



# FINANCIAL STATEMENTS

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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 2009.

### PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding, property investment and provision of management services to subsidiaries. The principal activities of the subsidiaries are set out in Note 11 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	22,686	12,257
Attributable to:		
Equity holders of the Company	22,623	12,257
Minority interest	63	-
	22,686	12,257

### DIVIDENDS

Since the end of the previous financial year, the Company paid a first and final dividend of 5 sen per ordinary share, less tax of 25%, amounting to RM17,087,000 in respect of the financial year ended 30 June 2008 on 18 February 2009.

The Directors propose a first and final dividend of 3 sen per ordinary share, less tax, amounting to RM10,252,000 in respect of the financial year ended 30 June 2009, subject to the approval of members at the forthcoming Annual General Meeting.

### RESERVES AND PROVISIONS

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

### ISSUE OF SHARES AND DEBENTURES

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

### SHARES REPURCHASED

During the financial year, the Company repurchased 275,000 shares of RM1.00 each of its issued and paid-up share capital from the open market for a total consideration of RM162,000. The shares repurchased were not subsequently cancelled and have been classified as treasury shares which were presented as a deduction from total equity. None of the treasury shares has 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 B.

## DIRECTORS' REPORT

### OPTIONS GRANTED OVER UNISSUED SHARES (CONTINUED)

#### Warrants

##### Warrants B

Pursuant to the Rights Issue which was completed on 31 October 2000, the Company issued 171,049,587 new ordinary shares of RM1.00 each at par together with 114,032,898 detachable warrants ("Rights Warrants") at no cost on the basis of three (3) Rights Shares together with two (2) Rights Warrants attached thereto for every five (5) existing ordinary shares of RM1.00 each held.

The exercise price of each Rights Warrant shall be RM1.10 per ordinary share for the first five (5) years of the exercise period and RM1.20 thereafter for the subsequent five (5) years or such adjusted price as may for the time being be applicable subject to the Deed Poll dated 14 August 2000. The exercise period shall commence from the date of issue of the Rights Warrants and will expire on 29 October 2010 at 5.00 p.m..

As at 30 June 2009, 114,032,898 Warrants B have yet to be converted to ordinary shares.

#### DIRECTORS

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

Mohamed Zain bin Mohamed Yusoff  
 Wong Ah Chiew  
 Wong Chong Shee  
 Khor Chai Moi  
 Yap Yoon Kong  
 YM Ungku Haji Mohd. Afandi bin Ungku Suleiman  
 Au Chun Choong

#### 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 (other than wholly-owned subsidiaries) during the financial year ended 30 June 2009 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 30.6.2009
	Balance as at 1.7.2008	Bought	Sold	
<b>Shares in the Company</b>				
Direct interests:				
Wong Ah Chiew	2,376,000	-	-	2,376,000
Wong Chong Shee	3,000,000	-	-	3,000,000
Khor Chai Moi	26,940,166	1,500,000	-	28,440,166
Indirect interests:				
Wong Ah Chiew *	94,097,681	-	-	94,097,681
Khor Chai Moi **	104,124,841	817,000	(1,500,000)	103,441,841
Yap Yoon Kong***	376,500	-	-	376,500

## DIRECTORS' REPORT

## DIRECTORS' INTERESTS (CONTINUED)

	Number of Warrant B			Balance as at 30.6.2009
	Balance as at 1.7.2008	Bought	Sold	
<b>Warrants B in the Company</b>				
Direct interests:				
Wong Ah Chiew	402,000	-	-	402,000
Wong Chong Shee	33	-	-	33
Khor Chai Moi	11,692,829	-	-	11,692,829
Indirect interests:				
Wong Ah Chiew ****	31,593,392	-	-	31,593,392
Khor Chai Moi *****	33,427,232	-	-	33,427,232

\* By virtue of shares held by Dindings Consolidated Sdn. Bhd., Elegant Preference Sdn. Bhd., Jian Qi Holdings Sdn. Bhd. and through nominees.

\*\* By virtue of shares held by Dindings Consolidated Sdn. Bhd., Ladang Setia Sdn. Bhd., family members and through nominees.

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

\*\*\*\* By virtue of warrants held by Dindings Consolidated Sdn. Bhd..

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

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

None of the other Directors holding office at the end of the financial year held any interest in the shares 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 interests, except for any benefit which may be deemed to have arisen by virtue of those transactions as disclosed in Note 37 to the financial statements.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## DIRECTORS' REPORT

### OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

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

- (a) Before the income statements and balance sheets 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, other than debts which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature except for the impairment losses of goodwill in a subsidiary of the Group amounting RM1,023,000 as disclosed in Note 8 to the financial statements.

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

- (c) The Directors are not aware of any circumstances:
- (i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent; and
  - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
  - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (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 (12) months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

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

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

**DIRECTORS' REPORT****SIGNIFICANT EVENT DURING THE FINANCIAL YEAR**

During the financial year, the Group undertook an internal restructuring exercise to streamline the efficiency of the group corporate structure. The restructuring was completed on 1 November 2008.

**SIGNIFICANT EVENT SUBSEQUENT TO THE BALANCE SHEET DATE**

On 24 September 2009, the Company had completed the acquisition of the entire issued and paid-up share capital comprising 4 ordinary shares of RM0.50 each in a new subsidiary, OCC Cables Berhad, a company incorporated in Malaysia, for cash consideration of RM2.

**AUDITORS**

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

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

**Wong Ah Chiew**  
Director

**Wong Chong Shee**  
Director

Kuala Lumpur  
7 October 2009

## STATEMENT BY **DIRECTORS**

In the opinion of the Directors, the financial statements set out on pages 57 to 136 have been drawn up in accordance with applicable approved Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2009 and of the results of the operations of the Group and of the Company and of the cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

**Wong Ah Chiew**  
Director

Kuala Lumpur  
7 October 2009

**Wong Chong Shee**  
Director

## STATUTORY **DECLARATION**

I, Yap Yoon Kong, being the Director primarily responsible for the financial management of PJ Development Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 57 to 136 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 7 October 2009.

**Yap Yoon Kong**

Before me:

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

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF **PJ DEVELOPMENT HOLDINGS BERHAD**

### **Report on the Financial Statements**

We have audited the financial statements of PJ Development Holdings Berhad, which comprise the balance sheets as at 30 June 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 57 to 136.

#### *Directors' Responsibility for the Financial Statements*

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with applicable approved Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditors' Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our 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 Company's preparation and fair presentation of the financial statements 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

#### *Opinion*

In our opinion, the financial statements have been properly drawn up in accordance with applicable approved Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2009 and of the results of the operations of the Group and of the Company and of the cash flows of the Group and of the Company for the financial year then ended.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF **PJ DEVELOPMENT HOLDINGS BERHAD** (CONTINUED)

### **Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act, 1965, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 11 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purpose of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

### **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 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

#### **BDO Binder**

AF : 0206  
Chartered Accountants

#### **Gan Hock Soon**

2853/07/10(J)  
Partner

Kuala Lumpur  
7 October 2009

## BALANCE SHEETS as at 30 June 2009

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	7	391,106	402,310	567	578
Intangible assets	8	5,592	6,615	-	-
Prepaid lease payments for land	9	12,614	7,664	-	-
Investment properties	10	34,129	11,804	-	-
Investments in subsidiaries	11	-	-	479,657	423,857
Investments in associates	12	44,615	103,231	-	-
Other investments	13	46,261	46,486	-	-
Land held for property development	14	140,654	117,748	-	-
Deferred tax assets	15	3,394	3,752	-	-
Trade and other receivables	16	42,825	42,347	-	242,774
		721,190	741,957	480,224	667,209
<b>Current assets</b>					
Property development costs	17	331,302	289,672	-	-
Inventories	18	38,058	34,113	-	-
Trade and other receivables	16	223,553	265,341	263,974	541
Current tax asset		4,228	4,696	2,904	3,106
Cash and cash equivalents	19	85,071	56,821	1,387	6,215
		682,212	650,643	268,265	9,862
<b>TOTAL ASSETS</b>		1,403,402	1,392,600	748,489	677,071
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to equity holders of the Company</b>					
Share capital	20	456,132	456,132	456,132	456,132
Treasury shares	20	(266)	(104)	(266)	(104)
Reserves	21	331,399	336,804	87,472	92,302
		787,265	792,832	543,338	548,330
<b>Minority interests</b>		164	101	-	-
<b>TOTAL EQUITY</b>		787,429	792,933	543,338	548,330

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

## BALANCE SHEETS as at 30 June 2009

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Borrowings	22	177,151	120,565	12,005	16,149
Deferred income	24	38,292	34,955	-	-
Trade and other payables	25	4,797	4,413	-	41,296
Deferred tax liabilities	15	16,827	12,164	-	-
		237,067	172,097	12,005	57,445
<b>Current liabilities</b>					
Deferred income	24	2,610	2,261	-	-
Trade and other payables	25	197,729	212,367	141,069	14,531
Borrowings	22	175,368	207,851	52,077	56,765
Current tax payable		3,199	5,091	-	-
		378,906	427,570	193,146	71,296
<b>TOTAL LIABILITIES</b>		615,973	599,667	205,151	128,741
<b>TOTAL EQUITY AND LIABILITIES</b>		1,403,402	1,392,600	748,489	677,071

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

## INCOME STATEMENTS for the financial year ended 30 June 2009

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Revenue	28	628,485	680,029	24,691	33,773
Cost of sales and services	29	(485,188)	(502,556)	(6,954)	(6,756)
Gross profit		143,297	177,473	17,737	27,017
Other income		9,386	8,734	2,159	2,882
Administrative expenses		(24,338)	(24,662)	(753)	(776)
Other expenses		(84,589)	(85,187)	(832)	(2,580)
Finance costs		(8,707)	(10,814)	(5,455)	(7,280)
Share of profit of associates		2,384	57,022	-	-
Profit before tax	30	37,433	122,566	12,856	19,263
Tax expense	31	(14,747)	(20,809)	(599)	(1,753)
Profit for the financial year		22,686	101,757	12,257	17,510
Attributable to:					
Equity holders of the Company		22,623	101,794	12,257	17,510
Minority interest		63	(37)	-	-
		22,686	101,757	12,257	17,510
Basic earnings per ordinary share (sen)	32	4.96	22.32		

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY** for the financial year ended 30 June 2009

Attributable to equity holders of the Company									
Group	Note	Share capital RM'000	Share premium RM'000	Exchange translation reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000	Minority interest RM'000	Total equity RM'000
Balance at 1 July 2007		456,132	39,773	(1,459)	(40)	207,380	701,786	299	702,085
Foreign currency translations		-	-	6,189	-	-	6,189	(161)	6,028
Net gains recognised directly in equity		-	-	6,189	-	-	6,189	(161)	6,028
Profit for the financial year		-	-	-	-	101,794	101,794	(37)	101,757
Repurchase of shares	20	-	-	-	(64)	-	(64)	-	(64)
Dividend paid to shareholders	33	-	-	-	-	(16,873)	(16,873)	-	(16,873)
Balance at 30 June 2008		456,132	39,773	4,730	(104)	292,301	792,832	101	792,933
Foreign currency translations		-	-	(10,941)	-	-	(10,941)	-	(10,941)
Net losses recognised directly in equity		-	-	(10,941)	-	-	(10,941)	-	(10,941)
Profit for the financial year		-	-	-	-	22,623	22,623	63	22,686
Repurchase of shares	20	-	-	-	(162)	-	(162)	-	(162)
Dividend paid to shareholders	33	-	-	-	-	(17,087)	(17,087)	-	(17,087)
Balance at 30 June 2009		456,132	39,773	(6,211)	(266)	297,837	787,265	164	787,429

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

## STATEMENT OF CHANGES IN EQUITY for the financial year ended 30 June 2009

Company	Note	Non-Distributable		— Distributable —		Total RM'000
		Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Retained earnings RM'000	
Balance at 1 July 2007		456,132	39,773	(40)	51,892	547,757
Repurchase of shares	20	-	-	(64)	-	(64)
Profit for the financial year		-	-	-	17,510	17,510
Dividend paid to shareholders	33	-	-	-	(16,873)	(16,873)
Balance at 30 June 2008		456,132	39,773	(104)	52,529	548,330
Repurchase of shares	20	-	-	(162)	-	(162)
Profit for the financial year		-	-	-	12,257	12,257
Dividend paid to shareholders	33	-	-	-	(17,087)	(17,087)
Balance at 30 June 2009		456,132	39,773	(266)	47,699	543,338

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

## CASH FLOW STATEMENTS for the financial year ended 30 June 2009

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit before tax		37,433	122,566	12,856	19,263
Adjustments for:					
Allowance for doubtful debts		2,150	3,943	-	-
Allowance for diminution in value of other investments		-	6,956	-	-
Allowance for doubtful debts no longer required		(25)	(96)	-	-
Allowance for likely withdrawal no longer required		-	(75)	-	-
Amortisation of prepaid lease payments for land	9	178	143	-	-
Bad debts written off		2	114	-	-
Depreciation of investment properties	10	222	131	-	-
Depreciation of property, plant and equipment	7	15,780	19,295	208	120
Dividend income		(2,387)	(5,608)	(21,391)	(30,473)
Gain on disposal of investment properties		-	(161)	-	-
Gain on disposal of other investments		-	(221)	-	-
Gain on disposal of subsidiaries	36	-	(33)	-	-
Impairment loss on investments in subsidiaries		-	-	-	2,000
Impairment loss on goodwill on consolidation	8	1,023	-	-	-
Interest expense		8,707	10,814	5,455	7,280
Interest income		(3,717)	(1,420)	(2,101)	(2,882)
Inventories written off		2	75	-	-
Inventories written down		3,934	3,984	-	-
Net (gain)/loss on disposal of property, plant and equipment		(187)	(250)	3	-
Property, plant and equipment written off	7	745	414	-	1
Quoted warrants written off		225	-	-	-
Share of profit of associates		(2,384)	(57,022)	-	-
Unrealised loss on foreign exchange		123	-	-	-
Operating profit/(loss) before changes in working capital		61,824	103,549	(4,970)	(4,691)
Changes in working capital:					
Inventories		9,802	1,131	-	-
Property development costs and land held for property development		(71,394)	(49,007)	-	-
Trade and other receivables		32,754	(40,301)	(37)	114
Trade and other payables		(9,596)	50,361	997	(1,810)
Cash generated from/(used in) operating activities		23,390	65,733	(4,010)	(6,387)
Tax paid		(10,538)	(18,786)	-	-
Tax refunded		-	1,926	1,885	1,843
Net cash from/(used in) operating activities		12,852	48,873	(2,125)	(4,544)

## CASH FLOW STATEMENTS for the financial year ended 30 June 2009 (CONTINUED)

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Acquisition of a subsidiary, net of cash acquired	35	-	(17,423)	-	-
Disposal of a subsidiary, net of cash disposed	36	-	(460)	-	-
Dividends received		58,277	4,122	19,109	27,544
(Increase)/Decrease in pledged deposits placed with licensed banks		(688)	2,136	-	-
Interest received		3,717	1,420	2,101	2,882
Proceeds from disposal of property, plant and equipment		536	659	10	57
Proceeds from disposal of investment properties		-	2,241	-	-
Proceeds from disposal of other investments		-	510	-	-
Purchase of investment properties	10	(6,195)	-	-	-
Purchase of property, plant and equipment	7	(28,925)	(43,300)	(210)	(484)
Purchase of other investments		-	(3,212)	-	-
Repayment by subsidiaries		-	-	12,123	33,263
Subscription of shares in subsidiaries		-	-	(4,300)	-
Net cash from/(used in) investing activities		26,722	(53,307)	28,833	63,262
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Interest paid		(19,532)	(16,341)	(5,455)	(7,280)
Dividend paid to shareholders of the Company	33	(17,087)	(16,873)	(17,087)	(16,873)
Drawdown of loans and borrowings		222,573	195,275	-	-
Repayments of loans and borrowings		(174,618)	(159,886)	(8,606)	(29,188)
Repurchase of shares	20	(162)	(64)	(162)	(64)
Net cash from/(used in) financing activities		11,174	2,111	(31,310)	(53,405)
Net increase/(decrease) in cash and cash equivalents		50,748	(2,323)	(4,602)	5,313
Effect of exchange rate fluctuations on cash held		790	34	-	-
Cash and cash equivalents at beginning of financial year		11,722	14,011	5,989	676
Cash and cash equivalents at end of financial year	19	63,260	11,722	1,387	5,989

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

**NOTES TO THE FINANCIAL STATEMENTS** 30 June 2009**1. CORPORATE INFORMATION**

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

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

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

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 7 October 2009.

**2. PRINCIPAL ACTIVITIES**

The Company is principally engaged in investment holding, property investment and provision of management services to subsidiaries. The principal activities of the subsidiaries are set out in Note 11 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

**3. BASIS OF PREPARATION**

The financial statements of the Group and of the Company have been prepared in accordance with applicable approved Financial Reporting Standards ("FRSs") in Malaysia and the provisions of the Companies Act, 1965.

**4. SIGNIFICANT ACCOUNTING POLICIES****4.1 Basis of accounting**

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

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

**4.2 Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries made up to the end of the financial year using the purchase method of accounting.

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

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****4.2 Basis of consolidation (continued)**

At the acquisition date, the cost of business combination is allocated to identifiable assets acquired, liabilities assumed and contingent liabilities in the business combination which are measured initially at their fair values at the acquisition date. The excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill (see Note 4.9 to the financial statements on goodwill). If the cost of business combination is less than the interest in the net fair value of the identifiable assets, liabilities and contingent liabilities, the Group will:

- (a) reassess the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the business combination; and
- (b) recognise immediately in profit or loss any excess remaining after that reassessment.

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

Subsidiaries are consolidated from the acquisition date, which is the date on which the Group effectively obtains control, until the date on which the Group ceases to control the subsidiaries. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the existence and effect of potential voting rights that are currently convertible or exercisable are taken into consideration.

Intragroup balances, transactions and unrealised gains and losses on intragroup transactions are eliminated in full. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. If a subsidiary uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to its financial statements in preparing the consolidated financial statements.

The gain or loss on disposal of a subsidiary, which is the difference between the net disposal proceeds and the Group's share of its net assets as of the date of disposal including the carrying amount of goodwill and the cumulative amount of any exchange differences that relate to the subsidiary, is recognised in the consolidated income statement.

Minority interest is the portion of the profit or loss and the net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the Group. It is measured at the minority's share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minority's share of changes in the subsidiaries' equity since that date.

Where losses applicable to the minority in a subsidiary exceed the minority's interest in the equity of that subsidiary, the excess and any further losses applicable to the minority are allocated against the Group's interest except to the extent that the minority has a binding obligation and is able to make additional investment to cover the losses. If the subsidiary subsequently reports profits, such profits are allocated to the Group's interest until the minority's share of losses previously absorbed by the Group has been recovered.

Minority interest is presented in the consolidated balance sheet within equity and is presented in the consolidated statement of changes in equity separately from equity attributable to equity holders of the Company.

Minority interest in the results of the Group is presented in the consolidated income statement as an allocation of the total profit or loss for the financial year between minority interest and equity holders of the Company.

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****4.2 Basis of consolidation (continued)**

Changes in the Company's ownership in a subsidiary that do not result in a loss of control are accounted for as equity transactions. If the Company loses control of a subsidiary, the assets and liabilities of the subsidiary are derecognised at their carrying amounts at the date when control is lost and any resulting difference with the fair value of the consideration received will be recognised in profit and loss.

**4.3 Property, plant and equipment and depreciation**

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement 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.

Property that is being constructed for future use as investment property is accounted as property, plant and equipment until construction or development is complete, at which time it will be reclassified as investment property based on the carrying amount at the date of transfer.

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

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

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

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

Freehold hotel properties	Over the remaining useful life of 36 – 42 years
Leasehold hotel properties	Over the remaining useful life of 43 years
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	5 – 10 years
Computers	3 – 5 years

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****4.3 Property, plant and equipment and depreciation (continued)**

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

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

At each balance sheet date, 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 4.10 to the financial statements on impairment of assets).

The residual values, useful lives and depreciation method are reviewed at each financial year end 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 the income statement and the revaluation surplus related to those assets, if any, is transferred directly to retained earnings.

**4.4 Leases and hire purchase**

## (a) Finance leases and hire purchase

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

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

## (b) Operating leases

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

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

## NOTES TO THE FINANCIAL STATEMENTS 30 June 2009

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 4.4 Leases and hire purchase (continued)

##### (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.

Leasehold land that normally has an indefinite economic life and where the lease does not transfer substantially all the risk and rewards incidental to ownership is treated as an operating lease. The lump-sum upfront payments made on entering into or acquiring leasehold land are accounted for as prepaid lease payments and are amortised over the lease term on a straight-line basis.

The buildings element is classified as a finance or operating lease in accordance with Note 4.4(a) or Note 4.4(b) to the financial statements. If the lease payment cannot be allocated reliably between these two elements, the entire lease is classified as a finance lease, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating 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.

The prepaid lease payments are amortised over the lease term ranging from 49 years to 91 years.

#### 4.5 Property development activities

##### (a) Land held for property development

Land held for property development is stated at cost less accumulated 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.

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****4.5 Property development activities (continued)**

## (b) Property development costs (continued)

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

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

**4.6 Construction contracts**

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

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

**4.7 Investment properties**

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

Investment properties are stated at cost less accumulated depreciation and any impairment losses, consistent with the accounting policy for property, plant and equipment as stated in Note 4.3 to the financial statements.

For buildings, depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of 50 years. Freehold land is not depreciated.

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

**4.8 Investments**

## (a) Subsidiaries

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

An investment in subsidiary, which is eliminated on consolidation, is stated in the Company's separate financial statements at cost less impairment losses, if any. On disposal of such an investment, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS** 30 June 2009**4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****4.8 Investments (continued)**

## (b) Associates

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

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

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 balance sheet is initially recognised at cost and adjusted thereafter for the post acquisition change in the Group's share of net assets of the investment.

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

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

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

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

The most recent available financial statements of the associate are used by the Group in applying the equity method. Where the reporting dates 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 reporting dates is no more than three (3) months. Adjustments are made for the effects of any significant transactions or events that occur between the intervening period.

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

## (c) Other investments

Non-current investments other than investments in subsidiaries, associates and investment properties are stated at cost and an allowance for diminution in value is made where, in the opinion of the Directors, there is a decline other than temporary in the value of such investments. Where there has been a decline other than temporary in the value of an investment, such a decline is recognised as an expense in the period in which the decline is identified.

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****4.8 Investments (continued)**

## (c) Other investments (continued)

All current investments are carried at the lower of cost and market value, determined on an aggregate portfolio basis by category of investments.

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

**4.9 Intangible assets*****Goodwill***

Goodwill acquired in a business combination is recognised as an asset at the acquisition date and is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. 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 value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

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

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

**4.10 Impairment of assets**

The carrying amount of assets, except for financial assets (excluding investments in subsidiaries and associates), inventories, assets arising from construction contract, property development costs and deferred tax assets, are reviewed at each balance sheet date 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 probable to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ("CGU") to which the asset belongs. Goodwill acquired in a business combination is from the acquisition date, allocated to each of the Group's CGU or groups of CGU that are expected to benefit from the synergies of the combination giving rise to the goodwill irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

**NOTES TO THE FINANCIAL STATEMENTS** 30 June 2009**4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****4.10 Impairment of assets (continued)**

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

In estimating the value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in the income statement 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 the income statement immediately except for the impairment on a revalued asset where the impairment loss is recognised directly against the revaluation reserve to the extent of the surplus credited from the previous revaluation for the same asset with the excess of the impairment loss charged to the income statement.

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

**4.11 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 and a proportion of production overheads based on normal operating capacity of the production facilities.

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

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****4.12 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.

**4.12.1 Financial instruments recognised on the balance sheets**

Financial instruments are recognised on the balance sheet, when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and losses and gains relating to a financial instrument or a component that is a financial liability shall be recognised as income or expense in profit or loss. Distributions to holders of an equity instrument are debited directly to equity, net of any related tax effect. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

**(a) Receivables**

Trade receivables and other receivables, including any amounts owing by associates and related parties, are classified as loans and receivables under FRS 132, *Financial Instruments: Disclosure and Presentation*.

Receivables are carried at anticipated realisable value. Known bad debts are written off and specific allowance is made for debts considered to be doubtful of collection.

Receivables are not held for trading purposes.

**(b) Cash and cash equivalents**

Cash and cash equivalents include cash and bank balances, deposits with licensed financial institutions and other short term, highly liquid investments with original maturities of three (3) months or less, which are readily convertible to cash and are subject to insignificant risk of changes in value. For the purpose of the cash flow statements, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

**(c) Payables**

Liabilities for trade and other amounts payable, including any amounts owing to associates and related parties, are measured initially and subsequently at the consideration to be paid in the future for goods and services received. Payables are recognised when there is a contractual obligation to deliver cash or another financial asset to another entity.

**NOTES TO THE FINANCIAL STATEMENTS** 30 June 2009**4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****4.12 Financial instruments (continued)**

## 4.12.1 Financial instruments recognised on the balance sheets (continued)

## (d) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

## (e) 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 the income statement.

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

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

## 4.12.2 Financial instruments not recognised on the balance sheets

There are no financial instruments not recognised on the balance sheets.

**4.13 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 the income statement. 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 cost is recognised in profit or loss in the period in which they are incurred.

**4.14 Income taxes**

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

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

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****4.14 Income taxes (continued)**

## (a) Current tax

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

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

## (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 balance sheet and its tax base.

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

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

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

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

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

**4.15 Provisions**

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS** 30 June 2009**4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****4.16 Contingent liabilities and contingent assets**

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

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

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

**4.17 Employee benefits**

## 4.17.1 Short term employee benefits

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

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

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

## 4.17.2 Defined contribution plans

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

**4.18 Foreign currencies**

## 4.18.1 Functional and presentation currency

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

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****4.18 Foreign currencies (continued)**

## 4.18.2 Foreign currency transactions and balances

Transactions in foreign currencies are converted into functional currency of the respective subsidiaries at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the balance sheet date are translated into functional currency of the respective subsidiaries at rates of exchange ruling at that date unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. 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 the 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.

## 4.18.3 Foreign operations

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

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

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 balance sheet date.

**4.19 Revenue recognition**

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

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

## (a) Sale of goods

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

## (b) Services

*Hotel and golf course*

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

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****4.19 Revenue recognition (continued)**

## (b) Services (continued)

*Property investment and property management services*

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

*Management and operation of timeshare membership scheme*

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

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

## (c) Construction contracts

Contract revenue and expenses are recognised in the income statement 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.

## (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 balance sheet date. 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.

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****4.19 Revenue recognition (continued)**

- (e) Completed properties held for sale

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

- (f) Dividend income

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

- (g) Interest income

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

- (h) Rental income

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

- (i) Management fees

Management fees are recognised when services are rendered.

**4.20 Segment reporting**

Segment reporting is presented for enhanced assessment of the Group's risks and returns. Business segments provide products or services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environments.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transactions are between Group enterprises within a single segment.

**5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs****5.1 New FRSs not adopted**

- (a) FRS 8 *Operating Segment* and the consequential amendments resulting from FRS 8 are mandatory for annual financial periods beginning on or after 1 July 2009.

FRS 8 sets out the requirements for disclosure of information on an entity's operating segments, product and services, the geographical areas in which it operates and its customers.

The requirements of this Standard are based on the information about the components of the entity that management uses to make decision about operating matters. This Standard requires identification of operating segments on the basis of internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and assess its performance.

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONTINUED)****5.1 New FRSs not adopted (continued)**

- (a) FRS 8 *Operating Segment* and the consequential amendments resulting from FRS 8 are mandatory for annual financial periods beginning on or after 1 July 2009. (continued)

The Standard also requires the amount reported for each operating segment item to be the measure reported to the chief operating decision maker for the purposes of allocating resources to the segment and assessing its performance. Segment information for prior years that is reported as comparative information for the initial year of application would be restated to conform to the requirements of this Standard.

However, the Group is in the process of assessing the impact of impairment on cash-generating units based on the new definition of operating segments and would only be able to provide further information in the interim financial statements followed by the next annual consolidated financial statements.

- (b) FRS 4 *Insurance Contracts* and the consequential amendments resulting from FRS 4 are mandatory for annual financial periods beginning on or after 1 January 2010. FRS 4 replaces the existing FRS 202<sub>2004</sub> *General Insurance Business* and FRS 203<sub>2004</sub> *Life Insurances Business*.

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

FRS 4 is not relevant to the Group's operations.

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

The standard applies to all risks arising from a wide array of financial instruments and requires the disclosure of the significance of financial instruments for an entity's financial position and performance. By virtue of the exemption provided under paragraph 44AB of FRS 7, the impact of applying FRS 7 on the consolidated financial statements upon first adoption of the FRS as required by paragraph 30(b) of FRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors* is not disclosed.

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

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

The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this Standard.

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONTINUED)****5.1 New FRSs not adopted (continued)**

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

This Standard establishes the principles for the recognition and measurement of financial assets and financial liabilities including circumstances under which hedge accounting is permitted. By virtue of the exemption provided under paragraph 103AB of FRS 139, the impact of applying FRS 139 on the consolidated financial statements upon first adoption of the FRS as required by paragraph 30(b) of FRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors* is not disclosed.

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

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

FRS 2 is not relevant to the Group's operations.

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

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

The Group does not expect any material impact on the consolidated financial statements arising from the adoption of these amendments.

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

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

The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this Interpretation.

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

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

The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this Interpretation.

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONTINUED)****5.1 New FRSs not adopted (continued)**

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

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

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

IC Interpretation 11 *FRS 2* is not relevant to the Group's operations.

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

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

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

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

IC Interpretation 13 is not relevant to the Group's operations.

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

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

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

The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this Interpretation.

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONTINUED)****5.1 New FRSs not adopted (continued)**

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

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

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

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

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

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

Apart from the new presentation and disclosure requirements described, the Group does not expect any other material impact on the consolidated financial statements arising from the adoption of this Standard.

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

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

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

By virtue of the exemptions provided under paragraphs 103AB of FRS 139 and 44AB of FRS 7, the impact of applying these amendments on the consolidated financial statements upon first adoption of the FRS 139 and FRS 7 respectively as required by paragraph 30(b) of FRS 108 are not disclosed. However, the Group does not expect any material impact on the consolidated financial statements arising from the adoption of these amendments.

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONTINUED)****5.1 New FRSs not adopted (continued)**

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

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

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

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

Amendment to FRS 5 *Non-current Assets Held for Sale and Discontinued Operations* clarifies that the disclosure requirements of this FRS specifically apply to non-current assets (or disposal groups) classified as held for sale or discontinued operations.

FRS 5 is not relevant to the Group's operations.

Amendment to FRS 8 clarifies the consistency of disclosure requirement for information about profit or loss, assets and liabilities. The Group does not expect any impact on the consolidated financial statements arising from the adoption of this amendment.

Amendment to FRS 107 *Statement of Cash Flows* clarifies the classification of cash flows arising from operating activities and investing activities. Cash payments to manufacture or acquire assets held for rental to others and subsequently held for sale, and the related cash receipts, shall be classified as cash flows from operating activities. Expenditures that result in a recognised asset in the statement of financial position are eligible for classification as cash flows from investing activities. The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this amendment.

Amendment to FRS 108 clarifies that only Implementation Guidance issued by the MASB that are integral parts of FRSs is mandatory. The Group does not expect any impact on the consolidated financial statements arising from the adoption of this amendment.

Amendment to FRS 110 *Events after the Reporting Period* clarifies the rationale for not recognising dividends declared after the reporting date but before the financial statements are authorised for issue. The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this amendment.

Amendment to FRS 116 *Property, Plant and Equipment* removes the definition pertaining the applicability of this Standard to property that is being constructed or developed for future use as investment property but do not yet satisfy the definition of 'investment property' in FRS 140 *Investment Property*. This amendment also replaces the term 'net selling price' with 'fair value less costs to sell', and clarifies that proceeds arising from routine sale of items of property, plant and equipment shall be recognised as revenue in accordance with FRS 118 *Revenue* rather than FRS 5. The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this amendment.

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONTINUED)****5.1 New FRSs not adopted (continued)**

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

Amendment to FRS 117 removes the classification of leases of land and of buildings, and instead, requires assessment of classification based on the risks and rewards of the lease itself. The reassessment of land elements of unexpired leases shall be made prospectively in accordance with FRS 108. As at the reporting date, the Group has carrying amount of prepaid lease payments for land of RM12,614,000 (see Note 9 to the financial statements). The Group expects to reclassify the prepaid lease payments for land as land held in accordance with FRS 116 upon adoption of this amendment and shall present a statement of financial position as at the beginning of the earliest comparative period in accordance with FRS 101.

Amendment to FRS 118 clarifies reference made on the term 'transaction costs' to the definition in FRS 139. The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this amendment.

Amendment to FRS 119 *Employee Benefits* clarifies the definitions in the Standard by consistently applying settlement dates within twelve (12) months in the distinction between short-term employee benefits and other long-term employee benefits. This amendment also provides additional explanations on negative past service cost and curtailments. The Group does not expect any impact on the consolidated financial statements arising from the adoption of this amendment.

Amendment to FRS 120 *Accounting for Government Grants and Disclosure of Government Assistance* streamlines the terms used in the Standard in accordance with the new terms used in FRS 101.

FRS 120 is not relevant to the Group's operations.

Amendment to FRS 123 clarifies that interest expense calculated using the effective interest rate method described in FRS 139 qualifies for recognition as borrowing costs. The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this amendment.

Amendment to FRS 127 *Consolidated and Separate Financial Statements* clarifies that investments measured at cost shall be accounted for in accordance with FRS 5 when they are held for sale in accordance with FRS 5. The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this amendment.

Amendment to FRS 128 *Investments in Associates* clarifies that investments in associates held by venture capital organisations, or mutual funds, unit trusts and similar entities shall make disclosures on the nature and extent of any significant restrictions on the ability of associates to transfer funds to the investor in the form of cash dividends, or repayment of loans or advances. This amendment also clarifies that impairment loss recognised in accordance with FRS 136 *Impairment of Assets* shall not be allocated to any asset, including goodwill, that forms the carrying amount of the investment. Accordingly, any reversal of that impairment loss shall be recognised in accordance with FRS 136. The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this amendment.

Amendment to FRS 129 *Financial Reporting in Hyperinflationary Economies* streamlines the terms used in the Standard in accordance with the new terms used in FRS 101. This amendment also clarifies that assets and liabilities that are measured at fair value are exempted from the requirement to apply historical cost basis of accounting.

FRS 129 is not relevant to the Group's operations.

## NOTES TO THE FINANCIAL STATEMENTS 30 June 2009

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

#### 5.1 New FRSs not adopted (continued)

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

Amendment to FRS 131 *Interests in Joint Ventures* clarifies that venturers' interests in jointly controlled entities held by venture capital organisations, or mutual funds, unit trusts and similar entities shall make disclosures on related capital commitments. This amendment also clarifies that a listing and description of interests in significant joint ventures and the proportion of ownership interest held in jointly controlled entities shall be made.

FRS 131 is not relevant to the Group's operations.

Amendment to FRS 134 *Interim Financial Reporting* clarifies the need to present basic and diluted earnings per share for an interim period when the entity is within the scope of FRS 133 *Earnings Per Share*. The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this amendment.

Amendment to FRS 136 clarifies the determination of allocation of goodwill to each cash-generating unit whereby each unit shall not be larger than an operating segment as defined in FRS 8 before aggregation. This amendment also requires additional disclosures if the fair value less costs to sell is determined using discounted cash flow projections. Presently, the Group does not expect any material impact on the consolidated financial statements arising from the adoption of this amendment.

Amendment to FRS 138 *Intangible Assets* clarifies the examples provided in the Standard in measuring the fair value of an intangible asset acquired in a business combination. This amendment also removes the statement on the rarity of situations whereby the application of the amortisation method for intangible assets results in a lower amount of accumulated amortisation than under the straight-line method. The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this amendment.

Amendment to FRS 140 clarifies that properties that are being constructed or developed for future use as investment property are within the definition of 'investment property'. This amendment further clarifies that if the fair value of such properties cannot be reliably determinable but it is expected that the fair value would be readily determinable when construction is complete, the properties shall be measured at cost until either its fair value becomes reliably determinable or construction is completed, whichever is earlier. The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this amendment.

### 6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

#### 6.1 Critical judgements made in applying accounting policies

The following are judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

- (a) Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on FRS 140 *Investment Property* in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)****6.1 Critical judgements made in applying accounting policies (continued)**

- (a) Classification between investment properties and property, plant and equipment (continued)

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

- (b) 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.

- (c) Contingent liabilities

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

**6.2 Key sources of estimation uncertainty**

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

- (a) Impairment of goodwill on consolidation

The Group determines whether goodwill on consolidation is impaired at least on an annual basis. This requires an estimation of the value-in-use of the subsidiaries to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the subsidiaries and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are disclosed in Note 8 to the financial statements.

- (b) Useful lives of property, plant and equipment

The Group estimates the useful lives of property, plant and equipment at the time the assets are acquired based on historical experience, the expected usage, wear and tear of the assets, and technical obsolescence arising from changes in the market demands or service output of the assets. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to changes in factors mentioned above. Changes in these factors could impact the useful lives and the residual values of the assets, therefore future depreciation charges could be revised.

## NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009

### 6. **SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)**

#### 6.2 **Key sources of estimation uncertainty (continued)**

(c) Property development and construction

The Group recognises property development and construction revenue and expenses in the income statements by using the percentage of completion method. The stage of completion is determined by the proportion of property development/construction costs incurred for work performed to date bear to the estimated total property development/construction costs.

Significant judgements are required in determining the stage of completion, the extent of the property development/construction costs incurred, the estimated total property development and construction revenue and costs, as well as the recoverability of the development and construction projects and determination of liquidated and ascertained damages. In making the judgements, the Group evaluates based on past experience and by relying on the work of specialists.

(d) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profits will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(e) Allowance for doubtful debts

The Group makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are 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 allowance for doubtful debts, including review of credit worthiness and the past collection history of each receivable. Where expectations differ from the original estimates, the differences will impact the carrying value of receivables.

(f) Allowance for diminution in value of investments

The Group makes allowance for diminution in value of investments based on an assessment of whether there is a decline in the value of such investments that is other than temporary. The assessment involves judgement and is made based on amongst others, historical performance of the investments and current market conditions that may have an impact on the market value of the investments.

(g) Write down for obsolete or slow moving inventories

The Group writes down its obsolete or slow moving inventories based on assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses sales trend and current economic trends when making a judgement to evaluate the adequacy of the write down for obsolete or slow moving inventories. Where expectations differ from the original estimates, the differences will impact the carrying amount of inventories.

(h) Amount due from subsidiaries

The Company assesses recoverability of amount due from subsidiaries on an annual basis. Allowances are applied to amount due where events or changes in circumstances indicate that the carrying amounts may not be recoverable.

## NOTES TO THE FINANCIAL STATEMENTS 30 June 2009

## 7. PROPERTY, PLANT AND EQUIPMENT

Group	Balance as at 1.7.2008 RM'000	Additions RM'000	Disposals RM'000	Write off RM'000	Adjustments* RM'000	Depreciation charge for the financial year RM'000	Reclassifications RM'000	Transfer to prepaid lease payments for land (Note 9) RM'000	Transfer to investment properties (Note 10) RM'000	Translation adjustments RM'000	Balance as at 30.6.2009 RM'000
<b>Carrying amount</b>											
Freehold hotel properties	141,231	12	-	(22)	(53)	(3,430)	-	-	-	(507)	137,231
Leasehold hotel properties	66,381	319	-	-	(824)	(1,555)	-	-	-	-	64,321
Freehold golf course	20,447	-	-	-	(84)	-	-	(5,031)	-	-	15,332
Freehold land	57,617	8	-	-	-	-	-	-	(9,723)	(526)	47,376
Buildings and improvements	35,497	2,113	-	(12)	-	(996)	4,677	-	-	107	41,386
Jetty and infrastructure	24,532	5	-	-	(11)	(590)	-	-	-	-	23,936
Plant, machinery and electrical installation	9,091	8,217	-	(1)	-	(1,783)	-	-	-	34	15,558
Motor vehicles and boats	3,206	165	-	-	-	(1,255)	(6)	-	-	3	2,113
Hotel furniture, fittings and equipment	23,412	1,804	-	(584)	-	(3,719)	(92)	-	-	(10)	20,811
Furniture, fittings and equipment	8,398	2,076	(347)	(14)	-	(2,012)	1,343	-	-	1	9,445
Computers	1,110	456	(2)	(2)	-	(440)	(3)	-	-	(2)	1,117
Construction-in-progress	11,388	13,750	-	(110)	-	-	(5,919)	-	(6,629)	-	12,480
	402,310	28,925	(349)	(745)	(972)	(15,780)	-	(5,031)	(16,352)	(900)	391,106

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

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

	At 30.6.2009		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Freehold hotel properties	147,240	(10,009)	137,231
Leasehold hotel properties	71,109	(6,788)	64,321
Freehold golf course	15,332	-	15,332
Freehold land	47,376	-	47,376
Buildings and improvements	48,624	(7,238)	41,386
Jetty and infrastructure	29,462	(5,526)	23,936
Plant, machinery and electrical installation	69,191	(53,633)	15,558
Motor vehicles and boats	9,160	(7,047)	2,113
Hotel furniture, fittings and equipment	63,385	(42,574)	20,811
Furniture, fittings and equipment	22,628	(13,183)	9,445
Computers	5,003	(3,886)	1,117
Construction-in-progress	12,480	-	12,480
	540,990	(149,884)	391,106

## NOTES TO THE FINANCIAL STATEMENTS 30 June 2009

## 7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Balance as at 1.7.2007 RM'000	Additions RM'000	Disposal of subsidiaries RM'000	Write off RM'000	Depreciation charge for the financial year RM'000	Reclassification RM'000	Transfer to prepaid lease payments for land RM'000	Transfer (to)/from investment properties RM'000	Transfer from land held for property development RM'000	Transfer from/(to) property development costs RM'000	Balance as at 30.6.2008 RM'000
Freehold hotel properties	135,584	7,189	-	-	(3,318)	1,776	-	-	-	-	141,231
Leasehold hotel properties	66,921	1,057	-	-	(1,597)	-	-	-	-	-	66,381
Freehold golf course	20,447	-	-	-	-	-	-	-	-	-	20,447
Freehold land	50,074	8,779	-	-	-	-	(7,549)	4,557	1,756	-	57,617
Buildings and improvements	33,859	2,364	(3)	(163)	(946)	-	-	386	-	-	35,497
Jetty and infrastructure	25,120	-	-	-	(588)	-	-	-	-	-	24,532
Plant, machinery and electrical installation	10,978	2,445	(15)	(1)	(4,316)	-	-	-	-	-	9,091
Motor vehicles and boats	2,981	1,616	(97)	(3)	(1,291)	-	-	-	-	-	3,206
Hotel furniture, fittings and equipment	15,403	6,610	(27)	(174)	(4,576)	6,176	-	-	-	-	23,412
Furniture, fittings and equipment	7,698	2,273	(259)	(74)	(2,254)	1,110	-	-	(36)	-	8,398
Computers	1,036	508	(8)	(5)	(409)	(10)	-	-	-	-	1,110
Construction-in-progress	10,734	10,459	-	-	-	(9,052)	(1,898)	-	-	1,145	11,388
	380,835	43,300	(409)	(68)	(19,295)	-	(1,898)	(7,163)	4,557	2,865	402,310

## Carrying amount

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

	At 30.6.2008		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Freehold hotel properties	147,804	(6,573)	141,231
Leasehold hotel properties	71,612	(5,231)	66,381
Freehold golf course	20,447	-	20,447
Freehold land	57,617	-	57,617
Buildings and improvements	41,756	(6,259)	35,497
Jetty and infrastructure	29,468	(4,936)	24,532
Plant, machinery and electrical installation	61,594	(52,503)	9,091
Motor vehicles and boats	9,248	(6,042)	3,206
Hotel furniture, fittings and equipment	63,628	(40,216)	23,412
Furniture, fittings and equipment	20,508	(12,110)	8,398
Computers	4,751	(3,641)	1,110
Construction-in-progress	11,388	-	11,388
	539,821	(137,511)	402,310

Company	Depreciation charge for the financial year				
	Balance as at 1.7.2008 RM'000	Additions RM'000	Disposals RM'000	RM'000	Balance as at 30.6.2009 RM'000
<b>Carrying amount</b>					
Computers	54	140	-	(54)	140
Furniture, fittings and equipment	74	70	(13)	(15)	116
Motor vehicles	450	-	-	(139)	311
	578	210	(13)	(208)	567

	At 30.6.2009		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Computers	458	(318)	140
Furniture, fittings and equipment	545	(429)	116
Motor vehicles	659	(348)	311
	1,662	(1,095)	567

## NOTES TO THE FINANCIAL STATEMENTS 30 June 2009

## 7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Balance as at 1.7.2007 RM'000	Additions RM'000	Disposals RM'000	Write off RM'000	Depreciation charge for the financial year RM'000	Balance as at 30.6.2008 RM'000
<b>Carrying amount</b>						
Computers	94	4	-	-	(44)	54
Furniture, fittings and equipment	71	16	-	(1)	(12)	74
Motor vehicles	107	464	(57)	-	(64)	450
	272	484	(57)	(1)	(120)	578

	At 30.6.2008		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Computers	318	(264)	54
Furniture, fittings and equipment	499	(425)	74
Motor vehicles	659	(209)	450
	1,476	(898)	578

## (a) Property, plant and equipment acquired under hire purchase

The net carrying amount of the Group's property, plant and equipment under hire purchase arrangements are as follows:

	Group	
	2009 RM'000	2008 RM'000
Motor vehicles	-	37

Details of the terms and conditions of the hire purchase arrangements are disclosed in Note 23 and 39 to the financial statements.

## (b) Security

The freehold land and buildings of the Group with a carrying amount of RM11,410,000 (2008: RM33,640,000) have been charged to banks for credit facilities granted to the Group and the Company (Note 22).

The freehold land with buildings classified as hotel properties of the Group with a carrying amount of RM153,144,000 (2008: RM156,543,000) have been charged to banks for credit facilities granted to the Group and the Company (Note 22).

Other property, plant and equipment of the Group with a carrying amount of RM3,480,000 (2008: RM4,188,000) have been charged to banks for credit facilities granted to the Group (Note 22).

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**8. INTANGIBLE ASSETS**

	Group	
	2009 RM'000	2008 RM'000
<b>Carrying amount</b>		
Goodwill		
Balance as at 1 July	6,615	6,615
Less: Impairment loss	(1,023)	-
Balance as at 30 June	5,592	6,615

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

For the purpose of impairing testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

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

	Group	
	2009 RM'000	2008 RM'000
Manufacturing and trading	3,207	4,230
Hotel and leisure	2,385	2,385
	5,592	6,615

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).

An impairment loss on goodwill amounting to RM1,023,000 relating to a subsidiary, PJD Malta Sdn. Bhd., has been recognised during the financial year due to declining business as a result of transfer of its business operations to another subsidiary, PJDCP Malta Sdn. Bhd..

**9. PREPAID LEASE PAYMENTS FOR LAND**

Group	Balance as at 1.7.2008 RM'000	Transfer from property, plant and equipment (Note 7) RM'000	Amortisation charge for the financial year RM'000	Translation adjustments RM'000	Balance as at 30.6.2009 RM'000
<b>Carrying amount</b>					
Leasehold land	7,664	5,031	(178)	97	12,614

## NOTES TO THE FINANCIAL STATEMENTS 30 June 2009

## 9. PREPAID LEASE PAYMENTS FOR LAND (CONTINUED)

		At 30.6.2009			
		Cost RM'000	Accumulated amortisation RM'000	Carrying amount RM'000	
Leasehold land		13,714	(1,100)	12,614	
Group		Balance as at 1.7.2007 RM'000	Transfer from property, plant and equipment (Note 7) RM'000	Amortisation charge for the financial year RM'000	Balance as at 30.6.2008 RM'000
<b>Carrying amount</b>					
Leasehold land		5,909	1,898	(143)	7,664
		At 30.6.2008			
		Cost RM'000	Accumulated amortisation RM'000	Carrying amount RM'000	
Leasehold land		8,584	(920)	7,664	
Group					
		2009 RM'000			2008 RM'000
Analysed as:					
Long term leasehold land		10,725			5,829
Short term leasehold land		1,889			1,835
		12,614			7,664

The leasehold land of certain subsidiaries with carrying value of RM5,285,000 (2008: RM5,359,000) are pledged to licensed financial institutions to secure banking facilities granted to certain subsidiaries (Note 22).

## 10. INVESTMENT PROPERTIES

Group		Balance as at 1.7.2008 RM'000	Additions RM'000	Transfer from property, plant and equipment (Note 7) RM'000	Depreciation charge for the financial year RM'000	Balance as at 30.6.2009 RM'000
<b>Carrying amount</b>						
Freehold land		6,244	-	9,723	-	15,967
Buildings		5,560	6,195	6,629	(222)	18,162
		11,804	6,195	16,352	(222)	34,129

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**10. INVESTMENT PROPERTIES (CONTINUED)**

	At 30.6.2009		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Freehold land	15,967	-	15,967
Buildings	18,997	(835)	18,162
	34,964	(835)	34,129
<b>Fair Value</b>			
At 30 June 2009			45,875

Group	Balance as at 1.7.2007 RM'000	Transfer from/(to) property, plant and equipment (Note 7) RM'000	Disposals RM'000	Depreciation charge for the financial year RM'000	Balance as at 30.6.2008 RM'000
<b>Carrying amount</b>					
Freehold land	775	7,549	(2,080)	-	6,244
Buildings	6,077	(386)	-	(131)	5,560
	6,852	7,163	(2,080)	(131)	11,804

	At 30.6.2008		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Freehold land	6,244	-	6,244
Buildings	6,173	(613)	5,560
	12,417	(613)	11,804
<b>Fair Value</b>			
At 30 June 2008			16,235

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**10. INVESTMENT PROPERTIES (CONTINUED)**

Investment properties comprise a number of shop lots, condominium units and supermarket premises that are leased to third parties. Each of the leases contains an initial non-cancellable period of one year (Note 26) except for the 2 units of supermarket premises which contain an initial non-cancellable period of 6 years. Subsequent renewals are negotiated with the lessee. No contingent rents are charged.

The fair value of the investment properties were derived from published property market reports and Directors' assessment.

Investment properties of certain subsidiaries with a carrying value of RM27,244,000 (2008: RM7,615,000) are pledged to licensed financial institutions to secure banking facilities granted to the Company and certain subsidiaries (Note 22).

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

	Group	
	2009 RM'000	2008 RM'000
<b>Generating rental income</b>		
Building insurance	12	2
Service charges	42	39
Ouit rent and assessment	32	29
Other expenses	5	19
	91	89
<b>Non-generating rental income</b>		
Ouit rent and assessment	40	45
Security services	12	12
Other expenses	7	7
	59	64

**11. INVESTMENTS IN SUBSIDIARIES**

	Company	
	2009 RM'000	2008 RM'000
Unquoted equity shares, at cost	484,857	447,512
Less: Impairment losses (net of impairment written off of RM18,455,000 (2008: Nil) during internal restructuring exercise)	(5,200)	(23,655)
	479,657	423,857

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)**

During the financial year, the Group undertook an internal restructuring exercise to streamline the efficiency of the group corporate structure. The restructuring was completed on 1 November 2008.

The details of the subsidiaries are as follows:

Name of company	Country of incorporation	Equity interest		Principal activities
		2009 %	2008 %	
Bindev Sdn. Bhd. #	Malaysia	100	100	Property development
Bunga Development Sdn. Bhd. # and its subsidiary Kulai Management Services Sdn. Bhd.	Malaysia	100	100	Property development Provision of property management services
Eframe Sdn. Bhd.	Malaysia	100	100	Software consultancy, product development and maintenance
Eframe Solutions Sdn. Bhd.	Malaysia	100	100	Software consultancy, product development and maintenance
Harbour Place Management Services Sdn. Bhd. #	Malaysia	100	100	Provision of property management services
HTR Management Services Sdn. Bhd. #	Malaysia	100	100	Provision of property management services
Kota Mulia Sdn. Bhd. # and its subsidiaries Rose Villa Management Services Sdn. Bhd. PTC Management Services Sdn. Bhd.	Malaysia	100	100	Property development and investment Provision of property management services Provision of property management services
Olympic Cable Company Sdn. Bhd. and its subsidiaries Olympic Cable (Singapore) Pte. Ltd.* OVI Cables (Vietnam) Co., Ltd.*	Malaysia Singapore Vietnam	100 100 100	100 100 100	Manufacturing and sale of cables and wires Investment holding and trading of cable products Manufacturing and sale of cables and wires
Olympic Properties Sdn. Bhd.	Malaysia	100	100	Property investment
Pengerang Jaya Pte. Ltd.* and its subsidiaries Pengerang Jaya Investment Pte. Ltd.* P.J. (A) Pty. Limited	Singapore Singapore Australia	100 100 100	100 100 100	Investment holding Investment holding Investment holding and hotel business
PJ Equity Sdn. Bhd.	Malaysia	100	100	Investment holding
PJ Exim Sdn. Bhd.	Malaysia	100	100	Trading of cable products
PJD Construction Sdn. Bhd. and its subsidiaries PJDC International Sdn. Bhd.	Malaysia	100	100	Construction Investment holding

## NOTES TO THE FINANCIAL STATEMENTS 30 June 2009

## 11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Country of incorporation	Equity interest		Principal activities
		2009 %	2008 %	
PJDCI Co., Ltd.*	Thailand	78.5	78.5	Investment holding
PJDC Co., Ltd.*	Thailand	88.5	88.5	Construction
PJD Eastern Land Sdn. Bhd. #	Malaysia	100	100	Property development and investment
PJD Hotels Sdn. Bhd. and its subsidiaries	Malaysia	100	100	Investment holding, hotel and restaurant business
Swiss-Garden Management Services Sdn. Bhd. ##	Malaysia	100	100	Hotel and restaurant business
MM Hotels Sdn. Bhd.	Malaysia	100	100	Hotel and restaurant business
Damai Laut Golf Resort Sdn. Bhd.##	Malaysia	99	99	Development and investment in resort property, hotel and restaurant business and operation of golf course
DLHA Management Services Sdn. Bhd.	Malaysia	99	99	Provision of property management services
PJD Land Sdn. Bhd.	Malaysia	100	100	Property development
PJD Malta Sdn. Bhd.	Malaysia	100	100	Trading of building materials
PJD Management Services Sdn. Bhd.	Malaysia	100	100	Provision of property management and facilities services
PJD-MM2H Sdn. Bhd. #	Malaysia	100	100	Licensed agent to handle applications for Malaysia My Second Home programme
PJD Properties Management Sdn. Bhd. #	Malaysia	100	100	Provision of project management services
PJD Realty Sdn. Bhd.	Malaysia	100	100	Investment holding
PJD Regency Sdn. Bhd. #	Malaysia	100	100	Property development
PJDGP Malta Sdn. Bhd. # and its subsidiaries	Malaysia	100	100	Manufacturing and sale of roofing tiles and concrete wall panels and trading of building materials
Acotec-Concrete Products Sdn. Bhd.	Malaysia	100	100	Property investment and rental services
PJD Concrete Land (JB) Sdn. Bhd.	Malaysia	100	100	Property investment
PJD Concrete Land (South) Sdn. Bhd.	Malaysia	100	100	Property investment
PKM Management Services Sdn. Bhd.	Malaysia	100	100	Provision of property management services
Pravest Sdn. Bhd. #	Malaysia	100	100	Property development

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)**

Name of company	Country of incorporation	Equity interest		Principal activities
		2009 %	2008 %	
Putri Kulai Sdn. Bhd. #	Malaysia	100	100	Property investment
Sanubari Sejahtera Sdn. Bhd. #	Malaysia	100	100	Property development
Superville Sdn. Bhd. #	Malaysia	100	100	Property development
Swiss-Garden International Vacation Club Berhad	Malaysia	100	100	Operation and management of timeshare membership scheme
Swiss-Garden Hotel Management Sdn. Bhd. #	Malaysia	100	100	Hotel management and consultancy services
Swiss-Garden International Sdn. Bhd. # and its subsidiaries	Malaysia	100	100	Hotel management and consultancy services
Swiss-Garden International Limited	British Virgin Islands	100	100	Hotel management and consultancy services
Swiss-Garden International Hotels & Resorts (Australia) Pty. Ltd.**	Australia	100	100	Hotel management and consultancy services
Swiss-Garden International Limited**	United Kingdom	100	100	Dormant
Swiss-Garden Rewards Sdn. Bhd. # and its subsidiary	Malaysia	70	70	Marketing of timeshare memberships
Swiss-Garden Rewards (Singapore) Pte. Ltd.*	Singapore	70	70	Agent providing services to hotel companies
Wahyu Sdn. Bhd.	Malaysia	100	100	Dormant

\* Audited by member firms of BDO International.

\*\* Not required to be audited and was consolidated using management financial statements.

# The status of these subsidiaries have been changed from indirect to direct due to Group internal restructuring exercise during the financial year.

## The status of these subsidiaries have been changed from direct to indirect due to Group internal restructuring exercise during the financial year.

An impairment loss of RM2,000,000 relating to investment in a subsidiary, PJD Malta Sdn. Bhd., has been recognised in previous financial year due to declining business as a result of transfer of its business operations to another subsidiary, PJDCP Malta Sdn. Bhd..

**12. INVESTMENTS IN ASSOCIATES**

	Group	
	2009 RM'000	2008 RM'000
Unquoted equity shares in Malaysia, at cost	2	2
Unquoted equity shares in overseas, at cost	23,919	23,919
	23,921	23,921
Share of post acquisition reserves, net of dividends received	20,694	79,310
	44,615	103,231

## NOTES TO THE FINANCIAL STATEMENTS 30 June 2009

**12. INVESTMENTS IN ASSOCIATES (CONTINUED)**

The details of the associates are as follows:

Name of company	Country of incorporation	Group Equity interest		Principal activities
		2009 %	2008 %	
Sun-PJDC Sdn. Bhd. *	Malaysia	50.00	50.00	Securing and carrying out construction contracts
Equity & Property Investment Corporation Limited **	Australia	27.40	27.40	Property investment, property development and equity investment

\* Equity accounted using management financial statements.

\*\* Not audited by member firms of BDO International.

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

	Group	
	2009 RM'000	2008 RM'000
<b>Assets and liabilities</b>		
Non-current assets	28,394	30,250
Current assets	149,892	458,704
Total assets	178,286	488,954
Non-current liabilities	-	(198)
Current liabilities	15,476	(112,012)
Total liabilities	15,476	(112,210)

	Group	
	2009 RM'000	2008 RM'000
<b>Results</b>		
Revenue	15,388	42,497
Profit for the financial year	7,321	241,559

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**12. INVESTMENTS IN ASSOCIATES (CONTINUED)**

- b) The Group does not recognise its further share of losses of the associate, Sun-PJDC Sdn. Bhd., during the current and previous financial year as the carrying amount of this investment has been reduced to nil. The unrecognised results are as follows:-

	Group	
	2009 RM'000	2008 RM'000
Loss for the year	2	2
Accumulated losses	8	6

**13. OTHER INVESTMENTS**

	Group	
	2009 RM'000	2008 RM'000
<b>Non-current</b>		
Unquoted shares in Malaysia, at cost	34	34
Quoted shares in Malaysia, at cost	61,843	61,843
Less: Allowance for diminution in value	(15,616)	(15,616)
	46,227	46,227
Quoted warrants in Malaysia, at cost	-	482
Less: Allowance for diminution in value	-	(257)
	-	225
	46,261	46,486
Market value:		
Quoted shares in Malaysia	42,769	46,227
Quoted warrants in Malaysia	-	225

No additional allowance for diminution in value is made during the financial year although the market value is lower than the carrying amount as at the end of financial year. This is due to the Directors are of the view that the decline in market value is temporary.

Certain quoted shares and warrants in Malaysia with a carrying value of RM44,248,000 (2008: RM43,553,000) have been pledged to licensed financial institutions as security for banking facilities granted to the Company (Note 22).

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

## NOTES TO THE FINANCIAL STATEMENTS 30 June 2009

## 14. LAND HELD FOR PROPERTY DEVELOPMENT

	Note	Group	
		2009 RM'000	2008 RM'000
<b>Carrying amount</b>			
Opening balance		117,748	79,895
Additions		27,345	22,942
Acquired in business combination	35	-	25,195
Transfer to property development costs	17	(4,439)	(5,727)
Transfer to property, plant and equipment	7	-	(4,557)
Closing balance		140,654	117,748
Representing:			
Land		124,962	103,812
Land development costs		15,692	13,936
		140,654	117,748

Included in the land held for property development are the following charges incurred during the financial year:

	Group	
	2009 RM'000	2008 RM'000
Interest expense	1,167	-

Interest is capitalised in land held for property development at rates ranging from 4.8% to 6% (2008: Nil) per annum.

Certain land held for property development with a carrying value of RM46,179,000 (2008: RM28,798,000) have been pledged to licensed banks for banking facilities granted to certain subsidiaries (Note 22).

## 15. DEFERRED TAX

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

	Group	
	2009 RM'000	2008 RM'000
Opening balance	8,412	2,700
Acquired in business combination	-	3,799
Recognised in income statement (Note 31)	5,021	1,913
Closing balance	13,433	8,412

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**15. DEFERRED TAX (CONTINUED)**

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

	Group	
	2009 RM'000	2008 RM'000
Presented after appropriate offsetting:		
Deferred tax assets, net	(3,394)	(3,752)
Deferred tax liabilities, net	16,827	12,164
	13,433	8,412

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

**Deferred tax liabilities of the Group**

	Property development costs RM'000	Property, plant and equipment RM'000	Set off of tax RM'000	Fair value adjustments RM'000	Total RM'000
At 1 July 2007	(2,988)	(12,440)	8,366	-	(7,062)
Recognised in the income statement	1	(3,319)	1,928	87	(1,303)
Acquired in business combination	(3,799)	-	-	-	(3,799)
At 30 June 2008	(6,786)	(15,759)	10,294	87	(12,164)
Recognised in the income statement	(1)	(1,600)	(3,062)	-	(4,663)
At 30 June 2009	(6,787)	(17,359)	7,232	87	(16,827)

**Deferred tax assets of the Group**

	Unused tax losses and unabsorbed capital allowances RM'000	Property, plant and equipment RM'000	Property development costs RM'000	Revaluation differences RM'000	Deductible temporary differences RM'000	Set off of tax RM'000	Total RM'000	
At 1 July 2007	417	8,509	-	2,463	9	1,330	(8,366)	4,362
Recognised in the income statement	1,191	1,707	24	(265)	(9)	(1,330)	(1,928)	(610)
At 30 June 2008	1,608	10,216	24	2,198	-	-	(10,294)	3,752
Recognised in the income statement	(821)	(2,186)	(24)	(389)	-	-	3,062	(358)
At 30 June 2009	787	8,030	-	1,809	-	-	(7,232)	3,394

## NOTES TO THE FINANCIAL STATEMENTS 30 June 2009

## 15. DEFERRED TAX (CONTINUED)

- (c) The amount of temporary differences for which no deferred tax asset has been recognised in the balance sheet are as follows:

	Group	
	2009 RM'000	2008 RM'000
Deductible temporary differences	13,357	12,980
Taxable temporary differences	(36,106)	(35,137)
Unused tax losses		
- No expiry date	27,489	29,166
- Expire by 30 June 2013	1,133	1,077
- Expire by 30 June 2014	1,840	-
Unabsorbed capital allowances	55,442	53,420
	63,155	61,506

Deferred tax assets of the subsidiaries have not been recognised in respect of these items as it is not probable that taxable profit of the subsidiaries will be available against which the deductible temporary differences can be utilised. The amount and the availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the local tax authority.

## 16. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<b>Non-current</b>					
<b>Trade</b>					
Third parties	a,e	26,064	25,876	-	-
Retention sum - associate	d	2,452	3,797	-	-
- third parties	d	14,309	12,674	-	-
		42,825	42,347	-	-
<b>Non-trade</b>					
Subsidiaries	b	-	-	-	242,774
	g	42,825	42,347	-	242,774
<b>Current</b>					
<b>Trade</b>					
Third parties	a	148,925	157,158	-	-
Associate	a	-	17,459	-	-
Accrued billings		16,960	8,438	-	-
Amount due from customers for contract works	c	27,573	41,915	-	-
Retention sum - third parties	d	8,245	8,966	-	-
		201,703	233,936	-	-
Less: Allowance for doubtful debts - third parties	e	(7,468)	(6,647)	-	-
		194,235	227,289	-	-

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**16. TRADE AND OTHER RECEIVABLES (CONTINUED)**

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<b>Non-trade</b>					
Associate		325	5	-	-
Subsidiaries	b	-	-	263,451	55
Other receivables	f	23,881	26,887	277	304
Deposits	f	4,472	9,190	127	25
Prepayments		2,012	2,168	119	157
		30,690	38,250	263,974	541
Less: Allowance for doubtful debts – other receivables		(1,372)	(198)	-	-
		29,318	38,052	263,974	541
	g	223,553	265,341	263,974	541

- (a) Trade receivables are non-interest bearing and the normal credit terms granted by the Group range from 30 to 90 days (2008: 30 to 90 days).

Trade receivables of the Group include timeshare membership fees amounting RM51,810,000 (2008: RM43,541,000) receivable from customers via monthly instalments ranging from 12 to 60 months.

Included in trade receivables of the Group are amount owing by companies in which certain Directors have interest totaling RM3,864,000 (2008: RM5,199,000).

- (b) Amount owing by subsidiaries is in respect of advances and payments made on behalf, which are unsecured, repayable on demand and interest-free, except for RM262,426,000 (2008: RM223,939,000) which is subject to interest at 0.84% (2008: 1.16%) per annum.

In the previous financial year, the non-current amount due was not receivable within the next twelve months except in so far as such repayment would not adversely affect the ability of the subsidiaries to meet their liabilities when due.

## NOTES TO THE FINANCIAL STATEMENTS 30 June 2009

## 16. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

	Note	Group	
		2009 RM'000	2008 RM'000
Aggregate costs incurred to date		1,044,777	1,101,202
Add: Attributable profits		29,715	67,385
		1,074,492	1,168,587
Less: Progress billings		(1,090,924)	(1,159,750)
		(16,432)	8,837
Amount due to customers for contract works	25	44,005	33,078
		27,573	41,915

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

	Group	
	2009 RM'000	2008 RM'000
Within 1 year	8,245	8,966
1 – 2 years	13,753	5,694
2 – 3 years	3,008	10,777
	25,006	25,437

(e) Third party trade receivables of RM130,000 (2008: RM2,086,000) has been written off against allowance for doubtful debts.

(f) Included in other receivables of the Group are advances to and payments made on behalf of subcontractors amounting to RM4,161,000 (2008: RM6,506,000), which are unsecured, interest-free and repayable on demand.

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

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Ringgit Malaysia	241,899	277,017	263,974	243,315
Thai Baht	20,956	25,004	-	-
Australian Dollar	386	2,086	-	-
Singapore Dollar	1,201	160	-	-
US Dollar	1,141	2,771	-	-
Vietnam Dong	783	609	-	-
Euro	11	41	-	-
Sterling Pound	1	-	-	-
	266,378	307,688	263,974	243,315

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**17. PROPERTY DEVELOPMENT COSTS**

	Note	Group	
		2009 RM'000	2008 RM'000
Opening balance			
Land		164,402	180,989
Development costs		389,472	456,096
Accumulated costs charged to the income statement		(264,202)	(375,919)
		289,672	261,166
Transfer from land held for property development	14	4,439	5,727
Transfer to property, plant and equipment	7	-	(2,865)
Transfer to completed properties held for sale		(17,683)	(9,747)
Acquisition of land		30	11,855
Development costs incurred during the year		232,668	158,011
Cost charged to income statement for the year		(177,824)	(134,475)
Completed developments			
- Reversal of development costs		(261,688)	(246,192)
- Reversal of costs charged to income statement		261,688	246,192
		41,630	28,506
Closing balance		331,302	289,672
Represented by:			
Land		138,053	164,402
Development costs		373,588	389,472
Accumulated costs charged to the income statement		(180,339)	(264,202)
		331,302	289,672

Included in the property development costs are the following charges incurred during the financial year:

	Group	
	2009 RM'000	2008 RM'000
Interest expense	9,658	5,527

Interest is capitalised in property development costs at rates ranging from 0.84% to 8.25% (2008: 1.16% to 8.25%) per annum.

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

Certain land under development with a carrying value of RM254,970,000 (2008: RM225,110,000) have been pledged to licensed banks for banking facilities granted to certain subsidiaries (Note 22).

## NOTES TO THE FINANCIAL STATEMENTS 30 June 2009

## 18. INVENTORIES

	Group	
	2009 RM'000	2008 RM'000
<b>At cost</b>		
Completed properties held for sale	23,931	11,980
Raw materials	3,782	4,806
Consumables	1,699	1,938
Work-in-progress	2,032	2,817
Finished goods	4,505	9,653
	35,949	31,194
<b>At net realisable value</b>		
Raw materials	473	861
Work-in-progress	54	-
Finished goods	1,582	2,058
	2,109	2,919
	38,058	34,113

During the financial year, inventories of the Group recognised as cost of sales amounted to RM112,700,000 (2008: RM154,425,000) while the write down of inventories to their net realisable value amounted to RM3,934,000 (2008: RM3,984,000). The write down is included in cost of sales.

## 19. CASH AND CASH EQUIVALENTS

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Cash and bank balances	a	45,956	42,990	1,387	6,215
Deposits with licensed banks	b	39,115	13,831	-	-
Per balance sheets	c	85,071	56,821	1,387	6,215
Bank overdrafts included in borrowings	22	(9,947)	(33,923)	-	(226)
Deposits pledged as securities	b	(11,864)	(11,176)	-	-
Per cash flow statements		63,260	11,722	1,387	5,989

- (a) Included in the Group's cash and bank balances is an amount of RM16,709,000 (2008: RM26,506,000) held under Housing Development Account maintained pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966. The utilisation of these balances are restricted, before completion of the housing development and fulfilling all relevant obligations to the purchasers, the cash could only be withdrawn from such account for the purpose of completing the particular projects concerned.
- (b) Included in deposits placed with licensed banks is an amount of RM11,864,000 (2008: RM11,176,000) pledged for bank guarantee facilities granted to certain subsidiaries.

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**19. CASH AND CASH EQUIVALENTS (CONTINUED)**

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

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Ringgit Malaysia	45,708	43,679	1,387	6,215
Thai Baht	12,338	11,427	-	-
Vietnam Dong	177	1,564	-	-
Australian Dollar	26,454	103	-	-
Singapore Dollar	75	48	-	-
US Dollar	319	-	-	-
	85,071	56,821	1,387	6,215

(d) Information on the financial risks of cash and bank balances and deposits with licensed banks are disclosed in Note 39 to the financial statements.

**20. SHARE CAPITAL AND TREASURY SHARES**

	Group and Company			
	2009		2008	
	RM'000	Number of shares '000	RM'000	Number of shares '000
Ordinary shares of RM1.00 each:				
Authorised	1,000,000	1,000,000	1,000,000	1,000,000
Issued and fully paid	456,132	456,132	456,132	456,132

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per share at meetings of the Company. All ordinary shares rank pari passu with regard to the Company's residual assets.

(a) Treasury shares

The shareholders of the Company, by an ordinary resolution passed in the annual general meeting held on 23 November 2005, approved the Company's proposal to repurchase up to 10% of its own shares ("Share Buy Back"). The authority granted by the shareholders was subsequently renewed during each subsequent annual general meeting. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the Share Buy Back is the best interest of the Company and its shareholders.

During the financial year, the Company repurchased 275,000 ordinary shares of its issued share capital from the open market. The average price paid for the shares repurchased was RM0.59 per share. The repurchase transactions were financed by internally generated funds and the shares repurchased were retained as treasury shares.

## NOTES TO THE FINANCIAL STATEMENTS 30 June 2009

**20. SHARE CAPITAL AND TREASURY SHARES (CONTINUED)**

## (a) Treasury shares (continued)

Details of the repurchase of shares were as follows:

2009	Average purchase price RM	Highest purchase price RM	Lowest purchase price RM	Number of shares purchased	Total consideration RM
July 2008	0.59	0.61	0.56	275,000	161,809

  

2008	Purchase price RM	Number of shares purchased	Total consideration RM
June 2007	0.64	100,000	64,377

Of the total 456,132,000 (2008: 456,132,000) issued and fully paid ordinary shares of RM1.00 each as at 30 June 2009, there are 475,000 (2008: 200,000) ordinary shares of RM1.00 each with a cumulative total consideration amounting to RM266,000 (2008: RM104,000) held as treasury shares by the Company. The number of outstanding shares in issue after the share buy-back is 455,657,000 (2008: 455,932,000) ordinary shares of RM1.00 each as at 30 June 2009.

## (b) Warrants

## Warrants B

Pursuant to the Rights Issue which was completed on 31 October 2000, the Company issued 171,049,587 new ordinary shares of RM1.00 each at par together with 114,032,898 detachable warrants ("Rights Warrants") at no cost on the basis of three (3) Rights Shares together with two (2) Rights Warrants attached thereto for every five (5) existing ordinary shares of RM1.00 each held.

The exercise price of each Rights Warrant shall be RM1.10 per ordinary share for the first five (5) years of the exercise period and RM1.20 thereafter for the subsequent five (5) years or such adjusted price as may for the time being be applicable subject to the Deed Poll dated 14 August 2000. The exercise period shall commence from the date of issue of the Rights Warrants and will expire on 29 October 2010 at 5.00 p.m..

As at 30 June 2009, 114,032,898 Warrants B have yet to be converted to ordinary shares.

**21. RESERVES**

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Non-distributable:					
Share premium	a	39,773	39,773	39,773	39,773
Exchange translation reserve	b	(6,211)	4,730	-	-
		33,562	44,503	39,773	39,773
Distributable:					
Retained earnings	c	297,837	292,301	47,699	52,529
		331,399	336,804	87,472	92,302

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**21. RESERVES (CONTINUED)**

## (a) Share premium

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

## (b) 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.

## (c) Retained earnings

Effective 1 January 2008, the Company is given the option to make an irrevocable election to move to a single tier system or continue to use its tax credit under Section 108 of the Income Tax Act 1967 for the purpose of dividend distribution until the tax credit is fully utilised or latest by 31 December 2013.

The Company has decided not to make this election. However, there will not be any additional tax liability resulting from franking the payment of dividends out of the Company's retained earnings as at balance sheet date.

**22. BORROWINGS**

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<b>Non-current liabilities</b>					
Secured term loans		171,370	117,681	12,005	16,149
Unsecured term loans		5,781	2,884	-	-
		177,151	120,565	12,005	16,149
<b>Current liabilities</b>					
Secured term loans		17,386	16,733	4,077	3,539
Unsecured term loans		1,697	11,263	-	-
Secured bank overdrafts	19	4,140	9,827	-	226
Unsecured bank overdrafts	19	5,807	24,096	-	-
Secured bankers' acceptances		4,934	4,655	-	-
Unsecured bankers' acceptances		34,404	32,767	-	-
Secured revolving credits		91,000	96,000	48,000	53,000
Unsecured revolving credits		16,000	12,500	-	-
Hire-purchase creditors	23	-	10	-	-
		175,368	207,851	52,077	56,765
		352,519	328,416	64,082	72,914

## NOTES TO THE FINANCIAL STATEMENTS 30 June 2009

## 22. BORROWINGS (CONTINUED)

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<b>Total borrowings</b>					
Secured term loans		188,756	134,414	16,082	19,688
Unsecured term loans		7,478	14,147	-	-
Secured bank overdrafts	19	4,140	9,827	-	226
Unsecured bank overdrafts	19	5,807	24,096	-	-
Secured bankers' acceptances		4,934	4,655	-	-
Unsecured bankers' acceptances		34,404	32,767	-	-
Secured revolving credits		91,000	96,000	48,000	53,000
Unsecured revolving credits		16,000	12,500	-	-
Hire-purchase creditors	23	-	10	-	-
		<b>352,519</b>	<b>328,416</b>	<b>64,082</b>	<b>72,914</b>

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

	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>Group</b>						
<b>2009</b>						
Secured term loans	2023	188,756	17,386	70,386	84,165	16,819
Unsecured term loans	2014	7,478	1,697	2,320	3,461	-
Secured bank overdrafts	2010	4,140	4,140	-	-	-
Unsecured bank overdrafts	2010	5,807	5,807	-	-	-
Secured bankers' acceptances	2010	4,934	4,934	-	-	-
Unsecured bankers' acceptances	2010	34,404	34,404	-	-	-
Secured revolving credits	2010	91,000	91,000	-	-	-
Unsecured revolving credits	2010	16,000	16,000	-	-	-
		<b>352,519</b>	<b>175,368</b>	<b>72,706</b>	<b>87,626</b>	<b>16,819</b>
<b>2008</b>						
Secured term loans	2017	134,414	16,733	20,869	78,911	17,901
Unsecured term loans	2013	14,147	11,263	758	2,126	-
Secured bank overdrafts	2009	9,827	9,827	-	-	-
Unsecured bank overdrafts	2009	24,096	24,096	-	-	-
Secured bankers' acceptances	2009	4,655	4,655	-	-	-
Unsecured bankers' acceptances	2009	32,767	32,767	-	-	-
Secured revolving credits	2009	96,000	96,000	-	-	-
Unsecured revolving credits	2009	12,500	12,500	-	-	-
Hire-purchase creditors	2009	10	10	-	-	-
		<b>328,416</b>	<b>207,851</b>	<b>21,627</b>	<b>81,037</b>	<b>17,901</b>

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**22. BORROWINGS (CONTINUED)**

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

	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>Company</b>						
<b>2009</b>						
Secured term loans	2014	16,082	4,077	4,260	7,745	-
Secured revolving credits	2010	48,000	48,000	-	-	-
		64,082	52,077	4,260	7,745	-
<b>2008</b>						
Secured term loans	2014	19,688	3,539	3,930	11,542	677
Secured revolving credits	2009	53,000	53,000	-	-	-
Unsecured bank overdrafts	2009	226	226	-	-	-
		72,914	56,765	3,930	11,542	677

- (b) The currency exposure profiles of borrowings are as follows:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Ringgit Malaysia	349,441	314,269	64,082	72,914
US Dollar	3,078	14,147	-	-
	352,519	328,416	64,082	72,914

- (c) The borrowings of the Company are secured by way of charges over certain subsidiaries' hotel properties and freehold land and buildings (Note 7), investment properties (Note 10) and quoted investments (Note 13).

The borrowings of subsidiaries are secured by way of charges over certain subsidiaries' freehold land and buildings, hotel properties and other property, plant and equipment (Note 7), prepaid lease payments for land (Note 9), land held for property development (Note 14), property development costs (Note 17), investment properties (Note 10). The borrowings are also guaranteed by the Company.

- (d) In connection with the term loan agreements, the Company and certain subsidiaries have agreed to certain significant covenants, subject to the consent of the lenders, which include the following:
- not to amend the Memorandum and Articles of Association in a manner inconsistent with the provisions of the lenders' Letters of Offer;
  - not to sell, lease or transfer all or any substantial part of its assets;
  - not to allow any change in its existing shareholders or their shareholdings and/or undertake a scheme or merger or amalgamation;
  - not to decrease the authorised or issued share capital; and

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**22. BORROWINGS (CONTINUED)**

- (d) In connection with the term loan agreements, the Company and certain subsidiaries have agreed to certain significant covenants, subject to the consent of the lenders, which include the following: (continued)
- (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 risks of borrowings are disclosed in Note 39 to the financial statements.

**23. HIRE-PURCHASE LIABILITIES**

		Group	
	Note	2009 RM'000	2008 RM'000
Minimum hire-purchase payments:			
- not later than one year		-	11
- later than one year and not later than five years		-	-
Total minimum hire-purchase payments		-	11
Less: Future interest charges		-	(1)
Present value of hire-purchase liabilities		-	10
Repayable as follows:			
Current liabilities:			
- not later than one year	22	-	10
		-	10

Information on financial risks of hire purchase creditors is disclosed in Note 40 to the financial statements.

**24. DEFERRED INCOME**

		Group	
	Note	2009 RM'000	2008 RM'000
<b>Non-current</b>			
Membership fees		38,292	34,955
<b>Current</b>			
Membership fees		2,588	2,261
Maintenance fees		22	-
		2,610	2,261

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

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**25. TRADE AND OTHER PAYABLES**

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<b>Non-current</b>					
<b>Trade</b>					
Retention sum - third parties	c	4,797	4,413	-	-
<b>Non-trade</b>					
Subsidiaries	a	-	-	-	41,296
	e	4,797	4,413	-	41,296
<b>Current</b>					
<b>Trade</b>					
Third parties	b	74,753	100,872	-	-
Progress billings in respect of property development		6,236	7,836	-	-
Amount due to customers for contract works	16(c)	44,005	33,078	-	-
Retention sum – third parties	c	25,041	20,603	-	-
		150,035	162,389	-	-
<b>Non-trade</b>					
Subsidiaries	a	-	-	139,619	14,078
Other payables	d	24,770	27,921	967	87
Accruals		22,924	22,057	483	366
		47,694	49,978	141,069	14,531
	e	197,729	212,367	141,069	14,531

- (a) Amount owing to subsidiaries is in respect of advances and payments made on behalf by the subsidiaries, which are unsecured, repayable on demand and interest-free, except for RM36,361,000 (2008: RM15,633,000), which is subject to interest rate ranging from 3.97% to 8.25% (2008 : 5.00% to 7.75%) per annum.

In the previous financial year, the non-current amount due was not payable within the next twelve months except in so far as such repayment would not adversely affect the ability of the Company to meet its liabilities when due.

- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days (2008: 30 to 90 days).

## NOTES TO THE FINANCIAL STATEMENTS 30 June 2009

**25. TRADE AND OTHER PAYABLES (CONTINUED)**

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

	Group	
	2009 RM'000	2008 RM'000
Within 1 year	25,041	20,603
1 – 2 years	2,461	3,939
2 – 3 years	2,203	168
3 – 4 years	133	306
	29,838	25,016

(d) Other payables include enrolment fees payable to Interval International Inc. of RM621,000 (2008: RM344,000) and Resort Condominiums International LCC of RM3,975,000 (2008: RM3,975,000) to activate the exchange facility granted to timeshare members which allows them to exchange their holiday accommodation through the exchange network.

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

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Ringgit Malaysia	181,907	196,013	141,069	55,827
Thai Baht	19,599	20,213	-	-
Australian Dollar	166	220	-	-
Singapore Dollar	123	57	-	-
Swedish Krona	-	35	-	-
US Dollar	308	218	-	-
Vietnam Dong	410	11	-	-
Euro	13	13	-	-
	202,526	216,780	141,069	55,827

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**26. COMMITMENTS**

## (a) Operating leases commitments

## (i) The Group as lessee

The Group had entered into non-cancellable operating lease arrangements for office lots under operating leases for a term of one to three years, with an option to renew the leases. None of the leases include contingent rentals. The Group and the Company have aggregate future minimum lease commitments as at the balance sheet date as follows:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Less than one year	1,293	1,555	4	15
Between one and five years	155	1,039	5	7
	1,448	2,594	9	22

## (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 balance sheet date as follows:

	Group	
	2009 RM'000	2008 RM'000
Less than one year	2,162	1,100
Between one and five years	5,250	5,253
Later than five years	39,175	40,132
	46,587	46,485

## (b) Capital and other commitments

	Group	
	2009 RM'000	2008 RM'000
<b>Contracted but not provided for and payable</b>		
- Property, plant and equipment	3,408	13,855
- Land held for development	-	21,868
	3,408	35,723

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**27. CONTINGENCIES**

The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

	<b>Company</b>	
	<b>2009 RM'000</b>	<b>2008 RM'000</b>
<b>Guarantees</b>		
Corporate guarantees given to financial institutions relating to borrowings of subsidiaries	571,281	514,311
Corporate guarantees given to third parties relating to credit facilities granted to subsidiaries	36,040	28,040
	607,321	542,351

**Contingent liabilities not considered remote****Litigation (unsecured)**

Swiss-Garden International Vacation Club Berhad ("SGIVCB"), a wholly owned subsidiary of the Company has initiated a civil suit against Swiss Marketing Corporation Sdn. Bhd. ("the external agent").

The civil suit taken by SGIVCB against the external agent was in respect of the wrongful repudiation of the Marketing Agreement entered into by the parties on 2 July 2001, resulting in SGIVCB suffered a loss and damage inter-alia amounting to a total of RM5,280,000. In this civil suit, the external agent has filed a counter claim against SGIVCB.

The counter claim by the external agent against SGIVCB was dismissed with cost by the judge on 9 March 2007.

Both parties attended the Case Management on 16 June 2009, which the Court has fixed the matter for trial on 2 November 2009, 3 November 2009, 19 November 2009 and 20 November 2009.

**28. REVENUE**

	<b>Group</b>		<b>Company</b>	
	<b>2009 RM'000</b>	<b>2008 RM'000</b>	<b>2009 RM'000</b>	<b>2008 RM'000</b>
Sale of goods	156,003	214,562	-	-
Property development revenue	213,402	184,388	-	-
Services rendered	91,615	93,215	3,300	3,300
Contract revenue	165,077	182,256	-	-
Dividend income				
- subsidiaries	-	-	21,391	30,473
- other investments	2,388	5,608	-	-
	628,485	680,029	24,691	33,773

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**29. COST OF SALES AND SERVICES**

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Inventories sold	117,680	160,335	-	-
Property development costs	169,463	135,181	-	-
Services rendered	37,451	37,947	6,954	6,756
Contract works	160,594	169,093	-	-
	485,188	502,556	6,954	6,756

**30. PROFIT BEFORE TAX**

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Profit before tax is arrived at after charging:					
Allowance for doubtful debts		2,150	3,943	-	-
Allowance for diminution in value of other investments		-	6,956	-	-
Amortisation of prepaid lease payments for land	9	178	143	-	-
Auditors' remuneration:					
- statutory audit					
- current year		368	347	34	37
- (over)/under provision in prior years		(20)	6	(2)	2
- other services		12	22	9	9
Bad debts written off		2	114	-	-
Compensation to purchaser		149	455	-	-
Depreciation on:					
- investment properties	10	222	131	-	-
- property, plant and equipment	7	15,780	19,295	208	120
Direct operating expenses of investment properties:					
- generated rental income		91	89	-	-
- did not generate rental income		59	64	-	-
Directors' remuneration					
- salaries and other emoluments					
- fees		4,958	6,029	3,238	3,365
- current year		93	76	93	76
- over provision in prior year		-	(12)	-	(12)
Impairment loss on goodwill					
- goodwill on consolidation		1,023	-	-	-
- investments in subsidiaries		-	-	-	2,000

## NOTES TO THE FINANCIAL STATEMENTS 30 June 2009

## 30. PROFIT BEFORE TAX (CONTINUED)

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Profit before tax is arrived at after charging (continued):					
Interest expense on:					
- bank overdrafts		1,761	2,057	252	630
- bankers' acceptances		1,554	1,573	-	-
- hire purchase creditors		1	2	-	-
- promissory notes		-	47	-	-
- revolving credits		3,622	4,430	2,759	3,704
- term loans		1,758	2,684	1,231	2,028
- trust receipts		-	21	-	-
- subsidiaries		-	-	1,213	918
- other interest		11	-	-	-
Inventories write down	18	3,934	3,984	-	-
Inventories written off		2	75	-	-
Liquidated and ascertained damages expenses		31	-	-	-
Loss on disposal of property, plant and equipment		33	-	3	-
Other investment written off		225	-	-	-
Property, plant and equipment written off	7	745	414	-	1
Rental expense on land and buildings		2,064	2,076	16	15
Rental of equipment		429	493	-	2
Replacement cost for operating equipment		675	1,030	-	-
Research and development expensed as incurred		3,753	5,038	-	-
Realised loss on foreign exchange		1,344	49	-	-
Unrealised loss on foreign exchange		123	-	-	-
And crediting:					
Allowance for doubtful debts no longer required		25	96	-	-
Allowance for likely withdrawal no longer required		-	75	-	-
Bad debt recovered		-	11	-	-
Gross dividends received from:					
- shares quoted in Malaysia		2,210	5,519	-	-
- subsidiaries		-	-	21,391	30,473
- unquoted shares		177	89	-	-

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**30. PROFIT BEFORE TAX (CONTINUED)**

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
And crediting (continued):					
Gain on disposal of:					
- investment properties		-	161	-	-
- other investments		-	221	-	-
- property, plant and equipment		220	250	-	-
- subsidiaries	36	-	33	-	-
Interest income received from:					
- fixed deposits		2,788	743	-	-
- housing development account		435	435	-	-
- subsidiaries		-	-	2,098	2,882
- others		494	242	3	-
Realised gain on foreign exchange		67	-	-	-
Rental income from land and buildings		3,911	3,642	-	-

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 RM88,000 and RM31,000 (2008: RM49,000 and RM21,000) respectively.

**31. TAX EXPENSE**

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Current tax expense based on profit for the financial year:				
Malaysian income tax	9,113	19,095	567	1,708
	9,113	19,095	567	1,708
Under/(Over) provision in prior years:				
Malaysian income tax	613	(199)	32	45
	9,726	18,896	599	1,753
Deferred tax (Note 15):				
Relating to origination and reversal of temporary differences	3,588	512	-	-
Under provision in prior years	1,433	1,401	-	-
	5,021	1,913	-	-
	14,747	20,809	599	1,753

The Malaysian income tax is calculated at the statutory tax rate of 25% (2008: 26%) of the estimated taxable profits for the fiscal year. The Malaysian statutory tax rate has been reduced to 25% from the previous year's rate of 26% for the fiscal year of assessment 2008.

Tax expense for other taxation authorities are calculated at the rates prevailing in those respective jurisdictions.

## NOTES TO THE FINANCIAL STATEMENTS 30 June 2009

**31. TAX EXPENSE (CONTINUED)**

The numerical reconciliation between the applicable tax expense and the effective tax expense of the Group and of the Company are as follows:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Tax at Malaysian statutory tax rate of 25% (2008: 26%)	9,358	31,867	3,214	5,009
Tax effect in respect of:				
Non-allowable expenses	5,178	6,046	433	1,676
Non-taxable income	(486)	(1,716)	(3,080)	(4,994)
Utilisation of previously unrecognised deferred tax assets	(400)	(1,731)	-	-
Deferred tax assets not recognised during the year	813	549	-	-
Tax incentives and allowances	(788)	(423)	-	-
Reduction in deferred taxes resulting from reduction in tax rate	-	636	-	(1)
Share of post tax results of associates	(596)	(14,826)	-	-
Effect of different tax rate for chargeable income up to RM500,000 (2008: RM500,000)	-	(239)	-	-
Effect of different tax rate in foreign jurisdiction	49	(581)	-	-
Others	(427)	25	-	18
	12,701	19,607	567	1,708
Under/(Over) provision of income tax expense in prior years	613	(199)	32	45
Under provision of deferred tax in prior years	1,433	1,401	-	-
	14,747	20,809	599	1,753

Tax savings of the Group are as follows:

	Group	
	2009 RM'000	2008 RM'000
Arising from utilisation of previously unrecognised capital allowances	16	804
Arising from utilisation of previously unrecognised tax losses	384	927

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**32. EARNINGS PER ORDINARY SHARE**

## (a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to ordinary equity holders of the Company 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>2009</b>	<b>2008</b>
Profit attributable to equity holders of the Company (RM'000)	22,623	101,794
Weighted average number of ordinary shares in issue (in '000)	456,132	456,132
Weighted average number of treasury shares held (in '000)	(467)	(101)
Adjusted weighted average number of ordinary shares applicable to basic earnings per share (in '000)	455,665	456,031
Basic earning per share (sen)	4.96	22.32

## (b) Diluted

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

The diluted earnings per share figures are not shown as the exercise price of warrants is higher than the market price of the ordinary shares at the balance sheet date.

**33. DIVIDENDS**

	<b>Group and Company</b>			
	<b>2009</b>		<b>2008</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>
First and final dividend paid				
- Year ended 30 June 2008	5	17,087	-	-
- Year ended 30 June 2007	-	-	5	16,873

The first and final dividend in respect of the financial year ended 30 June 2009 of 3 sen per ordinary share, less tax amounting to RM10,252,000 has been proposed by the Directors after the balance sheet date for shareholders' approval at the forthcoming Annual General Meeting. The financial statements for the current financial year do not reflect this dividends. This dividends, if approved by shareholders, will be accounted for as an appropriation of retained earnings in the financial year ending 30 June 2010.

## NOTES TO THE FINANCIAL STATEMENTS 30 June 2009

**34. EMPLOYEE BENEFITS**

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Wages, salaries and bonuses	43,126	40,834	5,381	5,224
Contributions to defined contribution plan	5,622	5,784	839	827
Social security contributions	600	577	27	27
Other benefits	9,484	10,407	534	499
	58,832	57,602	6,781	6,577

**35. ACQUISITION OF A SUBSIDIARY**

In previous year, PJD Realty Sdn. Bhd. ("PJDR"), a wholly-owned subsidiary of the Company, acquired the entire issued and paid-up share capital of Pravest Sdn. Bhd., for a cash consideration of RM17,426,000 (inclusive of directly attributable expenses of RM26,000).

The fair value and the carrying amount of assets acquired and liabilities assumed are as follows:

	Fair value on acquisition RM'000	Acquiree's carrying amount RM'000
Land held for property development	25,195	10,000
Cash and bank balances	3	3
Other payables	(7,772)	(7,772)
Net assets acquired	17,426	2,231

The cash outflow on acquisitions is as follows:

	2008 RM'000
Purchase consideration, settled in cash	17,426
Cash and cash equivalents of subsidiary acquired	(3)
Net cash outflow on acquisition	17,423

The effect of the acquisition on the financial results of the Group was not material.

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**36. DISPOSAL OF SUBSIDIARIES**

In previous year, PJD Realty Sdn. Bhd., a wholly-owned subsidiary of the Company, disposed of its entire equity interest in PJD Paragon Development Sdn. Bhd. and its subsidiaries, K.G. Management Services Sdn. Bhd. and OLP Management Services Sdn. Bhd., for a cash consideration of RM2,350,000.

The fair value of assets and liabilities of the subsidiaries disposed were as follows:

	<b>2008 RM'000</b>
Property, plant and equipment (Note 7)	68
Trade and other receivables	1,496
Cash and bank balances	2,810
Trade and other payables	<u>(2,057)</u>
Net assets disposed	2,317
Gain on disposal	<u>33</u>
Net proceeds from disposal	2,350
Cash and cash equivalents of subsidiaries disposed	<u>(2,810)</u>
Net cash outflow on disposal	<u>(460)</u>

The effect of the disposal on the financial results of the Group was not material.

**37. RELATED PARTY DISCLOSURES**

## (a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Company has controlling related party relationship with its direct and indirect subsidiaries.

## NOTES TO THE FINANCIAL STATEMENTS 30 June 2009

**37. RELATED PARTY DISCLOSURES (CONTINUED)**

- (b) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Related parties:				
Sale of building materials	5,367	5,928	-	-
Insurance premium payable	1,771	1,938	72	72
Progress claim payable	451	489	-	-
Room revenue receivable	153	192	-	-
Rental of premises receivable	-	4	-	-
Construction cost billed	5,871	10,515	-	-
Rental of premises payable	1,415	1,511	12	6
Hotel management fees receivable	-	722	-	-
Hotel room charges payable	-	3	-	-
Purchase of security equipment	194	26	-	-
Compensation receivable	-	2,384	-	-
IT services receivable	4	2	-	-
Subsidiaries:				
Dividend receivable	-	-	21,391	30,473
Interest receivable	-	-	2,098	2,882
Interest payable	-	-	1,213	918
Facilities charges payable	-	-	13	5
Management fees receivable	-	-	3,300	3,300
Rental payable	-	-	4	8
IT maintenance services payable	-	-	83	38
Secondment fees receivable	-	-	56	-
Associate:				
Progress billings receivable	520	17,025	-	-

Material balances with related parties at balance sheet date are disclosed in Note 16 and Note 25 to the financial statements.

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

- (c) Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly.

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**37. RELATED PARTY DISCLOSURES (CONTINUED)**

- (c) Compensation of key management personnel (continued)

The remuneration of the Directors and other key management personnel during the financial year was as follows:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Short term employee benefits	5,053	6,200	2,845	2,914
Contributions to defined contribution plan	803	1,016	517	536
	5,856	7,216	3,362	3,450

**38. SEGMENT INFORMATION**

- (a) Reporting format

The primary segment reporting format is determined to be business segments, based on the Group's management and internal reporting structure and as the Group's risks and returns are affected predominantly by differences in its products and services offered.

No geographical segment information is presented as the Group's operations and the location of the customers are principally in Malaysia.

Inter-segment pricing is determined based on negotiated commercial terms.

- (b) Business segments

The Group comprises the following main business segments.

- (i) Construction

Securing and carrying out construction contracts.

- (ii) Properties

Property development, provision of property management services and project management service.

- (iii) Manufacturing and trading

The manufacture and sale of roofing tiles, concrete wall panels, cables and wires 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.





## NOTES TO THE FINANCIAL STATEMENTS 30 June 2009

## 38. SEGMENT INFORMATION (CONTINUED)

2008	Construction RM'000	Properties RM'000	Manufacturing and trading RM'000	Hotel and leisure RM'000	Investment holding RM'000	Others RM'000	Consolidated RM'000
<b>Assets</b>							
Segment assets	147,309	540,108	116,538	403,295	53,935	5,905	1,267,090
Unallocated assets							22,279
Investments in associates							103,231
Total assets							1,392,600
<b>Liabilities</b>							
Segment liabilities	101,710	66,151	22,456	62,154	1,457	68	253,996
Unallocated liabilities							345,671
Total liabilities							599,667
<b>Other segment information</b>							
Capital expenditure	1,013	8,330	5,021	28,451	477	8	43,300
Depreciation	1,193	1,637	4,997	11,478	117	4	19,426
Amortisation	-	-	138	5	-	-	143
Non-cash expenses other than depreciation and amortisation	-	304	133	165	6,957	-	7,559

## 39. FINANCIAL INSTRUMENTS

## (a) Financial risk management objectives and policies

The Group's financial risk management objective is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

The Group and the Company are exposed mainly to credit risk, interest rate risk, foreign currency risk, liquidity and cash flow risk and price risk which arise in the normal course of the Group and Company's business. Information on the management of the related exposures are detailed below.

## (i) Credit risk

The Group and the Company's primary exposure to credit risk arise through trade and other receivables. The exposure to credit risk is monitored by management on an ongoing basis.

Other financial assets of the Group and the Company with exposure to credit risk include cash and fixed deposits, which are placed with financial institutions with good standing.

At balance sheet date, the Company has significant exposures in respect of amount due from subsidiaries but there were no significant concentrations of credit risk for the Group. The maximum exposure of credit risk is represented by the carrying amount of each financial asset.

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**39. FINANCIAL INSTRUMENTS (CONTINUED)**

(a) Financial risk management objectives and policies (continued)

(ii) Interest rate risk

The Group's fixed-rate deposits with licensed financial institutions and borrowings are exposed to a risk of changes in their fair values due to changes in market interest rates. The Group's and Company's floating or variable-rate borrowings and amount due from subsidiaries are exposed to a risk of change in cash flows due to changes in interest rates. Short term receivables and payables are not exposed to interest rate risk. There is no formal hedging policy with respect to interest rate exposure.

The followings tables set out the carrying amounts, the average effective interest rates as at the balance sheet date of the Group's and the Company's financial assets and financial liabilities that are exposed to interest rate risk and the periods in which they mature, or if earlier, reprice:

Group	Note	Weighted average effective interest rate per annum %	Within 1 year RM'000	1 – 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000	Total RM'000
<b>At 30 June 2009</b>									
<b>Fixed rate instruments</b>									
Deposits with licensed banks	19	2.89	39,115	-	-	-	-	-	39,115
Secured term loans	22	5.30	1,002	5,088	6,046	10,001	9,368	5,495	37,000
<b>Floating rate instruments</b>									
Secured term loans	22	5.27	151,756	-	-	-	-	-	151,756
Unsecured term loans	22	7.50	7,478	-	-	-	-	-	7,478
Secured bankers' acceptances	22	3.32	4,934	-	-	-	-	-	4,934
Unsecured bankers' acceptances	22	3.12	34,404	-	-	-	-	-	34,404
Secured bank overdrafts	22	6.75	4,140	-	-	-	-	-	4,140
Unsecured bank overdrafts	22	7.10	5,807	-	-	-	-	-	5,807
Secured revolving credits	22	4.30	91,000	-	-	-	-	-	91,000
Unsecured revolving credits	22	4.01	16,000	-	-	-	-	-	16,000

## NOTES TO THE FINANCIAL STATEMENTS 30 June 2009

**39. FINANCIAL INSTRUMENTS (CONTINUED)**

(a) Financial risk management objectives and policies (continued)

(ii) Interest rate risk (continued)

The followings tables set out the carrying amounts, the average effective interest rates as at the balance sheet date of the Group's and the Company's financial assets and financial liabilities that are exposed to interest rate risk and the periods in which they mature, or if earlier, reprice: (continued)

Group	Note	Weighted average effective interest rate per annum %	Within 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000	Total RM'000
<b>At 30 June 2008</b>									
<b>Fixed rate instruments</b>									
Deposits with licensed banks	19	3.53	13,831	-	-	-	-	-	13,831
Hire purchase creditor	23	2.70	10	-	-	-	-	-	10
Secured term loans	22	5.30	-	1,002	5,088	6,046	10,001	14,863	37,000
<b>Floating rate instruments</b>									
Secured term loans	22	6.59	97,414	-	-	-	-	-	97,414
Unsecured term loans	22	4.72	14,147	-	-	-	-	-	14,147
Secured bankers' acceptances	22	5.05	4,655	-	-	-	-	-	4,655
Unsecured bankers' acceptances	22	4.59	32,767	-	-	-	-	-	32,767
Secured bank overdrafts	22	7.80	9,827	-	-	-	-	-	9,827
Unsecured bank overdrafts	22	7.97	24,096	-	-	-	-	-	24,096
Secured revolving credits	22	5.66	96,000	-	-	-	-	-	96,000
Unsecured revolving credits	22	5.35	12,500	-	-	-	-	-	12,500

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**39. FINANCIAL INSTRUMENTS (CONTINUED)**

## (a) Financial risk management objectives and policies (continued)

## (ii) Interest rate risk (continued)

The followings tables set out the carrying amounts, the average effective interest rates as at the balance sheet date of the Group's and the Company's financial assets and financial liabilities that are exposed to interest rate risk and the periods in which they mature, or if earlier, reprice: (continued)

Company	Note	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>At 30 June 2009</b>							
<b>Floating rate instruments</b>							
Secured term loans	22	6.07	16,082	-	-	-	16,082
Secured revolving credits	22	4.77	48,000	-	-	-	48,000
<b>Company</b>							
<b>At 30 June 2008</b>							
<b>Floating rate instruments</b>							
Secured term loans	22	7.28	19,688	-	-	-	19,688
Secured revolving credits	22	6.01	53,000	-	-	-	53,000
Unsecured bank overdrafts	22	8.25	226	-	-	-	226

## (iii) Foreign currency risk

The Group and the Company are exposed to foreign currency risk on transactions that are denominated in currencies other than functional currencies of the operating entities.

It is not the Group's or the Company's policy to enter into foreign exchange contracts in managing its foreign exchange risk resulting from cash flows on transactions denominated in foreign currency as transactions denominated in foreign currency are minimal.

The Group is also exposed to foreign currency risk in respect of its overseas investments. The Group and the Company do not hedge this exposure with foreign currency borrowings.

## (iv) Liquidity and cash flow risk

The Group and the Company monitor and maintain a level of cash and cash equivalents and bank facilities deemed adequate by management to finance the Group's and the Company's operations and to mitigate the effects of fluctuations in cash flows.

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**39. FINANCIAL INSTRUMENTS (CONTINUED)**

## (a) Financial risk management objectives and policies (continued)

## (v) Price risk

The Group is exposed to equity price risks arising from quoted investments held by the Group. Quoted investments are held for strategic purposes and the Group does not actively trade these investments. To manage its price risk arising from investments in equity securities, the Group closely monitor the effects of fluctuation in equity prices. An allowance for diminution in value is made where, in the opinion of the Directors, there is a decline other than temporary in the value of such investments.

## (b) Fair values

The carrying amounts of cash and cash equivalents, current trade and other receivables, current trade and other payables, and short term borrowings, approximate fair values due to the relatively short term nature of these financial instruments.

In respect of long-term borrowings with floating rates, the carrying amounts approximate fair values as they are on floating rates and reprice to market interest rates for liabilities with similar risk profiles.

It was not practicable to estimate the fair value of the Company's investment in unquoted shares due to the lack of comparable quoted market prices and the inability to estimate fair value without incurring excessive costs. Unquoted investments in Malaysia are carried at historical cost less allowance for diminution in value of RM34,000 (2008: RM34,000) in the balance sheet. The Group's share of net tangible assets reported by the unquoted company in Malaysia at 31 December 2008 was RM624,000 (31 December 2007: RM640,000).

The fair values of long-term amounts due from/to subsidiaries have not been determined as the timing of the expected cash flows of these balances cannot be reasonably determined without incurring excessive cost due principally to a lack of fixed repayment terms between the parties involved.

The Company provides financial guarantees to banks for credit facilities extended to certain subsidiaries. The fair values of these guarantees, as well as non-current trade and other receivables and non-current trade and other payables cannot be reasonably determined without incurring excessive cost.

The fair values of other financial assets and liabilities, together with the carrying amounts shown in the balance sheets, are as follows:

	<b>Group</b>	
	<b>Carrying amount RM'000</b>	<b>Fair value RM'000</b>
<b>At 30 June 2009</b>		
Quoted shares in Malaysia	46,227	42,769
Term loans with fixed interest rate	37,000	36,308
<b>At 30 June 2008</b>		
Quoted shares in Malaysia	46,227	46,227
Quoted warrants in Malaysia	225	225
Term loans with fixed interest rate	37,000	34,651

NOTES TO THE **FINANCIAL STATEMENTS** 30 June 2009**39. FINANCIAL INSTRUMENTS (CONTINUED)**

## (b) Fair values (continued)

The methods and assumptions used by management to determine fair values of the financial instruments are as follows:

## (i) Quoted shares and warrants in Malaysia

The fair value of quoted shares and warrants in Malaysia is determined by reference to the stock exchange quoted market bid prices at the close of the business on the balance sheet date.

## (ii) Term loans with fixed interest rate

Fair value of term loan with fixed interest rate which is accounted for as long term financial liability is estimated based on future contractual cash flows discounted at current market assessments of the time value of money and the risk specific to the liability.

**40. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR**

During the financial year, the Group undertook an internal restructuring exercise to streamline the efficiency of the group corporate structure. The restructuring was completed on 1 November 2008.

**41. SIGNIFICANT EVENT SUBSEQUENT TO THE BALANCE SHEET DATE**

On 24 September 2009, the Company had completed the acquisition of the entire issued and paid-up share capital comprising 4 ordinary shares of RM0.50 each in a new subsidiary, OCC Cables Berhad, a company incorporated in Malaysia, for cash consideration of RM2.

**42. COMPARATIVES FIGURES**

Certain comparative figures have been reclassified to conform to the current year's presentation.

30 June 2008	As previously reported RM'000	Reclassification RM'000	As restated RM'000
<b>Balance Sheets</b>			
<b>Group</b>			
<b>Current</b>			
Trade and other receivables	267,680	(2,339)	265,341
Deferred income	35,339	(33,078)	2,261
Trade and other payables	181,628	30,739	212,367
<b>Cash Flow Statements</b>			
<b>Group</b>			
<b>Changes in working capital:</b>			
Trade and other receivables	(42,640)	2,339	(40,301)
Trade and other payables	52,700	(2,339)	50,361