139 |

The sensitivity is lower in 2014 than in 2013 because of a decrease 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 (cont'd)

(iii) Interest rate risk (cont'd)

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<br>As at 30 June 2014 | 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 | 3.15 | 37,515 | - | - | - | - | - | 37,515 |
| **Floating rate instruments** | | | | | | | | | |
| Housing development accounts | 19 | 2.53 | 48,839 | - | - | - | - | - | 48,839 |
| Secured term loans | 23 | 6.15 | 30,884 | 47,279 | 21,766 | 51,770 | 66,862 | 25,565 | 244,127 |
| Secured bank overdrafts | 23 | 6.96 | 7,619 | - | - | - | - | - | 7,619 |
| Unsecured bank overdrafts | 23 | 5.67 | 146 | - | - | - | - | - | 146 |
| Unsecured bankers' acceptances | 23 | 2.82 | 6,023 | - | - | - | - | - | 6,023 |
| Secured revolving credits | 23 | 4.78 | 14,262 | - | - | - | - | - | 14,262 |

## 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(iii) Interest rate risk (cont'd)

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 (cont'd):

| Group<br>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 |

## 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(iii) Interest rate risk (cont'd)

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 (cont'd):

| **Company** | **Note** | **Weighted average effective interest rate %** | **Within 1 year RM'000** | **1 - 2 years RM'000** | **2 - 5 years RM'000** | **Over 5 years RM'000** | **Total RM'000** |
|---|---|---|---|---|---|---|---|
| **As at 30 June 2014** | | | | | | | |
| **Floating rate instruments** | | | | | | | |
| Amounts owing by subsidiaries | **16** | **0.42** | **187,614** | **-** | **-** | **-** | **187,614** |
| Amounts owing to subsidiaries | **22** | **4.00** | **36,387** | **-** | **-** | **-** | **36,387** |
| Secured term loans | **23** | **4.59** | **-** | **1,672** | **7,524** | **5,804** | **15,000** |
| **As at 30 June 2013** | | | | | | | |
| **Floating rate instruments** | | | | | | | |
| Amounts owing by subsidiaries | 16 | 0.37 | 186,140 | - | - | - | 186,140 |
| Amounts owing to subsidiaries | 22 | 4.00 | 35,167 | - | - | - | 35,167 |
| Secured revolving credits | 23 | 4.66 | 32,750 | - | - | - | 32,750 |
| Secured term loans | 23 | 7.35 | 368 | - | - | - | 368 |

(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.

**38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)**

(iv) Foreign currency risk (cont'd)

The Group also holds cash and bank balances denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances amounted to RM21,847,000 (2013: RM37,758,000) for the Group. To a certain extent, the cash forms a natural hedge against a borrowing denominated in a foreign currency.

The Group is also exposed to foreign currency exchange risk in respect of its overseas investments. The Group does not hedge this exposure with foreign currency borrowings as the currency positions are considered to be long term in nature.

Sensitivity analysis for foreign currency risk

In view of the insignificant financial effect on the Group's profit net of tax due to the possible changes in foreign exchange rates against the functional currencies of the Group, sensitivity analysis for foreign currency risk is not presented.

(v) Market risk

Market risk is the risk that the fair value of future cash flows of the financial instruments of the Group would fluctuate because of changes in market prices (other than interest or exchange rates).

In the previous financial year, the Group was exposed to equity price risks arising from quoted investments held by the Group. The quoted equity instruments in Malaysia were listed on the Bursa Malaysia Securities Berhad. The Group does not actively trade these investments and they were 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.

## 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(v) Market risk (cont'd)

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** | |
|---|---|---|
| **Available-for-sale reserve** | **2014 RM'000** | **2013 RM'000** |
| - Increase by 3% (2013: 3%) | - | 1,588 |
| - Decrease by 3% (2013: 3%) | - | (1,588) |

## 39. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 29 May 2013, Swiss-Inn JB Sdn. Bhd. ('Swiss-Inn JB'), a wholly-owned subsidiary of the Company has entered into a Sale and Purchase Agreement ('SPA') with Pahlawan Sdn. Bhd. to acquire a piece of freehold land with a ten-storey office located in Johor Bahru, Johor for a cash consideration of RM16,000,000. The acquisition was completed on 21 October 2013.

(b) On 31 May 2013, PJD Central Sdn. Bhd., a wholly-owned subsidiary of the Company has entered into a SPA with DKSH Central Services Malaysia Sdn. Bhd. to acquire a piece of leasehold land with office, industrial buildings and warehouses located in Petaling Jaya, Selangor for a cash consideration of RM124,200,000. The acquisition was completed on 17 October 2013.

(c) On 6 December 2013, Swiss-Inn JB, a wholly-owned subsidiary of the Company has entered into a SPA with Sri Corporation Sdn. Bhd. to acquire two pieces of freehold land located at Johor Bahru, Johor for a cash consideration of RM8,392,000. The acquisition was completed on 28 February 2014.

(d) On 31 December 2013, PJD Land Sdn. Bhd., a wholly-owned subsidiary of the Company has entered into a SPA with Able Starship Sdn. Bhd. for the disposal of an investment property comprising a twenty-eight storey commercial/office tower known as 'Menara PJD' for a cash consideration of RM220,000,000. The disposal was completed on 21 May 2014 and a gain on disposal of RM102,885,000 was recognised during the financial year.

## 39. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (cont'd)

(e) On 20 January 2014, PJD Hartamas Sdn. Bhd. (formerly known as PJD-MM2H Sdn. Bhd.) ('PJD Hartamas'), a wholly-owned subsidiary of the Company has entered into a Shareholders' Agreement with Agile Real Estate Development (M) Sdn. Bhd. ('Agile Real Estate') to establish a company for the development of a piece of freehold land located in Kuala Lumpur ('the Land') owned by PJD Regency Sdn. Bhd. ('PJD Regency'), a wholly-owned subsidiary of the Company. PJD Hartamas holds a 30% equity interest in the newly incorporated company, Agile PJD Development Sdn. Bhd. (formerly known as Rexpoint Capital Sdn. Bhd.) ('Agile PJD'), thereby making it an associate of the Group. Agile Real Estate holds the remaining 70% equity interest in Agile PJD.

On the same date, PJD Regency has entered into a SPA with Agile PJD for disposal of the Land for a cash consideration of RM186,044,000. The disposal was completed on 30 June 2014.

(f) On 20 May 2014, P.J.(A) Pty. Limited, a wholly-owned subsidiary of Pengerang Jaya Pte. Ltd., which in turn is a wholly-owned subsidiary of the Company acquired 75% equity interest in Yarra Park City Pty. Limited (formerly known as Yarra Vision Park Pty. Limited and PJA South Corporation Pty. Limited) ('Yarra'), a company incorporated in New South Wales, Australia engaged in property development and investment, for a cash consideration of AUS$2,250,000. The remaining 25% of the issued and paid up ordinary share capital of Yarra is held by an associate, Equity & Property Investment Corporation Pty. Limited.

On 5 June 2014, the Group subscribed for additional 3,187,500 ordinary shares in Yarra for a cash consideration of AUS$3,187,500 to maintain its 75% equity interest.

(g) On 21 May 2014, the Company acquired 100% equity interest in Vibrant Practice Sdn. Bhd. and Ancient Capital Sdn. Bhd., which are both incorporated in Malaysia, for a cash consideration of RM2 each.

(h) On 19 June 2014, Yarra has entered into a Put and Call Option Deed ('PCOD') with Dynasty Falls Pty. Ltd. ('Dynasty') for the option to purchase a piece of freehold land located in Melbourne, Australia ('Melbourne land') for a cash consideration of AUS$145,000,000.

## 40. SIGNIFICANT EVENT SUBSEQUENT TO THE FINANCIAL YEAR

On 23 July 2014, Yarra exercised its call option under the PCOD and entered into a contract of sale of real estate ('the Contract') with Dynasty to purchase the Melbourne land for a cash consideration of AUS$145,000,000. The Contract is subject to the Company obtaining the approval from its shareholders at an extraordinary general meeting, which was obtained on 9 October 2014.

## 41. 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 | |
|---|---|---|---|---|
| | **2014 RM'000** | **2013 RM'000** | **2014 RM'000** | **2013 RM'000** |
| Total retained earnings of the Company and its subsidiaries: | | | | |
| - Realised | **563,676** | 434,104 | **59,373** | 47,550 |
| - Unrealised | **(23,888)** | (28,181) | **-** | - |
| | **539,788** | 405,923 | **59,373** | 47,550 |
| Total share of retained earnings from associates: | | | | |
| - Realised | **26,964** | 25,121 | **-** | - |
| - Unrealised | **1,064** | 944 | **-** | - |
| | **567,816** | 431,988 | **59,373** | 47,550 |
| Total share of accumulated losses from a joint venture: | | | | |
| - Realised | **-** | (1,228) | **-** | - |
| | **567,816** | 430,760 | **59,373** | 47,550 |
| Add: Consolidation adjustments | **84,145** | 27,166 | **-** | - |
| Total retained earnings | **651,961** | 457,926 | **59,373** | 47,550 |

# List of Group's Top Ten Properties
as at 30 June 2014

| | Location | Area (sq ft) | Tenure | Description/ Existing use | Age of Building | Date of Acquisition | Net book value ('000) |
|---|---|---|---|---|---|---|---|
| 1. | PN No. 3696<br>Lot 52, Seksyen 13<br>Bandar Petaling Jaya<br>Daerah Petaling<br>Selangor Darul Ehsan | 258,746 | Leasehold (99 years expiring on 06.08.2067) | Office and industry | 51 years | 31.05.2013 | 131,846 |
| 2. | Damai Laut<br>Country Resort<br>Mukim of Lumut<br>District of Dindings<br>Perak Darul Ridzuan | 15,044,751 | Freehold and leasehold (99 years expiring on 08.06.2094) | Resort & property development | N/A | 1990 | 89,688 |
| 3. | Harbour Place<br>Sek.4, Bandar Butterworth<br>Daerah Seberang Prai Utara<br>Pulau Pinang | 704,691 | Freehold | Land for mixed development | N/A | 14.10.1996 | 69,448 |
| 4. | YOU City<br>Mukim Cheras<br>District of Ulu Langat<br>Selangor Darul Ehsan | 573,250 | Freehold | Land for mixed development | N/A | 02.08.2007 | 55,237 |
| 5. | Swiss-Garden Hotel &<br>Residences Kuala Lumpur<br>117 Jalan Pudu<br>55100 Kuala Lumpur<br>Wilayah Persekutuan | 342,752 (built-up) | Freehold | Hotel | 18 years | - | 84,558 |

# List of Group's Top Ten Properties
as at 30 June 2014

| | Location | Area (sq ft) | Tenure | Description/ Existing use | Age of Building | Date of Acquisition | Net book value ('000) |
|---|---|---|---|---|---|---|---|
| 6. | Swiss-Garden Resort & Spa Kuantan<br>Lot PT 7566<br>Mukim Sungai Karang<br>26100 Berserah<br>Daerah Kuantan<br>Pahang Darul Makmur | 250,512 | Freehold | Hotel | 16 years | - | 51,759 |
| 7. | PT No. 1664 & 1665<br>H.S.(D) 18906 & 18907<br>Mukim Penor<br>Daerah Kuantan<br>Pahang Darul Makmur | 43,560,479 | Leasehold (99 years expiring on 31.03.2098) | Land for oil palm cultivation | N/A | 01.11.2006 | 37,992 |
| 8. | HS (M) 11318 PT 565<br>Mukim Damansara<br>Pekan Subang Jaya<br>Daerah Petaling<br>Selangor Darul Ehsan | 116,918 | Freehold | Land for mixed development | N/A | 27.10.2010 | 34,699 |
| 9. | Geran 99516 Lot 512<br>Geran 28344 Lot 15585<br>HS(D) 159593<br>Lot PTB 18796<br>Township of Johor Bahru<br>District of Johor Bahru<br>Johor Darul Takzim | 44,059 | Freehold | Hotel and land | 23 years | 29.05.2013 and 06.12.2013 | 25,950 |
| 10. | Geran Mukim 7260 - 7263<br>Lot 105582 - 105585<br>PM1 Lot 2928<br>Mukim Sungai Karang<br>Kuala Sungai Karang<br>Daerah Kuantan | 785,134 | Freehold and leasehold (99 years expiring on 25.09.2076) | Land for mixed development | N/A | 05.12.2006 | 23,892 |

# Analysis of Shareholdings
as at 23 September 2014

| | | |
|---|---|---|
| Authorised share capital | : | RM1,000,000,000 |
| Issued and paid-up share capital | : | RM456,486,692 (including 4,778,300 treasury shares) |
| Class of shares | : | Ordinary shares of RM 1.00 each |
| Voting rights | : | On show of hand - 1 vote for each shareholder |
| | | On a poll - 1 vote for each share held |

**DISTRIBUTION OF SHAREHOLDINGS** (as per the Record of Depositors of the Company)

| Size of holdings | No. of holders | % of holders | No. of shares held | % of issued shares |
|---|---|---|---|---|
| 1 - 99 | 416 | 3.68 | 6,826 | 0.00 |
| 100 - 1,000 | 2,579 | 22.78 | 2,156,413 | 0.48 |
| 1,001 - 10,000 | 6,376 | 56.33 | 28,239,815 | 6.25 |
| 10,001 - 100,000 | 1,663 | 14.69 | 52,137,532 | 11.54 |
| 100,001 - 22,585,418* | 283 | 2.50 | 247,811,119 | 54.86 |
| 22,585,419** and above | 2 | 0.02 | 121,356,687 | 26.87 |
| **Total** | **11,319** | **100.00** | **451,708,392*** ** | **100.00** |

* Less than 5% of the issued shares (excluding treasury shares).
** 5% and above of the issued shares (excluding treasury shares).
*** Excluding 4,778,300 shares bought-back by the Company and retained as treasury shares.

**SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS IN THE COMPANY** (as per the Register of Substantial Shareholders of the Company)

| Name | Direct interest No. of shares held | Direct interest % of issued shares* | Deemed interest No. of shares held | Deemed interest % of issued shares* |
|---|---|---|---|---|
| Dindings Consolidated Sdn Bhd | 92,525,481 | 20.48 | - | - |
| Tan Sri Ong Leong Huat @ Wong Joo Hwa | 241,802 | 0.05 | 96,925,481 [1)] | 21.46 |
| Puan Sri Khor Chai Moi | 32,779,206 | 7.26 | 105,316,841 [1)] | 23.32 |

* Excluding 4,778,300 shares bought-back by the Company and retained as treasury shares.
1) Deemed interested pursuant to Section 6A of the Companies Act 1965.

# Analysis of Shareholdings
as at 23 September 2014

**30 LARGEST SHAREHOLDERS** (as per the Record of Depositors of the Company)

| | Name | No. of shares held | % of issued shares* |
|---|---|---|---|
| 1. | Dindings Consolidated Sdn Bhd | 92,525,481 | 20.48 |
| 2. | Khor Chai Moi | 28,831,206 | 6.38 |
| 3. | Hwang Enterprises Sdn Bhd | 17,000,000 | 3.76 |
| 4. | HSBC Nominees (Asing) Sdn Bhd<br>AA Noms SG for CM Ltd | 14,248,900 | 3.15 |
| 5. | Khor Chei Yong | 13,057,175 | 2.89 |
| 6. | HSBC Nominees (Asing) Sdn Bhd<br>Exempt An for Credit Suisse (SG BR-TST-Asing) | 11,394,000 | 2.52 |
| 7. | RHB Capital Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Wong Ah Chiew | 9,351,800 | 2.07 |
| 8. | Ladang Setia Sdn Bhd | 8,391,360 | 1.86 |
| 9. | RHB Nominees (Tempatan) Sdn Bhd<br>Wong Chong Ngin | 7,086,400 | 1.57 |
| 10. | RHB Nominees (Tempatan) Sdn Bhd<br>OSK Capital Sdn Bhd for Juta Semerbak Sdn Bhd | 7,036,000 | 1.56 |
| 11. | Citigroup Nominees (Tempatan) Sdn Bhd<br>Employees Provident Fund Board (CIMB PRIN) | 6,811,500 | 1.51 |
| 12. | Lim Kian Huat | 5,812,100 | 1.29 |
| 13. | Citigroup Nominees (Asing) Sdn Bhd<br>CBNY for Dimensional Emerging Markets Value Fund | 4,701,600 | 1.04 |
| 14. | Land Management Sdn Bhd | 4,400,000 | 0.97 |
| 15. | Lock Kai Sang | 4,170,400 | 0.92 |
| 16. | Citigroup Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Wong Chong Shee (470539) | 4,004,000 | 0.89 |
| 17. | Public Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Ng Ngow @ Ng Soo Har (E-TCS) | 3,911,700 | 0.87 |
| 18. | HLB Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Mah Siew Seong | 3,890,000 | 0.86 |
| 19. | Citigroup Nominees (Tempatan) Sdn Bhd<br>Universal Trustee (Malaysia) Berhad for CIMB Islamic Small Cap Fund | 3,725,700 | 0.82 |
| 20. | Citigroup Nominees (Tempatan) Sdn Bhd<br>Kumpulan Wang Persaraan (Diperbadankan) (CIMB Equities) | 3,349,600 | 0.74 |
| 21. | Chan Yan Ping | 2,662,100 | 0.59 |
| 22. | HSBC Nominees (Asing) Sdn Bhd<br>SMTBusa for Daiwa Emerging Asean Mid-Small Cap Equity Fund-Five Sprouts | 2,640,100 | 0.58 |

# Analysis of Shareholdings
as at 23 September 2014

**30 LARGEST SHAREHOLDERS** (as per the Record of Depositors of the Company) (cont'd)

| Name | No. of shares held | % of issued shares* |
|---|---|---|
| 23. Maybank Nominees (Tempatan) Sdn Bhd<br>Maybank Trustees Berhad for CIMB-Principal Small Cap Fund (240218) | 2,639,500 | 0.58 |
| 24. HSBC Nominees (Asing) Sdn Bhd<br>Exempt An for the Bank of New York Mellon (Mellon Acct) | 2,602,000 | 0.58 |
| 25. Citigroup Nominees (Asing) Sdn Bhd<br>CBNY for DFA Emerging Markets Small Cap Series | 2,565,500 | 0.57 |
| 26. RHB Nominees (Tempatan) Sdn Bhd<br>Khor Chai Moi | 2,448,000 | 0.54 |
| 27. Jasmin Villa Development Sdn Bhd | 2,290,000 | 0.51 |
| 28. Wong Chong Kim | 2,032,000 | 0.45 |
| 29. Thzew Bee Choo | 2,010,000 | 0.44 |
| 30. Ng Ah Boon | 1,770,000 | 0.39 |
| **Total** | **277,358,122** | **61.40** |

* Excluding 4,778,300 shares bought-back by the Company and retained as treasury shares.

**SHAREHOLDINGS OF DIRECTORS IN THE COMPANY** (as per the Register of Directors' Shareholdings of the Company)

| | Direct interest | | Deemed interest | |
|---|---|---|---|---|
| Name | No. of shares held | % of issued shares* | No. of shares held | % of issued shares* |
| Tan Sri Ong Leong Huat @ Wong Joo Hwa | 241,802 | 0.05 | 97,722,481[1)] | 21.63 |
| Wong Chong Shee | 4,004,000 | 0.89 | - | - |
| Puan Sri Khor Chai Moi | 32,779,206 | 7.26 | 106,113,841[1)] | 23.49 |
| Yap Yoon Kong | - | - | 1,025,000[2)] | 0.23 |
| Ong Ju Xing | 218,000 | 0.05 | 8,656,860[1)] | 1.92 |
| Foo San Kan | - | - | - | - |
| Dato' Abdul Rahman Bin Yusof | - | - | - | - |
| Loy Tuan Bee | - | - | - | - |

* Excluding 4,778,300 shares bought-back by the Company and retained as treasury shares.

1) Deemed interested pursuant to Section 6A and Section 134(12)(c) of the Companies Act 1965.

2) Deemed interested pursuant to Section 134(12)(c) of the Companies Act 1965.

# Analysis of Shareholdings
as at 23 September 2014

## SHAREHOLDINGS OF DIRECTORS IN RELATED COMPANIES

| Name | Direct interest No. of shares held | Direct interest % of issued shares | Deemed interest* No. of shares held | Deemed interest* % of issued shares |
|---|---|---|---|---|
| Tan Sri Ong Leong Huat @ Wong Joo Hwa's interest in: | | | | |
| Damai Laut Golf Resort Sdn Bhd | - | - | 49,500,000 | 99.00 |
| PJDCI Co., Ltd | - | - | 242,500 | 48.50 |
| PJDC Co., Ltd | - | - | 3,318,750 | 88.50 |
| Yarra Park City Pty Ltd (Formerly known as Yarra Vision Park Pty Ltd) | - | - | 13,833,375 | 92.22 |
| Puan Sri Khor Chai Moi's interest in: | | | | |
| Damai Laut Golf Resort Sdn Bhd | - | - | 49,500,000 | 99.00 |
| PJDCI Co., Ltd | - | - | 242,500 | 48.50 |
| PJDC Co., Ltd | - | - | 3,318,750 | 88.50 |
| Yarra Park City Pty Ltd (Formerly known as Yarra Vision Park Pty Ltd) | - | - | 12,277,500 | 81.85 |

* Deemed interested pursuant to Section 6A of the Companies Act 1965.

# Analysis of Warrant Holdings
as at 23 September 2014

No. of Warrants C 2010/2020 issued : 213,811,972
No. of unexercised Warrants C 2010/2020 : 213,458,972

## DISTRIBUTION OF WARRANTS HOLDING

| Size of holdings | No. of holders | % of holders | No. of warrants held | % of unexercised warrants |
|---|---|---|---|---|
| 1 - 99 | 86 | 2.34 | 3,841 | 0.00 |
| 100 - 1,000 | 492 | 13.36 | 345,172 | 0.16 |
| 1,001 - 10,000 | 1,826 | 49.58 | 9,238,618 | 4.33 |
| 10,001 - 100,000 | 1,069 | 29.03 | 37,952,360 | 17.78 |
| 100,001 – 10,672,947* | 208 | 5.65 | 106,235,246 | 49.77 |
| 10,672,948** and above | 2 | 0.05 | 59,683,735 | 27.96 |
| **Total** | **3,683** | **100.00** | **213,458,972*****| **100.00** |

* Less than 5% of the unexercised warrants.
** 5% and above of the unexercised warrants.
*** Excluding exercised warrants.

## WARRANTS HOLDING OF DIRECTORS IN THE COMPANY

| | Direct interest | | Deemed interest | |
|---|---|---|---|---|
| Name | No. of warrants held | % of unexercised warrants* | No. of warrants held | % of unexercised warrants |
| Tan Sri Ong Leong Huat @ Wong Joo Hwa | - | - | 46,501,010[1)] | 21.78 |
| Wong Chong Shee | - | - | - | - |
| Puan Sri Khor Chai Moi | 17,585,200 | 8.24 | 50,829,910[1)] | 23.81 |
| Yap Yoon Kong | - | - | - | - |
| Ong Ju Xing | - | - | 4,328,900[2)] | 2.03 |
| Foo San Kan | - | - | - | - |
| Dato' Abdul Rahman Bin Yusof | - | - | - | - |
| Loy Tuan Bee | - | - | - | - |

1) Deemed interested pursuant to Section 6A and Section 134(12)(c) of the Companies Act 1965.
2) Deemed interested pursuant to Section 6A of the Companies Act 1965.

# Analysis of Warrant Holdings
as at 23 September 2014

## 30 LARGEST WARRANTS HOLDERS

| | Name | No. of warrants held | % of unexercised warrants |
|---|---|---|---|
| 1. | Dindings Consolidated Sdn Bhd | 43,661,035 | 20.45 |
| 2. | Khor Chai Moi | 16,022,700 | 7.51 |
| 3. | Soon Teik Development Sdn Bhd | 6,211,222 | 2.91 |
| 4. | Mah Siew Seong | 4,830,100 | 2.26 |
| 5. | Lock Kai Sang | 4,782,900 | 2.24 |
| 6. | Ladang Setia Sdn Bhd | 4,328,900 | 2.03 |
| 7. | RHB Nominees (Tempatan) Sdn Bhd<br>Wong Chong Ngin | 3,321,750 | 1.56 |
| 8. | HSBC Nominees (Asing) Sdn Bhd<br>Exempt An for Credit Suisse (SG BR-TST-Asing) | 3,318,100 | 1.55 |
| 9. | Land Management Sdn Bhd | 2,554,900 | 1.20 |
| 10. | HSBC Nominees (Asing) Sdn Bhd<br>AA Noms SG for JX Ltd | 2,280,000 | 1.07 |
| 11. | Kenanga Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Koon Yew Yin (002) | 2,272,800 | 1.06 |
| 12. | RHB Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Koon Yew Yin | 1,951,900 | 0.91 |
| 13. | Tan Lee Gek | 1,748,500 | 0.82 |
| 14. | Low Ah Lin | 1,700,000 | 0.80 |
| 15. | HLB Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Wong Ah Chiew | 1,697,800 | 0.80 |
| 16. | Tan Lee Chin | 1,549,465 | 0.73 |
| 17. | HSBC Nominees (Asing) Sdn Bhd<br>AA Noms SG for YS Ltd | 1,500,337 | 0.70 |
| 18. | HSBC Nominees (Asing) Sdn Bhd<br>AA Noms SG for YM Ltd | 1,366,500 | 0.64 |
| 19. | Affin Hwang Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Koon Yew Yin | 1,300,000 | 0.61 |
| 20. | Public Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Ng Ngow @ Ng Soo Har (E-TCS) | 1,244,000 | 0.58 |
| 21. | CIMSEC Nominees (Tempatan) Sdn Bhd<br>CIMB Bank for Ahmad bin Muhamed (MY1217) | 1,166,500 | 0.55 |
| 22. | Chew Leong Hoon | 1,124,100 | 0.53 |
| 23. | Tee Kai Shiang | 1,110,000 | 0.52 |

# Analysis of Warrant Holdings
as at 23 September 2014

**30 LARGEST WARRANTS HOLDERS** (cont'd)

| Name | No. of warrants held | % of unexercised warrants |
|---|---|---|
| 24. Wong Ah Chiew | 1,096,300 | 0.51 |
| 25. RHB Capital Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Daniel Lim Hwa Yew | 1,030,000 | 0.48 |
| 26. Maybank Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Yeoh Kok Keat | 1,000,000 | 0.47 |
| 27. RHB Nominees (Tempatan) Sdn Bhd<br>Khor Chai Moi | 1,000,000 | 0.47 |
| 28. TA Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Kok Chew Leng | 1,000,000 | 0.47 |
| 29. Teoh Chooi Guat | 1,000,000 | 0.47 |
| 30. Jasmin Villa Development Sdn Bhd | 996,800 | 0.47 |
| **Total** | **118,166,609** | **55.36** |

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

| No. of Shares held |
|---|
| |
| **CDS Account No.** |
| |

# FORM OF PROXY

I/We...........................................................................................................................................................................
(NAME IN BLOCK LETTERS)

*NRIC/Passport/Company No. ....................................................................................of..............................................................

..................................................................................................................................................................................
being a member/members 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-Ninth 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, 27 November 2014 at 10.00 am and at any adjournment thereof, in the manner indicated below:

| ITEM | RESOLUTIONS | FOR | AGAINST |
|---|---|---|---|
| 1. | To declare a single tier final dividend of 2.5 sen per ordinary share for the financial year ended 30 June 2014. | | |
| 2. | To approve the payment of Directors' fees of RM342,000.00 for the financial year ended 30 June 2014. | | |
| 3. | To re-elect Mr. Yap Yoon Kong who retires in accordance with Article 114 of the Company's Articles of Association and being eligible, offers himself for re-election. | | |
| 4. | To re-elect Mr. Ong Ju Xing who retires in accordance with Article 114 of the Company's Articles of Association and being eligible, offers himself for re-election. | | |
| 5. | To re-elect Mr. Wong Chong Shee who retires in accordance with Article 115 of the Company's Articles of Association and being eligible, offers himself for re-election. | | |
| 6. | To re-appoint Tan Sri Ong Leong Huat @ Wong Joo Hwa who retires pursuant to Section 129(6) of the Companies Act, 1965 to hold office until the conclusion of the next Annual General Meeting of the Company. | | |
| 7. | To re-appoint Messrs BDO as the Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration. | | |
| 8. | Authority to Issue Shares | | |
| 9. | Proposed Renewal of RRPT Mandate | | |
| 10. | Proposed Renewal of Share Buy-Back Mandate | | |

(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 .............................. 2014

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

** Delete if not applicable*

**Notes:**

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 20 November 2014 ("General Meeting Record of Depositors") are entitled to attend, speak and vote at the Forty-Ninth Annual General Meeting of the Company to be held on 27 November 2014.
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 can be any person and there shall be no restriction as to the qualification of the proxy. A proxy shall be entitled to vote both on a show of hands and on a poll on any question and shall have the same rights as a member to speak at the Meeting.
3. Where a member of the Company is an Exempt Authorised Nominee 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. 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.
5. All forms of proxy must be deposited at the office of the Share Registrar of the Company at Boardroom Corporate Services (KL) Sdn. Bhd. at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.

Fold this flap for sealing

Affix
Stamp

The Share Registrar
**Boardroom Corporate Services (KL) Sdn. Bhd.**
Lot 6.05, Level 6, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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1st fold here

**www.pjd.com.my**

**PJ DEVELOPMENT HOLDINGS BERHAD** (5938-A)
(Incorporated in Malaysia)

18th Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur
Tel. No.: (603) 2162 1111   Fax. No.: (603) 2163 3336