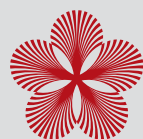


ANNUAL REPORT

2015



PJD GROUP

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# CONTENTS



Artist Impression  
Rooftop View at Windmill Upon Hills, Genting Permai

# NOTICE OF ANNUAL GENERAL MEETING



**NOTICE IS HEREBY GIVEN** that the Fiftieth 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 Wednesday, 18 November 2015 at 10.00 a.m. for the following purposes:

## AGENDA

1. To receive the Audited Financial Statements for the financial year ended 30 June 2015 together with the Reports of the Directors and the Auditors thereon. **[Please refer to Explanatory Note (i)]**
2. To approve the payment of Directors' fees of RM340,000.00 for the financial year ended 30 June 2015. **Ordinary Resolution 1**
3. 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) Puan Sri Khor Chai Moi **Ordinary Resolution 2**
  - (b) Mr. Loy Tuan Bee **Ordinary Resolution 3**
4. To re-elect Mr. Ong Ju Yan who retires in accordance with Article 101 of the Company's Articles of Association and being eligible, offers himself for re-election. **Ordinary Resolution 4**
5. 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 5**
6. 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 6**

## AS SPECIAL BUSINESS

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

7. **AUTHORITY TO ISSUE SHARES** **Ordinary Resolution 7**

"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 to be in force until the conclusion of the next Annual General Meeting of the Company."

**8. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE** **Ordinary Resolution 8**

"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 the Circular to Shareholders dated 23 October 2015 ("Proposed Renewal of RRPT Mandate") provided that such arrangements and/or transactions are:

- (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 Proposed Renewal of RRPT Mandate shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting of the Company, unless by an ordinary 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 extension 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 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."

9. 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

23 October 2015

**NOTES:**

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 12 November 2015 ("General Meeting Record of Depositors") are entitled to attend, speak and vote at the Fiftieth Annual General Meeting of the Company to be held on 18 November 2015.
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 appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each 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.
6. Mr. Wong Chong Shee has expressed his intention to retire at the conclusion of the Fiftieth Annual General Meeting of the Company. Hence, he will retain office until the close of the Fiftieth Annual General Meeting.

**Explanatory Notes****(i) Item 1 of the Agenda**

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

**(ii) Ordinary Resolution 7**

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 27 November 2014, which will lapse at the conclusion of the Fiftieth 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.

**(iii) Ordinary Resolution 8**

This Ordinary Resolution, if passed, will provide a new mandate for the Company and its subsidiaries to enter into recurrent related party transactions with related parties in the ordinary course of business based on commercial terms which are not more favourable to the related parties than those generally available to the public which are necessary for the Group's day-to-day operations and shall lapse at the conclusion of the next Annual General Meeting unless authority for the approval is obtained from the shareholders of the Company at a general meeting. Please refer to the Circular to Shareholders dated 23 October 2015 for further information.



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

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

**Puan Sri Khor Chai Moi**  
(Executive Director)

**Ong Ju Yan – appointed on 9 October 2015**  
(Executive Director)

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

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

**Wong Chong Shee**  
(Managing Director)

**Yap Yoon Kong**  
(Executive Director)

**Ong Ju Xing**  
(Executive Director)

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

## AUDIT COMMITTEE

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

## NOMINATION AND REMUNERATION COMMITTEE

**Foo San Kan** (Chairman)  
**Dato' Abdul Rahman Bin Yusof**  
**Tan Sri Ong Leong Huat @ Wong Joo Hwa**

## RISK MANAGEMENT COMMITTEE

**Loy Tuan Bee** (Chairman)  
**Dato' Abdul Rahman Bin Yusof**  
**Puan Sri Khor Chai Moi**

## COMPANY SECRETARIES

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

## REGISTERED OFFICE

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

## 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  
Tel. No.: (603) 7720 1188  
Fax No.: (603) 7720 1111

## AUDITORS

BDO (AF 0206)  
Level 8  
BDO @ Menara CenTARa  
360 Jalan Tuanku Abdul Rahman  
50100 Kuala Lumpur  
Malaysia

## PRINCIPAL BANKERS

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

## STOCK EXCHANGE LISTING

Main Market, Bursa Malaysia Securities Berhad

## STOCK NAME AND STOCK CODE

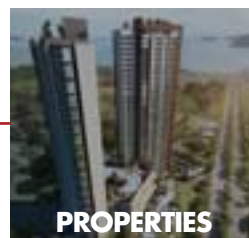
PJDEV (1945)



# GROUP BUSINESS ACTIVITIES



**PJD GROUP**



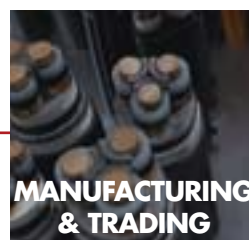
**PROPERTIES**

Property  
Development

Property  
Investment



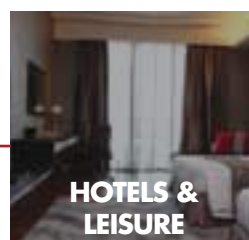
**CONSTRUCTION**



**MANUFACTURING  
& TRADING**

Cable

Acotec  
Panel (IBS)

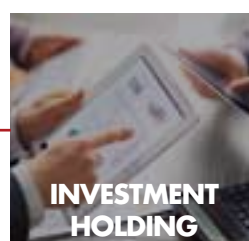


**HOTELS &  
LEISURE**

Hotel &  
Restaurant  
Business

Hotel  
Management &  
Consultancy

Timesharing  
Business



**INVESTMENT  
HOLDING**

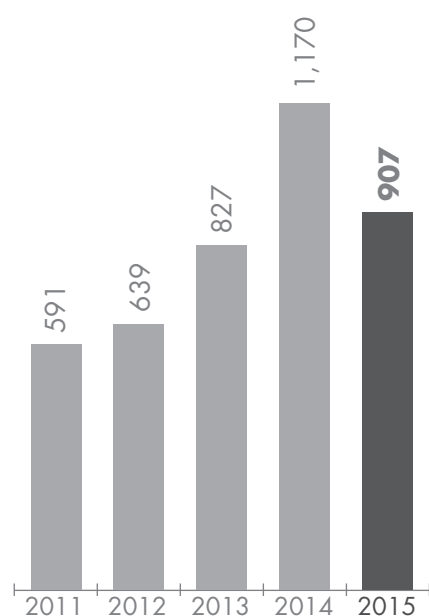
FIVE-YEAR  
GROUP  
FINANCIAL  
HIGHLIGHTS



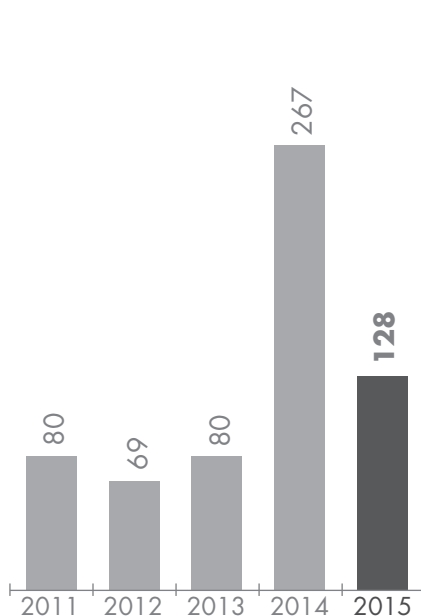
*Artist Impression  
You One at Subang*

FINANCIAL YEAR ENDED (RM Million)	2015 June	2014 June	2013 June	2012 June	2011 June
Revenue	<b>907</b>	1,170	827	639	591
Profit Before Tax	<b>128</b>	267	80	69	80
Profit After Tax and Non-Controlling Interests	<b>87</b>	224	61	52	57
Paid-up Capital	<b>459</b>	456	456	456	456
Shareholders' Funds	<b>1,207</b>	1,145	960	920	895
Basic Earnings Per Share (sen)	<b>19.31</b>	49.47	13.41	11.47	12.51
Dividends Per Share (sen)	<b>6.50</b>	5.00	5.00	5.00	5.00
Net Assets Per Share (RM)	<b>2.66</b>	2.54	2.12	2.02	1.96

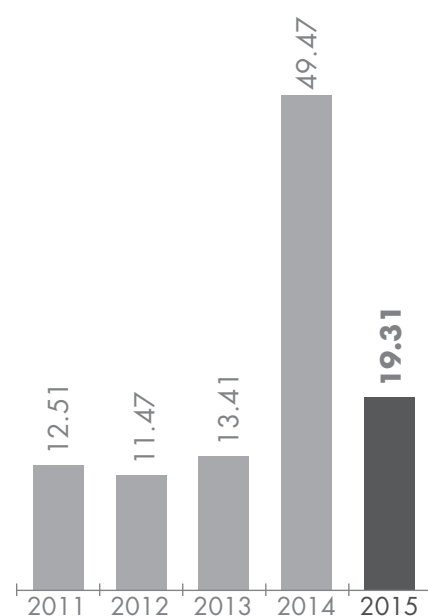
### REVENUE (RM Million)



### PROFIT BEFORE TAX (RM Million)



### BASIC EARNINGS PER SHARE (SEN)





## CHAIRMAN'S STATEMENT

### DEAR SHAREHOLDERS,

On behalf of the Board of Directors, it is my pleasure to present to you the Annual Report and Audited Financial Statement of PJ Development Holdings Berhad and its group of companies ("the Group") for the financial year ended 30 June 2015 ("FY2015").



*Artist Impression  
Atria Cheras, upcoming shopping mall in  
You City, Cheras*





*D'Majestic Place by Swiss-Garden, Kuala Lumpur*



## PROFIT BEFORE TAX

RM **127.61**  
million

## FINANCIAL REVIEW

During the financial year under review, the Group's revenue posted a decrease from RM1,169.50 million to RM906.97 million. Profit before tax (PBT) stood at RM127.61 million, representing a 52% decline compared to the previous year of RM266.57 million. Profit after tax (PAT) registered at RM87.13 million, a 59% decrease from the previous year of RM214.22 million.

The decline in revenue and profit was primarily due to exceptional items, namely the disposals of investment property and development land in FY2014, coupled with lower profit contribution from the property and cable divisions. Excluding the one-off gains and exception item of RM126.57 million, PBT for the Group in FY2014 would have been RM140.00 million, which would have resulted in a slight decline of 8.9% or RM12.39 million in PBT for FY2015. Despite the decline in PBT, the Group managed to maintain the profit margin at 14%.

Our property division continued to be the top contributor to the Group's bottom-line, contributing 62% of the Group's PBT. The second largest contributor was the construction division which accounted for 26% of the Group's PBT, followed by Acotec Panel (Integrated Building System); cables; and hotels and leisure divisions, which accounted for the remaining 12% of the Group's PBT.

Among the five business divisions, the construction division posted the best financial results with a surge of 154% or RM19.78 million to RM32.63 million. Other than properties, cables, and hotels and leisure; the construction division, and Acotec Panel (Integrated Building System) registered an increase in profit.

Earnings per share for FY2015 was 19.31 sen, a decrease of 60.97% from 49.47 sen achieved in the previous year. Net asset per share of the Group as at 30 June 2015, grew by 4.7% to RM2.66 from RM2.54, registered in FY2014.



*Show Unit  
You City, Cheras*





Artist Impression  
Dandellion Pavillion at Windmill Upon Hills, Genting Permai

Net gearing for the Group rose to 30.0% from 11.8% due to borrowings incurred for land acquisition in Australia. However, the financial foundation of the Group remains solid as shareholders' equity expanded by RM61.80 million to RM1,206.60 million, representing a growth of 5.40% compared to the previous year.

## DIVIDEND

I am pleased to announce that the Board had declared two interim dividends for FY2015 ended 30 June 2015. With the first interim dividend of 4.0 sen per share paid on 8 May 2015 and second interim dividend of 2.5 sen per share paid on 19 October 2015, the total gross dividend for the year works out to 6.5 sen per share (FY2014: interim dividend was at 2.5 sen and final dividend was at 2.5 sen).

## CORPORATE HIGHLIGHTS

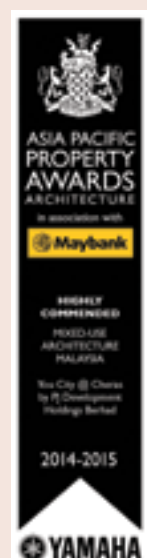
In line with the Group's strategy to enhance the profile of property division under its geographical diversification drive to further supplement its earnings base, our property division is stamping its mark abroad with its maiden project in Australia. The acquisition of approximately two hectares of freehold land in Melbourne for a

cash consideration of approximately RM414 million was completed on 25 February 2015. Located in the Southbank area, the prime land is earmarked for a mixed development with an estimated gross development value (GDV) of over RM8 billion, which will be materialised across a span of eight to ten years.

PJD also underwent a corporate exercise undertaken by OSK Holdings Berhad (OSKH) beginning October 2014 and officially became a subsidiary of OSKH effective from 23 July 2015. Under the enlarged OSK



You City, Cheras



Group, shareholders can expect a stronger balance sheet, deeper talent pool and enhanced value in the long run. As at 23 September 2015, OSKH holds 89.36% interest in PJD.

In tandem with the corporate exercise, the financial year-end of the Group will be changed from 30 June to 31 December, with effect from 2015, to align the financial reporting calendar of all subsidiaries under OSKH.

## AWARDS & ACHIEVEMENTS

In keeping with our tradition of excellence, I am glad to note that our property division has managed to retain its spot in The Edge Top 30 Developers Malaysia 2015. The recognition is greatly cherished as the ranking is adjudged by industry peers and most importantly, it reaffirms our efforts in delivering properties of excellence in quality and value.

I wish to also congratulate our property division for winning another two awards in FY2015. The division's continuous commitment to product and service quality has earned its accolade abroad by being conferred the Leading Property Development Company in Malaysia at the IAIR Awards 2015 held in Hong Kong. Our award winning property development – You City, Cheras, made another mark at the Asia Pacific Property Awards 2015, when it was awarded the Highly Commended, High Rise Architecture Project in Malaysia in May 2015. These latest achievements continue to strengthen the PJD

brand across the region and will further boost the level of confidence for our overseas venture in Australia.

## ACKNOWLEDGEMENT

As we celebrate our achievements, we would like to thank our stakeholders who have supported us along the way and brought us to where we are today.

On behalf of the Board, I extend my deepest gratitude to all shareholders, customers, business partners and associations, bankers and regulatory authorities for their unwavering belief and trust in us that has enabled the company to propel forward against the current challenging economic backdrop.

The Group's satisfactory results in FY2015 were also made possible due to the commitment and hard work of our dedicated management team and employees. With the continued support of our people and all stakeholders, I believe that we can together elevate the Group to greater heights.

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



Swiss-Garden Resort Residences Sungai Karang, Kuantan



Leading Property Development  
Company in Malaysia



## MANAGING DIRECTOR'S OPERATIONS REVIEW

On behalf of the management, I am pleased to present the review of the Group's operations for financial year ended 30 June 2015 ("FY2015"). Despite the softening economic condition in FY2015, the Group recorded satisfactory results. Three of our business divisions registered a drop in profit before tax (PBT), but the Group was partially cushioned by the positive earnings from the construction division and Acotec Panel (Integrated Building System).



*Artist Impression  
Celebration Alcove & Rooftop Sanctuary at  
Windmill Upon Hills, Genting Permai*



## PROPERTIES

The property division fared well in FY2015, experiencing a consistently decent sales momentum and profit despite the softening property market. This saw the division's operational revenue achieving a healthy double-digit growth of 13.8% from RM411.16 million in the previous financial year to RM467.97 million.

Strong earnings were mainly contributed by the advanced construction progress of our on-going projects, particularly D'Majestic Place by Swiss-Garden in Jalan Pudu, Kuala Lumpur; Swiss-Garden Resort Residences in Sungai Karang, Kuantan; and Wellesley in Butterworth, Penang; as well as the good construction progress of You City Phase one and Phase two.

During the financial year under review, the property division was engaged in 10 projects with a gross development value (GDV) of RM1.78 billion. Of the 10 projects, three have been fully completed and successfully handed over within the stipulated timeframe.

### Northern Region

In line with our move to enhance our presence in the northern region, we have acquired several plots of freehold land in Harbour Place, Butterworth; totaling 4.84 acres for a total cash consideration of RM16.68 million. The recent acquisition has further boosted our unrealised GDV in Penang to more than RM500 million, which will be delivered over the next three years.

### Central Region

Closer to home, we have launched one of our key projects – Windmill Upon Hills at Genting Permai in May 2015. Strategically situated in the mid-hills, Genting Permai is a new property hotspot that has recently been receiving heightened reinvigorating interests since the announcement of the Genting Integrated Tourism Plan by the Government and the Genting Group.

Building on Genting's transformation plan to further position the hilltop as a major tourist hub, Windmill Upon Hills gained strong market interest with a take-up rate of over 70% within the first month of its launch. The success of Windmill Upon Hills bodes well for our future earnings and is expected to contribute positively in the next financial year.

Other projects in the pipeline include a mix integrated development in PJ Section 13 comprising serviced apartments, retail and hotel with an estimated GDV of close to RM1 billion. The property division is also gearing up for the launch of You City Phase three in Cheras, which comprises 339 units of serviced apartments and a retail mall with a net lettable area of 480,000 sq. ft. Bearing the name of Atria Cheras, this new shopping mall in You City will provide recurring income to the Group in the years to come.



Harbour Place, Butterworth

### OPERATIONAL REVENUE

▲13%

RM467.97 million



*Sky Garden at You One, Subang*



*Brookes & Bridges at Windmill Upon Hills, Genting Permai*

### East Coast Region

Over in the East Coast, riding on the success of Swiss-Garden Resort Residences, we will be introducing TimurBay, a boutique bay front development situated along the coast line of Balok Beach.

The development provides a magnificent sea view and is surrounded by an array of facilities and amenities that are perfect for beach-front living. Located within merely 10km from Malaysia-China Kuantan Industrial Park (MCKIP) and Gebeng Industrial Park, TimurBay is also set to benefit from the growth of domestic and international investment as well as economic activities in the east coast region, making it even more attractive for property buyers.

As at 30 June 2015, our unbilled sales stood at RM593 million with unrealised GDV of RM790 million. This is expected to provide us a sustainable stream of earnings in the coming financial years. Moving forward, we will continue to source for new prime development lands to add on to our portfolio of undeveloped land bank of approximately 44 acres.

### CONSTRUCTION

Spurred by strong progress from on-going projects, profit of the construction division hit a new high in FY2015 of RM32.63 million amounting to 26% contribution to the Group's PBT. During the financial year ended 30 June 2015, the construction division completed six construction projects worth close to RM400 million.

The division's order book was RM190 million at the end of the FY2015, buoyed by in-house construction jobs, comprising residential and commercial projects. Whilst we expect sustainable orderbook replenishment from our in-house property division, we also look to bid for external contracts to boost our earnings in the coming financial year.

In order to expand the profit margin in the long run, the division invested over RM10 million in new construction equipment and machineries to improve operational efficiency and achieve long-term cost savings.

FY2015 also saw a change in the construction division with the appointment of a new CEO, Mr. Peter Chia Peng Hai with effect from 19 May 2015. With the new CEO at the helm, several transformation initiatives have and will continue to be undertaken focusing on both human capital development and improvement on operational





efficiency. These initiatives aim to ensure timely delivery of projects with quality workmanship and generate higher profitability for the division in the long run.

### ACOTEC PANEL (INTEGRATED BUILDING SYSTEM)

Acotec Panel (Integrated Building System) had another good run in FY2015 and chalked up an impressive growth of 31.41% in PBT. The positive performance was driven by strong sales from both the local and export markets.

Despite the challenging economic environment, we continue to gear up our production capabilities to become a larger Integrated Building System (IBS) wall panel manufacturer in the market. The installation of the two new production lines at our Johor plant are well on-track and expected to be fully operational by first quarter 2016. Upon completion of the installation, the plant capacity will see a two-fold increase, which will allow the division to gain greater market share and establish a stronger presence in the industry.

Strategic plans undertaken during FY2015 thus far have delivered sustainable profit and growth for the division. This is attributed to the strong support from our key partners as well as new customers. Moving forward,

the division will put emphasis on seeking a more stable client mix to mitigate the exposure of our business to industry cycles and enable the division to sail through any market uncertainties.

### CABLE

The cable division faced a challenging operating period during the financial year under review, recording RM177.66 million in revenue, slightly down by 7.6% or RM14.59 million compared to the previous year. The weaker financial result was due to oversupply in the local cable industry coupled with the reduction of demand from TNB, thus resulting in competitive prices and low margin.

However, due to the improved macroeconomic condition in Vietnam especially in the property and construction sector, we expect to benefit from the spillover effect and see a healthy growth in sales in the coming years.

As part of our strategy to grow the division's business, we continue to develop new products and explore opportunities to expand our market share and strengthen our position within the industry. Despite uncertainties in the local economic climate, we are optimistic of maintaining our financial performance in the next financial year.



**BUILDING  
MATERIALS  
PROFIT BEFORE  
TAX**

▲ 31.41%



## HOTELS & LEISURE

### *Hotels*

The hotel industry had a very challenging year in FY2015 on multiple fronts. The effects from the external front included the slowdown in China and the region; while on the home front, the industry was hampered by a triple disaster related to Malaysian branded carriers and the implementation of the Goods and Service Tax (GST).

Tourism Malaysia also reported a combined drop in tourist arrivals by nearly 9% in first quarter of 2015. Tourist arrivals from key feeder markets including China, Japan and Australia suffered a significant drop of 27%, 16% and 22% respectively. It was also reported by MATTA (Malaysia Association of Tour and Travel Agents) that the industry encountered a 30% drop in travel bookings for the first half of 2015.

Against this backdrop, our hotels experienced a weaker demand which resulted in a drop in both revenue and PBT, mirroring the pace of the industry. During the financial year ended 30 June, the hotel division recorded revenue of RM101.9 million while PBT of RM2.86 million.

Although the short term outlook remains conservative, we are confident of regaining ground through a strategic shift to amplify efforts to tap the domestic markets by mitigating the dependency on the uncertain foreign markets.

The hotel division continues on a growth trajectory to expand and propagate the brand through the extension of its Hotel Management Services. The two new

properties are the Swiss-Garden Hotel & Residences Melaka, soft launched in late 2014, with an impressive room inventory of 750; and D'Majestic Place by Swiss-Garden in Kuala Lumpur, a chic low density mixed composition of hotel and residences with 188 rooms.

The hotel division is also expanding its geographic footprint in Malaysia with its maiden foray into the southern state.

The Swiss-Inn Johor Bahru, scheduled for opening by end of 2015, continues to fortify the 'hip' hotel brand concept and comes with 206 rooms of diverse configurations that can cater to single occupants or up to six occupants in a room. The hotel is well-positioned to cater to travelers from across the Causeway as well as those within the country.

Collectively, the hotel division will be operating close to 3,000 rooms in its portfolio in the next financial year, making it one of the largest Malaysian owned hotel brands in the country.

### *SGL Vacation Club*

Underpinned by the division's aggressive marketing initiatives, SGL Vacation Club (SGIVC) performed relatively well in FY2015, registering a surge of 18% in revenue as compared to the previous year. As operating expenses and impairment of trade receivable increased at a greater pace than revenue, the division's PBT decreased by 17% to approximately to RM3.66 million in FY2015.

After years of relentless efforts, SGIVC finally clinched the top spot and was recognised as the leader in the industry



*Swiss-Garden Residences Kuala Lumpur*





*Swiss-Garden Beach Resort Damai Laut*

in terms of market size in 2015. The industry ranking was generated based on the half-yearly prospectus lodged by all Vacation Clubs to Companies Commission of Malaysia on the total number of membership. The latest ranking represents an accomplishment of the mission that we set out to achieve three years ago - "To be Malaysia Undisputed Leader in Vacation Club Business by 2015". To further elevate the positioning of SGIVC as the new market leader, the division will roll out a branding campaign next year to strengthen its foothold in the industry.

In addition to a series of tactical marketing strategies to build up the reputation of SGIVC, the company is excited to see the launch of SGI Vacation Club at Malacca by end of 2015. The launch of this new hotel will now bring the hotel properties of SGIVC to three, including Swiss-Garden Residences, Kuala Lumpur; Swiss-Villas and Swiss-Court Holiday Apartment at Damai Laut.

The new hotel is a four-storey building that will house 46 rooms, including a mixture of superior rooms and suites. It is expected to contribute additional revenue to the division in the coming years.

Despite the volatile and challenging economic climate, SGIVC is confident of delivering good results in the new financial year, driven by its resilient business model and market demand.

## **OUTLOOK AND PROSPECTS**

Malaysia's growth is expected to dampen in the second half of 2015, largely driven by the weakening Ringgit, the plunge in crude oil prices and economic slowdown in China. In 2016, Malaysia's economy is expected to show an uptick, albeit at a lower pace, by 4.5% to 5%, spurred by sustained domestic demand and the Eleventh Malaysia Plan (11MP) announced by the Government.

The property market is anticipated to experience slower growth in the foreseeable future on the back of the continued global economic uncertainties and weak consumer sentiment. Property prices in preferred locations, however, are expected to remain stable but demand is expected to be more selective with the preference for affordable homes.

Though the outlook of Malaysia's economy is expected to be challenging, we are optimistic of delivering good financial results in the coming year with the completion of the merger exercise with OSK Holdings Berhad and OSK Property Holdings Berhad. Leveraging on the solid foundation and financial stability of the enlarged Group, we will continue to grow in strength and have the ability to ride out the period of volatility. As part of the OSK Group, PJD is well positioned for its next stage of growth.

## **WONG CHONG SHEE**

Pemegang Saham Yang Dihormati,

Bagi pihak Lembaga Pengarah, saya dengan sukacitanya membentangkan Laporan Tahunan dan Penyata Kewangan Beraudit PJ Development Holdings Berhad dan kumpulan syarikatnya ("Kumpulan") bagi tahun kewangan berakhir pada 30 Jun 2015 ("TK2015").

## ULASAN KEWANGAN

Dalam tahun kewangan yang dinilai, pendapatan Kumpulan telah mencatatkan penurunan daripada RM1,169.50 juta kepada RM906.97 juta. Keuntungan sebelum cukai (KSC) berjumlah RM127.61 juta, mewakili penurunan sebanyak 52% berbanding dengan tahun sebelumnya yang berjumlah RM266.57 juta. KSC telah direkodkan pada RM87.13 juta iaitu penurunan sebanyak 59% daripada tahun sebelumnya yang berjumlah RM214.22 juta.

Penurunan dalam pendapatan dan keuntungan adalah disebabkan terutamanya, oleh item-item pengecualian, iaitu pelupusan hartanah pelaburan dan tanah pembangunan dalam TK2014, ditambah pula dengan sumbangan untung yang lebih rendah daripada bahagian hartanah dan kabel. Tanpa mengambil kira keuntungan sekali dan item pengecualian sebanyak RM126.57 juta, KSC bagi Kumpulan dalam TK2014 adalah sebanyak RM140.00 juta, yang mana akan menyebabkan penurunan minima sebanyak 8.9% atau RM12.39 juta dalam KSC bagi TK2015. Walaupun terdapat penurunan dalam KSC, Kumpulan telah berjaya mengekalkan margin keuntungan pada 14%.

Bahagian hartanah kami kekal menjadi penyumbang utama kepada keuntungan Kumpulan, menyumbang sebanyak 62% daripada KSC Kumpulan. Penyumbang terbesar seterusnya merupakan bahagian pembinaan yang menyumbang sebanyak 26% daripada KSC Kumpulan, diikuti oleh bahagian Acotec Panel (Sistem Binaan Bersepadu); kabel; dan bahagian hotel dan percutian yang menyumbang kepada baki 12% selebihnya.

Di antara lima bahagian perniagaan, bahagian pembinaan telah mencatatkan keputusan kewangan terbaik dengan peningkatan sebanyak 154% atau RM19.78 juta kepada RM32.63 juta. Selain daripada hartanah, kabel serta hotel dan percutian; bahagian pembinaan dan Acotec Panel (Sistem Binaan Bersepadu) turut merekodkan peningkatan dalam keuntungan.

Pendapatan sesaham untuk TK2015 berada pada 19.31 sen, satu penurunan sebanyak 60.97% daripada 49.47 sen yang dicapai pada tahun sebelumnya. Aset bersih setiap saham Kumpulan pada 30 Jun 2015 telah bertambah sebanyak 4.7% kepada RM2.66 daripada RM2.54 yang dicatatkan pada TK2014.

Gearan bersih bagi Kumpulan meningkat kepada 30.0% daripada 11.8% disebabkan pinjaman yang telah dibuat untuk pemerolehan tanah di Australia. Walau bagaimanapun, asas kewangan Kumpulan kekal kukuh kerana ekuiti pemegang saham telah bertambah sebanyak RM61.80 juta kepada RM1,206.60 juta, mewakili pertumbuhan sebanyak 5.40% berbanding dengan tahun sebelumnya.

## DIVIDEN

Dengan sukacitanya saya mengumumkan bahawa Lembaga Pengarah telah mengisytiharkan dua dividen interim bagi TK2015 berakhir pada 30 Jun 2015. Dividen interim pertama sebanyak 4.0 sen setiap saham telah dibayar pada 8 Mei 2015 dan dividen interim kedua sebanyak 2.5 sen setiap saham pula telah dibayar pada 19 Oktober 2015. Dengan ini, jumlah dividen kasar bagi tahun kewangan tersebut ialah 6.5 sen setiap saham (TK2014: dividen interim ialah 2.5 sen dan dividen akhir ialah 2.5 sen).

## PENCAPAIAN KORPORAT

Sejajar dengan strategi Kumpulan untuk mengukuhkan profil bahagian hartanah dalam usaha memacu kepelbagaian geografi bagi menambah asas pendapatannya, bahagian hartanah kami kini mencipta nama di luar negara dengan projek sulung di Australia. Pemerolehan sebanyak dua hektar tanah pemilikan bebas di Melbourne untuk pertimbangan tunai sebanyak hampir RM414 juta telah dimuktamadkan pada 25 Februari 2015. Terletak di kawasan Southbank, tanah bernilai premium ini telah diperuntukkan untuk pembangunan bercampur dengan anggaran nilai pembangunan kasar (NPK) sebanyak lebih daripada RM8 bilion, dan akan direalisasikan dalam jangka masa lapan hingga sepuluh tahun.

PJD juga telah melalui satu inisiatif korporat yang dilaksanakan oleh OSK Holdings Berhad (OSKH) bermula pada Oktober 2014 dan secara rasminya menjadi anak syarikat OSKH berkuatkuasa dari 23 Julai 2015. Sebagai sebahagian daripada Kumpulan OSK, para pemegang saham boleh menjangkakan kekunci kira-kira yang lebih kukuh, kumpulan bakat yang dipertingkatkan dan peningkatan nilai dalam jangka masa panjang. Pada 23 September 2015, OSKH memegang sebanyak 89.36% kepentingan dalam PJD.

Selari dengan inisiatif korporat tersebut, tahun kewangan berakhir Kumpulan akan ditukar daripada 30 Jun kepada 31 Disember, berkuatkuasa dari 2015 agar selari dengan kalendar laporan kewangan semua anak syarikat di bawah OSKH.

## ANUGERAH & PENCAPAIAN

Dalam mengekalkan tradisi kecemerlangan kami, saya gembira untuk menyatakan bahawa bahagian hartanah kami telah berjaya mengekalkan kedudukannya dalam 30 Pemaju Terbaik Malaysia The Edge 2015. Pengiktirafan ini amat dihargai kerana kedudukan ini diputuskan oleh rakan-rakan industri dan yang paling penting, anugerah ini mengesahkan usaha kami dalam membangunkan hartanah yang unggul dari segi kualiti dan nilai.

Saya juga ingin mengucapkan tahniah kepada bahagian hartanah kami atas kejayaan memenangi dua lagi anugerah pada TK2015. Komitmen berterusan

bahagian hartanah dalam menghasilkan produk dan perkhidmatan berkualiti telah mendapat penghargaan di luar negara apabila dinobatkan sebagai Syarikat Pemaju Hartanah Terkemuka di Malaysia di Anugerah IAIR yang telah diadakan di Hong Kong. Pembangunan hartanah kami yang memenangi anugerah - You City, Cheras, juga telah mencipta satu lagi kejayaan di Anugerah Hartanah Asia Pasifik 2015, apabila diberi penghargaan Projek Seni Bina Bangunan Tinggi Yang Terpuji di Malaysia pada Mei 2015. Semua pencapaian yang terkini akan terus mengukuhkan jenama PJD di seluruh rantau dan akan meningkatkan lagi tahap keyakinan terhadap kami dalam usaha kami ke Australia.

## PENGHARGAAN

Sementara kami meraikan pencapaian kami, kami ingin berterima kasih kepada para pemegang saham yang sentiasa menyokong kami dan berjaya membawa kami ke tahap kami berada sekarang.

Bagi pihak Lembaga Pengarah, saya ingin merakamkan penghargaan tulus ikhlas kepada semua pemegang saham, pelanggan, rakan perniagaan dan rakan bersekutu, ahli bank dan pihak berkuasa atas kepercayaan teguh mereka terhadap kami yang telah membolehkan syarikat ini terus bergerak ke hadapan meskipun berdepan dengan latar ekonomi semasa yang mencabar.

Hasil Kumpulan yang memuaskan yang dicapai pada TK2015 juga kerana komitmen dan kerja keras yang ditunjukkan oleh pasukan pengurusan dan para pekerja kami yang berdedikasi. Dengan sokongan berterusan daripada para pekerja kami dan kesemua pemegang saham, saya percaya, kami mampu meningkatkan Kumpulan ini ke tahap yang lebih tinggi.

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

## ULASAN OPERASI OLEH PENGARAH URUSAN

Bagi pihak pengurusan, saya dengan sukacitanya membentangkan ulasan operasi Kumpulan bagi tahun kewangan berakhir pada 30 Jun 2015 ("TK2015"). Meskipun keadaan ekonomi agak perlahan pada TK2015, Kumpulan telah mencatatkan keputusan yang memuaskan. Tiga daripada bahagian perniagaan kami telah merekodkan penurunan dalam keuntungan sebelum cukai (KSC) tetapi Kumpulan telah dilindungi sebahagiannya oleh pendapatan positif daripada bahagian pembinaan dan Acotec Panel.

### HARTANAH

Bahagian hartanah telah beroperasi dengan baik pada TK2015, dengan mencapai momentum jualan yang baik secara konsisten dan keuntungan meskipun pasaran hartanah agak lembab. Ini menyaksikan hasil operasi bahagian mencapai pertumbuhan dua digit sebanyak 13.8%, daripada RM411.16 juta pada tahun kewangan sebelumnya kepada RM467.97 juta.

Pendapatan yang kukuh telah disumbangkan terutamanya oleh kemajuan pembinaan projek kami yang sedang berjalan, terutamanya D'Majestic Place by Swiss-Garden di Jalan Pudu, Kuala Lumpur; Swiss-Garden Resort Residences di Sungai Karang, Kuantan; dan Wellesley di Butterworth, Pulau Pinang; serta kemajuan pembinaan Fasa satu dan Fasa dua You City.

Pada tahun kewangan yang dinilai, bahagian hartanah telah terlibat dalam 10 projek dengan nilai pembangunan kasar (NPK) sebanyak RM1.78 bilion. Daripada 10 projek tersebut, tiga telah disiapkan sepenuhnya dan berjaya diserahkan dalam jangka masa yang telah ditetapkan.

#### *Rantau Utara*

Sejaya dengan usaha kami untuk mengukuhkan kehadiran kami di wilayah utara, kami telah memperolehi beberapa plot tanah milik bebas di Harbour Place, Butterworth; berjumlah 4.84 ekar untuk jumlah pertimbangan tunai sebanyak RM16.68 juta. Pemerolehan terbaharu ini telah meningkatkan lagi NPK tidak nyata kami di Pulau Pinang kepada lebih

daripada RM500 juta, yang akan diserahkan dalam masa tiga tahun yang akan datang.

#### *Rantau Tengah*

Lebih dekat lagi, kami telah melancarkan satu daripada projek utama kami - Windmill Upon Hills di Genting Permai pada bulan Mei 2015. Terletak dengan strategik di pertengahan bukit, Genting Permai ialah tarikan hartanah terbaharu yang telah menarik kembali minat mendalam daripada pasaran berikutan pengumuman Rancangan Pelancongan Bersepadu Genting oleh pihak kerajaan dan Kumpulan Genting.

Berlandaskan pelan transformasi Genting untuk terus meletakkan puncak bukit sebagai satu hab pelancongan utama, Windmill Upon Hills telah memperolehi minat pasaran yang kuat dengan kadar pengambilan melebihi 70% dalam bulan pertama pelancarannya. Kejayaan Windmill Upon Hills memberikan petanda baik untuk pendapatan masa hadapan kami dan dijangka akan terus menyumbang secara positif pada tahun kewangan yang berikutnya.

Projek-projek lain dalam perancangan termasuklah pembangunan bersepadu bercampur di Seksyen 13, PJ yang terdiri daripada apartmen servis, peruncitan dan hotel dengan anggaran NPK sebanyak hampir RM1 bilion. Bahagian hartanah juga sedang bersiap-sedia untuk melancarkan Fasa tiga You City di Cheras, yang terdiri daripada 339 unit apartmen servis dan sebuah pusat beli-belah dengan kawasan boleh sewa bersih seluas 480,000 kaki persegi. Dikenali sebagai Atria Cheras, pusat beli-belah terbaharu di You City ini akan



menyediakan pendapatan berulang kepada Kumpulan selanjutnya.

#### *Rantau Pantai Timur*

Di Pantai Timur pula, didorong oleh kejayaan Swiss-Garden Resort Residences, kami akan memperkenalkan TimurBay, sebuah pembangunan butik depan teluk yang terletak di sepanjang pantai Pantai Balok.

Projek pembangunan ini akan mempunyai pemandangan laut yang mengagumkan, dikelilingi oleh pelbagai kemudahan yang sempurna untuk kehidupan tepi pantai. Terletak dalam lingkungan hanya 10km dari Taman Industri Kuantan Malaysia-China (MCKIP) dan Taman Industri Gebeng, TimurBay juga akan mendapat faedah daripada pertumbuhan pelaburan domestik dan antarabangsa serta aktiviti-aktiviti ekonomi di wilayah pantai timur, menjadikannya bertambah menarik kepada pembeli-pembeli hartanah.

Pada 30 Jun 2015, jualan belum dibil kami adalah sebanyak RM593 juta dengan NPK tidak nyata sebanyak RM790 juta. Ini diharap dapat memberikan Kumpulan satu aliran pendapatan yang mampan pada tahun-tahun kewangan yang akan datang. Sebagai langkah seterusnya, kami akan terus berusaha mencari tanah-tanah pembangunan baharu untuk menambah kepada portfolio bank tanah yang belum dibangunkan yang kini lebih kurang 44 ekar.

## **PEMBINAAN**

Didorong oleh kemajuan yang memberangsangkan dalam projek-projek yang sedang berjalan, keuntungan bahagian pembinaan telah mencapai rekod tertinggi pada TK2015 iaitu sebanyak RM32.63 juta yang menyumbang sebanyak 26% kepada KSC Kumpulan. Pada tahun kewangan berakhir pada 30 Jun 2015, bahagian pembinaan telah menyiapkan enam projek pembinaan bernilai hampir RM400 juta.

Buku pesanan jualan bahagian ini berjumlah RM190 juta telah direkodkan pada hujung TK2015, disumbang oleh kerja-kerja pembinaan dalaman yang terdiri daripada projek-projek kediaman dan komersil. Sementara kami menjangkakan pengisian semula buku pesanan jualan yang mampan daripada bahagian hartanah dalaman kami, kami juga mencari peluang untuk membida kontrak-kontrak luaran bagi meningkatkan lagi pendapatan kami pada tahun-tahun kewangan yang akan datang.

Dalam usaha untuk mengembangkan margin keuntungan bagi jangka masa panjang, bahagian ini telah melabur lebih daripada RM10 juta dalam peralatan dan jentera-jentera pembinaan yang baharu bagi menambah baik kecekapan operasi dan mencapai penjimatan kos jangka panjang.

TK2015 juga menyaksikan satu perubahan dalam bahagian pembinaan dengan perantikan Ketua Pegawai Eksekutif (CEO) yang baharu iaitu Encik Peter Chia Peng Hai, berkuatkuasa 19 Mei 2015. Dengan seorang CEO yang baharu, beberapa inisiatif transformasi telah dan akan terus dilakukan bertumpu kepada pembangunan modal insan dan penambahbaikan kecekapan operasi. Inisiatif-inisiatif ini bermatlamat untuk memastikan projek-projek dapat diserahkan mengikut jadual dengan mutu kerja yang berkualiti dan dapat menjana keuntungan lebih tinggi untuk bahagian ini dalam jangka panjang.

## **ACOTEC PANEL (SISTEM BINAAN BERSEPADU)**

Acotec Panel (Sistem Binaan Bersepadu) telah mendapat permintaan yang baik pada TK2015 dan mencatatkan pertumbuhan yang mengagumkan sebanyak 31.41% dalam KSC. Prestasi positif ini telah dipacu oleh jualan yang kukuh daripada kedua-dua pasaran tempatan dan eksport.

Walaupun berhadapan dengan persekitaran ekonomi yang mencabar, kami tetap menyediakan keupayaan pengeluaran kami untuk menjadi pengeluar panel dinding Sistem Binaan Bersepadu (IBS) yang lebih besar di pasaran. Pemasangan dua talian pengeluaran baharu di kilang kami di Johor sedang berjalan mengikut jadual dan dijangka akan beroperasi sepenuhnya pada suku pertama 2016. Apabila selesai pemasangan, kapasiti kilang tersebut akan meningkat dua kali ganda, membolehkan bahagian ini memperolehi bahagian pasaran yang lebih besar dan mengukuhkan kehadiran yang lebih ketara dalam industri.

Pelan-pelan strategik yang telah diambil pada TK2015 telah menghasilkan keuntungan dan pertumbuhan yang mampan untuk bahagian ini. Ini disebabkan sokongan kuat daripada rakan-rakan utama kami serta pelanggan-pelanggan baharu. Seterusnya, bahagian ini akan memberi tumpuan kepada usaha mendapatkan campuran pelanggan yang stabil bagi mengurangkan pendedahan perniagaan kami kepada kitaran industri dan bagi membolehkan bahagian ini mengharungi ketidakpastian pasaran.

### KABEL

Bahagian kabel telah menghadapi satu tempoh operasi yang mencabar pada tahun kewangan yang dinilai dengan merekodkan hasil sebanyak RM177.66 juta, turun sebanyak 7.6% atau RM14.59 juta berbanding dengan tahun sebelumnya. Keputusan kewangan yang lemah ini adalah disebabkan oleh lebih bekalan dalam industri kabel tempatan ditambah dengan pengurangan permintaan oleh TNB. Ini mengakibatkan wujud persaingan harga dan margin yang rendah.

Walaupun bagaimanapun, disebabkan keadaan makro ekonomi yang bertambah baik di Vietnam terutamanya dalam sektor hartanah dan pembinaan, kami menjangkakan bahagian ini akan mendapat manfaat daripada kesan limpahannya dan akan menyaksikan satu pertumbuhan yang sihat dalam jualan pada tahun-tahun yang akan datang.

Sebagai sebahagian daripada strategi kami untuk mengembangkan lagi perniagaan bahagian ini, kami akan terus berusaha membangunkan produk-produk baharu dan meneroka peluang-peluang untuk mengembangkan bahagian pasaran kami dan mengukuhkan kedudukan kami dalam industri. Walaupun terdapat ketidaktentuan dalam iklim ekonomi tempatan, kami optimis akan berjaya mengekalkan prestasi kewangan kami pada tahun kewangan seterusnya.

### HOTEL & REKREASI

#### *Hotel*

Industri perhotelan telah mengharungi satu tahun yang amat mencabar pada TK2015 dalam pelbagai sudut. Kesan daripada faktor luaran termasuklah kelembapan ekonomi di China dan serantau; manakala dalam negara pula, industri ini juga terjejas akibat bencana yang berkaitan dengan syarikat penerbangan Malaysia serta pelaksanaan Cukai Barangan dan Perkhidmatan (GST).

Tourism Malaysia turut melaporkan penurunan dalam ketibaan pelancong sebanyak 9% dalam suku pertama 2015. Ketibaan pelancong dari pasaran utama telah mengalami penurunan yang ketara seperti China sebanyak 27%, Jepun 16% dan Australia 22%. MATTA (Persatuan Ejen-Ejen Pelancongan dan Pengembaraan Malaysia) turut melaporkan bahawa industri ini telah mengalami penurunan sebanyak 30% dalam tempahan pelancongan untuk separuh pertama 2015.

Berlatarkan keadaan ini, hotel-hotel kami telah mengalami permintaan yang tidak memuaskan yang menyebabkan penurunan dalam kedua-dua hasil dan KSC, yang mana ini mencerminkan kadar kemajuan industri. Pada tahun kewangan berakhir 30 Jun, bahagian perhotelan telah merekodkan hasil sebanyak RM101.9 juta manakala KSC ialah sebanyak RM2.86 juta.

Walaupun pandangan jangka pendek kekal konservatif, kami yakin akan berjaya memperoleh kembali kedudukan melalui anjakan strategik bagi menggandakan usaha untuk mendapatkan pasaran domestik dengan mengurangkan kebergantungan kepada pasaran asing yang tidak menentu.

Bahagian perhotelan terus bergerak di atas satu trajektori pertumbuhan bagi mengembangkan dan memperkenalkan jenama ini melalui perluasan Perkhidmatan Pengurusan Hotel. Dua hartanah terbaharu adalah Swiss-Garden Hotel & Residences Melaka, dengan prapelancongan diadakan pada lewat 2014, dengan jumlah bilik yang mengagumkan sebanyak 750; dan D'Majestic Place by Swiss-Garden di Kuala Lumpur, sebuah komposisi campuran hotel dan kediaman bergaya yang berpadatan rendah dengan 188 buah bilik.

Bahagian perhotelan juga sedang mengembangkan jejak geografinya di Malaysia dengan penglibatan pertama di negeri-negeri di selatan.

Hotel Swiss-Inn Johor Bahru yang dijadualkan untuk dibuka pada hujung 2015, terus mengukuhkan lagi konsep jenama hotel 'hip'. Hotel ini mempunyai 206 buah bilik dengan pelbagai konfigurasi yang boleh memuatkan antara seorang hingga enam orang penghuni di dalam satu bilik. Hotel ini juga berada di kedudukan yang sesuai untuk pengembara dari seberang tambak dan juga yang datang dari seluruh negara.

Secara kolektifnya, bahagian perhotelan akan mengendalikan hampir 3,000 buah bilik dalam portfolionya pada tahun kewangan seterusnya, menjadikannya satu daripada jenama hotel milik rakyat Malaysia yang terbesar di negara ini.

#### *S&G Vacation Club*

Disokong oleh inisiatif pemasaran yang agresif, S&G Vacation Club (SGIVC) telah menunjukkan satu prestasi yang baik pada TK2015, dengan merekodkan



Swiss Villas Damai Laut



Swiss-Garden Hotel & Residences Melaka

peningkatan hasil sebanyak 18% berbanding pada tahun sebelumnya. Oleh kerana perbelanjaan operasi dan pengurangan nilai penghutang perdagangan telah meningkat lebih cepat daripada pendapatan, KSC bahagian pula berkurangan sebanyak 17% kepada hampir RM3.66 juta pada TK2015.

Selepas bertahun-tahun berusaha bersungguh-sungguh, SGIVC akhirnya berjaya meraih tempat teratas dan telah diiktiraf sebagai peneraju dalam industri ini dari segi saiz pasaran pada 2015. Kedudukan industri telah dijana berdasarkan prospektus setengah tahun yang dilaporkan oleh semua Kelab Percutian kepada Suruhanjaya Syarikat Malaysia mengenai jumlah keahlian. Kedudukan terkini menunjukkan misi yang kami mulakan tiga tahun yang lalu - "Untuk Menjadi Peneraju paling Berwibawa dalam Perniagaan Kelab Percutian Malaysia menjelang 2015" telah berjaya. Untuk meningkatkan lagi kedudukan SGIVC sebagai pemimpin pasaran yang baharu, bahagian ini akan melancarkan satu kempen penjenamaan pada tahun hadapan untuk mengukuhkan kedudukannya dalam industri.

Selain siri-siri strategi pemasaran taktikal untuk membina reputasi SGIVC, pihak syarikat rasa teruja untuk melihat pelancaran SGI Vacation Club di Melaka menjelang hujung 2015. Pelancaran hotel baharu ini akan menambah jumlah hartanah hotel SGIVC kepada tiga buah, termasuk Swiss-Garden Residences di Kuala Lumpur; Swiss-Villas dan Swiss-Court Holiday Apartment di Damai Laut.

Hotel terbaharu ini ialah sebuah bangunan empat tingkat yang akan menempatkan 46 buah bilik, termasuk gabungan bilik superior dan suite. Hotel ini dijangka menyumbang hasil tambahan kepada bahagian ini pada tahun-tahun yang akan datang.

Walaupun menghadapi iklim ekonomi yang mencabar dan tidak merentu, SGIVC yakin akan berupaya menghasilkan keputusan yang baik pada tahun kewangan yang baharu, dipacu oleh model perniagaan yang berdaya tahan dan permintaan pasaran.

## PANDANGAN DAN HARAPAN

Pertumbuhan Malaysia dijangka lembab pada separuh kedua 2015, sebahagian besarnya disebabkan oleh Ringgit yang semakin lemah, kejatuhan harga minyak mentah dan kelembapan ekonomi di China. Pada 2016, ekonomi Malaysia dijangka menunjukkan peningkatan meskipun pada kadar yang perlahan, sebanyak 4.5% hingga 5%, didorong oleh permintaan domestik yang mampan dan Rancangan Malaysia Ke Sebelas (RMK11) yang telah diumumkan oleh Kerajaan.

Pasaran hartanah dijangka mengalami pertumbuhan lebih perlahan pada masa hadapan yang boleh diramalkan bersandarkan ketidakpastian ekonomi global yang berterusan dan sentimen pengguna yang lemah. Harga hartanah di lokasi-lokasi pilihan, walau bagaimanapun, dijangka kekal stabil namun permintaan dijangka akan menjadi lebih selektif dengan keutamaan kepada rumah mampu milik.

Walaupun ekonomi Malaysia dijangka lebih mencabar, kami optimis akan berupaya menghasilkan keputusan kewangan yang baik pada tahun seterusnya dengan selesainya penggabungan dengan OSK Holdings Berhad dan OSK Property Holdings Berhad. Mengambil manfaat daripada asas yang kukuh dan kestabilan kewangan Kumpulan yang semakin besar ini, kami akan terus berkembang dengan kukuh dan berkemampuan untuk melalui masa yang mencabar ini. Sebagai sebahagian daripada Kumpulan OSK, PJD kini berada di kedudukan yang baik untuk fasa pertumbuhan seterusnya.

**WONG CHONG SHEE**



# 董事主席 报告

致各位股东，

本人有幸代表董事会向您呈献辟捷发展控股有限公司和集团公司（“本集团”）截至2015年6月30日（“2015财政年度”）的财政年度报告和已审核财务报告。

## 财务报告

在回顾财政年度里，本集团营业额从11亿6950万令吉下跌至9亿697万令吉。税前盈利（PBT）为1亿2761万令吉，比去年的2亿6657万令吉减少52%。税后盈利（PAT）为8713万令吉，比去年的2亿1422万令吉减少59%。

营业额和盈利下跌的主要原因来自于特殊项目，也即是2014财政年度出售投资产业和发展土地的一次过收益，加上房地产和电缆业务部的盈利表现下滑所致。若撇除特殊项目共1亿2657万令吉的一次过收益，本集团在2014财政年度的税前盈利应是1亿4000万令吉，相比2015财政年度的税前盈利显示小幅下跌8.9%或1239万令吉。尽管财政年度的税前盈利下滑，本集团依然能够维持14%利润率。

本集团的房地产业务部依然是集团盈利的龙头贡献者，占集团税前盈利的62%。次者为建筑业务部，占集团税前盈利的26%；接着依次为Acotec综合建筑系统、电缆、酒店和休闲业务部，共占集团税前盈利其余的12%。

在五个业务部之中，建筑的财务业绩为最佳，达3263万令吉，也即是上升154%或1978万令吉。除了房地产、电缆、酒店和休闲业务之外，建筑以及Acotec综合建筑系统部的盈利都有所增长。

2015财政年度每股盈利为19.31仙，比去年的49.47仙下跌60.97%。截至2015年6月30日，

本集团每股净资产从2014财政年度的2.54令吉增长4.7%至2.66令吉。

由于借贷收购澳洲土地，本集团的净负债率从去年的11.8%涨至30.0%。尽管如此，本集团的财务基础依然稳健，股东权益已达12亿660万令吉，比去年增长5.40%或6180万令吉。

## 股息

截至2015年6月30日的财政年，董事会已宣布派发两次中期股息。首次的中期股息是每股4.0仙，于2015年5月8日支付；第二份中期股息则是每股2.5仙，于2015年10月19日支付。全年总股息为每股6.5仙（2014财政年度：中期股息为2.5仙，终期股息为2.5仙）。

## 企业要览

配合本集团提升房地产地域多元化策略，房地产部以澳洲首项工程进军海外市场，借此增加收入基础。2015年2月25日，本集团以大约4亿1400万令吉现金完成收购墨尔本大约两公顷永久地契土地的交易。此地皮坐落于墨尔本Southbank区，土地位置优越，预计将在八至十年内完成发展总值（GDV）估计逾90亿令吉的综合型计划。

在侨丰控股有限公司（侨丰）于2014年10月开始进行的一项企业活动下，辟捷发展于2015年7月23日起正式成为侨丰的子公司。成



Artist Impression  
Windmill Upon Hills, Genting Permai

为侨丰集团的一份子，股东将可享有更雄厚的资产负债表，更丰富的人才资源以及更丰厚的长期回酬价值。截至2015年9月23日，侨丰持有辟捷发展的89.36%股份。

在完成上述企业活动后，本集团的财政年度终结将从6月30日更改至12月31日以配合侨丰旗下所有子公司的财务报告日程表。此调整将在2015年开始生效。

### 荣誉和成就

本人很高兴本集团房地产业务部能够秉持本集团的卓越水准，维持在2015年The Edge马来西亚30大发展商的排行榜。由于此排行榜是由业内同侪评定，本集团对此荣誉倍加珍惜，更重要的是此排行榜肯定了本集团对发展品质优秀，物有所值的产业所付出的心血和努力。

本人也在此恭贺房地产业务部在2015财政年度荣夺另两项大奖。此业务部对产品和服务品质的坚持使它扬名海外，在香港荣获IAIR国际另类投资评论所颁发的马来西亚首席产业发展公司奖。在2015年5月举行的2015年度亚洲太平洋

产业大奖中，本集团的获奖产业发展项目一蕉赖的You City荣获马来西亚高度评价的高层建筑设计项目奖。这些最新成就继续在区域内巩固辟捷发展品牌，同时也加强对本集团在澳洲海外投资项目的信心。

### 鸣谢

本集团在庆祝成就之际也感谢各方一直以来对本集团的支持，让本集团得以享有今日的成就。

本人代表董事会由衷地感谢股东、客户、商业伙伴、银行机构和管制当局对本集团赋予信任，使本集团得以在目前艰难经济局势之下节节迈进。

本集团在2015财政年度交出令人满意的业绩，也应归功于全体管理团队和雇员们尽职尽责的付出和努力。本人相信在本团队和各方的支持下，本集团必定会更上一层楼。

丹斯里黄宗华

本人谨代表管理层汇报本集团截至2015年6月30日止财政年度（“2015财政年度”）的业务检讨。纵然2015财政年度经济放缓，本集团业绩依然令人满意。其中三个业务部的税前盈利（PBT）虽有滑落，但建筑和Acotec综合建筑系统业务部的盈余则减轻对本集团的部分影响。

## 房地产

即使面对产业市场放缓，房地产部在2015财政年度表现良好，销售增势和盈利一直相当出色。此业务部的营运收入比上一财政年度的4亿1116万令吉增加13.8%至4亿6797万令吉，达两位数的增长率。

这雄厚的收入主要是因为本集团的在建工程已进入后期阶段，尤其是吉隆坡半山芭路的D'Majestic Place by Swiss-Garden、关丹Sungai Karang的Swiss-Garden度假公寓，以及檳城北海的Wellesley。此外，You City第一及第二期的建筑工程也进展良好。

在回顾财政年度里，房地产部共涉及10项发展总值（GDV）17亿8000万令吉的工程项目。其中三项已竣工并成功在期限内移交。

## 北马

为加强本集团在北马的业务，本集团以1668万令吉收购在北海Harbour Place数块面积总计4.84英亩的永久地契土地。这新进的土地收购使本集团在檳城拥有超过5亿令吉的未实现发展总值，预计将在未来的三年内实现交付。

## 中马

本集团在2015年5月推出一项座落在云顶半山Genting Permai的工程项目-Windmill Upon Hills。自政府和云顶集团宣布云顶综合旅游计划以后，Genting Permai半山即成为新的产业热点。

云顶转型计划的目的是进一步加强山顶的主要旅游枢纽地位，Windmill Upon Hills也因此引起市场的高度兴趣，在推出的首个月内已达超过70%的认购率。Windmill Upon Hills的成功预兆本集团未来稳健的收入，估计对下一财政年度有利。

其他尚在规划中的工程项目包括八打灵再也13区的综合发展计划，此计划包含服务式公寓、零售和酒店，发展总值估计近10亿令吉。房地产业务部也积极筹备推出第三期的蕉赖You City，其中包含339间服务式公寓以及一家拥有48万平方尺净出租面积的购物广场。这家名为Atria Cheras的You City新购物广场将在来年为本集团带来续生收入。

## 东海岸

继Swiss-Garden度假公寓的成功之后，本集团打铁趁热继续在东海岸推出TimurBay，一个位于巴落海滩沿岸的滨临海湾精品发展计划。

此发展计划有壮丽的海景，周遭附设理想滨海起居生活所需的各种设施便利。它距离马中关丹工业园（MCKIP）和格宾工业园仅10公里，凡东海岸的国内和国际投资增长与经济活动都必能惠及TimurBay，使它更吸引产业买家。

截至2015年6月30日，本集团的未进账销售额为5亿9300万令吉，未实现发展总值为7亿9000万令吉。本集团预计这将在未来财政年度提供可持续性收入来源。本集团将继续寻找



新的优质发展土地来增加目前约44英亩的未发展土地储备。

## 建筑

基于在建工程进展良好，建筑业务部在2015财政年度创新高，盈利达3263万令吉，占集团税前盈利的26%。在截至2015年6月30日止财政年度期间，建筑业务部完成了六项价值近4亿令吉的建筑工程。

2015财政年度终结时，该部门在内部住宅和商业发展计划的支持下取得1亿9000万令吉的建筑工程订单。虽然内部房地产部预计将持续补充订单，但本集团也计划在未来财政年度投标外界承包合约以增加收入。

为了长期地增加利润率，此业务部耗资添置新的建筑设备和机器，以改善运作效率和达到长期成本节约。

建筑业务部在2015财政年度经历改革变动，新任首席执行官谢平海先生于2015年5月19日受委上任。在新首席执行官的掌舵下，该业务部采取并推行多项专注人力资本开发和改善运作效率的转型计划。这些计划的目标是确保准时交付工艺优秀的工程项目，同时为业务部带来长期的丰厚利润。

## Acotec综合建筑系统(IBS)

Acotec综合建筑系统业务部在2015财政年度再次表现出色，税前盈利达到骄人的31.41%增长率。这出色的表现是基于本地和出口市场的强大销量所带动。

即使经济情况艰难，本集团仍继续为生产力做好准备，以成为市场上综合建筑系统领域里更大规模的墙板生产商。本集团在柔佛工厂的两条新生产线安装工作进展顺利，预计在2016年首季度可完全投产。一旦安装完毕，工厂产量将激增一倍，业务部便可争取更大市场份额，在业内加强实力。

2015财政年度期间进行的策略规划迄今已为此业务部取得可持续性盈利和增长。本集团的主要合作伙伴以及新客户的鼎力支持功不可没。此业务部未来将强调寻找更稳定的客户组合，以缓和行业周期对业务的影响，让业务部能够顺利克服任何市场变动。

## 电缆

电缆业务部在回顾财政年度里面对种种挑战，期间营业额为1亿7766万，比去年稍跌7.6%或1459万令吉。业绩衰退的原因是本地电缆业供应过剩，加上国能(TNB)需求量减少，导致价格竞争激烈，利润薄弱。

另一方面，由于越南宏观经济局势，尤其是产业和建筑领域的改善，本集团估计将从其外溢效果得益，并展望未来正面营业增长率。

本集团将采取继续开发新产品和探讨新商机的策略，以增加市场份额和巩固该部门的业内地位。即使本地经济局势变幻不定，本集团依然对下一财政年度维持财务绩效乐观。

## 酒店和休闲

### 酒店

在2015财政年度期间，酒店业各方面都困难重重。外界影响包括中国和区域放缓；而国内则受到马来西亚品牌航空公司三次空难以及消费税的实行所影响。

马来西亚旅游局也报道2015年首季度的总入境游客人数下跌近9%。来自中国、日本和澳洲等主要游客供应国的入境游客分别显著下滑27%、16%和22%。据马来西亚旅游同业总会(MATTA)报道，旅游业在2015年上半年的旅游订购量减少30%。

在此情势下，本集团的酒店反映业内走势，其需求量减少，营业额和税前盈利也随之下跌。在截至6月30日止的财政年度里，酒店业务部的营业额为1亿190万令吉，税前盈利为286万令吉。

虽然对短期前景持谨慎态度，本集团有信心可以通过改变策略来加强努力开发本地市场，借此减少对变幻不定的海外市场的依赖。

酒店业务部以延伸酒店管理服务以继续拓展和推广品牌。酒店业务部在2014年推介两个新产业，其中包括在2014年年杪开张的马六甲Swiss-Garden酒店和公寓，以及吉隆坡的D'Majestic Place by Swiss-Garden。前者拥有750间客房的酒店和公寓，后者则是拥有188间客房的低密度混合式时尚酒店和公寓单位。

酒店业务部也进军南马以拓展其大马版图。

定于2015年杪开张营业的新山Swiss-Inn，继续加强其“时髦”酒店品牌的概念。它拥有206间各种不同格局的客房，从单人房到六人房一应俱全。此酒店具备理想的条件以迎合新加坡和国内游客。

在来临的财政年度里，酒店业务部将营运旗下各酒店共计近三千间的客房，使它成为大马人所拥有的国内最大酒店品牌之一。

#### SGI 度假俱乐部

基于酒店业务部的积极营销计划，SGI度假俱乐部（SGVIC）在2015财政年度表现相当不错，营业额比去年增加18%。但是运作开支和应收账款减值比营业额涨幅更高，此业务部的2015财政年度税前盈利因此下降17%至约366万令吉。

经过多年的努力不懈下，SGVIC终于在2015年凭市场份额高居业内排行榜的榜首。业内排行榜是根据所有度假俱乐部每半年向马来西亚公司委员会呈上的总会员人数说明书来排名。最新的排名表示本集团已达成三年前所定下的使命——“在2015年成为马来西亚度假俱乐部业务无可争议的领先者”。为了进一步提升SGVIC作为新市场领先者的地位，此业务部将在明年推行品牌造势活动以巩固实力。

除了一系列打造SGVIC声誉的战略性营销策略之外，本公司也很高兴在2015年后期推出马六甲SGI度假俱乐部。这家新酒店使SGVIC旗下酒店增至三家，其中包括吉隆坡的Swiss-Garden Residences、Swiss-Villas以及DamaiLaut的Swiss-Court度假公寓。

此新酒店是一间4层楼建筑物，共有46客房，其中包括高级客房和套房，预计将来必为业务部带来更丰富收入。

虽然经济局势多变和充满挑战，SGVIC深信在其坚韧有弹性的商业模式以及市场需求量的带动下，继续在新的财政年度里交出好业绩。

#### 前景展望

马来西亚的经济增长率预计将在2015年下半年放缓，主要是因为马币疲弱，原油价格暴跌以及中国经济放缓所致。2016年，在国内强大需求量以及政府宣布第十一大马计划（11MP）的支撑下，马来西亚的经济预计会出现4.5%至5%的微涨。

在可预见的未来，基于全球经济继续变化不定和消费者情绪疲弱，估计产业市场会放缓增长。热门地点的产业价格应会保持稳定，但需求会变得更选择性和偏向可负担房屋。

虽然马来西亚经济前景具挑战性，一旦与侨丰控股有限公司和侨丰产业控股有限公司的合并完成，本集团对来年的业绩感乐观。本集团将发挥扩大集团阵容所带来的稳健基础和财务稳定性，继续增强实力并有能力克服这动荡不定的时期。作为侨丰集团的一员，辟捷发展具备优势更上一层楼。

黄宗耀

At PJD, our CSR motto “Together we build a brighter future” represents our commitment and aspirations to be a responsible corporate citizen. Even as we strive to deliver sustainable value to our stakeholders, we remain committed to operating responsibly and creating sustainable developments within the circles of our influence, namely Community, Workplace and Environment.





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1. Residents of Rumah Sayangan in Cheras delighted to receive in-kind donations from PJD volunteers.
2. PJD runners at the Bursa Bull Charge Run.
3. Blood Donation Drive.
4. PJD CSR team with the residents of Stepping Stones.
5. All smiles - PJD volunteers hand over the mock cheque and goodie bags to residents of Shan Children's Home Association in Penang.

Some notable CSR initiatives undertaken over the course of financial year 2015 are outlined below:

## COMMUNITY

PJD adopted Stepping Stones Living Centre (Stepping Stones) and supported the major operating expenses of the centre by providing rental assistance to all the seven homes under Stepping Stones for a period of 24 months beginning October 2014. Stepping Stones is a centre that houses orphans, children of single parents and single mothers. Regular visits continue to be made by the CSR team to the homes to foster closer relationships with the residents and gain insights into the homes dynamics.

In October 2014, we contributed towards charity through the sponsorship of RM13,000 for our team of runners to participate in the inaugural Bursa Bull Charge 2014. The Bull Charge raised RM1.37 million with proceeds channelled to welfare homes and NGOs, including Persatuan Kebajikan An-Najjah Malaysia,

Sekolah Latihan Wanita Ipoh, Persatuan Rumah Amal Sabah (formerly Sabah Cheshire Home), My Performing Arts Agency, CADS Enhancement Centre, Kelab Belia Kalsom, Women International Network (WIN) and Borneo Eco Film Festival (BEFF).

The annual blood donation drive was also held in conjunction with World Blood Donor Day on 17 June 2015 at Plaza OSK. Jointly organised by PJD, OSK Holdings Berhad, OSK Property Holdings Berhad and OSK Ventures International Berhad in collaboration with the National Blood Bank, the OSK-PJD blood donation drive was a success with overwhelming response and support from employees of OSK, PJD, Dindings as well as the tenants of Plaza OSK.

In January 2015, volunteers of PJD and OSK Property spent time with children of Rainbow Home for a day of "Arts and Doodles". 19 children from the Home enjoyed themselves being budding artists and expressed their creativity by painting six sets of canvas of what makes them happy, alongside our volunteers. The volunteers also engaged with the kids and hosted a lunch for them.

PJD continued its tradition of improving the lives of underprivileged children when volunteers of PJD visited Rumah Sayangan in Cheras on 7 November 2014 with gifts and essential items such as sundries, food, water



Children of Rainbow Home and volunteers pose for a group photo while showing off their art piece.



Tan Sri Ong Leong Huat (fourth right) presenting mock cheque to the winning team of the Talent Show Competition at the Annual Dinner 2015.

bottles, stationery, shoes, clothing and cash to the home. The team also made a trip to Shan Children's Home Association in Penang and donated gifts, sundry goods, stationery, clothes and a sum of RM5,000 to the home for its operating expenses.

## WORKPLACE

The execution power of the team behind every organisation is crucial to the success of a company. To create an effective and skilled workforce, we invested in our people and conducted training sessions at least three times every month to enrich the knowledge and enhance the skills of our employees. Each training session was tailored to meet the employees' requirements and job scope.

To develop team spirit and promote interaction among staff, various staff engagement activities were organised including monthly luncheon talks with senior management and staff, a Christmas luncheon and staff annual dinner.

In our endeavour to embed diversity and inclusion principles in our work practices and organisational environment, the Gender Diversity Policy is taken into consideration during the recruitment process of potential talents for the company.

During the reporting period, PJD's workforce has a composition of 64% male employees and 36% female employees. We have a relatively young workforce with 76% of employees aged below 39, 23% aged from 40 to 59 and 1% aged above 60. PJD is an equal opportunity employer with diverse ethnicity with Bumiputera employees accounting for 51% of the total staff size, followed by Chinese employees at 22%, Indian employees at 6% and other ethnicity at 21%.

## ENVIRONMENT

We are mindful of the impact that our business operations may have on the environment and we constantly seek to promote the awareness and inculcate the culture of sustainability within the workplace.

To this end, recycling bins have been placed at the canteen on Level 2 of Plaza OSK to encourage staff, as well as tenants in the building to recycle their waste and dispose their rubbish responsibly for the betterment of the environment. Similarly, the awareness of the need to reduce electricity consumption and paper has also become part of our daily practice in PJD. Lights within offices are voluntarily switched off throughout lunch time and printers are set at default double sided printing.

Our CSR efforts in environment go beyond just focusing on day-to-day office administration and operations. We endeavour to include more environmentally friendly elements into our property projects with our latest developments meticulously and innovatively designed to incorporate various green features.

Our efforts have resulted in PJD's latest projects - You Vista in Cheras and Woodsbury in Butterworth, Penang - being awarded Green Building Index certification (provisional). Several green initiatives have been introduced into our projects such as energy efficient light bulbs at common areas, installing rainwater harvesting tanks for irrigation and utilising water efficient sanitary fittings to reduce the consumption of potable water. In addition to that, the Group also strives to use environmentally friendly products and materials for its projects and incorporates lush greenery within its developments.



## DIRECTORS' PROFILE

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

Non-Independent Non-Executive Chairman  
Malaysian, aged 71

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

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 known as OSK Investment Bank Berhad) from July 1985 to January 2007 and was 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 known as OSKIB Sdn Bhd) on 18 January 2011, a position he held until 30 April 2013.

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

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 brother of Mr. Wong Chong Shee, the Managing Director of the Company and the father of Mr. Ong Ju Yan and Mr. Ong Ju Xing, the Executive Directors of the Company.

He has no conflict of interest other than those disclosed under Additional Compliance Information (Recurrent Related Party Transactions and Material Contracts) and Notes to the Financial Statements (Related Party Disclosures) of this Annual Report. He has no conviction for any offences within the past ten (10) years.

Tan Sri Ong attended all the five (5) Board Meetings of the Company held during the financial year ended 30 June 2015.



## MR. WONG CHONG SHEE

Managing Director  
Malaysian, aged 60

Mr. Wong Chong Shee was first appointed to the Board of the Company on 27 March 1993 as Deputy Managing Director and was re-designated as Managing Director of the Company on 1 August 2013. He is a member of the Executive Committee, Tender Committee and Corporate Announcement and Compliance Committee of the Company.

Mr. Wong 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.

Mr. Wong is also a Director of OCC Cables Berhad and Swiss-Garden International Vacation Club Berhad.

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 Yan and Mr. Ong Ju Xing, the Executive Directors of the Company.

He has no conflict of interest other than those disclosed under Additional Compliance Information (Recurrent Related Party Transactions and Material Contracts) and Notes to the Financial Statements (Related Party Disclosures) of this Annual Report. He has no conviction for any offences within the past ten (10) years.

Mr. Wong attended four (4) out of five (5) Board Meetings of the Company held during the financial year ended 30 June 2015.

## PUAN SRI KHOR CHAI MOI

Executive Director  
Malaysian, aged 63

Puan Sri Khor Chai Moi is an Executive Director of the Company and was appointed to the Board of the Company on 12 December 1997. She is a member of the Risk Management Committee, Executive Committee and Corporate Announcement and Compliance Committee and the Chairperson of the Management Risk Committee of the Company.

Puan Sri Khor 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 the manufacturing business mainly involved in the production of Acotec panels. She also has vast experience heading the Dindings Consolidated Group, and is 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 also a Director of OCC Cables Berhad and a Trustee of OSK Foundation.

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 Yan and Mr. Ong Ju Xing, the Executive Directors of the Company.

She has no conflict of interest other than those disclosed under Additional Compliance Information (Recurrent Related Party Transactions and Material Contracts) and Notes to the Financial Statements (Related Party Disclosures) of this Annual Report. She has no conviction for any offences within the past ten (10) years.

Puan Sri Khor attended all the five (5) Board Meetings of the Company held during the financial year ended 30 June 2015.

### **MR. YAP YOON KONG**

Executive Director  
Malaysian, aged 58

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Mr. Yap Yoon Kong is an Executive Director of the Company and was appointed to the Board of the Company on 13 January 2006. He is a member of the Executive Committee, Tender Committee, Corporate Announcement and Compliance Committee and Management Risk Committee of the Company.

Mr. Yap 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.

Mr. Yap 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 is also a Director of OCC Cables Berhad and Swiss-Garden International Vacation Club Berhad.

Mr. Yap does not have any family relationship with any Director and/or major shareholder of the Company.

He has no conflict of interest other than those disclosed under Additional Compliance Information (Recurrent Related Party Transactions and Material Contracts) and Notes to the Financial Statements (Related Party Disclosures) of this Annual Report. He has no conviction for any offences within the past ten (10) years.

Mr. Yap attended all the five (5) Board Meetings of the Company held during the financial year ended 30 June 2015.

### **MR. ONG JU YAN**

Executive Director  
Malaysian, aged 35

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Mr. Ong Ju Yan was appointed to the Board of the Company on 9 October 2015 as an Executive Director.

Mr. Ong graduated with a Bachelor of Arts in Economics from Yale University in 2001 and served as Yale's Country Director for Malaysia from 2005 to 2010.

Mr. Ong has over 14 years of experience in financial services, having working in Citibank Malaysia and Morgan Stanley in New York, Hong Kong and Singapore. In 2004, he joined OSK Investment Bank Berhad ("OSKIB") in Malaysia where he last held the position of Chief Operating Officer and Head of Investment Banking. He was a key senior management team member who helped to build up OSKIB's regional business through acquisitions and aggressive organic growth throughout ASEAN and in Hong Kong. Following the disposal of OSKIB by OSK Holdings Berhad to RHB Capital Berhad in November 2012, Mr. Ong joined RHB Investment Bank Berhad as Executive Director and Head of Group Corporate and Investment Banking Services, where he managed the investment banking origination and wholesale equities businesses until 30 April 2015.

Mr. Ong is also the Deputy Managing Director of OSK Holdings Berhad and an Executive Director of OSK Property 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 and the brother of Mr. Ong Ju Xing, the Executive Director of the Company.

He has no conflict of interest other than those disclosed under Additional Compliance Information (Recurrent Related Party Transactions and Material Contracts) and Notes to the Financial Statements (Related Party Disclosures) of this Annual Report. He has no conviction for any offences within the past ten (10) years.

Disclosure on the meeting attendance during the financial year ended 30 June 2015 ("FY 2015") is not applicable as Mr. Ong was appointed to the Board of the Company after FY 2015.

**MR. ONG JU XING**

Executive Director  
Malaysian, aged 30

Mr. Ong Ju Xing is an Executive Director of the Company and was appointed to the Board of the Company on 3 October 2011. He is a member of the Executive Committee and Tender Committee of the Company.

Mr. Ong holds a Bachelor of Science Degree in Business Management from University of London, United Kingdom and a Master of Philosophy in Land Economy from University of Cambridge, United Kingdom.

Mr. Ong 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.

Mr. Ong is also an Executive Director of OSK Holdings Berhad and 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 and the brother of Mr. Ong Ju Yan, the Executive Director of the Company.

He has no conflict of interest other than those disclosed under Additional Compliance Information (Recurrent Related Party Transactions and Material Contracts) and Notes to the Financial Statements (Related Party Disclosures) of this Annual Report. He has no conviction for any offences within the past ten (10) years.

Mr. Ong attended four (4) out of five (5) Board Meetings of the Company held during the financial year ended 30 June 2015.

**MR. FOO SAN KAN**

Senior Independent Non-Executive Director  
Malaysian, aged 67

Mr. Foo San Kan was first appointed to the Board of the Company on 1 August 2013 as an Independent Non-Executive Director and was re-designated as Senior Independent Non-Executive Director of the Company on 13 February 2015. He is the Chairman of the Audit Committee and Nomination and Remuneration Committee of the Company.

Mr. Foo 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.

Mr. Foo 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.

Mr. Foo 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 and Malaysian Trustees Berhad.

Mr. Foo does not have any family relationship with any Director and/or major shareholder of the Company.

He has no conflict of interest other than those disclosed under Additional Compliance Information (Recurrent Related Party Transactions and Material Contracts) and Notes to the Financial Statements (Related Party Disclosures) of this Annual Report. He has no conviction for any offences within the past ten (10) years.

Mr. Foo attended four (4) out of five (5) Board Meetings of the Company held during the financial year ended 30 June 2015.



### **DATO' ABDUL RAHMAN BIN YUSOF**

Independent Non-Executive Director  
Malaysian, aged 60

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Dato' Abdul Rahman Bin Yusof was appointed to the Board 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.

Dato' Abdul Rahman 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.

Dato' Abdul Rahman 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.

Dato' Abdul Rahman does not hold any directorship in other public companies.

Dato' Abdul Rahman does not have any family relationship with any Director and/or major shareholder of the Company.

He has no conflict of interest other than those disclosed under Additional Compliance Information (Recurrent Related Party Transactions and Material Contracts) and Notes to the Financial Statements (Related Party Disclosures) of this Annual Report. He has no conviction for any offences within the past ten (10) years.

Dato' Abdul Rahman attended four (4) out of five (5) Board Meetings of the Company held during the financial year ended 30 June 2015.

### **MR. LOY TUAN BEE**

Independent Non-Executive Director  
Malaysian, aged 61

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Mr. Loy Tuan Bee was appointed to the Board 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.

Mr. Loy 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.

Mr. Loy does not hold any directorship in other public companies.

Mr. Loy does not have any family relationship with any Director and/or major shareholder of the Company.

He has no conflict of interest other than those disclosed under Additional Compliance Information (Recurrent Related Party Transactions and Material Contracts) and Notes to the Financial Statements (Related Party Disclosures) of this Annual Report. He has no conviction for any offences within the past ten (10) years.

Mr. Loy attended all the five (5) Board Meetings of the Company held during the financial year ended 30 June 2015.

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 2015 ("FY 2015") 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 or investments;
- 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 regulatory compliance;
- competent management and succession planning; and
- 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 Directors Policy and Diversity Policy.

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 or members of the public to raise genuine concerns of possible improprieties perpetrated within the Group. The Board will take steps to make available these policies on the Company's website.

**b) Composition of the Board**

For FY 2015, 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 Directors' profile is set out on pages 34 to 38 of this Annual Report.

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

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, save for the Board gender diversity which it endeavours to improve on moving forward. The Board is well represented by Board members with diverse professional backgrounds and experiences in the areas of property development, construction, manufacturing, engineering, business management, finance, accounting, tax and law.

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.

**c) Board Meetings**

The Board meets on a quarterly basis, with additional meetings convened as necessary.



During FY 2015, five (5) Board meetings were held. The details of the Directors' attendance are as follows:

<b>Directors</b>	<b>Attendance</b>
1. Tan Sri Ong Leong Huat @ Wong Joo Hwa	5/5
2. Wong Chong Shee	4/5
3. Puan Sri Khor Chai Moi	5/5
4. Yap Yoon Kong	5/5
5. Ong Ju Xing	4/5
6. Foo San Kan	4/5
7. Dato' Abdul Rahman Bin Yusof	4/5
8. Loy Tuan Bee	5/5

All Directors have complied with the minimum requirements on attendance at Board meetings as stipulated in the Listing Requirements (minimum 50% attendance).

The annual meetings calendar is given to the Board at the beginning of each calendar year in order to allow the Directors to organise and plan their activities and schedule ahead of time.

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 facilitates 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 all issues deliberated at the Board Committees' meetings.

**e) Appointment and Assessment of Directors**

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.

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

In the process of selecting and evaluating candidates, the Nomination and Remuneration Committee takes into consideration suitability for the role, Board balance and composition, mix of skills, experience, knowledge and other qualities as well as diversity in terms of gender, age, ethnicity and cultural background.

A formal assessment mechanism is in place to assess on an annual basis, the effectiveness of the Board as a whole and the Board Committees and the contribution of each individual Director. The annual assessment enables the Board to ensure that each of the Board members including the Managing Director, chief executive or chief financial has the character, experience, integrity, competence and time to effectively discharge their respective 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**

Pursuant to Section 129 of the Companies Act, 1965, Directors who are over the age of seventy (70) years shall retire at every Annual General Meeting ("AGM") and may offer themselves for re-appointment to hold office until the next AGM.

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 AGM of the Company and shall be eligible for re-election.

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.

The Directors who are standing for re-appointment and re-election at the forthcoming Fiftieth (50<sup>th</sup>) AGM of the Company are as stated in the Notice of the AGM set out on pages 2 to 5 of this Annual Report.

**g) Remuneration of Directors**

The Nomination and Remuneration Committee is also 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 his/her individual performance and the Company's performance, while the Non-Executive Directors' remuneration reflects the experience and responsibilities undertaken and their 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 proposed Directors' fees for FY 2015 will be tabled at the forthcoming 50<sup>th</sup> AGM of the Company for the approval of the shareholders.

The details of the Directors' remuneration for FY 2015 are as follows:

<b>FY 2015</b>	<b>Executive RM</b>	<b>Non- Executive RM</b>	<b>Total RM</b>
<b>Amount received/receivable from the Company/Group:</b>			
Fee (Provision for the year)	160,000	180,000	340,000
Defined contribution plan	955,867	-	955,867
Salaries, bonuses and other emoluments	9,013,556	-	9,013,556
	9,969,423	-	9,969,423
	<b>10,129,423</b>	<b>180,000</b>	<b>10,309,423</b>
Benefits-in-kind	68,781	-	68,781

The number of Directors of the Company whose aggregate remuneration fall within the following bands for FY 2015 is set out as follows:

<b>FY 2015</b>	<b>Executive</b>	<b>Non- Executive</b>	<b>Total</b>
RM50,000 and below	-	3	3
RM50,001 up to RM100,000	-	1	1
RM700,001 up to RM750,000	1	-	1
RM1,000,001 up to RM1,050,000	1	-	1
RM1,850,001 up to RM1,900,000	1	-	1
RM6,500,001 up to RM6,550,000	1	-	1
	<b>4</b>	<b>4</b>	<b>8</b>



**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, reviews and determines training needs of the Directors in their respective field of responsibilities.

During FY 2015, all Directors have attended training and seminar programmes which are relevant and useful to enable the Directors to effectively discharge their duties. These training programmes, seminars and forums are as follows:

- Bursa Malaysia Advocacy Session on Corporate Disclosure For Directors of Listed Issuers;
- Strengthening the Board's Role in Setting the Right High Performance Culture;
- Risk Management & Internal Control;
- Nominating Committee Programme;
- Environmental, Social & Governance (ESG) Index;
- Budget 2014 Tax Seminar Moving Ahead Regionally;
- Good and Services Tax Awareness Briefing;
- Briefing on Malaysian Financial Reporting Standards (MFRS) 15 - Revenue from Contracts with Customers;
- Appreciation & Application of ASEAN Corporate Governance Scorecard;
- Business Strategic & Brainstorming; and
- Construction Industry Development Board (CIDB) Green Card Course.

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 Securities and other regulatory authorities.

**i) Company Secretaries**

The Company Secretaries of PJD are qualified Chartered Secretaries and are responsible for ensuring that 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 include 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. Shareholders are provided with ample time for the Questions and Answers session during all general meetings. 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 existing and potential investors. Besides the Company's website at [www.pjd.com.my](http://www.pjd.com.my) which provides timely corporate information, an email address has been designated at [ir@pjd.com.my](mailto:ir@pjd.com.my) to attend to inquiries from shareholders, investors and the general public.

Mr. Foo San Kan has been identified by the Board as Senior Independent Non-Executive Director of the Company, to whom enquiries and concerns of the shareholders and stakeholders may be conveyed.

The Board aims to improve on the investor relations dialogues with shareholders, investors and other stakeholders in the coming years.

**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 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 Statement of Responsibility by Directors in respect of the preparation of the Annual Audited Financial Statements for FY 2015 is set out on page 72 of this Annual Report.

The Audited Financial Statements for FY 2015 is set out on pages 73 to 224 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 risk management and internal control is designed to manage and control risks within an acceptable risks appetite, rather than to eliminate risks altogether. An effective system of risk management and internal control provides reasonable but not absolute assurance against material misstatement, loss or fraud.

An overview of the state of risk management and internal control of the Group is set out in the Statement on Risk Management and Internal Control on pages 63 to 67 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 assisted by the Group Internal Audit Department in the discharge of its duties and responsibilities. The Group Internal Audit Department, headed by the Chief Internal Auditor who reports directly to the Audit Committee, conducts independent assessments on the effectiveness of the Group's system of internal control, risk management process and compliance framework.

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, Messrs BDO 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 twice 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 audited financial statements.



The details of audit/non-audit fees paid/payable to the external auditors are set out below:

<b>FY 2015</b>	<b>Group RM</b>	<b>Company RM</b>
Audit fees paid to external auditors	404,374	47,300
Non-audit fees paid to external auditors	25,338	13,500

### **C. BOARD 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 their respective terms of reference approved by the Board:

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

#### **a) Audit Committee**

The Audit Committee comprises three (3) members, all of whom are 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 carried out by the Audit Committee during FY 2015 and the summary of the Audit Committee's terms of reference are set out in the Audit Committee Report on pages 57 to 62 of this Annual Report.

#### **b) Nomination and Remuneration Committee**

With effect from 28 August 2014, the Nominating Committee and Remuneration Committee were merged into a single Board Committee known as the Nomination and Remuneration Committee.

### Composition

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

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

The former 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><i>(Non-Independent Non-Executive Chairman)</i> |
| Members  | - Mr. Loy Tuan Bee<br><i>(Independent Non-Executive Director)</i>                          |
|          | - Mr. Wong Chong Shee<br><i>(Managing Director)</i>  |

The current Nomination and Remuneration Committee comprises exclusively of Non-Executive Directors, a majority of whom are Independent Directors and is chaired by the Senior Independent Non-Executive Director, as follows:

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

### Authority

The Nomination and Remuneration Committee is granted the authority by the Board:

- to provide a formal and transparent procedure for the appointment of Directors and/or key senior management staff as well as assessment of effectiveness of the Board, Board Committees and performance of individual Director and/or key senior management staff; and
- to provide formal and transparent procedures for developing the remuneration policy and framework for Directors and/or key senior management staff.

Functions and Duties

- (i) Minimum Requirement for the Board and/or Key Senior Management Staff
  - To establish minimum requirements for the Board and/or key senior management staff i.e. required mix of skills, experience, qualification and other core competencies.
  - The requirements and criteria shall be approved by the full Board.
- (ii) Assessment Mechanism and Succession Planning
  - To establish a mechanism for the formal assessment on the effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board, the contribution of the Board Committees and/or the performance of key senior management staff.
  - Annual assessment shall be conducted based on an objective performance criteria and the performance criteria shall be approved by the full Board.
  - To establish an appropriate framework or policy on succession planning for Executive Directors and/or key senior management staff.
  - The succession planning framework or policy shall be approved by the full Board.
- (iii) Recommendation and Assessment
  - To recommend and assess the nominees for Directorship, Board Committee members and/or key senior management staff.
  - The actual decision as to whom shall be nominated is the responsibility of the full Board.
  - To recommend to the Board any removal of a Director from the Board in the event that the Director is ineffective, errant and/or negligent in discharging his/her responsibilities.
  - To recommend to the Board any removal of key senior management staff in the event that they are ineffective, errant and/or negligent in discharging their responsibilities.
- (iv) Overseeing the Board and/or Key Senior Management Staff
  - To oversee the overall composition of the Board, in terms of the appropriate size and skills, experiences and other qualities including core competencies which Non-Executive Directors should bring to the Board, the independency of each Independent Director, the balance between Executive Directors, Non-Executive Directors and Independent Directors as well as the proportion of female to male Board members through annual review.
  - To ascertain "independency" of Independent Directors pursuant to the criteria as set out in the Listing Requirements of Bursa Malaysia Securities Berhad.



- To oversee the appointment and performance evaluation of the Directors and/or key senior management staff.
- To oversee the succession planning of the Executive Directors and/or key senior management staff.
- To ensure that all Directors receive appropriate continuous training programmes in order to keep abreast with the latest development in the industry.

(v) Remuneration Framework

- To recommend a framework of remuneration for Directors and/or key senior management staff for the full Board's approval.
- The remuneration framework shall support the Company's culture, objectives and strategy and shall reflect the experience, level of responsibility and commitment undertaken by the Directors and/or key senior management staff.
- There shall be a balance in determining the remuneration package, which shall be sufficient to attract and retain Directors of calibre, and yet not excessive to the extent the Company's funds are used to subsidise the excessive remuneration packages.
- The framework shall cover all aspects of remuneration including Directors' fees, salaries, allowances, bonuses, options, benefits-in-kind and termination/retirement benefits.

(vi) Remuneration Packages

- To review and recommend remuneration packages for the Directors.
- The remuneration package shall be structured such that it is competitive and consistent with the Company's culture, objectives and strategy.
- The remuneration of each Board member may differ based on his/her level of expertise, knowledge and experience.
- The remuneration of the Executive Directors shall be structured so as to link rewards to corporate and individual performance. As for Non-Executive Directors, the level of remuneration shall be linked to their experience and level of responsibilities undertaken and contribution to the effective functioning of the Board.
- Executive Directors should not participate in decisions of their own remuneration.
- The remuneration packages of Non-Executive Directors shall be determined by the full Board. The Director concerned shall abstain from discussion on his/her own remuneration.

*Frequency of Meeting*

The Nomination and Remuneration Committee shall meet at least once a year or as and when required to carry out its responsibilities.

The number of meetings held during FY 2015 and the attendance of the members, are as follows:

<b>Former Nominating Committee Members</b>	<b>Attendance</b>
Mr. Loy Tuan Bee	1/1
Dato' Abdul Rahman Bin Yusof	1/1

<b>Former Remuneration Committee Members</b>	<b>Attendance</b>
Tan Sri Ong Leong Huat @ Wong Joo Hwa	1/1
Mr. Loy Tuan Bee	1/1
Mr. Wong Chong Shee	1/1

<b>Nomination and Remuneration Committee Members</b>	<b>Attendance</b>
Mr. Foo San Kan	1/2
Dato' Abdul Rahman Bin Yusof	1/2
Tan Sri Ong Leong Huat @ Wong Joo Hwa	2/2

*Key Activities Undertaken during FY 2015*

- assessed the effectiveness of the Board as a whole and the Board Committees;
- reviewed and assessed the performance of all individual 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 Board and workforce diversity in terms of gender, age, ethnicity and nationality;
- 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 and 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 Committees and Management Committees;
- recommended to the Board, the re-designation of Director as Senior Independent Director of the Company;

- reviewed and recommended to the Board, the adoption of new terms of reference of the Nomination and Remuneration Committee;
- reviewed and recommended the revisions to the performance assessment form and criteria of the Board, Board Committees and individual Director;
- reviewed and recommended to the Board, the proposed Directors' fees for the financial year under review; and
- reviewed and recommended to the Board, the Directors' remuneration for the ensuing year.

Following the annual review, it was 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, save for the Board gender diversity which the Company will endeavour to improve on moving forward.

Further to the 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.

The Board observes the recommendation of the Code that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Presently, none of the Independent Directors of the Company has exceeded a cumulative term of nine (9) years.

Also, following the annual review of the performance of the Chief Financial Officer ("CFO") of the Company, the Board is satisfied that the CFO has the character, experience, integrity, competence and time to effectively discharge his role.

#### **c) Risk Management Committee**

On 28 August 2014, the Board Risk Management Committee was constituted comprising three (3) members, a majority of whom are Independent Non-Executive Directors and is chaired by the Independent Non-Executive Director, as follows:

##### Composition

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



### Authority

The Risk Management Committee is granted the authority by the Board to oversee the company-wide risk management practices.

### Functions and Duties

- To review and recommend risk management strategies, policies, plan, risk appetite and risk tolerance by line of business for the Board's approval;
- To review and assess the adequacy of risk management policies and framework in identifying, measuring, monitoring and controlling risks and the extent to which these are operating effectively;
- To ensure infrastructure, resources and systems are in place for risk management;
- To monitor the Group risk profile i.e. its on-going and potential exposure to risks of various types;
- To review periodic reports from the Management Risk Committee on risk exposure, risk portfolio composition and risk management activities;
- To review and recommend new policies or changes to policies, and to consider their risk implications; and
- To perform specific duties, as follows:
  - To review the impact of risk on the capital adequacy and profitability under normal and stress scenarios;
  - To review and evaluate various business strategies engaged by the Group and to ensure that they are conducted within the standards and policies as approved by the Board;
  - To assess the adequacy of the business recovery/disaster recovery procedures;
  - To recommend targeted risk capital ratios and monitor adherence to those ratios;
  - To review and recommend strategic actions to be taken by the Group arising from new regulatory policies, for the Board's approval; and
  - To define risk review activities regarding the decisions (e.g. acquisitions), initiatives (e.g. new products), and transactions and exposures (e.g. by amount) and prioritise them prior to being sent to the Board's attention.

*Frequency of Meeting*

The Risk Management Committee shall preferably meet on a quarterly basis, but in any event, no less than four (4) times a year, or whenever deemed necessary.

The number of meetings held during FY 2015 and the attendance of the members, are as follows:

<b>Members</b>	<b>Attendance</b>
Mr. Loy Tuan Bee	3/3
Dato' Abdul Rahman Bin Yusof	3/3
Puan Sri Khor Chai Moi	3/3

*Key Activities Undertaken during FY 2015*

- reviewed and recommended to the Board, the adoption of new terms of reference of the Risk Management Committee;
- reviewed and approved the revised composition and terms of reference of the Management Risk Committee;
- discussed the identified risks along with the risk treatment options and action plans to manage and mitigate the risks;
- reviewed the status of the implementation of the risk action plans; and
- deliberated on the effectiveness of the risk management training and workshop conducted.

**D. MANAGEMENT COMMITTEES**

In addition to the Board Committees, the following Management Committees are delegated with specific scope of functions and relevant duties and responsibilities as set out in their respective terms of reference:

- Executive Committee;
- Tender Committee;
- Corporate Announcement and Compliance Committee; and
- Management Risk Committee.

**a) Executive Committee**

The Executive Committee which comprises five (5) members, a majority of whom are Executive Directors, primarily assists 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 or as and when deemed necessary to review and deliberate on, amongst others, corporate plans, operational issues, capital expenditure, annual budgets, capital investments, project and business development, and recommend the relevant propositions to the Board for approval.

**b) Tender Committee**

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

The main duties and responsibilities of the Tender Committee are as follows:

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

**c) Corporate Announcement and Compliance Committee**

The Corporate Announcement and Compliance Committee comprises four (4) members, including three (3) Executive Directors and a corporate management officer, who shall meet as and when required.

The main duties and responsibilities of the Corporate Announcement and Compliance Committee are as follows:

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

**d) Management Risk Committee**

With effect from 28 August 2014, the former Risks Management Committee was renamed as the Management Risk Committee. The Management Risk Committee comprises four (4) members, including two (2) Executive Directors and two (2) corporate management officers, who shall meet preferably on a quarterly basis or whenever deemed necessary.



The main duties and responsibilities of the Management Risk Committee, amongst others, are as follows:

- assists the Risk Management Committee in identifying, evaluating and managing the significant risks faced by the Group and its subsidiary companies and ensure the implementation of appropriate measures to manage these risks;
- ensure that risk management processes (risk identification, measurement, control and mitigation, and monitoring) are put in place and are functioning effectively; and
- ensure that the Risk Management Unit is identifying, evaluating and managing the risk factors affecting the businesses and operations on an on-going basis and taking appropriate measures to prevent or minimize the risks.

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

# AUDIT COMMITTEE REPORT

The Board of Directors of the Company ("Board") is pleased to present the Audit Committee Report for the financial year ended 30 June 2015.

## MEMBERSHIP

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

**Foo San Kan**

*(Chairman & Senior Independent Non-Executive Director)*

**Loy Tuan Bee**

*(Independent Non-Executive Director)*

**Dato' Abdul Rahman Bin Yusof**

*(Independent Non-Executive Director)*

## COMPOSITION AND MEETINGS

The AC comprises three (3) Independent Non-Executive Directors 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, five (5) meetings were held and details of attendance of each member are as follows:

<b>Members</b>	<b>Attendance</b>
Foo San Kan (Chairman)	4/5
Loy Tuan Bee	5/5
Dato' Abdul Rahman Bin Yusof	5/5

Note:

The Chief Financial Officer 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 and Management to brief the AC on any special issues arising from the annual audit of the Group.

## TERMS OF REFERENCE OF THE AC

### Objectives

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

- a) To oversee financial reporting that specified financial standards and Bursa Securities disclosure requirements have been complied with;
- b) To assist the Board in establishing and maintaining effective internal controls, proper risk management and good corporate governance;
- c) To oversee the internal and external audit function; and
- d) To be the focal point for communication between the external auditors, internal auditors, Management and directors.

### Composition

The Committee shall be appointed by the Board from amongst the Directors of the Company and comprise only non-executive directors with at least three (3) members, of which the majority shall be independent directors. At least one (1) member of the Committee:

- must be a member of the Malaysian Institute of Accountants ("MIA"); or
- if he is not a member of the MIA, he must have at least three (3) years of working experience in related field and
  - he must have passed the examination specified in Part I of the 1<sup>st</sup> Schedule to the Accountants Act, 1967; or
  - he must be a member of one (1) of the associations of accountants specified in Part II of the 1<sup>st</sup> Schedule to the Accountants Act, 1967; or
  - fulfils such other requirements as prescribed or approved by Bursa Securities.

No alternate director is to be appointed as a member of the Committee. In the event of any vacancy in the Committee resulting in the non compliance of the MMLR, the vacancy must be filled within three (3) months.

**Meetings of the Committee**

Meetings shall be held not less than four (4) times a year. The Company Secretary shall be the secretary to the Committee. The Chief Financial Officer, the Chief Internal Auditor / Head of Internal Audit Department and a representative of the external auditors may attend any particular meeting only at the Committee's invitation. The Committee shall meet with the external auditors at least twice a year without the presence of any executive board member and management.

**Authority**

The Committee shall within its terms of reference:

- a) have the resources which are required to perform its duties;
- b) have full and unrestricted access to any information as required to perform its duties;
- c) have the authority to investigate any activity within its terms of reference;
- d) have the authority to form management/sub committee(s) if deemed necessary and fit;
- e) have the authority to delegate any of its responsibilities to any person or committee(s) that is deemed fit;
- f) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
- g) be able to obtain independent professional or other advice; and
- h) be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of the other directors and employees of the Company, and with other external parties, whenever deemed necessary.

**Duties and Functions**

- 1. Ensure fair and transparent reporting and prompt publication of the financial accounts.
- 2. Review the adequacy of the scope, functions, competency and resources of the Internal Audit ("IA") function and that it has the necessary authority to carry out its work.
- 3. Review the IA programme, processes, the results of the IA programme, processes or investigation undertaken and whether or not appropriate action is taken by the management on the recommendations of the IA function.



4. Approve the appointment (including setting the compensation) or termination of the Chief Internal Auditor / Head of IA Department ("IAD"); and assess the performance of the Chief Internal Auditor / Head of IAD and take cognizance of appointment and resignation of senior members of the IAD.
5. Review the effectiveness of internal controls and risk management processes.
6. Assess objectivity, performance and independence of the external auditor (e.g. by reviewing and assessing the various relationships between the external auditor and the Company or any other entity).
7. Review with the external auditor, the audit scope and plan, including any changes to the scope of the audit plan.
8. Review with the external auditor, his evaluation of the system of internal control and his audit report, including management's response to the management letter.
9. Review audit findings and ensure that issues are being managed and rectified appropriately and in a timely manner.
10. Review the quarterly results and year end financial statements prior to the approval by the Board, focusing particularly on:
  - changes in or implementation of major accounting policy changes;
  - significant and unusual events;
  - the going concern assumption;
  - major judgmental issues;
  - significant adjustments arising from the audit; and
  - compliance with accounting standards and other legal requirements.
11. Discuss problems and reservations arising from the interim and final audit and any matter the external auditor may wish to discuss (in the absence of management where necessary).
12. Review any related party transactions and conflict of interest situation that may arise within the Company or its subsidiaries or group including any transactions, procedure or course of conduct that raises questions of management integrity.
13. Consider major findings of internal investigation and the management's response in relation to the investigation.
14. Where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the MMLR, the Committee must promptly report such matter to Bursa Securities.

## SUMMARY OF ACTIVITIES OF THE AC DURING THE YEAR

In line with the Terms of Reference of the AC, the Committee met five (5) times during the financial year ended 30 June 2015. The activities of the AC for the financial year are summarized as follows:

- i) Reviewed with the External Auditors the audit plan, results of the audit, their evaluation of the system of internal control, the audit report and management letter, including the Management's response to the findings of the External Auditors.
- ii) Reviewed the audit plan and scope of the IA work including the authority, proficiency and adequacy of resources to carry out its function.
- iii) Reviewed the IA reports, findings, recommendations and the Management's response.
- iv) Reviewed all statutory financial statements and quarterly 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 IA function for the year as well as assessed the performance of the IA 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) Meetings held with the Chief Internal Auditor were without the presence of the Executive Directors and it was confirmed that full cooperation and assistance were given by the respective managements and staff.

## INTERNAL AUDIT FUNCTION

The Group's IA function is carried out by the Internal Audit Department ("IAD") which is responsible for the overall IA 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 AC.

The main role of the IA 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. IA 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. IA 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 2015. The following activities were carried out during the year:

- Completed 23 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. Recommendations were made for improvements to internal control weaknesses.
- 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. Coordinated the submission of quarterly risk reports from the operating divisions concerned and corporate departments for the Management Risk Committee and Board Risk Management Committee meetings for their 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 AC.
- 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.

The human resources expenses incurred for the IA function totalled RM848,277 in respect of the financial year ended 30 June 2015.

## 1. INTRODUCTION

The Malaysian Code on Corporate Governance requires the Board of Directors of public listed companies to establish a sound risk management framework and internal control to safeguard shareholders' investments 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 2015.

## 2. BOARD'S 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 strategic business and operational objectives. As such, they can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group has in place an on-going process for identifying, evaluating and managing the significant risks it faces which will hinder the achievement of its strategic business and operational objectives throughout the period under review.

## 3. THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

### Risk Governance

The Group's risk management framework is designed to ensure that risks are proactively identified, evaluated, communicated and managed across the Group.

### Risk Management Framework

The Board confirms that an on-going process for identifying, evaluating and managing the Group's principal risks is in place throughout the year under review.

This process is carried out via the following risk management governance structure:

- **The Board**

The Board is fully responsible for the risk management of the Group and carries out its duties by having regular Board meetings to review and approve business strategies, risk management policies and the business performances of the Group.



- **Risk Management Committee**

The Risk Management Committee (RMC) is a board committee that, maintains risk oversight within the Group. Among its primary risk responsibilities is to oversee that the executive team has identified and assessed all the risks that the organization faces and has established a risk management infrastructure capable of addressing those risks; oversee in conjunction with other board-level committees or the full board, if applicable, risks, such as strategic, financial, credit, market, liquidity, operational, legal, regulatory, property, IT, reputational and other risks; and oversee the senior management team's adoption of the risk management framework and ensuring that it is adequate and effective and that, the systems and processes in place are adequate and functioning effectively.

- **Management Risk Committee**

The Management Risk Committee (MRC) is established to serve as a medium between the Board Risk Management Committee and the management. Among its primary objectives is to assist the RMC in identifying, evaluating and managing the significant risks faced by the Group and its subsidiary companies and ensure the implementation of appropriate measures to manage these risks; ensure all significant risks faced by the Group and its subsidiary companies are recognised, systematically identified, prioritised according to their significance and implications, and managed as best as possible; ensure centralised overview, accountability and management of risks in the Group and its subsidiary companies to allow a more informed decision making process in which all risks are considered and evaluated from a complete organisation or business unit perspective.

- **Audit Committee**

The Audit Committee is responsible to review the adequacy and effectiveness of internal control and governance systems of the Group. The Audit Committee's main role is to review, on behalf of the Board, the system of internal controls necessary to manage the key risks inherent in the business and to present its findings to the Board.

The Audit Committee also reviews and deliberates on any matters relating to internal control highlighted by the External Auditors in the course of their statutory audit of the financial statements of the Group.

#### **4. INTERNAL AUDIT**

The Group Internal Audit (GIA) is an integral part of the Group's internal control system, with the function reporting to the Audit Committee. The GIA's primary role is to provide independent, objective assurance and consulting services designed to add value and improve the operations in the Group.

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 established on a risk-based approach that is approved by the Audit Committee. Besides this, the GIA 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. KEY ELEMENTS OF THE GROUP'S INTERNAL CONTROL SYSTEM

The Board is committed to maintaining a strong control structure and environment that facilitates an effective and efficient operation by enabling it to respond appropriately to significant business, operational, financial, compliance and other risks in order to achieve the Group's strategies and objectives.

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 Statement on Corporate Governance.
- 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 minimize the risks affecting them. Quarterly risk management reports are submitted to GIA for review before submitting to the MRC for review.
- 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.
- Limits of Approving Authorities Instruction for key aspects of the businesses provides a sound framework of authority and accountability and facilitates proper corporate decision-making at the appropriate level of the Group's hierarchy. Such Instruction is subject to periodic review by senior management and approved by the EXCO or the Board, where applicable.

- 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 meet their job skills requirements, including quality, safety and leadership competencies in order 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 Statement on Corporate Governance.

### **6. THE BOARD'S STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL**

As the Group operates in a dynamic business environment, a sound risk management and internal control system must be in place in order to support its various business objectives. Hence, the Board is committed towards maintaining a sound system of risk management and internal control and believes that a balanced achievement of its business objectives and operational efficiency can be attained.

The Board has undertaken a review of the risk management and internal control system of the Group and believes that this system is in place for the year under review and, up to the date of issuance of the financial statements is effective and adequate to safeguard shareholders' investment, the interests of regulators and employees.

The Board has received assurance from the Managing Director and Chief Financial Officer that the Group's risk management and internal control system has operated adequately and effectively in all material aspects throughout the year under review. Besides this, the Executive Committee has also 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, during the financial year under review. This is further supported by written statements from the 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, during the financial year under review.

### **7. REVIEW OF THIS STATEMENT**

Pursuant to paragraph 15.23 of the Main Market Listing Requirements of Bursa Securities, the external auditors have reviewed this Statement for inclusion in the Annual Report of the Group for the year ended 30 June 2015. Their review was conducted in accordance with Recommended Practice Guide (Revised) ["RPG 5 (Revised)"], Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control, issued by the Malaysian Institute of Accountants ("MIA"). RPG 5 (Revised) does not require the external auditors to, and they did not, consider whether this Statement covers all risks and controls, or

to form an opinion on the adequacy and effectiveness of the Group's risk and control procedures. RPG 5 (Revised) also does not require the external auditors 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 their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Control is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and effectiveness of the Group's risk management and internal control system.

## **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.



## ADDITIONAL COMPLIANCE INFORMATION

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

There were no proceeds raised from any corporate proposals during the financial year ended 30 June 2015 ("FY 2015").

### **b) Share Buy-Back**

There was no share buy-back by the Company during FY 2015. The Company has neither made any resale nor cancellation of its shares during FY 2015. The details of shares retained as treasury shares are set out in Note 20 to the Financial Statements 2015 of this Annual Report.

### **c) Options, Warrants or Convertible Securities**

No options or convertible securities were issued by the Company during FY 2015.

Information pertaining to the exercise of Warrant C 2010/2020 during FY 2015 is set out in Note 20 to the Financial Statements 2015 of this Annual Report.

### **d) Variation in Results**

There was no variation between the financial results in the audited financial statements 2015 and the audited financial results for the year ended 30 June 2015 announced by the Company on 28 August 2015. The Company had not released or announced any profit estimate, forecast and projection for FY 2015.

### **e) Depository Receipt Programme**

The Company did not sponsor any depository receipt programme during FY 2015.

### **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 during FY 2015.

### **g) Profit Guarantee**

There was no profit guarantee for FY 2015.

### **h) Employee Share Scheme ("ESS")**

No options or shares were allocated by the Company pursuant to ESS during FY 2015.

### **i) Material Contracts**

There was no material contract entered into by the Company or its subsidiaries involving the interests of Directors and/or major shareholders, either still subsisting at the end of FY 2015 or entered into since the end of the previous financial year.

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

At the last Annual General Meeting of the Company held on 27 November 2014, the Company had obtained an approval from the shareholders to allow the Group to enter into RRPTs as specified in the Circular/Statement to Shareholders dated 31 October 2014.

In accordance with paragraph 3.1.5 of Practice Note 12 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the details of RRPTs conducted during FY 2015 pursuant to the aforesaid shareholders' mandate are set out in the table below:

	<b>Nature of RRPTs</b>	<b>Related Parties with whom PJD Group transacts (as defined hereunder)*</b>	<b>Interested Directors, Major Shareholders and/or Persons Connected to them (as defined hereunder)#</b>	<b>Actual Value transacted during FY 2015 RM'000</b>
(i)	Award of construction contracts including construction of buildings and ancillary infrastructure works and related services	OSKP Group	OLH, KCM, WCS, FSK, OJX, OYC, DCSB, LMSB	Nil
(ii)	Purchase of Supervisory Control and Data Acquisition (SCADA) system, information technology services, security system and smart home system	WMSC Group	OLH, KCM, WAC, WCS, OJX, SW, DCSB	Nil

**Notes:**

*(Disclosure in accordance with the Company's Circular/Statement to Shareholders dated 31 October 2014)*

# Interested Directors, Major Shareholders and Persons Connected:

Dindings Consolidated Sdn Bhd ("DCSB")	DCSB is a Major Shareholder of PJD (Direct interest: 20.48%). It is a Person Connected with OLH, KCM, OJX and OYC.
Land Management Sdn Bhd ("LMSB")	LMSB is a shareholder of PJD (Direct interest: 0.97%) and a substantial shareholder of OSKP (Direct interest: 41.47%). It is a Person Connected with OLH, KCM, OJX and OYC.

# Interested Directors, Major Shareholders and Persons Connected (cont'd):

Tan Sri Ong Leong Huat @ Wong Joo Hwa ("OLH")	<p>OLH is the Non-Independent Non-Executive Chairman and a Major Shareholder of PJD.</p> <p>OLH is a substantial shareholder of DCSB, LMSB and WMSC (as defined hereinunder) respectively.</p> <p>OLH is the Managing Director/Chief Executive Officer and a substantial shareholder of OSKP (as defined hereinunder).</p> <p>He is the spouse of KCM, the father of OJX and OYC, and the brother of WCS and WAC.</p>
Puan Sri Khor Chai Moi ("KCM")	<p>KCM is an Executive Director and a Major Shareholder of PJD.</p> <p>KCM is a director and a substantial shareholder of DCSB and LMSB respectively. She is a substantial shareholder of OSKP.</p> <p>She is the spouse of OLH and the mother of OJX and OYC.</p>
Wong Chong Shee ("WCS")	<p>WCS is the Managing Director and a shareholder of PJD.</p> <p>He is the brother of OLH and WAC.</p>
Foo San Kan ("FSK")	FSK is a Director of PJD and OSKP.
Ong Ju Xing ("OJX")	<p>OJX is an Executive Director and a shareholder of PJD.</p> <p>OJX is a director and a shareholder of OSKP.</p> <p>OJX is a shareholder of DCSB. He is a director and shareholder of LMSB.</p> <p>He is the son of OLH and KCM and the brother of OYC.</p>
Ong Yee Ching ("OYC")	<p>OYC is a shareholder of PJD.</p> <p>OYC is a director and a shareholder of OSKP.</p> <p>She is the daughter of OLH and KCM and the sister of OJX.</p>
Wong Ah Chiew ("WAC")	<p>WAC is a shareholder of PJD. He is the Managing Director and a substantial shareholder of WMSC.</p> <p>He is the father of SW and the brother of OLH and WCS.</p>
Simon Wong Chu Keong ("SW")	<p>SW is a director and a substantial shareholder of WMSC.</p> <p>He is the son of WAC.</p>

\* Related parties with whom PJD Group transacts:

<p>OSK Property Holdings Berhad ("OSKP") and its subsidiaries ("OSKP Group")</p>	<p>OSKP is a Person Connected with OLH, KCM, OJX, OYC and LMSB.</p> <p>OLH is the Managing Director/Chief Executive Officer and a substantial shareholder of OSKP.</p> <p>KCM and LMSB are substantial shareholders of OSKP.</p>
<p>Willowglen MSC Berhad ("WMSC") and its subsidiaries ("WMSC Group")</p>	<p>WMSC is a Person Connected with OLH, KCM, WCS, WAC and SW.</p> <p>WAC is the Managing Director of WMSC. SW is a director of WMSC.</p> <p>OLH, WAC and SW are substantial shareholders of WMSC.</p>

# STATEMENT OF RESPONSIBILITY BY DIRECTORS

## IN RESPECT OF THE PREPARATION OF THE ANNUAL AUDITED FINANCIAL STATEMENTS

The Directors are responsible for ensuring that the annual audited financial statements of the Group and the Company are drawn up in accordance with the Financial Reporting Standards issued by the Malaysian Accounting Standards Board, the provisions of the Companies Act, 1965 and the Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are also responsible for ensuring that the annual audited financial statements of the Group and the Company are prepared with reasonable accuracy from the accounting records of the Group and the Company so as to give a true and fair view of the state of affairs of the Group and the Company as at 30 June 2015, and of the results of their operations and cash flows for the year ended on that date.

In preparing the annual audited financial statements, the Directors have applied the appropriate and relevant accounting policies on a consistent basis; made judgements and estimates that are reasonable and prudent; and prepared the annual audited financial statements on a going concern basis.

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





# FINANCIAL STATEMENTS

*Wellesley Residences at Harbour Place, Butterworth*

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# 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 2015.

## PRINCIPAL ACTIVITIES

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

## RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	87,129	151,210
Attributable to:		
Owners of the parent	87,326	151,210
Non-controlling interests	(197)	-
	87,129	151,210

## 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 2014:	
Final single tier dividend of 2.5 sen per ordinary share, paid on 18 December 2014	11,308
In respect of financial year ended 30 June 2015:	
Interim single tier dividend of 4.0 sen per ordinary share, paid on 8 May 2015	18,153
	29,461

A single-tier second interim dividend in respect of the financial year ended 30 June 2015 of 2.5 sen per ordinary share has been declared after the reporting period. The date of entitlement and payment of the single-tier second interim dividend is to be determined at a later date.

The Directors do not recommend the payment of any final dividend for the financial year ended 30 June 2015.

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year other than those disclosed in Note 21 to 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 RM456,137,000 to RM458,594,000 by way of issuance of 2,457,000 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 RM1.00 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

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

**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 2015, 211,351,472 (2014: 213,808,972) Warrants C have yet to be converted to ordinary shares.

**DIRECTORS**

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

Tan Sri Ong Leong Huat @ Wong Joo Hwa  
 Wong Chong Shee  
 Puan Sri Khor Chai Moi  
 Yap Yoon Kong  
 Ong Ju Xing  
 Foo San Kan  
 Dato' Abdul Rahman bin Yusof  
 Loy Tuan Bee

**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 2015 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 1.7.2014	Bought	Sold	Balance as at 30.6.2015
<b>Shares in the Company</b>				
Direct interests:				
Tan Sri Ong Leong Huat @ Wong Joo Hwa	241,802	-	-	241,802
Wong Chong Shee	4,004,000	-	-	4,004,000
Puan Sri Khor Chai Moi	32,779,206	-	-	32,779,206
Ong Ju Xing	218,000	-	-	218,000

**DIRECTORS' INTERESTS (CONT'D)**

	← Number of ordinary shares of RM1.00 each →			
	Balance as at 1.7.2014	Bought	Sold	Balance as at 30.6.2015
Indirect interests:				
Tan Sri Ong Leong Huat @ Wong Joo Hwa*	97,722,481	-	-	97,722,481
Puan Sri Khor Chai Moi**	106,113,841	-	-	106,113,841
Ong Ju Xing***	8,391,360	265,500	-	8,656,860
Yap Yoon Kong****	1,025,000	-	-	1,025,000

	← Number of ordinary shares of AUD1.00 each →			
	Balance as at 1.7.2014	Bought	Sold	Balance as at 30.6.2015
<b>Shares in the related corporation, Yarra Park City Pty. Limited</b>				
Indirect interests:				
Tan Sri Ong Leong Huat @ Wong Joo Hwa*****	1,812,500	26,937,500	-	28,750,000

	← Number of Warrants C →			
	Balance as at 1.7.2014	Bought	Sold	Balance as at 30.6.2015

**Warrants C in the Company**

Direct interests:				
Puan Sri Khor Chai Moi	17,585,200	-	-	17,585,200
Indirect interests:				
Tan Sri Ong Leong Huat @ Wong Joo Hwa*	46,501,010	-	-	46,501,010
Puan Sri Khor Chai Moi**	50,829,910	-	-	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 held by Ladang Setia Sdn. Bhd. and a family member.

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

\*\*\*\*\* By virtue of shares held by Equity & Property Investment Corporation Pty Limited.

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



## **DIRECTORS' INTERESTS (CONT'D)**

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 34 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 as disclosed in Note 20 to the financial statements.

## **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.

## 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

- (c) The Directors are not aware of any circumstances:
  - (i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent; and
  - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
  - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
  - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
  - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which 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 38 to the financial statements.

### **SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD**

Significant events subsequent to the end of the reporting period are disclosed in Note 39 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  
28 August 2015

## STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15)  
OF THE COMPANIES ACT, 1965

In the opinion of the Directors, the financial statements set out on pages 84 to 223 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 2015 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out in Note 40 to the financial statements on page 224 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

Kuala Lumpur  
28 August 2015

**YAP YOON KONG**

Director

## STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

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 84 to 224 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 28 August 2015.

**ENG KIM HAW**

Before me:

S. Ideraju (W697)  
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 2015 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 84 to 223.

### ***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 of 30 June 2015 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.



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

**Other Matters**

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

**BDO**

AF : 0206

Chartered Accountants

Kuala Lumpur

28 August 2015

**LAW KIAN HUAT**

2855/06/16 (J)

Chartered Accountant

# STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2015

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	7	514,741	487,387	1,333	829
Biological assets	7	10,438	9,966	-	-
Intangible assets	8	4,568	4,568	-	-
Investment properties	9	40,777	26,841	-	-
Investments in subsidiaries	10	-	-	579,951	557,019
Associates	11	63,475	85,852	-	-
Investment in a joint venture	12	9,602	-	-	-
Other investments	13	717	695	-	-
Land held for property development	14	536,960	247,327	-	-
Deferred tax assets	15	5,880	937	840	-
Trade and other receivables	16	32,115	41,258	-	-
		1,219,273	904,831	582,124	557,848
<b>Current assets</b>					
Property development costs	17	249,388	123,847	-	-
Inventories	18	48,197	36,975	-	-
Trade and other receivables	16	440,059	572,519	367,149	198,643
Current tax assets		8,409	2,670	2,350	1,889
Cash and bank balances	19	118,666	136,976	2,078	1,244
		864,719	872,987	371,577	201,776
<b>Total Assets</b>		<b>2,083,992</b>	<b>1,777,818</b>	<b>953,701</b>	<b>759,624</b>
<b>Equity And Liabilities</b>					
<b>Equity attributable to owners of the parent</b>					
Share capital	20	458,594	456,137	458,594	456,137
Treasury shares	20	(5,133)	(5,133)	(5,133)	(5,133)
Reserves	21	753,090	693,826	225,172	103,423
		1,206,551	1,144,830	678,633	554,427
<b>Non-controlling interests</b>		<b>47,558</b>	<b>(7,813)</b>	<b>-</b>	<b>-</b>
<b>Total Equity</b>		<b>1,254,109</b>	<b>1,137,017</b>	<b>678,633</b>	<b>554,427</b>

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Trade and other payables	22	16,754	20,593	-	-
Borrowings	23	355,055	213,243	89,853	15,000
Deferred income	24	47,219	45,478	-	-
Deferred tax liabilities	15	22,882	22,364	-	-
		441,910	301,678	89,853	15,000
<b>Current liabilities</b>					
Trade and other payables	22	251,948	238,353	157,215	190,197
Borrowings	23	126,053	58,934	28,000	-
Deferred income	24	3,919	3,236	-	-
Current tax liabilities		6,053	38,600	-	-
		387,973	339,123	185,215	190,197
<b>Total Liabilities</b>		829,883	640,801	275,068	205,197
<b>Total Equity And Liabilities</b>		2,083,992	1,777,818	953,701	759,624

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

# STATEMENTS OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED  
30 JUNE 2015

		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>2015 RM'000</b>	<b>2014 RM'000</b>	<b>2015 RM'000</b>	<b>2014 RM'000</b>
Revenue	27	906,970	1,169,502	163,154	59,862
Cost of sales and services	28	(614,320)	(852,766)	(14,723)	(13,654)
Gross profit		292,650	316,736	148,431	46,208
Other income		18,266	129,580	17,802	1,457
Administrative expenses		(31,625)	(30,993)	(1,581)	(929)
Other expenses		(136,223)	(146,815)	(5,336)	(1,060)
Finance costs		(6,565)	(3,298)	(6,927)	(3,293)
Share of (loss)/profit of associates	11	(1,821)	1,356	-	-
Share of loss of a joint venture	12	(7,069)	-	-	-
Profit before tax	29	127,613	266,566	152,389	42,383
Tax expense	30	(40,484)	(52,345)	(1,179)	(596)
Profit for the financial year		87,129	214,221	151,210	41,787
Profit attributable to:					
Owners of the parent		87,326	223,999	151,210	41,787
Non-controlling interests		(197)	(9,778)	-	-
		87,129	214,221	151,210	41,787
Earnings per ordinary share attributable to owners of the parent (sen):					
Basic	31	19.31	49.47		
Diluted	31	16.04	44.33		

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

# STATEMENTS OF OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED  
30 JUNE 2015

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit for the financial year		87,129	214,221	151,210	41,787
<b>Other comprehensive income/(loss):</b>					
<b>Items that may be reclassified subsequently to profit or loss</b>					
Disposal of available-for-sale financial assets		-	(9,621)	-	-
Fair value gain on available-for-sale financial assets		22	35	-	-
Foreign currency translations		3,972	1,689	-	-
Share of other comprehensive (loss)/ income of associates	11	(2,286)	1,471	-	-
Other comprehensive income/(loss), net of tax		1,708	(6,426)	-	-
<b>Total comprehensive income</b>		<b>88,837</b>	<b>207,795</b>	<b>151,210</b>	<b>41,787</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		88,725	217,452	151,210	41,787
Non-controlling interests		112	(9,657)	-	-
		<b>88,837</b>	<b>207,795</b>	<b>151,210</b>	<b>41,787</b>

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



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED  
30 JUNE 2015

Group	Note	Attributable to the owners of the parent							Non-controlling interests	Total equity
		Share capital	Share premium	Warrant reserve	Available-for-sale reserve	Exchange reserve	Treasury shares	Retained earnings		
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
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 gain 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 associates	11	-	-	-	-	1,471	-	-	1,471	- 1,471
Total comprehensive (loss)/ income		-	-	-	(9,586)	3,039	-	223,999	217,452	(9,657) 207,795
<b>Transactions with owners</b>										
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(a)	-	-	-	-	-	(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

← 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 equity RM'000
Balance as at 1 July 2014		456,137	39,774	4,276	661	(2,846)	(5,133)	651,961	1,144,830
Profit for the financial year		-	-	-	-	-	-	87,326	87,326
Fair value gain on available-for-sale financial assets		-	-	-	22	-	-	-	22
Foreign currency translations		-	-	-	-	3,663	-	-	3,663
Share of other comprehensive loss of associates	11	-	-	-	-	(2,286)	-	-	(2,286)
Total comprehensive income		-	-	-	22	1,377	-	87,326	88,725
		-	-	-	-	-	-	-	112
		-	-	-	-	-	-	-	88,837
<b>Transactions with owners</b>									
Dividend paid to shareholders	32	-	-	-	-	-	-	(29,461)	(29,461)
Issuance of new ordinary shares arising from exercise of Warrants C	20	2,457	50	(50)	-	-	-	-	2,457
Ordinary shares contributed by non-controlling interests of a subsidiary		-	-	-	-	-	-	-	55,259
Total transactions with owners		2,457	50	(50)	-	-	-	(29,461)	28,255
Balance as at 30 June 2015		458,594	39,824	4,226	683	(1,469)	(5,133)	709,826	1,254,109

\* 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 2015

Company	Note	Share capital RM'000	Non- ← distributable →		← Distributable →		Total equity RM'000
			Share premium RM'000	Warrant reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	
Balance as at 1 July 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
<b>Transactions with owners</b>							
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(a)	-	-	-	(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
Profit for the financial year		-	-	-	-	151,210	151,210
Total comprehensive income		-	-	-	-	151,210	151,210
<b>Transactions with owners</b>							
Dividend paid to shareholders	32	-	-	-	-	(29,461)	(29,461)
Issuance of new ordinary shares arising from exercise of Warrants C	20	2,457	50	(50)	-	-	2,457
Total transactions with owners		2,457	50	(50)	-	(29,461)	(27,004)
Balance as at 30 June 2015		458,594	39,824	4,226	(5,133)	181,122	678,633

\* Amount is less than RM1,000.

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

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED  
30 JUNE 2015

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit before tax		127,613	266,566	152,389	42,383
Adjustments for:					
Bad debts written off		-	10	-	-
Deposits written off		3	-	-	-
Depreciation on:					
- property, plant and equipment	7(a)	18,222	17,965	225	174
- investment properties	9	338	2,223	-	-
Dividend income	27	(88)	(87)	(152,105)	(56,562)
Gain on disposal of:					
- property, plant and equipment		(585)	(415)	-	-
- investment properties		-	(102,885)	-	-
- other investments		-	(9,442)	-	-
Net gain on fair value adjustment on retention sum		(575)	-	-	-
Impairment loss on:					
- property, plant and equipment	7	-	25,359	-	-
- investment properties	9	1,848	-	-	-
- investments in subsidiaries	10(b)	-	-	1,092	-
- land held for property development	14	-	1,473	-	-
- trade and other receivables	16	4,882	6,380	-	-
- current tax assets		-	5,035	-	-
Interest accretion on trade receivables		(1,356)	(1,476)	-	-
Interest expense		6,565	3,298	6,927	3,293
Interest income		(7,423)	(3,055)	(13,603)	(1,457)
Inventories written down	18	2,312	2,646	-	-
Inventories written off		-	184	-	-
Liquidated and ascertained damages		-	14,610	-	-
Property, plant and equipment written off	7	503	578	-	19
Property development costs written off	17	3,404	-	-	-
Reversal of impairment loss on trade and other receivables	16	(666)	(7,024)	-	-
Reversal of impairment loss on investments in subsidiaries	10(c)	-	-	(4,200)	-
Share of loss/(profit) of:					
- associates		1,821	(1,356)	-	-
- a joint venture		7,069	-	-	-

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D)</b>					
Unrealised profit on gain on disposal of land and related development costs to an associate		-	22,300	-	-
Unrealised gain on foreign exchange		-	(186)	-	-
Unrealised loss on foreign exchange		3,007	82	2,442	-
Operating profit/(loss) before changes in working capital		166,894	242,783	(6,833)	(12,150)
Inventories		(13,534)	(1,759)	-	-
Property development costs and land held for property development		(420,630)	19,505	-	-
Trade and other receivables		133,685	(243,273)	(18,530)	(113)
Trade and other payables		9,380	22,124	3,703	119
Cash (used in)/generated from operations		(124,205)	39,380	(21,660)	(12,144)
Tax paid		(84,237)	(29,108)	(2,480)	-
Tax refunded		1,042	9,150	-	6,072
Net cash (used in)/from operating activities		(207,400)	19,422	(24,140)	(6,072)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Acquisition of associate for cash		-	(300)	-	-
Advances to an associate		(2,587)	(57,486)	-	-
(Advances to)/ Repayments by subsidiaries		-	-	(205,421)	28,080
Decrease in pledged deposits placed with licensed banks		-	840	-	-
Dividends received from:					
- other investment		88	87	-	-
- subsidiaries		-	-	152,105	54,080
- an associate	11	-	951	-	-
Deposit placed with a financial institution with original maturity of more than three months	19	14,926	(14,926)	-	-
Interest received		7,423	3,055	13,603	1,457
Proceeds from disposal of:					
- property, plant and equipment		736	858	-	-
- investment properties		-	220,000	-	-
- other investments		-	52,747	-	-



		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>2015 RM'000</b>	<b>2014 RM'000</b>	<b>2015 RM'000</b>	<b>2014 RM'000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES (CONT'D)</b>					
Purchase of:					
- biological assets	7	(544)	(1,363)	-	-
- property, plant and equipment	7	(52,483)	(52,997)	(729)	(693)
- investment properties	9	(29)	(2,690)	-	-
Subscription of shares in:					
- subsidiaries	10	-	-	(1,064)	(22,500)
- joint venture	12	(1,000)	-	-	-
Net cash (used in)/from investing activities		(33,470)	148,776	(41,506)	60,424
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Interest paid		(20,606)	(18,209)	(6,927)	(3,293)
Dividend paid to shareholders of the Company	32	(29,461)	(29,964)	(29,461)	(29,964)
Drawdowns of loans and borrowings		495,053	335,447	115,411	14,632
Ordinary share capital contributed by non-controlling interests of a subsidiary		76,115	5,452	-	-
Proceeds from issuance of new ordinary shares arising from exercise of Warrants C	20	2,457	3	2,457	3
Repayments of loans and borrowings		(278,896)	(434,253)	(15,000)	(32,750)
Repurchase of shares	20	-	(3,018)	-	(3,018)
Net cash from/(used in) financing activities		244,662	(144,542)	66,480	(54,390)
Net increase/(decrease) in cash and cash equivalents		3,792	23,656	834	(38)
Effects of exchange rate changes on cash and cash equivalents		50	819	-	-
Cash and cash equivalents at beginning of financial year		114,285	89,810	1,244	1,282
Cash and cash equivalents at end of financial year	19	118,127	114,285	2,078	1,244

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

# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

## 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 2015 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 28 August 2015.

## 2. PRINCIPAL ACTIVITIES

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

## 3. BASIS OF PREPARATION

The financial statements of the Group and of the Company set out on pages 84 to 223 have been prepared in accordance with Financial Reporting Standards ('FRSs') and the requirements of the Companies Act, 1965 in Malaysia.

However, Note 40 to the financial statements set out on page 224 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.

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.

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 4.2 BASIS OF CONSOLIDATION (CONT'D)

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.

##### 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;

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.3 BUSINESS COMBINATIONS (CONT'D)

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

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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 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 subsequent costs would flow to the Group and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable. The cost of self-constructed assets also includes the cost of materials and direct labour. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When the use of a property changes from owner-occupied to investment property or vice-versa, the property 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.

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.

## **4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

### **4.4 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION (CONT'D)**

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

At the end of each reporting period, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 4.12 to the financial statements on impairment of non-financial assets).

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

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss.

### **4.5 BIOLOGICAL ASSETS**

Biological assets represent plantation development expenditure for oil palm.

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

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 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.

(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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

##### **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.

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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 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.

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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 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.

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*.



#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 4.10 INVESTMENTS (CONT'D)

(b) Associates (cont'd)

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.

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.

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.10 INVESTMENTS (CONT'D)

#### (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.

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.

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 4.10 INVESTMENTS (CONT'D)

(c) Joint arrangements (cont'd)

(ii) Joint venture (cont'd)

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.

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.

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.11 INTANGIBLE ASSETS (CONT'D)

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

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is not amortised but instead tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount could be impaired. Objective events that would trigger a more frequent impairment review include adverse industry or economic trends, significant restructuring actions, significantly lowered projections of profitability, or a sustained decline in the acquiree's market capitalisation. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill arising on acquisition of an associate is the excess of cost of investment over the 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*.

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 4.12 IMPAIRMENT OF NON-FINANCIAL ASSETS (CONT'D)

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

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

The impairment loss is recognised in profit or loss immediately.

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.

(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.



**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.14 FINANCIAL INSTRUMENTS (CONT'D)****(a) Financial assets (cont'd)****(i) Financial assets at fair value through profit or loss (cont'd)**

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.

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.

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 4.14 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial assets (cont'd)

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

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 cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

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

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

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 4.14 FINANCIAL INSTRUMENTS (CONT'D)

(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.

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.

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.14 FINANCIAL INSTRUMENTS (CONT'D)

#### (b) Financial liabilities (cont'd)

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

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

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

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

#### (c) Equity

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

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

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.

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 4.14 FINANCIAL INSTRUMENTS (CONT'D)

(c) Equity (cont'd)

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 Companies Act, 1965 in Malaysia.

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

##### 4.15 IMPAIRMENT OF FINANCIAL ASSETS

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

(a) Loans and receivables

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

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 4.15 IMPAIRMENT OF FINANCIAL ASSETS (CONT'D)

(a) Loans and receivables (cont'd)

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 in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

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

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



#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 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.

(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.

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 4.17 INCOME TAXES (CONT'D)

(b) Deferred tax (cont'd)

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.

#### **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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.20 EMPLOYEE BENEFITS

#### (a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed when employees rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the Group.

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.

#### **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*

Membership fees are recognised over the membership period.

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.

#### 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 amendments and interpretations of the FRS Framework that were issued by the Malaysian Accounting Standards Board ('MASB') during the financial year.

Title		Effective Date
Amendments to FRS 10	<i>Consolidated Financial Statement: Investment Entities</i>	1 January 2014
Amendments to FRS 12	<i>Disclosure of Interest in Other Entities: Investment Entities</i>	1 January 2014
Amendments to FRS 127	<i>Separate Financial Statements (2011): Investment Entities</i>	1 January 2014
Amendments to FRS 132	<i>Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014
Amendments to FRS 136	<i>Recoverable Amount Disclosures for Non-Financial Assets</i>	1 January 2014
Amendments to FRS 139	<i>Novation of Derivatives and Continuation of Hedge Accounting</i>	1 January 2014
IC Interpretation 21	<i>Levies</i>	1 January 2014
Amendments to FRS 119	<i>Defined Benefit Plans: Employee Contributions</i>	1 July 2014
Amendments to FRSs	<i>Annual Improvements 2010-2012 Cycle</i>	1 July 2014
Amendments to FRSs	<i>Annual Improvements 2011-2013 Cycles</i>	1 July 2014

There is no material impact upon the adoption of the above 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 2016

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

Title		Effective Date
FRS 14	<i>Regulatory Deferral Accounts</i>	1 January 2016
Amendments to FRS 10 and FRS 128	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	1 January 2016
Amendments to FRS 10, FRS 12 and PRS 128	<i>Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
Amendments to FRS 101	<i>Disclosure Initiative</i>	1 January 2016
Amendments to FRS 11	<i>Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016

**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 2016 (CONT'D)**

The following are accounting standards and amendments 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).

<b>Title</b>		<b>Effective Date</b>
Amendments to FRS 116 and FRS 138	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to FRS 127	<i>Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to FRSs	<i>Annual Improvements to 2012-2014 Cycle</i>	1 January 2016
FRS 9	<i>Financial Instruments (IFRS as issued by IASB in July 2014)</i>	1 January 2018

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

**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.

<b>Title</b>		<b>Effective Date</b>
MFRS 1	<i>First-time Adoption of Malaysian Financial Reporting Standards</i>	1 January 2017
Amendments to MFRS 1	<i>Government Loans</i>	1 January 2017
MFRS 2	<i>Share-based Payment</i>	1 January 2017
MFRS 3	<i>Business Combinations</i>	1 January 2017
MFRS 4	<i>Insurance Contracts</i>	1 January 2017
MFRS 5	<i>Non-current Assets Held for Sale and Discontinued Operations</i>	1 January 2017
MFRS 6	<i>Exploration for and Evaluation of Mineral Resources</i>	1 January 2017
MFRS 7	<i>Financial Instruments: Disclosures</i>	1 January 2017
Amendments to MFRS 7	<i>Disclosures – Offsetting Financial Assets and Financial Liabilities</i>	1 January 2017
MFRS 8	<i>Operating Segments</i>	1 January 2017
MFRS 9	<i>Financial Instruments</i>	Deferred
MFRS 10	<i>Consolidated Financial Statements</i>	1 January 2017
Amendments to MFRS 10, MFRS 11 and MFRS 12	<i>Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance</i>	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 10, MFRS 12 and MFRS 127	<i>Investment Entities</i>
Amendments to MFRS 10 and MFRS 128	<i>Sale or Contribution of Assets between an Investor and its Associates or Joint Venture</i>
Amendments to MFRS 10, MFRS 12 and MFRS 128	<i>Investment Entities: Applying the Consolidation Exception</i>
MFRS 11	<i>Joint Arrangements</i>
Amendments to MFRS 11	<i>Accounting for Acquisitions of Interests in Joint Operations</i>
MFRS 12	<i>Disclosure of Interests in Other Entities</i>
MFRS 13	<i>Fair Value Measurement</i>
MFRS 14	<i>Regulatory Deferral Accounts</i>
MFRS 15	<i>Revenue from Contracts with Customers</i>
MFRS 101	<i>Presentation of Financial Statements</i>
Amendments to MFRS 101	<i>Presentation of Items of Other Comprehensive Income</i>
Amendments to MFRS 101	<i>Disclosure Initiative</i>
MFRS 102	<i>Inventories</i>
MFRS 107	<i>Statement of Cash Flows</i>
MFRS 108	<i>Accounting Policies, Changes in Accounting Estimates and Errors</i>
MFRS 110	<i>Events After the Reporting Period</i>
MFRS 112	<i>Income Taxes</i>
MFRS 116	<i>Property, Plant and Equipment</i>
Amendments to MFRS 116	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>
Amendments to MFRS 116 and MFRS 114	<i>Agriculture: Bearer Plants</i>
MFRS 117	<i>Leases</i>
MFRS 119	<i>Employee Benefits</i>
Amendments to MFRS 119	<i>Defined Benefit Plans: Employee Contributions</i>
MFRS 120	<i>Accounting for Government Grants and Disclosure of Government Assistance</i>
MFRS 121	<i>The Effects of Changes in Foreign Exchange Rates</i>
MFRS 123	<i>Borrowing Costs</i>



**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).

<b>Title</b>		<b>Effective Date</b>
MFRS 124	<i>Related Party Disclosures</i>	1 January 2017
MFRS 126	<i>Accounting and Reporting by Retirement Benefit Plans</i>	1 January 2017
MFRS 127	<i>Separate Financial Statements</i>	1 January 2017
Amendments to MFRS 127	<i>Equity Method in Separate Financial Statements</i>	1 January 2017
MFRS 128	<i>Investments in Associates and Joint Ventures</i>	1 January 2017
MFRS 129	<i>Financial Reporting in Hyperinflationary Economies</i>	1 January 2017
MFRS 132	<i>Financial Instruments: Presentation</i>	1 January 2017
Amendments to MFRS 132	<i>Offsetting Financial Assets and Financial Liabilities</i>	1 January 2017
MFRS 133	<i>Earnings Per Share</i>	1 January 2017
MFRS 134	<i>Interim Financial Reporting</i>	1 January 2017
MFRS 136	<i>Impairment of Assets</i>	1 January 2017
Amendments to MFRS 136	<i>Recoverable Amount Disclosures for Non-Financial Assets</i>	1 January 2017
MFRS 137	<i>Provisions, Contingent Liabilities and Contingent Assets</i>	1 January 2017
MFRS 138	<i>Intangible Assets</i>	1 January 2017
Amendments to MFRS 138	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2017
MFRS 139	<i>Financial Instruments: Recognition and Measurement</i>	1 January 2017
Amendments to MFRS 139	<i>Novation of Derivatives and Continuation of Hedge Accounting</i>	1 January 2017
MFRS 140	<i>Investment Property</i>	1 January 2017
MFRS 141	<i>Agriculture</i>	1 January 2017
Amendments to MFRSs	<i>Annual Improvements 2009 - 2011 Cycle</i>	1 January 2017
Annual Improvements to MFRSs	<i>2010 - 2012 Cycle</i>	1 January 2017
Annual Improvements to MFRSs	<i>2011 - 2013 Cycle</i>	1 January 2017
Annual Improvements to MFRSs	<i>2012 - 2014 Cycle</i>	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	<i>Changes in Existing Decommissioning, Restoration and Similar Liabilities</i>	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 2	<i>Members' Shares in Co-operative Entities and Similar Instruments</i>	1 January 2017
IC Interpretation 4	<i>Determining Whether an Arrangement Contains a Lease</i>	1 January 2017
IC Interpretation 5	<i>Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds</i>	1 January 2017
IC Interpretation 6	<i>Liabilities Arising from Participating in a Specific Market-Waste Electrical and Electronic Equipment</i>	1 January 2017
IC Interpretation 7	<i>Applying the Restatement Approach under MFRS 129 Financial Reporting in Hyperinflationary Economies</i>	1 January 2017
IC Interpretation 9	<i>Reassessment of Embedded Derivatives</i>	1 January 2017
IC Interpretation 10	<i>Interim Financial Reporting and Impairment</i>	1 January 2017
IC Interpretation 12	<i>Service Concession Arrangements</i>	1 January 2017
IC Interpretation 14	<i>MFRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction</i>	1 January 2017
IC Interpretation 16	<i>Hedges of a Net Investment in a Foreign Operation</i>	1 January 2017
IC Interpretation 17	<i>Distributions of Non-cash Assets to Owners</i>	1 January 2017
IC Interpretation 19	<i>Extinguishing Financial Liabilities with Equity Instruments</i>	1 January 2017
IC Interpretation 20	<i>Stripping Costs in the Production Phase of a Surface Mine</i>	1 January 2017
IC Interpretation 21	<i>Levies</i>	1 January 2017
IC Interpretation 107	<i>Introduction of the Euro</i>	1 January 2017
IC Interpretation 110	<i>Government Assistance - No Specific Relation to Operating Activities</i>	1 January 2017
IC Interpretation 112	<i>Consolidation - Special Purpose Entities</i>	1 January 2017
IC Interpretation 113	<i>Jointly Controlled Entities - Non-Monetary Contributions by Venturers</i>	1 January 2017
IC Interpretation 115	<i>Operating Leases - Incentives</i>	1 January 2017
IC Interpretation 125	<i>Income Taxes - Changes in the Tax Status of an Entity or its Shareholders</i>	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 127	<i>Evaluating the Substance of Transactions Involving the Legal Form of a Lease</i>	1 January 2017
IC Interpretation 129	<i>Service Concession Arrangements: Disclosures</i>	1 January 2017
IC Interpretation 132	<i>Intangible Assets - Web Site Costs</i>	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.

## 6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

### 6.2 CRITICAL JUDGEMENTS MADE IN APPLYING ACCOUNTING POLICIES (CONT'D)

(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 classified as available-for-sale investments at the end of each reporting period whether there has been a significant or prolonged decline in the fair value below their cost.

The determination of what is 'significant' or 'prolonged' requires judgement. 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.

## 6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

### 6.2 CRITICAL JUDGEMENTS MADE IN APPLYING ACCOUNTING POLICIES (CONT'D)

(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.

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 the end of each reporting period. 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 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.

## 6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

### 6.3 KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

(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.

(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.



## 6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

### 6.3 KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

(e) Construction contract (cont'd)

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.

(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.

## 6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

### 6.3 KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

- (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.

- (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 37 to the financial statements.

- (k) Fair value measurement

The financial and non-financial assets and liabilities that are measured subsequent to initial recognition at fair value are grouped into Level 1 to Level 3 based on the degree to which the fair value inputs are observable.

- (i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (ii) 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); and
- (iii) 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).

## **6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)**

### **6.3 KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)**

(k) Fair value measurement (cont'd)

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 36 to the financial statements.

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

Group	Balance as at 1.7.2014 RM'000	Additions RM'000	Disposals RM'000	Write off RM'000	Depreciation charge for the financial year (Note 7(a)) RM'000	Adjustments* RM'000	Reclassi- fications RM'000	Translation adjustments RM'000	Balance as at 30.6.2015 RM'000
<b>Carrying amount</b>									
Freehold hotel properties	156,799	-	-	-	(4,292)	-	-	(245)	152,262
Leasehold hotel properties	59,001	845	-	-	(1,771)	-	20	-	58,095
Freehold golf course	15,332	-	-	-	-	-	-	-	15,332
Freehold land	55,557	-	-	-	-	-	-	(268)	55,289
Long term leasehold land	39,897	95	-	-	(264)	-	-	-	39,728
Short term leasehold land	1,215	-	-	-	(33)	-	-	177	1,359
Buildings and improvements	78,784	8,320	-	-	(1,528)	-	367	529	86,472
Jetty and infrastructure	-	-	-	-	(72)	-	8,647	-	8,575
Plant, machinery and electrical installation	34,520	11,134	(**)	-	(9,347)	-	-	158	36,465
Motor vehicles and boats	3,176	1,938	(3)	(**)	(1,412)	-	-	24	3,723
Hotel furniture, fittings and equipment	19,344	2,517	(1)	(340)	(3,415)	-	-	(41)	18,064
Furniture, fittings and equipment	11,543	2,241	(141)	(163)	(2,578)	-	-	1	10,903
Computers	1,131	580	(6)	(**)	(139)	-	13	(1)	1,578
Construction-in-progress	11,088	24,813	-	-	-	(30)	(8,975)	-	26,896
	487,387	52,483	(151)	(503)	(24,851)	(30)	72	334	514,741
Biological assets	9,966	544	-	-	-	-	(72)	-	10,438

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

\*\* Amount is less than RM1,000.

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**7. PROPERTY, PLANT, EQUIPMENT AND BIOLOGICAL ASSETS (CONT'D)**

<b>Group</b>	<b>At 30.6.2015</b>		
	<b>Cost</b>	<b>Accumulated depreciation and impairment</b>	<b>Carrying amount</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Freehold hotel properties	186,835	(34,573)	152,262
Leasehold hotel properties	74,929	(16,834)	58,095
Freehold golf course	15,332	-	15,332
Freehold land	55,289	-	55,289
Long term leasehold land	42,067	(2,339)	39,728
Short term leasehold land	1,661	(302)	1,359
Buildings and improvements	106,007	(19,535)	86,472
Jetty and infrastructure	38,179	(29,604)	8,575
Plant, machinery and electrical installation	113,734	(77,269)	36,465
Motor vehicles and boats	10,834	(7,111)	3,723
Hotel furniture, fittings and equipment	79,724	(61,660)	18,064
Furniture, fittings and equipment	32,699	(21,796)	10,903
Computers	6,864	(5,286)	1,578
Construction-in-progress	26,896	-	26,896
	<b>791,050</b>	<b>(276,309)</b>	<b>514,741</b>
Biological assets	10,438	-	10,438

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## 7. PROPERTY, PLANT, EQUIPMENT AND BIOLOGICAL ASSETS (CONT'D)

Group	Balance as at 1.7.2013 RM'000	Additions RM'000	Disposals RM'000	Write the financial off RM'000	Impairment loss for the financial year RM'000	Depreciation charge for the financial year (Note 7(a)) RM'000	Reclassified from/(to) investment properties (Note 9) RM'000	Reclassi- fications adjustments RM'000	Translation adjustments RM'000	Balance as at 30.6.2014 RM'000
<b>Carrying amount</b>										
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)	-	-	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)	-	2,089	39	19,344
Furniture, fittings and equipment	12,425	2,189	(86)	(264)	-	(2,623)	-	(19)	-	11,543
Computers	1,168	362	(11)	(1)	-	(386)	-	-	-	1,131
Construction-in- progress	9,769	4,095	-	-	-	-	-	(2,776)	-	11,088
	483,124	52,997	(443)	(578)	(25,359)	(22,778)	(34)	-	399	487,387
Biological assets	8,603	1,363	-	-	-	-	-	-	-	9,966

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



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**7. PROPERTY, PLANT, EQUIPMENT AND BIOLOGICAL ASSETS (CONT'D)**

<b>Group</b>	<b>At 30.6.2014</b>		
	<b>Cost</b>	<b>Accumulated depreciation and impairment</b>	<b>Carrying amount</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
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

<b>Company</b>	<b>Balance as at 1.7.2014</b>	<b>Additions</b>	<b>Reclassification</b>	<b>Depreciation charge for the financial year (Note 7(a))</b>	<b>Balance as at 30.6.2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Carrying amount</b>					
Computers	68	36	13	(35)	82
Furniture, fittings and equipment	321	526	-	(67)	780
Motor vehicles	427	167	-	(123)	471
Construction-in-progress	13	-	(13)	-	-
	829	729	-	(225)	1,333

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**7. PROPERTY, PLANT, EQUIPMENT AND BIOLOGICAL ASSETS (CONT'D)**

	At 30.6.2015		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Computers	668	(586)	82
Furniture, fittings and equipment	1,383	(603)	780
Motor vehicles	1,069	(598)	471
	3,120	(1,787)	1,333

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 (Note 7(a)) RM'000	Balance as at 30.6.2014 RM'000
<b>Carrying amount</b>						
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

\* Amount is less than RM1,000.

	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

**7. PROPERTY, PLANT, EQUIPMENT AND BIOLOGICAL ASSETS (CONT'D)**

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

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Recognised in profit or loss	29	18,222	17,965	225	174
Amount due from customers for contract works	16(c)	6,629	4,813	-	-
		24,851	22,778	225	174

- (b) The freehold land and buildings of the Group with a carrying amount of RM22,150,000 (2014: RM16,139,000) 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 RM153,474,000 (2014: RM157,428,000) 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 RM893,000 (2014: RM1,063,000) have been pledged to banks for credit facilities granted to the Group (Note 23).

- (c) Included in the Group's property, plant and equipment is interest expense of RM1,412,000 (2014: Nil), which was capitalised into buildings and improvements during the financial year at interest rates ranging from 4.56% to 4.99% (2014: Nil) per annum.
- (d) In the previous financial year, included in the Group's biological assets was interest expense of RM163,000, which was capitalised at interest rates ranging from 0.42% to 4.55% per annum.

## 7. PROPERTY, PLANT, EQUIPMENT AND BIOLOGICAL ASSETS (CONT'D)

- (e) In the previous 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-years period. The key assumptions used in the value-in-use calculations were as follows:

- (i) Revenue was 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 represented the projected proceeds from disposal of the assets at the end of year five.

## 8. INTANGIBLE ASSETS

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Goodwill</b>		
Cost	6,618	6,618
Less: Impairment loss	(2,050)	(2,050)
<b>Carrying amount</b>	<b>4,568</b>	<b>4,568</b>

### ***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.

**8. INTANGIBLE ASSETS (CONT'D)*****Impairment testing for cash-generating units containing goodwill (cont'd)***

The aggregate carrying amounts of goodwill allocated to each unit are as follows:

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Manufacturing and trading	2,183	2,183
Hotel and leisure	2,385	2,385
	<b>4,568</b>	<b>4,568</b>

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 ranging from 5% to 10% 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 1.7.2014 RM'000	Additions RM'000	Reclassified from property development costs (Note 17) RM'000	Impairment loss for the financial year RM'000	Depreciation charge for the financial year RM'000	Balance as at 30.6.2015 RM'000
<b>Carrying amount</b>						
Freehold land	11,940	-	-	-	-	11,940
Buildings	14,901	29	16,093	(1,848)	(338)	28,837
	26,841	29	16,093	(1,848)	(338)	40,777

At 30.6.2015			
	Cost RM'000	Accumulated depreciation and impairment RM'000	Carrying amount RM'000
Freehold land	11,940	-	11,940
Buildings	32,983	(4,146)	28,837
	44,923	(4,146)	40,777
<b>Fair value</b>			
At 30 June 2015			50,342

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
<b>Carrying amount</b>						
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



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**9. INVESTMENT PROPERTIES (CONT'D)**

	← At 30.6.2014 →		
	Cost	Accumulated depreciation	Carrying amount
	RM'000	RM'000	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

- (a) Investment properties comprise supermarket premises, commercial units, residential units and car parks. Supermarket premises, commercial and residential units 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.
- (b) 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.
- (c) Investment properties of certain subsidiaries with a carrying value of RM21,088,000 (2014: RM21,348,000) are pledged to licensed financial institutions to secure banking facilities granted to the Group. (Note 23).

**9. INVESTMENT PROPERTIES (CONT'D)**

- (d) Direct operating expenses arising from investment properties during the financial year are as follows:

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Generating rental income</b>		
Building insurance	45	108
Service charges	113	78
Quit rent and assessment	245	1,198
Security service	126	401
Maintenance	4	817
Utilities	24	2,751
Finance costs	200	-
Cleaning service	92	-
Advertisement	17	-
Other expenses	24	6
	<b>890</b>	<b>5,359</b>
<b>Non-generating rental income</b>		
Quit rent and assessment	11	11

- (e) During the financial year, the Directors had re-assessed the recoverable amount in respect of car parks. Based on their re-assessment, an impairment loss of RM1,848,000 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 comparison method. It is performed by registered independent valuers with appropriate recognised professional qualification and has recent experience in the location and category of the investment properties being valued.

**10. INVESTMENTS IN SUBSIDIARIES**

	<b>Company</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Unquoted equity shares, at cost	588,667	568,843
Less: Impairment loss	(8,716)	(11,824)
	<b>579,951</b>	<b>557,019</b>

**10. INVESTMENTS IN SUBSIDIARIES (CONT'D)**

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

Name of company	Country of incorporation	Effective interest in equity		Principal activities
		2015 %	2014 %	
Aco Built System Sdn. Bhd.	Malaysia	100	100	Installation of concrete wall panels
Acotec 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	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
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

**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		Principal activities
		2015 %	2014 %	
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
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

**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		Principal activities
		2015 %	2014 %	
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*	Australia	81.9	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
PJD Eastern Land Sdn. Bhd.	Malaysia	100	100	Property development and investment
PJD Hartamas 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

**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		Principal activities
		2015 %	2014 %	
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
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

**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		Principal activities
		2015 %	2014 %	
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
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	100	Operation and management of car park

\* Subsidiaries audited by BDO Member Firms.

\*\* Consolidated using management financial statements.

\*\*\* Not audited by BDO Member Firms.



**10. INVESTMENTS IN SUBSIDIARIES (CONT'D)**

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

On 7 July 2014, P.J.(A) Pty. Limited ('PJA'), a wholly-owned subsidiary of Pengerang Jaya Pte. Ltd., which is in turn a wholly-owned subsidiary of the Company subscribed for additional 5,812,500 ordinary shares in Yarra for a cash consideration of AUS\$5,812,500 (or equivalent to RM17,172,000) to maintain its 75% equity interest.

On 15 January 2015, PJA subscribed for additional 26,250,000 ordinary shares in Yarra for a cash consideration of AUS\$26,250,000 (or equivalent to RM74,865,000) to maintain its 75% equity interest.

On 25 February 2015, PJA subscribed for additional 48,750,000 ordinary shares in Yarra for a cash consideration of AUS\$48,750,000 (or equivalent to RM136,305,000) to maintain its 75% equity interest.

On 22 May 2015, DLHA Management Services Sdn. Bhd. ('DLHA'), a wholly-owned subsidiary of the Company increased its authorised share capital from RM100,000 to RM25,000,000 and the issued and paid up share capital from RM2 to RM16,323,959. The Company subscribed for 16,323,957 ordinary shares of RM1.00 each, of which RM15,823,957 by way of capitalisation of amount owing by DLHA to the Company and RM500,000 by way of cash consideration.

On 12 June 2015, DLHA has further increased its issued and paid up share capital by RM500,000 from RM16,323,959 to RM16,823,959. The Company subscribed for an additional 500,000 ordinary shares of RM1.00 each for a cash consideration of RM500,000.

On 30 June 2015, Swiss-Inn JB Sdn. Bhd. ('SIJB') has increased its authorised share capital from RM100,000 to RM5,000,000 and the issued and paid up share capital of SIJB has also increased from RM2 to RM3,000,000. The Company subscribed for 2,999,998 ordinary shares of RM1.00 each, of which RM2,935,895 by way of capitalisation of amount owing by SIJB to the Company and RM64,103 by way of cash consideration.

The above acquisitions had no material impact to the financial position and results of the Group.

- (b) An impairment loss on investments in subsidiaries amounting to RM1,092,000 relating to two subsidiaries, Aco Built System Sdn. Bhd. and DLHA Management Services Sdn. Bhd., have been recognised during the financial year due to continuous loss making business operations.
- (c) A reversal of impairment losses on investments in subsidiaries amounting to RM4,200,000 relating to two subsidiaries, PJD Realty Sdn. Bhd. and PJD Landmarks Sdn. Bhd., have been recognised during the financial year due to the recoverable amount determined based on the profit generated exceeding the existing carrying amount of the investments.

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**10. INVESTMENTS IN SUBSIDIARIES (CONT'D)**

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

	<b>PJDC Co., Ltd.</b>	<b>PJDCI Co., Ltd.</b>	<b>Yarra Park City Pty. Limited</b>	<b>Other individual immaterial subsidiary</b>	<b>Total</b>
<b>2015</b>					
NCI percentage of ownership interest and voting interest	11.5%	21.5%	18.1%		
Carrying amount of NCI (RM'000)	(3,566)	(8,518)	59,933	(291)	47,558
Loss allocated to NCI (RM'000)	(28)	(75)	(81)	(13)	(197)
<b>2014</b>					
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)**

- (e) 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:

	<b>PJDC Co., Ltd. RM'000</b>	<b>PJDCI Co., Ltd. RM'000</b>	<b>Yarra Park City Pty. Limited RM'000</b>
<b>2015</b>			
<b>Assets and liabilities</b>			
Non-current assets	-	-	446,924
Current assets	-	6	14,596
Current liabilities	(43,911)	(43,578)	(131,312)
Net (liabilities)/assets	(43,911)	(43,572)	330,208
<b>Results</b>			
Loss for the financial year	(244)	(348)	(447)
Total comprehensive loss	(244)	(348)	(447)
Cash flows (used in)/from operating activities	(4,780)	(345)	24,629
Cash flows from/(used in) investing activities	4,700	295	(446,923)
Cash flows from financing activities	-	-	435,103
Net (decrease)/increase in cash and cash equivalents	(80)	(50)	12,809
<b>2014</b>			
<b>Assets and liabilities</b>			
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)**

- (e) 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):

	<b>PJDC Co., Ltd. RM'000</b>	<b>PJDCI Co., Ltd. RM'000</b>	<b>Yarra Park City Pty. Limited RM'000</b>
<b>2014 (cont'd)</b>			
<b>Results</b>			
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)	-

**11. ASSOCIATES**

	<b>Group</b>	
	<b>2015 RM'000</b>	<b>2014 RM'000</b>
Unquoted equity shares in Malaysia, at cost	300	300
Unquoted equity shares in Overseas, at cost	23,919	23,919
Exchange translation differences	3,133	5,419
	27,352	29,638
Share of post acquisition reserves, net of dividends received	(1,599)	222
	25,753	29,860
Elimination of indirect interest	(22,350)	(1,494)
Amount owing by an associate	60,072	57,486
	63,475	85,852

**11. ASSOCIATES (CONT'D)**

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

Name of company	Country of incorporation	Effective interest in equity		Principal activities
		2015 %	2014 %	
<b>Associate of PJD Hartamas Sdn. Bhd.</b>				
Agile PJD Development Sdn. Bhd.*	Malaysia	30.0	30.0	Property development and investment
<b>Associate of P.J. (A) Pty. Limited</b>				
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.

(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 2015 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 2015 have been used.

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**11. ASSOCIATES (CONT'D)**

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

	<b>Equity &amp; Property Investment Corporation Pty. Limited RM'000</b>	<b>Agile PJD Development Sdn. Bhd. RM'000</b>	<b>Total RM'000</b>
<b>2015</b>			
<b>Assets and liabilities</b>			
Non-current assets	233,550	4,829	238,379
Current assets	8,487	238,599	247,086
Non-current liabilities	(13,750)	(50,000)	(63,750)
Current liabilities	(43,393)	(202,121)	(245,514)
Net assets/(liabilities)	184,894	(8,693)	176,201
<b>Results</b>			
Revenue	10,131	-	10,131
Profit/(Loss) for the financial year/period	3,678	(9,405)	(5,727)
Total comprehensive income/(loss)	3,678	(9,405)	(5,727)
Cash flows from/(used in) operating activities	4,147	(12,606)	(8,459)
Cash flows (used in)/from investing activities	(46,544)	4,381	(42,163)
Cash flows from financing activities	-	5,500	5,500
Net decrease in cash and cash equivalents	(42,397)	(2,725)	(45,122)
<b>2014</b>			
<b>Assets and liabilities</b>			
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

**11. ASSOCIATES (CONT'D)**

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

	<b>Equity &amp; Property Investment Corporation Pty. Limited RM'000</b>	<b>Agile PJD Development Sdn. Bhd. RM'000</b>	<b>Total RM'000</b>
<b>2014 (cont'd)</b>			
<b>Results</b>			
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)

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

	<b>Equity &amp; Property Investment Corporation Pty. Limited RM'000</b>	<b>Agile PJD Development Sdn. Bhd. RM'000</b>	<b>Total RM'000</b>
<b>As at 30 June 2015</b>			
Share of net assets of the Group	50,660	(2,607)	48,053
Amount owing by an associate	-	60,072	60,072
Elimination of indirect interest	(22,350)	-	(22,350)
Elimination of unrealised profits	-	(22,300)	(22,300)
Carrying amount in the statement of financial position	28,310	35,165	63,475



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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 (cont'd):

	<b>Equity &amp; Property Investment Corporation Pty. Limited RM'000</b>	<b>Agile PJD Development Sdn. Bhd. RM'000</b>	<b>Total RM'000</b>
<b>Share of results of the Group for the financial year ended 30 June 2015</b>			
Share of profit or loss of the Group	1,001	(2,822)	(1,821)
Share of other comprehensive loss of the Group	(2,286)	-	(2,286)
Share of total comprehensive losses of the Group	(1,285)	(2,822)	(4,107)
<b>As at 30 June 2014</b>			
Share of net assets of the Group	51,946	214	52,160
Amount owing by an associate	-	57,486	57,486
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
<b>Share of results of the Group for the financial year ended 30 June 2014</b>			
Share of profit or loss of the Group	1,442	(86)	1,356
Share of other comprehensive income of the Group	1,471	-	1,471
Share of total comprehensive income/(loss) of the Group	2,913	(86)	2,827
<b>Other information</b>			
Dividend received	951	-	951

**12. INVESTMENT IN A JOINT VENTURE**

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Results</b>		
Unquoted equity shares, at cost	16,671	*
Share of post acquisition reserves	(7,069)	(*)
	9,602	-

\* Amount is less than RM1,000.

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

<b>Name of company</b>	<b>Country of incorporation</b>	<b>Effective interest in equity</b>		<b>Principal activities</b>
		<b>2015</b>	<b>2014</b>	
		<b>%</b>	<b>%</b>	
Scotia Acres Sdn. Bhd. (‘Scotia’)	Malaysia	50	50	Property development and investment

On 15 May 2015, Scotia has increased its authorised share capital from RM100,000 to RM50,000,000.

On 22 May 2015, Scotia has increased the issued and paid up share capital from RM2 to RM32,340,572. DLHA has subscribed for 16,170,285 ordinary shares of RM1.00 each, of which RM15,670,285 by way of capitalisation of amount owing by Scotia to DLHA and RM500,000 by way of cash consideration, in proportion to the existing shareholdings of DLHA in Scotia, representing 50% of the total allotment of 32,340,570 ordinary shares of RM1.00 each in the share capital of Scotia.

On 23 June 2015, the issued and paid up share capital of Scotia has further increased by RM1,000,000 from RM32,340,572 to RM33,340,572. DLHA has subscribed for an additional 500,000 ordinary shares of RM1.00 each for a cash consideration of RM500,000 in proportion to the existing shareholdings of DLHA in Scotia, representing 50% of the total allotment of 1,000,000 ordinary shares of RM1.00 each in the share capital of Scotia.

(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.

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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:

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Assets and liabilities</b>		
Non-current assets	90,164	93,511
Current assets	16,542	2,490
Non-current liabilities	(83,286)	(75,238)
Current liabilities	(5,908)	(27,723)
Net assets/(liabilities)	17,512	(6,960)
Proportion of the ownership of the Group	50%	50%
Carrying amount of the investment in a joint venture	9,602	-
<b>Results</b>		
Revenue	3,020	5,774
Cost of sales	(7,414)	(6,290)
Gross loss	(4,394)	(516)
Other income	714	768
Administrative expenses	(92)	(24)
Other expenses	(810)	(475)
Finance costs	(4,333)	(3,625)
Loss before tax	(8,915)	(3,872)
Taxation	21	296
Loss for the financial year	(8,894)	(3,576)
Share of losses by the Group for the financial year:		
- 2015	(4,447)	-
- 2014 (Note (d))	(2,622)	-
	(7,069)	-
<b>Contingent liabilities</b>		
Share of a joint venture's contingent liabilities incurred jointly with other investors:		
- Guaranteed bank facilities	83,189	75,120

The joint venture had no capital commitments as at 30 June 2015 and 2014. Scotia cannot distribute its profits until it obtains the consent from the two venture partners.

**12. INVESTMENT IN A JOINT VENTURE (CONT'D)**

- (d) In the previous financial year, the Group did not recognise its further share of losses of the joint venture, Scotia, as the carrying amount of this investment had been reduced to nil. The unrecognised results were as follows:

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Loss for the financial year	-	1,788
Accumulated losses	-	2,622

**13. OTHER INVESTMENTS**

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current</b>		
Available-for-sale financial assets		
- Unquoted shares in Malaysia	717	695

Information on the fair value hierarchy is disclosed in Note 36(d) to the financial statements.

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**14. LAND HELD FOR PROPERTY DEVELOPMENT**

		<b>Group</b>	
	<b>Note</b>	<b>2015 RM'000</b>	<b>2014 RM'000</b>
<b>Carrying amount</b>			
Balance as at 1 July 2014/2013		247,327	137,329
Additions		454,445	142,768
Translation adjustment		-	12
Transfer to property development costs	17	(164,812)	(31,309)
Impairment loss during the financial year		-	(1,473)
Balance as at 30 June 2015/2014		536,960	247,327
Represented by:			
Land		506,036	198,115
Land development costs		30,924	49,212
		536,960	247,327

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

	<b>Group</b>	
	<b>2015 RM'000</b>	<b>2014 RM'000</b>
Interest expense	1,730	3,259

Interest is capitalised in land held for property development at rates ranging from 4.80% to 7.85% (2014: 4.25% to 7.60%) per annum.

Certain land held for property development with a carrying amount of RM494,286,000 (2014: RM200,803,000) 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:

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Balance as at 1 July 2014/2013	21,427	26,014
Recognised in profit or loss (Note 30)	(4,425)	(4,587)
Balance as at 30 June 2015/2014	17,002	21,427
Presented after appropriate offsetting:		
Deferred tax assets, net	(5,880)	(937)
Deferred tax liabilities, net	22,882	22,364
	17,002	21,427

	<b>Company</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Balance as at 1 July 2014/2013	-	-
Recognised in profit or loss (Note 30)	(840)	-
Balance as at 30 June 2015/2014	(840)	-
Presented after appropriate offsetting:		
Deferred tax assets, net	(840)	-
Deferred tax liabilities, net	-	-
	(840)	-

**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 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)
Recognised in profit or loss	(3)	(477)	(242)	-	204	(518)
At 30 June 2015	(7)	(24,366)	1,404	87	-	(22,882)

**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	Land held for property development, property development costs and inventories RM'000	Set off of tax RM'000	Total RM'000
At 1 July 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
Recognised in profit or loss	638	(94)	1,862	2,295	242	4,943
At 30 June 2015	1,146	1,103	1,792	3,243	(1,404)	5,880



**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 Company**

	<b>Allowances RM'000</b>	<b>Total RM'000</b>
At 1 July 2013	-	-
Recognised in profit or loss	-	-
At 30 June 2014	-	-
Recognised in profit or loss	(840)	(840)
At 30 June 2015	(840)	(840)

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

	<b>Group 2015 RM'000</b>	<b>2014 RM'000</b>
Deductible temporary differences	5,929	5,206
Taxable temporary differences	(32,154)	(26,396)
Unused tax losses		
- No expiry date	41,721	29,820
- Expire by 30 June 2015	-	994
- Expire by 30 June 2016	712	620
- Expire by 30 June 2017	1,068	930
- Expire by 30 June 2018	260	226
- Expire by 30 June 2019	1,420	1,317
- Expire by 30 June 2020	248	-
Unabsorbed capital allowances	75,911	70,714
	<b>95,115</b>	<b>83,431</b>

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.

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**16. TRADE AND OTHER RECEIVABLES**

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Non-current</b>					
<b>Trade</b>					
Third parties	a	23,114	26,065	-	-
Retention sum - third parties	b	9,001	15,193	-	-
<b>Loans and receivables</b>		32,115	41,258	-	-
<b>Current</b>					
<b>Trade</b>					
Third parties	a	176,323	166,299	-	-
Amount due from customers for contract works	c	12,084	9,935	-	-
Retention sum - third parties	b	15,579	18,367	-	-
		203,986	194,601	-	-
Less: Impairment loss - third parties	i	(6,118)	(2,208)	-	-
		197,868	192,393	-	-
<b>Non-trade</b>					
Joint venture	d	-	11,671	-	-
Subsidiaries	e	-	-	366,888	198,152
Other receivables	f	8,136	123,344	76	292
		8,136	135,015	366,964	198,444
Less: Impairment loss - other receivables	i	(782)	(563)	-	-
		7,354	134,452	366,964	198,444
<b>Loans and receivables</b>		205,222	326,845	366,964	198,444
<b>Deposits and prepayments</b>					
Deposits		11,799	28,428	57	52
Prepayments		5,056	3,157	128	147
Accrued billings		217,982	214,089	-	-
		234,837	245,674	185	199
		440,059	572,519	367,149	198,643
<b>Total trade and other receivables</b>	g	472,174	613,777	367,149	198,643

**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 (2014: 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 RM47,418,000 (2014: RM48,223,000) receivable from customers via monthly instalments ranging from 12 to 60 months (2014: 12 to 60 months).

Included in trade receivables of the Group are amounts owing by companies in which certain Directors have interest totalling RM2,441,000 (2014: RM3,181,000).

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

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Within one year	15,579	18,367
Within two years	9,001	5,900
Within three years	-	9,293
	<b>24,580</b>	<b>33,560</b>

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

		<b>Group</b>	
	<b>Note</b>	<b>2015</b>	<b>2014</b>
		<b>RM'000</b>	<b>RM'000</b>
Aggregate costs incurred to date		918,038	1,044,559
Add: Attributable profits		60,853	37,117
		978,891	1,081,676
Less: Progress billings		(1,023,513)	(1,119,775)
		(44,622)	(38,099)
Amount due to customers for contract works	22	56,706	48,034
		<b>12,084</b>	<b>9,935</b>

Addition to aggregate costs incurred during the financial year include:

	<b>Note</b>	<b>2015</b>	<b>2014</b>
		<b>RM'000</b>	<b>RM'000</b>
Staff costs	33	6,518	5,653
Depreciation	7(a)	6,629	4,813

**16. TRADE AND OTHER RECEIVABLES (CONT'D)**

- (d) In the previous financial year, amount owing by a joint venture was in respect of advances and payments made on behalf, which were 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 RM352,789,000 (2014: RM187,614,000), which is subject to interest rates ranging from 4.80% to 5.04% (2014: 0.42%) per annum.
- (f) In the previous financial year, included in other receivables was RM117,208,000, which represented the balance outstanding arising from the sale of land and related development costs. The amount was subsequently received by the Group.
- (g) The currency exposure profile of receivables excluding prepayments is as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Ringgit Malaysia	461,788	585,193	367,021	198,496
Australian Dollar	224	22,173	-	-
Singapore Dollar	1,131	209	-	-
United States Dollar	-	1,386	-	-
Vietnamese Dong	3,975	1,659	-	-
	<b>467,118</b>	<b>610,620</b>	<b>367,021</b>	<b>198,496</b>

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

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Neither past due nor impaired	166,611	188,250
Past due, not impaired		
0 to 30 days past due	18,764	20,375
31 to 60 days past due	8,611	6,539
61 to 90 days past due	8,513	4,223
91 to 120 days past due	11,223	3,592
More than 120 days past due	16,261	10,672
	<b>63,372</b>	<b>45,401</b>
Past due and impaired	6,118	2,208
	<b>236,101</b>	<b>235,859</b>

**16. TRADE AND OTHER RECEIVABLES (CONT'D)**

- (h) The ageing analysis of trade receivables of the Group is as follows (cont'd):

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:

<b>Group</b>	<b>Individually impaired</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Trade receivables, gross	6,118	2,208
Less: Impairment loss	(6,118)	(2,208)
	-	-

- (i) The reconciliation of movement in the impairment loss are as follows:

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Trade receivables</b>		
At 1 July 2014/2013	2,208	7,100
Charge for the financial year	4,576	6,250
Written off	-	(4,232)
Reversal of impairment loss	(666)	(6,910)
At 30 June 2015/2014	6,118	2,208

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**16. TRADE AND OTHER RECEIVABLES (CONT'D)**

- (i) The reconciliation of movement in the impairment loss are as follows (cont'd):

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Other receivables</b>		
At 1 July 2014/2013	563	678
Charge for the financial year	306	-
Written off	(87)	(1)
Reversal of impairment loss	-	(114)
At 30 June 2015/2014	782	563
<b>Deposits</b>		
Charge for the financial year	-	130
Written off	-	(130)
At 30 June 2015/2014	-	-
	6,900	2,771

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 37 to the financial statements.

**17. PROPERTY DEVELOPMENT COSTS**

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Balance as at 1 July 2014/2013		
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

**17. PROPERTY DEVELOPMENT COSTS (CONT'D)**

		<b>Group</b>	
	<b>Note</b>	<b>2015 RM'000</b>	<b>2014 RM'000</b>
Transfer from land held for property development	14	164,812	31,309
Transfer to investment properties	9	(16,093)	-
Transfer to completed properties held for sale		(22,569)	-
Development costs incurred during the year		329,243	231,235
Cost charged to profit or loss		(329,315)	(378,597)
Completed developments			
- Reversal of land and development costs		(537)	-
		125,541	(116,053)
Balance as at 30 June 2015/2014		249,388	123,847
Represented by:			
Land		289,492	176,999
Development costs		973,612	637,859
Accumulated costs charged to profit or loss		(1,013,716)	(691,011)
		249,388	123,847

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

	<b>Group</b>	
	<b>2015 RM'000</b>	<b>2014 RM'000</b>
Interest expense	12,311	11,652

Interest is capitalised in property development costs at rates ranging from 3.30% to 7.85% (2014: 0.42% to 7.10%) per annum.

Included in property development cost charged to profit or loss is written off of property development cost amounted to RM3,404,000 (2014: Nil).

The portion of property development costs where significant development work has been undertaken and which is expected to be completed within the normal operating cycle is considered as a current asset.

Certain land under development with a carrying amount of RM246,126,000 (2014: RM117,695,000) have been pledged to licensed banks for banking facilities granted to the Group (Note 23).



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**18. INVENTORIES**

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At cost</b>		
Completed properties held for sale	11,597	3,391
Raw materials	6,564	7,223
Consumables	2,406	2,220
Work-in-progress	6,464	3,117
Finished goods	15,849	16,001
	42,880	31,952
<b>At net realisable value</b>		
Raw materials	320	355
Finished goods	4,997	4,668
	5,317	5,023
	48,197	36,975

During the financial year, inventories of the Group recognised as cost of sales amounted to RM169,947,000 (2014: RM164,234,000) while the write down of inventories to their net realisable value amounted to RM2,312,000 (2014: RM2,646,000).

**19. CASH AND BANK BALANCES**

		<b>Group</b>		<b>Company</b>	
		<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Note</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	a	87,314	99,461	2,078	1,244
Deposits with licensed banks	b	31,352	37,515	-	-
Per statements of financial position	c	118,666	136,976	2,078	1,244
Bank overdrafts included in borrowings	23	(539)	(7,765)	-	-
Deposit placed with a financial institution with original maturity of more than three months		-	(14,926)	-	-
Per statements of cash flows		118,127	114,285	2,078	1,244

**19. CASH AND BANK BALANCES (CONT'D)**

- (a) Included in the Group's cash and bank balances is an amount of RM22,865,000 (2014: RM48,839,000) 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 RM876,000 (2014: RM225,000) assigned for banking facilities granted to the Group.

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

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Ringgit Malaysia	99,135	115,129	918	1,222
Australian Dollar	18,583	18,641	1,158	-
Thai Baht	8	137	1	1
Vietnamese Dong	665	539	*	*
United States Dollar	229	2,456	1	1
Singapore Dollar	46	54	*	*
British Pound	-	20	-	20
	<b>118,666</b>	<b>136,976</b>	<b>2,078</b>	<b>1,244</b>

\* Amount is less than RM1,000.

- (c) Information on financial risks of cash and bank balances is disclosed in Note 37 to the financial statements.

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**20. SHARE CAPITAL AND TREASURY SHARES**

	<b>Group and Company</b>			
	<b>2015</b>		<b>2014</b>	
	<b>Number of shares</b>		<b>Number of shares</b>	
	<b>RM'000</b>	<b>'000</b>	<b>RM'000</b>	<b>'000</b>
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 2014/2013	456,137	456,137	456,134	456,134
Issued for cash pursuant to exercise of Warrants C	2,457	2,457	3	3
Balance as at 30 June 2015/2014	458,594	458,594	456,137	456,137

During the financial year, the issued and fully paid-up ordinary share capital of the Company was increased from RM456,137,000 to RM458,594,000 by way of issuance of 2,457,000 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.

In the previous financial year, the Company repurchased 2,103,000 ordinary shares of its issued share capital from the open market. No share was repurchased from the open market by the Company during the financial year. The average price paid for the shares repurchased was RM1.43 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.

**20. SHARE CAPITAL AND TREASURY SHARES (CONT'D)**

## (a) Treasury shares (cont'd)

Details of the repurchase of shares were as follows:

	Purchase price			Number of shares purchased '000	Total consideration RM'000
	Average RM	Highest* RM	Lowest* RM		
<b>2014</b>					
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
				<u>2,103</u>	<u>3,018</u>

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

Of the total RM458,594,000 (2014: 456,137,000) issued and fully paid ordinary shares of RM1.00 each as at 30 June 2015, there are 4,778,000 (2014: 4,778,000) ordinary shares of RM1.00 each with a cumulative total consideration amounting to RM5,133,000 (2014: RM5,133,000) held as treasury shares by the Company. The number of outstanding shares in issue after the share buy-back is 453,816,000 (2014: 451,359,000) ordinary shares of RM1.00 each as at 30 June 2015.

## (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 2015, 211,351,472 (2014: 213,808,972) Warrants C have yet to be converted to ordinary shares.

**21. RESERVES**

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Non-distributable:					
Share premium	a	39,824	39,774	39,824	39,774
Warrant reserve	b	4,226	4,276	4,226	4,276
Available-for-sale reserve	c	683	661	-	-
Exchange translation reserve	d	(1,469)	(2,846)	-	-
		43,264	41,865	44,050	44,050
Distributable:					
Retained earnings	e	709,826	651,961	181,122	59,373
		753,090	693,826	225,172	103,423

**(a) Share premium**

The share premium is arrived at after accounting for the premium received less expenses over the nominal value of shares issued to the public, less the subsequent capitalisation for bonus issue of the Company.

**(b) Warrant reserve**

Warrant reserve represents the proceeds from the issuance of Warrants C which are non-distributable. The warrant reserve is transferred to the share premium account upon the exercise of warrants and the warrant reserve in relation to the unexercised warrants at the expiry of the warrants will be transferred to retained earnings.

**(c) Available-for-sale reserve**

Available-for-sale reserve represents the cumulative fair value changes of available-for-sale financial assets until they are disposed of or impaired.

**(d) Exchange translation reserve**

The exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

**(e) Retained earnings**

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**

		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current Trade</b>					
Retention sum					
- third parties	a	16,754	20,593	-	-
<b>Current Trade</b>					
Third parties	b	74,637	107,251	-	-
Amount due to customers for contract works	16(c)	56,706	48,034	-	-
Retention sum					
- third parties	a	16,362	17,959	-	-
		147,705	173,244	-	-
<b>Non-trade</b>					
Subsidiaries	c	-	-	152,739	189,424
Other payables		33,879	25,369	170	186
Accruals		68,352	37,945	4,306	587
Deposits received		2,012	1,795	-	-
		104,243	65,109	157,215	190,197
		251,948	238,353	157,215	190,197
<b>Total trade and other payables</b>	<b>d</b>	<b>268,702</b>	<b>258,946</b>	<b>157,215</b>	<b>190,197</b>

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

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Within one year	16,362	17,959
Within two years	12,690	19,674
Within three years	3,340	919
Within four years	724	-
	33,116	38,552

(b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days (2014: 30 to 90 days).

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**22. TRADE AND OTHER PAYABLES (CONT'D)**

- (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 advances made from subsidiaries amounted to RM138,887,000 (2014: RM36,387,000) during the year, which are subject to interest rates ranging from 3.30% to 4.65% (2014: 4.00%) per annum.
- (d) The currency exposure profile of payables is as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Ringgit Malaysia	252,699	255,455	157,215	190,197
Thai Baht	74	334	-	-
United States Dollar	3,095	2,318	-	-
Vietnamese Dong	1,907	543	-	-
Australian Dollar	10,868	292	-	-
Singapore Dollar	49	4	-	-
Euro	10	-	-	-
	<b>268,702</b>	<b>258,946</b>	<b>157,215</b>	<b>190,197</b>

- (e) Information on financial risk of trade and other payables is disclosed in Note 37 to the financial statements.

**23. BORROWINGS**

		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current</b>					
Secured term loans		355,055	213,243	89,853	15,000
<b>Current</b>					
Secured term loans		9,117	30,884	-	-
Secured bank overdrafts	19	-	7,619	-	-
Unsecured bank overdrafts	19	539	146	-	-
Unsecured bankers' acceptances		2,637	6,023	-	-
Secured revolving credits		113,760	14,262	28,000	-
		<b>126,053</b>	<b>58,934</b>	<b>28,000</b>	<b>-</b>
		<b>481,108</b>	<b>272,177</b>	<b>117,853</b>	<b>15,000</b>



**23. BORROWINGS (CONT'D)**

		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Total borrowings</b>					
Secured term loans		364,172	244,127	89,853	15,000
Secured bank overdrafts	19	-	7,619	-	-
Unsecured bank overdrafts	19	539	146	-	-
Unsecured bankers' acceptances		2,637	6,023	-	-
Secured revolving credits		113,760	14,262	28,000	-
		<b>481,108</b>	<b>272,177</b>	<b>117,853</b>	<b>15,000</b>

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

<b>Group</b>	<b>Year of maturity</b>	<b>Carrying amount</b>	<b>Within 1 year</b>	<b>1 - 2 years</b>	<b>2 - 5 years</b>	<b>Over 5 years</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>2015</b>						
Secured term loans	2025	364,172	9,117	198,991	135,283	20,781
Unsecured bank overdrafts	2016	539	539	-	-	-
Unsecured bankers' acceptances	2016	2,637	2,637	-	-	-
Secured revolving credits	2016	113,760	113,760	-	-	-
		<b>481,108</b>	<b>126,053</b>	<b>198,991</b>	<b>135,283</b>	<b>20,781</b>
<b>2014</b>						
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	-	-	-
		<b>272,177</b>	<b>58,934</b>	<b>47,279</b>	<b>140,399</b>	<b>25,565</b>

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**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
<b>2015</b>						
Secured term loans	2017	89,853	-	89,853	-	-
Secured revolving credits	2016	28,000	28,000	-	-	-
		117,853	28,000	89,853	-	-
<b>2014</b>						
Secured term loans	2021	15,000	-	1,672	7,524	5,804

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

	<b>Group</b>		<b>Company</b>	
	<b>2015 RM'000</b>	<b>2014 RM'000</b>	<b>2015 RM'000</b>	<b>2014 RM'000</b>
Ringgit Malaysia	301,402	272,177	28,000	15,000
Australian Dollar	179,706	-	89,853	-
	481,108	272,177	117,853	15,000

- (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.

**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 37 to the financial statements.

**24. DEFERRED INCOME**

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current</b>		
Membership fees	47,219	45,478
<b>Current</b>		
Membership fees	3,414	2,485
Maintenance fees	341	121
Rental income	53	428
Unredeemed vouchers	111	202
	<b>3,919</b>	<b>3,236</b>

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:

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Not later than one year	1,889	1,632	649	39
Later than one year and not later than five years	1,463	2,230	318	50
Later than five years	2,097	1,998	-	-
	<b>5,449</b>	<b>5,860</b>	<b>967</b>	<b>89</b>

## (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:

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Not later than one year	1,966	1,821
Later than one year and not later than five years	6,218	6,018
Later than five years	30,395	31,941
	<b>38,579</b>	<b>39,780</b>

**25. COMMITMENTS (CONT'D)**

(b) Capital commitments

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Contracted but not provided for in respect of:</b>		
- Property, plant and equipment	28,402	31,252
- Land held for property development	13,465	-
- Biological assets - new planting expenditure	283	82
	<b>42,150</b>	<b>31,334</b>

**26. CONTINGENCIES**

	<b>Company</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Guarantees</b>		
Corporate guarantees given to financial institutions relating to banking facilities of subsidiaries - unsecured		
- Limit of guarantee	654,535	775,503
- Amount utilised	365,854	250,465
Corporate guarantees given to third parties relating to credit facilities granted to subsidiaries - unsecured	23,200	23,200

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.

**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 the Company had initiated a civil suit against an external marketing agent, Swiss Marketing Corporation Sdn. Bhd. ('Agent') on 8 November 2005.

**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)**

The civil suit was in respect of the wrongful repudiation by the Agent of the Marketing Agreement dated 2 July 2001, which was exclusively entered into by the parties to enable the Agent to promote and sell SGIVCB's timeshare memberships to the public at large. The repudiation resulted in SGIVCB having suffered, amongst others, losses and damages amounting to RM5,280,344. The Agent had filed a counter-claim against SGIVCB claiming for its marketing fee which is due in the sum of RM21,091,398, electricity and rental charges in the sum of RM90,995, interests and costs.

The High Court on 27 August 2010 allowed SGIVCB's claim against the Agent and ordered the Agent to pay damages amounting to RM5,231,706; damages for the loss of use of promotion materials amounting to RM48,638; 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. The High Court also allowed the Agent's counter-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 against the damages awarded to SGIVCB.

The High Court appointed a qualified accountant, UHY Advisory (KL) Sdn. Bhd. ('UHY') for the assessment of the marketing fee on 3 September 2010, which was submitted on 21 March 2011, but was rejected by the High Court on 3 December 2012. Consequently, the High Court ordered the qualified accountant to recalculate the marketing fees ('High Court's Order dated 3 December 2012').

The Agent on 27 December 2012 filed an appeal to the Court of Appeal against the High Court's Order dated 3 December 2012 ('Agent's Appeal'). On 2 July 2014, the Court of Appeal dismissed the Agent's Appeal with costs of RM10,000 to be paid to SGIVCB ('Decision dated 2 July 2014'). The Agent filed a Notice of Motion to apply for leave from the Federal Court to appeal against the Decision dated 2 July 2014 ('Agent's Leave Application'). However, on 25 September 2014, the Federal Court had unanimously dismissed the Agent's Leave Application with costs of RM10,000 to be paid to SGIVCB ('Decision dated 25 September 2014'). With the Decision dated 25 September 2014, the High Court's Order dated 3 December 2012 stands. On 7 October 2014 ('the Final Mention Date'), the Agent informed the High Court that there are three parts of the revised report dated March 2013 ('the Revised Report') that is not agreeable, whereby the High Court fixed a Hearing date on 21 October 2014 for parties to submit on the said issues and for the High Court to decide whether to adopt the Revised Report as final and accept the sum of marketing fees being RM5,143,940 as per the Revised Report. At the Hearing date of 21 October 2014, upon hearing parties' submissions, the High Court pronounced that the Revised Report be adopted wholly by the High Court and enforced as an Order ('Decision dated 21 October 2014').

**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 18 November 2014, the Agent has filed an appeal to the Court of Appeal against the Decision dated 21 October 2014 ('Agent's Second Appeal') and a Case Management is fixed on 20 January 2015. At the case management, the Agent informed that records of appeal has been filed and a copy of supplementary record of appeal will be filed once the sealed High Court Order dated 21 October 2014 is extracted from the High Court. The Court of Appeal fixed the next case management on 6 February 2015. On 6 February 2015, SGIVCB's solicitors attended the Court of Appeal and informed the Registrar that the High Court Order dated 21 October 2014 is inaccurate and parties will approach the High Court's Registrar to resolve the same. The Court of Appeal fixed the next case management on 5 March 2015. On 5 March 2015, parties informed the Court that parties are trying to fix an appointment before the High Court's Registrar in relation to the rectification of the High Court Order dated 21 October 2014. The Court of Appeal fixed the next Case Management on 20 March 2015, and postponed to 22 April 2015 for parties to apprise whether the issue relating to the terms of the High Court sealed order dated 21 October 2014 has been resolved. On 23 March 2015, the Agent informed the Registrar that he is agreeable to the position taken by SGIVCB's solicitors i.e. third and fourth paragraphs of the Order should be taken out from the Order as they were not part of the Order given by the High Court Judge during the hearing on 21 October 2014. Nevertheless, the Registrar had directed the SGIVCB's solicitors to file a formal application for amendment of the Order as a matter of procedure. The Court of Appeal's Registrar fixed a next case management date on 22 April 2015 in order to fix a hearing date for the Agent's Second Appeal.

At the Case Management of 22 April 2015, SGIVCB informed the High Court Registrar that SGIVCB will be filing a motion for security for costs and a winding up petition against the Agent. The High Court Registrar fixed the next Case Management on 12 May 2015 for parties to update on the status of the filing of motion for security for costs. On 12 May 2015, the High Court fixed the Hearing of Motion for Security for Costs on 18 June 2015. On 18 June 2015, the Court of Appeal awarded security for costs in the sum of RM10,000 and the Agent is to make payment within 14 days from 18 June 2015. The Agent's Second Appeal is now fixed for hearing on 25 August 2015.



**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)**

Meanwhile, the winding up petition against the Agent has been filed on 22 April 2015. On 1 July 2015, the Registrar confirmed that SGIVCB has complied with all the procedural requirements in relation to the winding up petition. The hearing date of the winding up petition ('the Petition') is fixed for hearing on 31 July 2015. At the hearing of the Petition, the High Court Judge agreed with SGIVCB that:

- (a) The hearing of the Petition should not be adjourned pending the hearing of the Agent's Second Appeal on 25 August 2015 since the Agent did not file an application for stay of execution; and
- (b) The sum demanded in the SGIVCB's statutory demand was premised on an enforceable High Court Judgment dated 21 October 2014.

In light of the above, the High Court Judge allowed the Petition with costs of RM5,000 to be paid to SGIVCB and ordered the Agent to be wound up.

As for the Agent's Second Appeal hearing on 25 August 2015, the appeal cannot proceed unless the Agent obtains permission from the Official Receiver ('OR'). The Agent needs to show that it has a good case and make some deposits in order for the OR to grant permission. If the OR takes the view that the Agent does not have strong grounds to appeal that will be the end of the matter.

A case management has been fixed for the Agent's Second Appeal on 18 August 2015. At the case management, the Agent's solicitors informed the Court that the Agent will withdraw the Agent's Second Appeal. The court has given instruction for the Agent to file a Notice of Discontinuance before the hearing date on 25 August 2015, and thus, shall conclude the matter.

SGIVCB's solicitors have on 24 August 2015 received the Notice of Discontinuance from the Agent's Solicitors. As for the winding up, SGIVCB's solicitors have received the approved draft order from the Agent's solicitors. The same will be filed into the Court. Following from that, a Proof of Debt will be prepared to be filed into the Insolvency Department.

The Board of Directors are of the opinion that this litigation will not have material impact on the financial statements of the Group.

## 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. ('the 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 initiated a civil suit against Pravest, seeking to enforce the purported JVA ('Suit'). The Plaintiffs also filed an interlocutory application for an interim injunction to prevent Pravest from going into the Land, 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 the variation of the Injunction Order, allowing inter alia, Pravest to take necessary steps to maintain the infrastructures built and cultivate the oil palm seedlings that have been planted on the land.

On 18 April 2013 the High Court of Kuantan dismissed the Plaintiffs' claim with cost to be determined by the Registrar, which has yet to be determined. The High Court had also allowed Pravest to enforce the undertaking as to damages by the Plaintiffs in the interim injunction.

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'). Pravest is claiming an estimated sum of RM1,104,403 for costs incurred and loss of profit etc. as stated in the Affidavit in Support of Pravest's application to assess damages affirmed by Pravest's Director on 15 November 2013.

**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)**

The Plaintiffs have on 17 June 2014 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 Court has directed the parties to exhaust affidavits by 9 July 2014 and fixed the hearing on 27 August 2014. The Court heard both parties' oral submissions on 27 August 2014 and the Court has on 30 September 2014 dismissed the Plaintiffs' Application with costs in the cause, and fixed Pravest's Application for Assessment of Damages for hearing or decision on 31 October 2014 and the Court will hear Pravest's Application for Assessment of Damages without a need to cross-examine the deponent of Pravest's affidavit. The decision for Pravest's Application for Assessment of Damages was fixed for decision on 8 January 2015 ('the Decision'). However, as the Registrar handling the matter has been transferred to the Temerloh Court, the Decision has been postponed to 15 May 2015. On 14 May 2015, Pravest was informed that the Decision date has been vacated to a date to be fixed later.

The Kuantan High Court on 26 August 2015 awarded to Pravest, damages in the sum of RM1,104,403 and interest at the rate of 2% per annum from 26 August 2015 to date of full settlement.

The Board of Directors are of the opinion that this litigation will not have a material impact on the financial statements of the Group.

**27. REVENUE**

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Sale of goods	234,488	243,127	-	-
Property development revenue	464,837	577,072	-	-
Services rendered	121,729	145,148	11,049	3,300
Contract revenue	85,828	204,068	-	-
Dividend income				
- subsidiaries	-	-	152,105	56,562
- other investments	88	87	-	-
	906,970	1,169,502	163,154	59,862

**28. COST OF SALES AND SERVICES**

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Inventories sold	174,612	178,568	-	-
Property development costs	331,077	421,928	-	-
Services rendered	64,476	68,948	14,723	13,654
Contract works	44,155	183,322	-	-
	614,320	852,766	14,723	13,654

**29. PROFIT BEFORE TAX**

		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit before tax is arrived at after charging:					
Auditors' remuneration:					
- statutory audit					
- current year					
- auditors of the Company		358	355	47	47
- an affiliate of auditors of the Company		16	17	-	-
- other firms		30	-	-	-
- under-provision in prior years		10	12	-	3
- other services					
- current year		25	38	14	27
- under/(over)-provision in prior years		1	(1)	-	-
Bad debts written off		-	10	-	-
Depreciation on:					
- property, plant and equipment	7(a)	18,222	17,965	225	174
- investment properties	9	338	2,223	-	-
Deposit written off		3	-	-	-
Directors' remuneration:					
- salaries and other emoluments		9,969	8,654	9,969	8,654
- fees		340	342	340	342
Fair value adjustment on retention sum		2,049	-	-	-

**29. PROFIT BEFORE TAX (CONT'D)**

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit before tax is arrived at after charging (cont'd):					
Impairment loss on:					
- investments in subsidiaries	10(b)	-	-	1,092	-
- investment properties	9	1,848	-	-	-
- property, plant and equipment	7	-	25,359	-	-
- land held for property development	14	-	1,473	-	-
- trade and other receivables	16	4,882	6,380	-	-
- current tax assets		-	5,035	-	-
Interest expense on:					
- bank overdrafts		692	795	263	177
- bankers' acceptances		24	240	-	-
- revolving credits		2,643	1,611	762	538
- term loans		3,180	652	1,758	478
- subsidiaries		-	-	4,144	2,100
- trust receipts		20	-	-	-
- others		6	-	-	-
Inventories written down	18	2,312	2,646	-	-
Inventories written off		-	184	-	-
Property, plant and equipment written off	7	503	578	-	19
Property development cost written off	17	3,404	-	-	-
Liquidated and ascertained damages		-	14,610	-	-
Rental expense on land and buildings		1,318	1,089	658	25
Rental of equipment		482	944	-	-
Replacement cost for operating equipment		671	678	-	-
Research and development expensed as incurred		5,004	5,250	-	-
Realised loss on foreign exchange		649	-	286	-
Unrealised loss on foreign exchange		3,007	82	2,442	-

**29. PROFIT BEFORE TAX (CONT'D)**

		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit before tax is arrived at after charging (cont'd):					
And crediting:					
Fair value adjustment on retention sum		2,624	-	-	-
Gross dividends received from:					
- subsidiaries	27	-	-	152,105	56,562
- unquoted shares	27	88	87	-	-
Gain on disposal of:					
- property, plant and equipment		585	415	-	-
- investment properties		-	102,885	-	-
- other investments		-	9,442	-	-
Interest accretion of trade receivables		1,356	1,476	-	-
Interest income received from:					
- associate		2,587	-	-	-
- fixed deposits		1,089	1,430	19	43
- housing development accounts		1,044	745	-	-
- subsidiaries		-	-	13,576	1,414
- others		2,703	880	8	-
Realised gain on foreign exchange		12	17	-	-
Rental income from land and buildings		6,286	23,233	-	-
Reversal of impairment loss on					
- investments in subsidiaries	10(c)	-	-	4,200	-
- trade and other receivables	16	666	7,024	-	-
Unrealised gain on foreign exchange		-	186	-	-

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 RM69,000 (2014: RM57,000).

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**30. TAX EXPENSE**

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current tax expense based on profit for the financial year:				
Malaysian income tax	43,495	57,119	2,021	593
Foreign income tax	372	507	-	-
	43,867	57,626	2,021	593
Under/(Over)-provision in prior years:				
Malaysian income tax	1,046	(690)	(2)	3
Foreign income tax	(4)	(4)	-	-
	44,909	56,932	2,019	596
Deferred tax (Note 15):				
Relating to origination and reversal of temporary differences	(1,130)	(5,730)	(840)	-
(Over)/Under-provision in prior years	(3,295)	1,143	-	-
	(4,425)	(4,587)	(840)	-
	40,484	52,345	1,179	596

Malaysian income tax is calculated at the statutory tax rate of 25% (2014: 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:

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Tax at Malaysian statutory tax rate of 25% (2014: 25%)	31,903	66,642	38,097	10,596
Tax effects in respect of:				
Non-allowable expenses	7,263	7,833	2,124	1,794
Non-taxable income	(1,817)	(26,285)	(39,076)	(11,797)
Utilisation of previously unrecognised deferred tax assets	(192)	(1,284)	-	-
Deferred tax assets not recognised during the year	2,996	6,778	-	-
Tax incentives and allowances	-	(1,480)	-	-
Share of post-tax results of associates and a joint venture	2,222	(339)	-	-
Effect on changes in tax rate	437	-	36	-
Effect of different tax rate in foreign jurisdiction	(75)	31	-	-
	42,737	51,896	1,181	593
Under/(Over)-provision of income tax expense in prior years	1,042	(694)	(2)	3
(Over)/Under-provision of deferred tax in prior years	(3,295)	1,143	-	-
	40,484	52,345	1,179	596

Tax savings of the Group are as follows:

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Arising from utilisation of previously unrecognised capital allowances	*	41
Arising from utilisation of previously unrecognised tax losses	41	210
Arising from utilisation of previously unrecognised deductible temporary differences	151	1,033

\* Amount is less than RM1,000

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**30. TAX EXPENSE (CONT'D)**

Tax on each component of other comprehensive income is as follows:

	<b>Group</b>					
	<b>Before tax RM'000</b>	<b>2015 Tax effect RM'000</b>	<b>After tax RM'000</b>	<b>Before tax RM'000</b>	<b>2014 Tax effect RM'000</b>	<b>After tax RM'000</b>
<b>Items that may be reclassified subsequently to profit or loss</b>						
Disposal of available-for-sale financial assets	-	-	-	(9,621)	-	(9,621)
Fair value gain on available-for- sale financial assets	22	-	22	35	-	35
Foreign currency translations	3,972	-	3,972	1,689	-	1,689
Share of other comprehensive (loss)/income of associates	(2,286)	-	(2,286)	1,471	-	1,471
	1,708	-	1,708	(6,426)	-	(6,426)

**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.

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
Profit attributable to owners of the parent (RM'000)	87,326	223,999
Weighted average number of ordinary shares in issue (in '000)	457,091	456,135
Weighted average number of treasury shares held (in '000)	(4,778)	(3,295)
Adjusted weighted average number of ordinary shares applicable to basic earnings per share (in '000)	452,313	452,840
Basic earnings per share (sen)	19.31	49.47

**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.

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
Profit attributable to owners of the parent (RM'000)	87,326	223,999
Weighted average number of ordinary shares in issue applicable to basic earnings per ordinary share (in '000)	452,313	452,840
Effect of dilution:		
- Adjustments for conversion of Warrants C at fair value (in '000)	92,150	52,402
Adjusted weighted average number of ordinary shares applicable to diluted earnings per ordinary share (in '000)	544,463	505,242
Diluted earnings per share (sen)	16.04	44.33

**32. DIVIDENDS**

	<b>Group and Company</b>			
	<b>2015</b>		<b>2014</b>	
	<b>Gross dividend per share Sen</b>	<b>Amount of dividend net of tax RM'000</b>	<b>Gross dividend per share Sen</b>	<b>Amount of dividend net of tax RM'000</b>
Interim dividend paid				
- year ended 30 June 2015	4.0	18,153	-	-
- year ended 30 June 2014	-	-	2.5	11,284
First and final dividend paid				
- year ended 30 June 2014	2.5	11,308	-	-
- year ended 30 June 2013	-	-	5.0	18,680
	6.5	29,461	7.5	29,964

A single-tier second interim dividend in respect of the financial year ended 30 June 2015 of 2.5 sen per ordinary share has been declared after the reporting period. The date of entitlement and payment of the single-tier second interim dividend is to be determined at a later date.

The Directors do not recommend the payment of any final dividend for the financial year ended 30 June 2015.

**33. EMPLOYEE BENEFITS**

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Wages, salaries and bonuses	70,618	64,711	8,721	8,656
Contributions to defined contribution plan	8,723	8,591	1,393	1,401
Social security contributions	679	658	28	28
Other benefits	13,579	13,143	4,573	3,250
	<b>93,599</b>	<b>87,103</b>	<b>14,715</b>	<b>13,335</b>

The above staff costs are allocated as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Recognised in profit or loss	87,081	81,450	14,715	13,335
Amount due from customers for contract works (Note 16(c))	6,518	5,653	-	-
	<b>93,599</b>	<b>87,103</b>	<b>14,715</b>	<b>13,335</b>

**34. 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.

**34. RELATED PARTY DISCLOSURES (CONT'D)**

- (b) The Group and the Company had the following transactions with related parties during the financial year:

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Associate:				
Interest receivable	2,587	-	-	-
Related parties:				
Construction and renovation costs payable	(1,404)	(1,146)	(527)	(164)
Management fees receivable	3	-	3	-
Sale of building materials	6,825	-	-	-
Insurance premium payable	(2,179)	(2,534)	(57)	(97)
Legal fee payable	(307)	(223)	-	-
Progress claim payable	(16,737)	(1,586)	-	-
Room revenue receivable	248	193	-	-
Construction cost billed	3,863	8,187	-	-
Rental of premises payable	(1,639)	(2,068)	(642)	(9)
Purchase of security equipment and services	(23)	(81)	-	-
IT services receivable	84	48	-	-
Internal audit services receivable	-	14	-	-
Subsidiaries:				
Dividend receivable	-	-	152,105	56,562
Interest receivable	-	-	13,576	1,414
Interest payable	-	-	(4,144)	(2,100)
Facilities charges payable	-	-	-	(9)
Management fees receivable	-	-	11,049	3,300
Rental payable	-	-	(16)	(16)
IT maintenance services payable	-	-	(215)	(144)

Material balances with related parties as at 30 June 2015 are disclosed in Notes 16 and 22 to the financial statements.

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

**34. 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:

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Short term employee benefits	13,346	10,595	9,422	8,082
Contributions to defined contribution plan	1,362	1,259	956	971
	<b>14,708</b>	<b>11,854</b>	<b>10,378</b>	<b>9,053</b>

**35. 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.

**35. 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.



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**35. OPERATING SEGMENTS (CONT'D)**

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

← Manufacturing and trading →

2015	Properties RM'000	Construction RM'000	Cable RM'000	Building material RM'000	Hotel and leisure RM'000	Investment holding RM'000	Other operating segments RM'000	Consolidated RM'000
<b>Revenue</b>								
Total revenue	467,965	331,770	177,655	72,832	118,585	33,150	3,943	1,205,900
Inter-segment revenue	-	(245,942)	-	(16,501)	(744)	(33,060)	(2,683)	(298,930)
Revenue from external customers	467,965	85,828	177,655	56,331	117,841	90	1,260	906,970
<b>Results</b>								
Segment results	75,671	32,621	15,818	16,543	5,160	(9,604)	(564)	135,645
Finance costs	(2,335)	(296)	(61)	-	(621)	(3,149)	(103)	(6,565)
Interest income	6,182	304	119	35	753	27	3	7,423
Share of loss of associates	-	-	-	-	-	(1,821)	-	(1,821)
Share of loss of a joint venture	-	-	-	-	-	(7,069)	-	(7,069)
Profit before tax	79,518	32,629	15,876	16,578	5,292	(21,616)	(664)	127,613
Tax expense	(18,599)	(9,063)	(4,378)	(4,301)	(2,222)	(1,672)	(249)	(40,484)
Profit for the financial year	60,919	23,566	11,498	12,277	3,070	(23,288)	(913)	87,129
<b>Assets</b>								
Segment assets	1,583,630	208,136	171,828	59,010	599,793	454,269	44,551	3,121,217
Associates	-	-	-	-	-	63,475	-	63,475
Investment in a joint venture	-	-	-	-	-	9,602	-	9,602
Inter-segment balances	(373,734)	(105,820)	(46,456)	(9,151)	(127,005)	(447,413)	(723)	(1,110,302)
Total assets	1,209,896	102,316	125,372	49,859	472,788	79,933	43,828	2,083,992

### 35. 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):

← Manufacturing and trading →								
2015	Properties RM'000	Construction RM'000	Cable RM'000	Building material RM'000	Hotel and leisure RM'000	Investment holding RM'000	Other operating segments RM'000	Consolidated RM'000
Liabilities								
Segment liabilities	870,675	148,957	55,533	10,256	551,147	277,155	26,462	1,940,185
Inter-segment balances	(486,145)	(7,919)	(35,193)	(1,062)	(403,832)	(154,342)	(21,809)	(1,110,302)
Total liabilities	384,530	141,038	20,340	9,194	147,315	122,813	4,653	829,883
Other segment information								
Additions to non-current assets other than financial instruments and deferred tax assets	1,843	10,718	306	5,541	33,085	720	843	53,056
Depreciation	1,813	7,093	2,452	1,785	11,665	216	165	25,189
Impairment loss on trade and other receivables	306	-	-	-	4,576	-	-	4,882

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**35. 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):

	← Manufacturing and trading →						
	Properties	Construction	Cable	Building	Hotel	Investment	Other
2014	RM'000	RM'000	RM'000	material	and	holding	operating
				RM'000	leisure	RM'000	segments
					RM'000	RM'000	Consolidated
							RM'000
<b>Revenue</b>							
Total revenue	597,200	403,898	192,249	80,126	125,623	43,797	1,843
Inter-segment revenue	(79)	(199,829)	-	(29,249)	(768)	(43,710)	(1,599)
Revenue from external customers	597,121	204,069	192,249	50,877	124,855	87	244
							1,169,502
<b>Results</b>							
Segment results	225,325	12,875	25,344	12,565	(6,802)	(3,012)	(842)
Finance costs	(1,517)	(32)	(237)	-	(1,150)	(309)	(53)
Interest income	1,717	2	135	50	23	1,074	54
Share of profit of associates	-	-	-	-	-	1,356	-
Profit before tax	225,525	12,845	25,242	12,615	(7,929)	(891)	(841)
Tax expense	(36,292)	(3,829)	(7,295)	(3,144)	(3,666)	1,885	(4)
Profit for the financial year	189,233	9,016	17,947	9,471	(11,595)	994	(845)
							214,221
<b>Assets</b>							
Segment assets	1,164,443	232,503	169,208	50,125	558,834	443,525	72,614
Associates	-	-	-	-	-	85,852	-
Inter-segment balances	(300,780)	(119,926)	(46,560)	(8,357)	(106,092)	(408,526)	(9,045)
Total assets	863,663	112,577	122,648	41,768	452,742	120,851	63,569
							1,777,818

**35. 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):

		← Manufacturing and trading →					
		Hotel and leisure		Investment holding		Other operating segments	
2014	Properties RM'000	Construction RM'000	Cable RM'000	Building material RM'000	RM'000	RM'000	Consolidated RM'000
<b>Liabilities</b>							
Segment liabilities	838,902	198,809	45,027	13,835	294,816	216,476	1,640,087
Inter-segment balances	(527,074)	(13,667)	(25,725)	(1,712)	(211,092)	(200,046)	(999,286)
	311,828	185,142	19,302	12,123	83,724	16,430	640,801
<b>Other segment information</b>							
Additions to non-current assets other than financial instruments and deferred tax assets	4,840	6,653	2,665	7,268	33,555	691	57,050
Depreciation	3,599	5,273	2,346	1,256	12,221	172	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. 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 2015 and 30 June 2014.

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.

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Borrowings	481,108	272,177	117,853	15,000
Less: Cash and bank balances	(118,666)	(136,976)	(2,078)	(1,244)
Net debt	362,442	135,201	115,775	13,756
Equity attributable to the owners of the parent	1,206,551	1,144,830	678,633	554,427
Less: Fair value adjustment reserve	(683)	(661)	-	-
Total capital	1,205,868	1,144,169	678,633	554,427
Gearing ratio	30%	12%	17%	2%

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 2015.

**36. FINANCIAL INSTRUMENTS (CONT'D)**

## (b) Financial instruments

Categories of financial instruments

<b>Group</b>	<b>Loans and receivables RM'000</b>	<b>Available- for-sale RM'000</b>	<b>Total RM'000</b>
<b>2015</b>			
<b>Financial assets</b>			
Other investments	-	717	717
Trade and other receivables, excluding deposits, prepayments and accrued billings	237,337	-	237,337
Cash and bank balances	118,666	-	118,666
	356,003	717	356,720

	<b>Other financial liabilities RM'000</b>	<b>Total RM'000</b>
<b>Financial liabilities</b>		
Borrowings	481,108	481,108
Trade and other payables	268,702	268,702
	749,810	749,810

<b>Company</b>	<b>Loans and receivables RM'000</b>	<b>Total RM'000</b>
<b>2015</b>		
<b>Financial assets</b>		
Trade and other receivables, excluding deposits and prepayments	366,964	366,964
Cash and bank balances	2,078	2,078
	369,042	369,042

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**36. FINANCIAL INSTRUMENTS (CONT'D)**

## (b) Financial instruments (cont'd)

Categories of financial instruments (cont'd)

<b>Company</b>	<b>Other financial liabilities RM'000</b>	<b>Total RM'000</b>
<b>2015</b>		
<b>Financial liabilities</b>		
Borrowings	117,853	117,853
Trade and other payables	157,215	157,215
	275,068	275,068

<b>Group</b>	<b>Loans and receivables RM'000</b>	<b>Available- for-sale RM'000</b>	<b>Total RM'000</b>
<b>2014</b>			
<b>Financial assets</b>			
Other investments	-	695	695
Trade and other receivables, excluding deposits, prepayments and accrued billings	368,103	-	368,103
Cash and bank balances	136,976	-	136,976
	505,079	695	505,774

	<b>Other financial liabilities RM'000</b>	<b>Total RM'000</b>
<b>Financial liabilities</b>		
Borrowings	272,177	272,177
Trade and other payables	258,946	258,946
	531,123	531,123

**36. FINANCIAL INSTRUMENTS (CONT'D)**

## (b) Financial instruments (cont'd)

Categories of financial instruments (cont'd)

<b>Company</b>	<b>Loans and receivables RM'000</b>	<b>Total RM'000</b>
<b>2014</b>		
<b>Financial assets</b>		
Trade and other receivables, excluding deposits and prepayments	198,444	198,444
Cash and bank balances	1,244	1,244
	199,688	199,688
	<b>Other financial liabilities RM'000</b>	<b>Total RM'000</b>
<b>Financial liabilities</b>		
Borrowings	15,000	15,000
Trade and other payables	190,197	190,197
	205,197	205,197

## (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.

- 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.



**36. 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):

## iii. 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).

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.

<b>Financial instrument</b>	<b>Fair value hierarchy</b>	<b>Valuation technique inputs</b>	<b>Significant unobservable inputs</b>	<b>Inter-relationship between key unobservable input and fair value</b>
<u>Financial assets</u>				
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.

**36. 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				Total fair Value RM'000	Carrying amount RM'000
	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		
<b>Group 2015</b>										
<b>Financial assets</b>										
<b>Available-for-sale financial assets</b>										
- Unquoted shares	-	-	717	717	-	-	-	-	717	717
<b>2014</b>										
<b>Financial assets</b>										
<b>Available-for-sale financial assets</b>										
- Unquoted shares	-	-	695	695	-	-	-	-	695	695

**36. FINANCIAL INSTRUMENTS (CONT'D)**

- (e) The following table shows a reconciliation of Level 3 fair values:

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Financial assets</b>		
Balance as at 1 July 2014/2013	695	660
Total gains recognised in other comprehensive income	22	35
Balance as at 30 June 2015/2014	717	695

- (f) The following table shows the sensitivity analysis for the Level 3 fair value measurements:

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Discounted PB ratio</b>		
- Increase by 0.5%	36	35
- Decrease by 0.5%	(36)	(35)

- (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.

**37. 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 and foreign currency risk. Information on the management of the related exposures is detailed below.

**37. 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:

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Maximum exposure of amount due from timeshare members to credit risk	52,576	53,163

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, 98% (2014: 99%) of trade receivables are generated from Malaysia.

**37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)**

## (i) Credit risk (cont'd)

Credit risk concentration profile (cont'd)

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:

	<b>Group</b>			
	<b>2015</b>		<b>2014</b>	
	<b>RM'000</b>	<b>% of total</b>	<b>RM'000</b>	<b>% of total</b>
<b>By industry sectors:</b>				
Properties	49,376	22	40,755	17
Construction	61,310	27	74,105	32
Manufacturing and trading	65,049	28	63,589	27
Hotel and leisure	53,838	23	55,122	24
Others	410	*	80	*
	<b>229,983</b>	<b>100</b>	<b>233,651</b>	<b>100</b>

\* Amount is less than 1%.

At the end of the reporting period, 99% (2014: 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.

**37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)****(ii) Liquidity and cash flow risk (cont'd)**

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.

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.

<b>As at 30 June 2015</b>	<b>On demand or within one year RM'000</b>	<b>One to five years RM'000</b>	<b>Over five years RM'000</b>	<b>Total RM'000</b>
<b>Group</b>				
<b>Financial liabilities:</b>				
Borrowings	142,418	357,029	21,842	521,289
Trade and other payables	251,948	17,632	-	269,580
Total undiscounted financial liabilities	394,366	374,661	21,842	790,869

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**37. 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).

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
<b>As at 30 June 2015</b>				
<b>Company</b>				
<b>Financial liabilities:</b>				
Borrowings	32,203	92,234	-	124,437
Trade and other payables	157,215	-	-	157,215
Total undiscounted financial liabilities	189,418	92,234	-	281,652
<b>As at 30 June 2014</b>				
<b>Group</b>				
<b>Financial liabilities:</b>				
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
<b>Company</b>				
<b>Financial liabilities:</b>				
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

**37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)****(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.

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:

<b>Profit net of tax</b>	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
- Increase by 0.5% (2014: 0.5%)	20	(297)	(424)	(75)
- Decrease by 0.5% (2014: 0.5%)	(20)	297	424	75

The sensitivity is lower in 2015 than in 2014 because increase in Housing Development Account and fixed deposits and also interest expense being capitalised into property development costs and land held for property development during the financial year. The assumed movement in basis points for interest rate sensitivity analysis is based on current observable market environment.



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**37. 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	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
<b>As at 30 June 2015</b>									
<b>Fixed rate instruments</b>									
Deposits with licensed banks	19	2.83	31,352	-	-	-	-	-	31,352
<b>Floating rate instruments</b>									
Housing development accounts	19	2.76	22,865	-	-	-	-	-	22,865
Secured term loans	23	4.22	9,117	198,991	53,712	71,200	10,371	20,781	364,172
Unsecured bank overdrafts	23	7.90	539	-	-	-	-	-	539
Unsecured bankers' acceptances	23	3.15	2,637	-	-	-	-	-	2,637
Secured revolving credits	23	3.96	113,760	-	-	-	-	-	113,760

**37. 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		Weighted average effective interest rate %	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
<b>As at 30 June 2014</b>	<b>Note</b>	<b>per annum</b>							
<b>Fixed rate instruments</b>									
Deposits with licensed banks	19	3.15	37,515	-	-	-	-	-	37,515
<b>Floating rate instruments</b>									
Housing development accounts	19	2.53	48,839	-	-	-	-	-	48,839
Secured term loans	23	6.15	30,884	47,279	21,767	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

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**37. 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
<b>As at 30 June 2015</b>							
<b>Floating rate instruments</b>							
Amounts owing by subsidiaries	16	4.85	352,789	-	-	-	352,789
Amounts owing to subsidiaries	22	4.15	138,887	-	-	-	138,887
Secured revolving credits	23	5.04	28,000	-	-	-	28,000
Secured term loans	23	4.80	-	89,853	-	-	89,853
<b>As at 30 June 2014</b>							
<b>Floating rate instruments</b>							
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

**37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)****(iv) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rates.

Subsidiaries operating in Singapore, Thailand, Vietnam and Australia have assets and liabilities together with expected cash flows from anticipated transactions denominated in foreign currencies that give rise to foreign exchange exposures.

The Group also holds cash and bank balances denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances amounted to RM19,531,000 (2014: RM21,847,000) for the Group. To a certain extent, the cash forms a natural hedge against a borrowing denominated in a foreign currency.

The Group is also exposed to foreign currency exchange risk in respect of its overseas investments. The Group does not hedge this exposure with foreign currency borrowings as the currency positions are considered to be long term in nature.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity analysis of the Group's profit after tax to a reasonably possible change in the Australian Dollar ('AUD') exchange rates against the respective functional currencies of the Group entities, with all other variables held constant. The sensitivity analysis includes only significant outstanding balances denominated in foreign currencies, of which the fluctuations in foreign exchange rates would have a significant impact to profit or loss.

<b>Profit net of tax</b>		<b>Group</b>		<b>Company</b>	
		<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
AUD/RM	- strengthen by 3%	(3,865)	-	(1,996)	-
	- weaken by 3%	3,865	-	1,996	-

**38. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**

- (a) On 7 July 2014, PJA, a wholly-owned subsidiary of Pengerang Jaya Pte. Ltd., which is in turn a wholly-owned subsidiary of the Company subscribed for additional 5,812,500 ordinary shares in Yarra for a cash consideration of AUS\$5,812,500 (or equivalent to RM17,172,000) to maintain its 75% equity interest.

On 15 January 2015, PJA subscribed for additional 26,250,000 ordinary shares in Yarra for a cash consideration of AUS\$26,250,000 (or equivalent to RM74,865,000) to maintain its 75% equity interest.

On 25 February 2015, PJA subscribed for additional 48,750,000 ordinary shares in Yarra for a cash consideration of AUS\$48,750,000 (or equivalent to RM136,305,000) to maintain its 75% equity interest.

- (b) On 23 July 2014, Yarra, a subsidiary of the Company exercised its call option under the Put and Call Option Deed and entered into a contract of sale of real estate ('the Contract') with Dynasty Falls Pty. Ltd. to purchase a piece of freehold land located in Melbourne, Australia ('Melbourne land') for a cash consideration of AUS\$145,000,000. The acquisition of Melbourne land was completed on 25 February 2015.
- (c) On 15 May 2015, Scotia has increased its authorised share capital from RM100,000 to RM50,000,000.

On 22 May 2015, Scotia has increased the issued and paid up share capital from RM2 to RM32,340,572. DLHA has subscribed for 16,170,285 ordinary shares of RM1.00 each, of which RM15,670,285 by way of capitalisation of amount owing by Scotia to DLHA and RM500,000 by way of cash consideration, in proportion to the existing shareholdings of DLHA in Scotia, representing 50% of the total allotment of 32,340,570 ordinary shares of RM1.00 each in the share capital of Scotia.

On 23 June 2015, the issued and paid up share capital of Scotia has further increased by RM1,000,000 from RM32,340,572 to RM33,340,572. DLHA has subscribed for an additional 500,000 ordinary shares of RM1.00 each for a cash consideration of RM500,000 in proportion to the existing shareholdings of DLHA in Scotia, representing 50% of the total allotment of 1,000,000 ordinary shares of RM1.00 each in the share capital of Scotia.

- (d) On 22 May 2015, DLHA, a wholly-owned subsidiary of the Company increased its authorised share capital from RM100,000 to RM25,000,000 and the issued and paid up share capital from RM2 to RM16,323,959. The Company subscribed for 16,323,957 ordinary shares of RM1.00 each, of which RM15,823,957 by way of capitalisation of amount owing by DLHA to the Company and RM500,000 by way of cash consideration.

On 12 June 2015, DLHA has further increased its issued and paid up share capital by RM500,000 from RM16,323,959 to RM16,823,959. The Company subscribed for an additional 500,000 ordinary shares of RM1.00 each for a cash consideration of RM500,000.

**38. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)**

- (e) On 30 June 2015, SIJB has increased its authorised share capital from RM100,000 to RM5,000,000 and the issued and paid up share capital of SIJB has also increased from RM2 to RM3,000,000. The Company subscribed for 2,999,998 ordinary shares of RM1.00 each, of which RM2,935,895 by way of capitalisation of amount owing by SIJB to the Company and RM64,103 by way of cash consideration.

**39. SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL YEAR**

- (a) On 23 July 2015, the Company has become a subsidiary of OSKH Holdings Berhad ('OSKH'), following the completion of transfer of 143,356,849 ordinary shares of RM1.00 each in the Company representing approximately 31.6% of the issued and paid-up share capital of the Company (excluding 4,778,300 treasury shares) to OSKH, in accordance with a conditional share sale agreement dated 15 October 2014 entered between OSKH and vendors namely Tan Sri Ong Leong Huat @ Wong Joo Hwa, Puan Sri Khor Chai Moi, Ong Yin Suen, Ong Yee Ching, Ong Ju Yan, Ong Yee Min, Ong Ju Xing, Wong Chong Shee, Dindings Consolidated Sdn. Bhd., Land Management Sdn. Bhd. and Ladang Setia Sdn. Bhd..

OSKH is deemed to have de facto control of the Company even though OSKH has less than 50% of the voting rights on the basis that OSKH is the single largest shareholder of the Company with an approximately 31.6% equity interest as at 23 July 2015.

OSKH had also on 20 July 2015 served a notice of take-over offer on the Board of the Company to acquire the remaining securities of the Company. As a result of a series of open market purchase and valid acceptances received by OSKH for the take-over offer, OSKH's equity interest in the Company (excluding shares held by the persons acting in concert with OSKH for the take-over offer) increased from 31.6% to 45.3% as at 25 August 2015. The take-over offer is still on-going and shall close on 7 September 2015.

- (b) On 24 July 2015, the Company has announced the change in financial year end from 30 June to 31 December, whereby the next financial period will be from 1 July 2015 to 31 December 2015, covering a 6 months period to coincide with the financial year end of OSKH.

**40. SUPPLEMENTARY INFORMATION ON REALISED AND UNREALISED PROFITS OR LOSSES**

The retained earnings as at the end of the reporting period may be analysed as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Total retained earnings of the Company and its subsidiaries:				
- Realised	642,980	563,676	182,724	59,373
- Unrealised	(21,742)	(23,888)	(1,602)	-
	621,238	539,788	181,122	59,373
Total share of retained earnings from associates:				
- Realised	22,817	26,964	-	-
- Unrealised	1,017	1,064	-	-
	645,072	567,816	181,122	59,373
Total share of accumulated losses from a joint venture:				
- Realised	(7,069)	-	-	-
	638,003	567,816	181,122	59,373
Add: Consolidation adjustments	71,823	84,145	-	-
Total retained earnings	709,826	651,961	181,122	59,373

# LIST OF GROUP'S TOP TEN PROPERTIES

AS AT 30 JUNE 2015

Location	Area (sq ft)	Tenure	Description/ Existing use	Age of Building	Date of Acquisition	Net Book Value ('000)
93-119 Kavanagh Street, Southbank, Victoria 3006, Australia	218,066	Freehold	Land for mixed development	N/A	25.02.2015	446,412
PN No. 3696 Lot 52, Seksyen 13 Bandar Petaling Jaya Daerah Petaling Selangor Darul Ehsan	258,746	Leasehold (99 years expiring on 06.08.2067)	Office and industry	52 years	31.05.2013	140,737
Damai Laut Country Resort Mukim of Lumut District of Dindings Perak Darul Ridzuan	15,044,751	Freehold and leasehold (99 years expiring on 08.06.2094)	Resort & property development	N/A	1990	88,768
Harbour Place Sek.4, Bandar Butterworth Daerah Seberang Prai Utara Pulau Pinang	942,104	Freehold	Land for mixed development	N/A	14.10.1996	82,640
Swiss-Garden Hotel & Residences Kuala Lumpur 117 Jalan Pudu 55100 Kuala Lumpur Wilayah Persekutuan	342,752 (built-up)	Freehold	Hotel	19 years	-	82,584
Swiss-Garden Resort & Spa Kuantan Lot PT 7566 Mukim Sungai Karang 26100 Berserah Daerah Kuantan Pahang Darul Makmur	250,512 (built-up)	Freehold	Hotel	17 years	-	50,387



LIST OF GROUP'S TOP TEN PROPERTIES

AS AT 30 JUNE 2015

Location	Area (sq ft)	Tenure	Description/ Existing use	Age of Building	Date of Acquisition	Net Book Value ('000)
PT No. 1664 & 1665 H.S.(D) 18906 & 18907 Mukim Penor Daerah Kuantan Pahang Darul Makmur	43,576,617	Leasehold (99 years expiring on 31.03.2098)	Land for oil palm cultivation	N/A	01.11.2006	39,344
YOU City Mukim Cheras, District of Ulu Langat Selangor Darul Ehsan	342,779	Freehold	Land for mixed development	N/A	02.08.2007	36,564
HSD 15674 PT 19247 Mukim Bentong Pahang	732,684	Freehold	Land for mixed development	N/A	28.02.2013	29,602
Geran 99516 Lot 512 Geran 28344 Lot 15585 HS(D) 159593 Lot PTB 18796 Township of Johor Bahru District of Johor Bahru Johor Darul Takzim	44,059	Freehold	Hotel and land	24 years	29.05.2013 and 06.12.2013	27,855

# ANALYSIS OF SHAREHOLDINGS

AS AT 30 SEPTEMBER 2015

Authorised Share Capital	: RM1,000,000,000
Issued and Paid-up Share Capital	: RM528,435,877 (including 4,778,300 treasury shares)
Class of Shares	: Ordinary Shares of RM1.00 each
Voting Rights	: One vote per Ordinary Share of RM1.00 each

## DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders	% of Holders	No. of Shares Held*	% of Issued Shares*
1 — 99	406	6.04	6,309	0.00
100 — 1,000	1,874	27.86	1,521,872	0.29
1,001 — 10,000	3,684	54.77	15,262,923	2.91
10,001 — 100,000	717	10.66	21,281,086	4.06
100,001 — 26,182,877**	44	0.65	17,646,142	3.37
26,182,878 and above***	1	0.01	467,939,245	89.36
<b>Total</b>	<b>6,726</b>	<b>100.00</b>	<b>523,657,577</b>	<b>100.00</b>

Remarks:

\* Excluding 4,778,300 treasury shares.

\*\* Less than 5% of the issued shares (excluding treasury shares).

\*\*\* 5% and above of the issued shares (excluding treasury shares).

## SHAREHOLDINGS OF DIRECTORS IN THE COMPANY

Name of Director	Number of Ordinary Shares			
	Direct Interest	%*	Indirect Interest	%*
1. Tan Sri Ong Leong Huat @ Wong Joo Hwa	-	-	467,939,245 <sup>(1)</sup>	89.36
2. Wong Chong Shee	-	-	-	-
3. Puan Sri Khor Chai Moi	-	-	467,939,245 <sup>(1)</sup>	89.36
4. Yap Yoon Kong	-	-	-	-
5. Ong Ju Xing	-	-	-	-
6. Foo San Kan	-	-	-	-
7. Dato' Abdul Rahman bin Yusof	-	-	-	-
8. Loy Tuan Bee	-	-	-	-

Notes:

\* Excluding 4,778,300 treasury shares.

<sup>(1)</sup> Deemed interested pursuant to Section 6A of the Companies Act, 1965 by virtue of shares held by OSK Holdings Berhad.

**SHAREHOLDINGS OF DIRECTORS IN RELATED CORPORATIONS**

Name of Director & Related Corporation	Number of Ordinary Shares			
	Direct Interest	%	Indirect Interest	%
1. Tan Sri Ong Leong Huat @ Wong Joo Hwa's interest in:				
Yarra Park City Pty Ltd	-	-	28,750,000 <sup>(1)</sup>	25.00
OSK Holdings Berhad	90,457,319	6.53	654,755,987 <sup>(2)</sup>	47.29
OSK Property Holdings Berhad	-	-	317,457,271 <sup>(3)</sup>	96.87
2. Puan Sri Khor Chai Moi's interest in:				
OSK Holdings Berhad	51,575,122	3.72	300,952,546 <sup>(4)</sup>	21.74
OSK Property Holdings Berhad	-	-	317,457,271 <sup>(3)</sup>	96.87
3. Wong Chong Shee's interest in:				
OSK Holdings Berhad	4,243,200	0.31	-	-
4. Yap Yoon Kong's interest in:				
OSK Holdings Berhad	60,000	└ <sup>(5)</sup>	795,912 <sup>(6)</sup>	0.06
5. Ong Ju Xing's interest in:				
OSK Holdings Berhad	8,722,930	0.63	10,660,608 <sup>(7)</sup>	0.77
6. Loy Tuan Bee's interest in:				
OSK Holdings Berhad	60,000	└ <sup>(5)</sup>	-	-

## Notes:

- (1) Deemed interested pursuant to Section 6A of the Companies Act, 1965 by virtue of shares held by Equity & Property Investment Corporation Pty Limited. Tan Sri Ong Leong Huat @ Wong Joo Hwa holds 41.49% equity interest in Equity & Property Investment Corporation Pty Limited.
- (2) Deemed interested pursuant to Section 6A of the Companies Act, 1965 by virtue of shares held by OSK Equity Holdings Sdn Bhd, Land Management Sdn Bhd and Dindings Consolidated Sdn Bhd and disclosure made pursuant to Section 134(12)(c) of the Companies Act, 1965 on shares held by family members.
- (3) Deemed interested pursuant to Section 6A of the Companies Act, 1965 by virtue of shares held by OSK Holdings Berhad.
- (4) Deemed interested pursuant to Section 6A of the Companies Act, 1965 by virtue of shares held by Land Management Sdn Bhd, Dindings Consolidated Sdn Bhd, J.B. Properties Sdn Bhd and Ladang Setia Sdn Bhd and disclosure made pursuant to Section 134(12)(c) of the Companies Act, 1965 on shares held by family members.
- (5) Negligible.
- (6) Disclosure made pursuant to Section 134(12)(c) of the Companies Act, 1965 on shares held by a family member.
- (7) Deemed interested pursuant to Section 6A of the Companies Act, 1965 by virtue of shares held by Ladang Setia Sdn Bhd and disclosure made pursuant to Section 134(12)(c) of the Companies Act, 1965 on shares held by a family member.

Tan Sri Ong Leong Huat @ Wong Joo Hwa and Puan Sri Khor Chai Moi, by virtue of their interests in the shares of the Company, are also deemed to have an interest in the shares of all the Company's subsidiaries to the extent the Company has an interest.

**SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS IN THE COMPANY**

Name of Substantial Shareholder	Number of Ordinary Shares			
	Direct Interest	%*	Indirect Interest	%*
1. OSK Holdings Berhad	467,939,245	89.36	-	-
2. OSK Equity Holdings Sdn. Bhd.	-	-	467,939,245 <sup>(1)</sup>	89.36
3. Tan Sri Ong Leong Huat @ Wong Joo Hwa	-	-	467,939,245 <sup>(1)</sup>	89.36
4. Puan Sri Khor Chai Moi	-	-	467,939,245 <sup>(1)</sup>	89.36

Notes:

\* Excluding 4,778,300 treasury shares.

<sup>(1)</sup> Deemed interested pursuant to Section 6A of the Companies Act, 1965 by virtue of shares held by OSK Holdings Berhad.**30 LARGEST SHAREHOLDERS**

Name	No. of Shares	%*
1. RHB Nominees (Tempatan) Sdn Bhd Malaysian Trustees Berhad Pledged Securities Account for OSK Holdings Berhad	467,939,245	89.36
2. Maybank Nominees (Asing) Sdn Bhd Exempt AN for DBS Bank Limited (Client A/C)	2,530,000	0.48
3. Thzew Bee Choo	2,310,000	0.44
4. Tay Teck Ho	1,150,000	0.22
5. Akauntan Negara Malaysia	1,098,382	0.21
6. Goh Geok Choo	833,400	0.16
7. RHB Nominees (Asing) Sdn Bhd Pledged Securities Account for Lee Sui Hee	750,000	0.14
8. CIMSEC Nominees (Asing) Sdn Bhd Exempt AN for CIMB Securities (Singapore) Pte Ltd (Retail Clients)	656,960	0.13
9. JF Apex Nominees (Asing) Sdn Bhd Exempt AN for CIMB Securities (Singapore) Pte Ltd (A/C Client)	586,000	0.11

**30 LARGEST SHAREHOLDERS (CONT'D)**

<b>Name</b>	<b>No. of Shares</b>	<b>%*</b>
10. Tay Hau Tat	540,000	0.10
11. Lee Sek Tah	449,000	0.09
12. Ng Seong Hoong	433,000	0.08
13. Public Invest Nominees (Asing) Sdn Bhd Exempt AN for Phillip Securities Pte Ltd (Clients)	426,000	0.08
14. Tan Hock Hin	418,000	0.08
15. Teo Kwee Hock	340,100	0.06
16. Lee Hong Lok Connaught	300,000	0.06
17. Yeoh Phek Leng	284,000	0.05
18. HSBC Nominees (Asing) Sdn Bhd SMTBUSA for GIVI Global Equity Fund	267,800	0.05
19. Ching Kwong Yew	265,500	0.05
20. Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Koay Ean Chim (E-IMO)	235,000	0.04
21. Tey Ah Kau @ Tey Sin Pin	214,000	0.04
22. Affin Hwang Nominees (Tempatan) Sdn. Bhd. DBS Vickers Secs (S) Pte Ltd for Winston Jong Khi Min	200,000	0.04
23. Maybank Nominees (Tempatan) Sdn Bhd DBS Bank for Wong Koon Tatt (781812)	200,000	0.04
24. Yap Mui Cheng Angela	200,000	0.04
25. Citigroup Nominees (Asing) Sdn Bhd Exempt AN for OCBC Securities Private Limited (Client A/C-NR)	198,200	0.04
26. Haw Beng Wah	193,000	0.04

**30 LARGEST SHAREHOLDERS (CONT'D)**

<b>Name</b>	<b>No. of Shares</b>	<b>%*</b>
27. Affin Hwang Nominees (Asing) Sdn. Bhd. Phillip Securities Pte Ltd for Yap Ah Leng	180,000	0.03
28. Lim Wong Swee @ Lim Boon Chwee	180,000	0.03
29. Andrew Lim Cheong Seng	150,000	0.03
30. Chew Paik Yong @ Angeline Chew	150,000	0.03
<b>Total</b>	<b>483,677,587</b>	<b>92.36</b>

Notes:

\* Excluding 4,778,300 treasury shares.

# ANALYSIS OF WARRANTS HOLDINGS

AS AT 30 SEPTEMBER 2015

No. of Warrants C 2010/2020 issued : 213,811,972  
No. of unexercised Warrants C 2010/2020 : 141,509,787

## DISTRIBUTION OF WARRANTS HOLDINGS

Size of Holdings	No. of Holders	% of Holders	No. of Warrants Held	% of Unexercised Warrants
1 – 99	76	4.13	3,015	0.00
100 – 1,000	296	16.10	201,522	0.14
1,001 – 10,000	889	48.37	4,287,418	3.03
10,001 – 100,000	510	27.75	16,284,423	11.51
100,001 – 7,075,488*	65	3.54	17,376,094	12.28
7,075,489 and above**	2	0.11	103,357,315	73.04
	<b>1,838</b>	<b>100.00</b>	<b>141,509,787</b>	<b>100.00</b>

Remarks:

\* Less than 5% of the unexercised warrants.

\*\* 5% and above of the unexercised warrants.

## WARRANTS HOLDINGS OF DIRECTORS IN THE COMPANY

Name of Director	Direct Interest	Number of Warrants		%
			Indirect Interest	
1. Tan Sri Ong Leong Huat @ Wong Joo Hwa	-	-	95,626,315 <sup>(1)</sup>	67.58
2. Wong Chong Shee	-	-	-	-
3. Puan Sri Khor Chai Moi	-	-	95,626,315 <sup>(1)</sup>	67.58
4. Yap Yoon Kong	-	-	-	-
5. Ong Ju Xing	-	-	-	-
6. Foo San Kan	-	-	-	-
7. Dato' Abdul Rahman bin Yusof	-	-	-	-
8. Loy Tuan Bee	-	-	-	-

Notes:

<sup>(1)</sup> Deemed interested pursuant to Section 6A of the Companies Act, 1965 by virtue of warrants held by OSK Holdings Berhad.

**WARRANTS HOLDINGS OF DIRECTORS IN RELATED CORPORATIONS**

Name of Director & Related Corporation	Direct Interest	Number of Warrants		Indirect Interest	%
			%		
1. Tan Sri Ong Leong Huat @ Wong Joo Hwa's interest in:					
OSK Holdings Berhad	2,050,000	0.86	92,661,688 <sup>(1)</sup>	38.98	
OSK Property Holdings Berhad	-	-	17,188,436 <sup>(2)</sup>	90.63	
2. Puan Sri Khor Chai Moi's interest in:					
OSK Holdings Berhad	2,820,899	1.19	1,564,751 <sup>(3)</sup>	0.66	
OSK Property Holdings Berhad	-	-	17,188,436 <sup>(2)</sup>	90.63	
3. Wong Chong Shee's interest in:					
OSK Holdings Berhad	220,000	0.09	-	-	
4. Yap Yoon Kong's interest in:					
OSK Holdings Berhad	-	-	198,978 <sup>(4)</sup>	0.08	
5. Ong Ju Xing's interest in:					
OSK Holdings Berhad	141,207	0.06	-	-	
6. Loy Tuan Bee's interest in:					
OSK Holdings Berhad	15,000	0.01	-	-	

## Notes:

- (1) Deemed interested pursuant to Section 6A of the Companies Act, 1965 by virtue of warrants held by OSK Equity Holdings Sdn Bhd and Land Management Sdn Bhd and disclosure made pursuant to Section 134(12)(c) of the Companies Act, 1965 on warrants held by family members.
- (2) Deemed interested pursuant to Section 6A of the Companies Act, 1965 by virtue of warrants held by OSK Holdings Berhad.
- (3) Deemed interested pursuant to Section 6A of the Companies Act, 1965 by virtue of warrants held by Land Management Sdn Bhd and disclosure made pursuant to Section 134(12)(c) of the Companies Act, 1965 on warrants held by family members.
- (4) Disclosure made pursuant to Section 134(12)(c) of the Companies Act, 1965 on warrants held by a family member.



**30 LARGEST WARRANTS HOLDERS**

<b>Name</b>	<b>No. of Warrants</b>	<b>%</b>
1. RHB Nominees (Tempatan) Sdn Bhd Malaysian Trustees Berhad Pledged Securities Account for OSK Holdings Berhad	95,626,315	67.58
2. Lock Kai Sang	7,731,000	5.46
3. CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Ahmad bin Muhamed (PB)	1,253,500	0.89
4. Lim Guat Eyan	1,200,000	0.85
5. CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Siew Peng Kong (MY0559)	1,050,000	0.74
6. Toh Yew Peng	750,000	0.53
7. Wong Wai Meng	546,000	0.39
8. Gan Peoy Hong	497,000	0.35
9. Chan Ah Luan	490,000	0.35
10. Public Invest Nominees (Asing) Sdn Bhd Exempt AN for Phillip Securities Pte Ltd (Clients)	477,000	0.34
11. Lim Soo Hoon	416,700	0.29
12. Goh Cheah Hong	400,000	0.28
13. Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Koay Ean Chim (E-IMO)	400,000	0.28
14. RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Toh Yew Peng	400,000	0.28
15. Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Sia Ngo Hin (E-LBG)	376,800	0.27
16. Mui Kar Wai	355,500	0.25
17. RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Sin Sun	340,000	0.24

**30 LARGEST WARRANTS HOLDERS (CONT'D)**

<b>Name</b>	<b>No. of Warrants</b>	<b>%</b>
18. Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Tee Hooi	300,000	0.21
19. UOB Kay Hian Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Teong Leong	300,000	0.21
20. Maybank Nominees (Tempatan) Sdn Bhd Tham Sing Fong	275,000	0.19
21. Ng Chin Chuang	265,000	0.19
22. Ng Chin Chuang	235,000	0.17
23. Low Siew Ling	233,000	0.16
24. Low Mon Tong	220,000	0.16
25. Maybank Nominees (Tempatan) Sdn Bhd Teo Sang Zen	210,800	0.15
26. Koh Eng Hong	209,500	0.15
27. Haw Wei Sheng	200,000	0.14
28. Ng Choon Chuy	200,000	0.14
29. RHB Capital Nominees (Tempatan) Sdn Bhd Toh Yew Peng	200,000	0.14
30. Toh Yew Peng	200,000	0.14
<b>Total</b>	<b>115,358,115</b>	<b>81.52</b>

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

**No. of Shares held**

**CDS Account No.**

# FORM OF PROXY

I/We .....  
(PLEASE USE BLOCK LETTERS)

\*NRIC No./Passport No./Company No. .... of .....

being a member/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 Fiftieth 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 Wednesday, 18 November 2015 at 10.00 a.m. and at any adjournment thereof, in the manner indicated below:

No.	Agenda	Resolution	For	Against
1.	To approve the payment of Directors' fees of RM340,000.00 for the financial year ended 30 June 2015.	1		
2.	To re-elect Puan Sri Khor Chai Moi who retires in accordance with Article 114 of the Company's Articles of Association and being eligible, offers herself for re-election.	2		
3.	To re-elect Mr. Loy Tuan Bee who retires in accordance with Article 114 of the Company's Articles of Association and being eligible, offers himself for re-election.	3		
4.	To re-elect Mr. Ong Ju Yan who retires in accordance with Article 101 of the Company's Articles of Association and being eligible, offers himself for re-election.	4		
5.	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.	5		
6.	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.	6		
7.	Authority to Issue Shares	7		
8.	Proposed Renewal of RRPT Mandate	8		

(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 ..... 2015

\* Delete if not applicable

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

## Notes:

- In respect of deposited securities, only members whose names appear in the Record of Depositors on 12 November 2015 ("General Meeting Record of Depositors") are entitled to attend, speak and vote at the Fiftieth Annual General Meeting of the Company to be held on 18 November 2015.
- 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 appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each 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.
- 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.
- 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.
- 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 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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**[www.pjd.com.my](http://www.pjd.com.my)**

**PJ Development Holdings Berhad**  
(Company No. 5938-A) (Incorporated in Malaysia)

18th Floor, Plaza OSK, Jalan Ampang  
50450 Kuala Lumpur, Malaysia  
**Tel :** 603 - 2162 1111      **Fax :** 603 - 2163 3336