



FINANCIAL STATEMENTS

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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 2010.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding, property investment and provision of management services to the subsidiaries. The principal activities of the subsidiaries are set out in Note 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	52,681	42,459
Attributable to:		
Equity holders of the Company	52,759	42,459
Minority interests	(78)	-
	52,681	42,459

DIVIDENDS

Since the end of the previous financial year, the Company paid a first and final dividend of 3 sen per ordinary share, less tax of 25%, amounting to RM10,252,000 in respect of the financial year ended 30 June 2009 on 3 February 2010.

The Directors propose a first and final dividend of 5 sen per ordinary share, less tax of 25%, amounting to RM17,087,000 in respect of the financial year ended 30 June 2010, 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

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

OPTIONS GRANTED OVER UNISSUED SHARES

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

OPTIONS GRANTED OVER UNISSUED SHARES (CONTINUED)

Warrants (continued)

Warrants B (continued)

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.. Notice to warrant holders dated 24 September 2010 has been despatched to all warrant holders notifying them of the forthcoming expiry date.

As at 30 June 2010, 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:

- YM Ungku Haji Mohd. Afandi bin Ungku Suleiman
- Wong Ah Chiew
- Wong Chong Shee
- Khor Chai Moi
- Yap Yoon Kong
- Au Chun Choong
- Mohamed Zain bin Mohamed Yusoff (resigned on 19 August 2010)

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 2010 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 were as follows:

	----- Number of ordinary shares of RM1.00 each -----			
	Balance as at 1.7.2009	Bought	Sold	Balance as at 30.6.2010
Shares in the Company				
Direct interests:				
Wong Ah Chiew	2,376,000	-	-	2,376,000
Wong Chong Shee	3,000,000	-	-	3,000,000
Khor Chai Moi	28,440,166	-	-	28,440,166
Indirect interests:				
Wong Ah Chiew *	94,097,681	-	-	94,097,681
Khor Chai Moi **	103,441,841	-	-	103,441,841
Yap Yoon Kong ***	376,500	-	-	376,500

DIRECTORS' INTERESTS (CONTINUED)

	Number of Warrant B			Balance as at 30.6.2010
	Balance as at 1.7.2009	Bought	Sold	
Warrants B in the Company				
Direct interests:				
Wong Ah Chiew	402,000	-	-	402,000
Wong Chong Shee	33	-	-	33
Khor Chai Moi	11,692,829	-	(1,612,000)	10,080,829
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 interest except for any benefit which may be deemed to have arisen by virtue of those transactions as disclosed in Note 36 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.

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 effects arising from the disposal of subsidiaries which resulting in an increase on the Company's profit for the financial year by RM42,436,000 as disclosed in Note 35 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.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

During the financial year, the Group undertook an internal restructuring exercise for the proposed listing of OCC Cables Berhad ('OCB'), a wholly owned subsidiary of the Company, along with its subsidiaries on the Main Market of Bursa Malaysia Securities Berhad ('Proposed Listing'). The Proposed Listing was approved by the shareholders of the Company and the Securities Commission ('SC') on 26 November 2009 and 24 February 2010 respectively. Subsequently, on 17 August 2010, the Company announced that the Board of Directors did not intend to proceed with the Proposed Listing and allowed the SC's approval to lapse on 23 August 2010.

SIGNIFICANT EVENT SUBSEQUENT TO THE BALANCE SHEET DATE

On 26 July 2010, the Company announced the following proposals:

- (i) a renounceable rights issue of up to 213,811,972 New Warrants in the Company ('Warrant(s) C') to all the shareholders of the Company on the basis of three (3) Warrants C for every eight (8) existing ordinary shares of RM1.00 each held in the Company at an issue price of RM0.02 per Warrant C; and
- (ii) a restricted issue of up to 42,762,337 Warrants C in the Company to the holders of unexercised 2000/2010 Warrants B on 29 October 2010, being the expiry date of the Warrants ('Expiry Date') on the basis of three (3) Warrants C for every eight (8) unexercised 2000/2010 Warrants B held on the Expiry Date at an issue price of RM0.02 per Warrant C.

The proposals were approved by Bank Negara Malaysia on 27 August 2010 and Bursa Malaysia Securities Berhad on 8 September 2010 respectively. The proposals were also approved by the shareholders of the Company at an Extraordinary General Meeting held on 11 October 2010.

AUDITORS

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

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

Wong Ah Chiew
Director

Kuala Lumpur
11 October 2010

Wong Chong Shee
Director

In the opinion of the Directors, the financial statements set out on pages 56 to 145 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 2010 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

Wong Chong Shee

Director

Kuala Lumpur

11 October 2010

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 56 to 145 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 11 October 2010.

Yap Yoon Kong

Before me:

Dr. T. Yokheswarem (W540)

Commissioner for Oaths
Kuala Lumpur, Malaysia

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 2010 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 56 to 145.

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 2010 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.

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

AF : 0206
Chartered Accountants

Kuala Lumpur
11 October 2010

Gan Hock Soon

2853/06/12(J)
Chartered Accountant



	Note	Group		Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	7	419,539	391,106	620	567
Intangible assets	8	4,568	5,592	-	-
Prepaid lease payments for land	9	13,411	12,614	-	-
Investment properties	10	162,629	34,129	-	-
Investments in subsidiaries	11	-	-	520,718	479,657
Investments in associates	12	44,379	44,615	-	-
Other investments	13	49,754	46,261	-	-
Land held for property development	14	143,284	140,654	-	-
Deferred tax assets	15	5,112	3,394	-	-
Trade and other receivables	16	30,795	42,825	-	-
		873,471	721,190	521,338	480,224
Current assets					
Property development costs	17	156,628	331,302	-	-
Inventories	18	43,900	38,058	-	-
Trade and other receivables	16	204,761	223,553	217,916	263,974
Current tax assets		9,628	4,228	3,356	2,904
Cash and cash equivalents	19	118,834	85,071	4,469	1,387
		533,751	682,212	225,741	268,265
TOTAL ASSETS		1,407,222	1,403,402	747,079	748,489
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	20	456,132	456,132	456,132	456,132
Treasury shares	20	(266)	(266)	(266)	(266)
Reserves	21	369,995	331,399	119,679	87,472
		825,861	787,265	575,545	543,338
Minority interests		86	164	-	-
TOTAL EQUITY		825,947	787,429	575,545	543,338

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

	Note	Group		Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
LIABILITIES					
Non-current liabilities					
Trade and other payables	22	6,129	4,797	-	-
Borrowings	23	99,094	177,151	7,822	12,005
Deferred income	24	39,891	38,292	-	-
Deferred tax liabilities	15	20,086	16,827	-	-
		165,200	237,067	7,822	12,005
Current liabilities					
Trade and other payables	22	200,019	197,729	126,018	141,069
Borrowings	23	206,913	175,368	37,694	52,077
Deferred income	24	2,784	2,610	-	-
Current tax liabilities		6,359	3,199	-	-
		416,075	378,906	163,712	193,146
TOTAL LIABILITIES		581,275	615,973	171,534	205,151
TOTAL EQUITY AND LIABILITIES		1,407,222	1,403,402	747,079	748,489

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

INCOME STATEMENTS

for the financial year ended 30 June 2010

	Note	Group		Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Revenue	27	665,828	628,485	15,800	24,691
Cost of sales and services	28	(487,848)	(485,188)	(7,697)	(6,954)
Gross profit		177,980	143,297	8,103	17,737
Other income		14,795	9,386	44,164	2,159
Administrative expenses		(26,349)	(24,338)	(876)	(753)
Other expenses		(84,349)	(84,589)	(3,933)	(832)
Finance costs		(8,752)	(8,707)	(4,266)	(5,455)
Share of profit of associates		1,003	2,384	-	-
Profit before tax	29	74,328	37,433	43,192	12,856
Tax expense	30	(21,647)	(14,747)	(733)	(599)
Profit for the financial year		52,681	22,686	42,459	12,257
Attributable to:					
Equity holders of the Company		52,759	22,623	42,459	12,257
Minority interests		(78)	63	-	-
		52,681	22,686	42,459	12,257
Basic earnings per ordinary share (sen)	31	11.58	4.96		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2010

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----- Attributable to the equity holders of the Company -----									
Group	Note	Exchange							Total equity RM'000
		Share capital RM'000	Share premium RM'000	translation reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000	Minority interest RM'000	
Balance at 1 July 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	32	-	-	-	-	(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
Foreign currency translations		-	-	(3,911)	-	-	(3,911)	-	(3,911)
Net losses recognised directly in equity		-	-	(3,911)	-	-	(3,911)	-	(3,911)
Profit for the financial year		-	-	-	-	52,759	52,759	(78)	52,681
Dividend paid to shareholders	32	-	-	-	-	(10,252)	(10,252)	-	(10,252)
Balance at 30 June 2010		456,132	39,773	(10,122)	(266)	340,344	825,861	86	825,947

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

STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2010

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 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	32	-	-	-	(17,087)	(17,087)
Balance at 30 June 2009		456,132	39,773	(266)	47,699	543,338
Profit for the financial year		-	-	-	42,459	42,459
Dividend paid to shareholders	32	-	-	-	(10,252)	(10,252)
Balance at 30 June 2010		456,132	39,773	(266)	79,906	575,545

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

	Note	Group		Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		74,328	37,433	43,192	12,856
Adjustments for:					
Allowance for doubtful debts		1,179	2,150	-	-
Reversal of allowance for diminution in value of other investments		(3,493)	-	-	-
Allowance for doubtful debts no longer required		(1,683)	(25)	-	-
Amortisation of prepaid lease payments for land	9	182	178	-	-
Bad debts written off		6	2	-	-
Depreciation of investment properties	10	2,447	222	-	-
Depreciation of property, plant and equipment	7(a)	15,156	15,780	146	208
Dividend income		(2,775)	(2,387)	(12,500)	(21,391)
Gain on disposal of investment properties		(1,053)	-	-	-
Gain on disposal of subsidiaries	35	-	-	(42,436)	-
Impairment loss on goodwill on consolidation	8	1,024	1,023	-	-
Impairment loss on investment in subsidiaries	11	-	-	3,275	-
Interest expense		8,752	8,707	4,266	5,455
Interest income		(2,091)	(3,717)	(1,586)	(2,101)
Inventories written off		11	2	-	-
Inventories written down	18	1,761	3,934	-	-
Net (gain)/loss on disposal of property, plant and equipment		(376)	(187)	(63)	3
Property, plant and equipment written off	7	264	745	-	-
Other investments written off		-	225	-	-
Share of profit of associates		(1,003)	(2,384)	-	-
Unrealised loss on foreign exchange		978	123	-	-
Operating profit/(loss) before changes in working capital		93,614	61,824	(5,706)	(4,970)
Changes in working capital:					
Inventories		8,632	9,802	-	-
Property development costs and land held for property development		31,923	(71,394)	-	-
Trade and other receivables		32,618	32,754	(81)	(37)
Trade and other payables		4,575	(9,596)	24	997
Cash generated from/(used in) operating activities		171,362	23,390	(5,763)	(4,010)
Tax paid		(23,347)	(10,538)	-	-
Tax refunded		1,695	-	1,190	1,885
Net cash from/(used in) operating activities		149,710	12,852	(4,573)	(2,125)

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

CASH FLOW STATEMENTS

for the financial year ended 30 June 2010

	Note	Group		Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividends received		2,081	58,277	10,125	19,109
Decrease/(Increase) in pledged deposits placed with licensed banks	19	4,484	(688)	-	-
Interest received		2,091	3,717	1,586	2,101
Proceeds from disposal of property, plant and equipment		524	536	64	10
Proceeds from disposal of investment properties		2,213	-	-	-
Purchase of investment properties	10	(139)	(6,195)	-	-
Purchase of property, plant and equipment	7	(46,381)	(28,925)	(200)	(210)
Purchase of additional leasehold land	9	(1,262)	-	-	-
Repayment by subsidiaries		-	-	31,064	12,123
Subscription of shares in subsidiaries		-	-	(1,900)	(4,300)
Net cash (used in)/from investing activities		(36,389)	26,722	40,739	28,833
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest paid		(16,931)	(19,532)	(4,266)	(5,455)
Dividend paid to shareholders of the Company	32	(10,252)	(17,087)	(10,252)	(17,087)
Drawdowns of loans and borrowings		98,954	222,573	-	-
Repayments of loans and borrowings		(142,822)	(174,618)	(18,566)	(8,606)
Repurchase of shares	20	-	(162)	-	(162)
Net cash (used in)/from financing activities		(71,051)	11,174	(33,084)	(31,310)
Net increase/(decrease) in cash and cash equivalents		42,270	50,748	3,082	(4,602)
Effect of exchange rate fluctuations on cash held		(1,184)	790	-	-
Cash and cash equivalents at beginning of financial year		63,260	11,722	1,387	5,989
Cash and cash equivalents at end of financial year	19	104,346	63,260	4,469	1,387

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



1. CORPORATE INFORMATION

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

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

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

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 11 October 2010.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding, property investment and provision of management services to the subsidiaries. The principal activities of the subsidiaries are set out in Note 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.

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 income statement 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.



4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.2 Basis of consolidation (continued)

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.

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 the income statement.

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.

**4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****4.3 Property, plant and equipment and depreciation (continued)**

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	3 – 10 years
Computers	3 – 5 years

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

(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.

**4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****4.4 Leases and hire purchase (continued)**

(c) Leases for land and buildings (continued)

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

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

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

(b) Property development costs

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

Property development costs not recognised as an expense are recognised as an asset 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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**4.8 Investments (continued)**

(b) Associates

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

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



4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.8 Investments (continued)

(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.

If in a subsequent period, the amount of the decline decreases, the previously recognised allowance for diminution in value is reversed. Such reversal shall be recognised in the income statement.

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 income statement.

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 associates 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.10 Impairment of assets (continued)

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

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

Following the adoption of FRS 8 *Operating Segments* as disclosed in Note 4.20 to the financial statements, the consequential amendment to FRS 136 *Impairment of Assets* is also mandatory for financial periods beginning on or after 1 July 2009. This amendment requires goodwill acquired in a business combination to be tested for impairment as part of the impairment testing of CGU to which it relates. The CGU to which goodwill is allocated shall represent the lowest level within the Group at which the goodwill is monitored for internal management purposes and not larger than an operating segment determined in accordance with FRS 8.

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

In estimating the value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in 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 income statement, a reversal of that impairment loss is also recognised in the income statement.



4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, other direct cost and a proportion of production overheads based on normal operating capacity of the production facilities.

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

4.12 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.

(a) Financial instruments recognised on the balance sheets

Financial instruments are recognised on the balance sheets, 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 income statement. 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**4.12 Financial instruments (continued)**

(a) Financial instruments recognised on the balance sheets (continued)

(i) Receivables

Trade receivables and other receivables, including any amounts owing by associates and related parties, 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.

(ii) 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.

(iii) 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.

(iv) 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.

(v) 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 income statement 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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.12 Financial instruments (continued)

- (b) 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 costs are recognised in income statement 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.

- (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.



4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.14 Income taxes (continued)

(b) Deferred tax (continued)

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 income statement 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.



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

(a) Short term employee benefits

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

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

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

(b) Defined contribution plans

The Company and its subsidiaries incorporated in Malaysia make contributions to a statutory provident fund and foreign subsidiaries make 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

(a) Functional and presentation currency

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.18 Foreign currencies (continued)

(b) Foreign currency transactions and balances

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

(c) Foreign operations

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

In the consolidated financial statements, exchange differences arising from the translation of net investment in foreign operations are taken to shareholders' equity. When a foreign operation is partially disposed off 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 income statement 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 income statement 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 risks and rewards of ownership of the goods have 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.



4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.19 Revenue recognition (continued)

(b) Services

Hotel and golf course

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

Property investment and property management services

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

Management and operation of timeshare membership scheme

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

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

(c) Construction contracts

Contract revenue and expenses are recognised in 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.



4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.19 Revenue recognition (continued)

(d) Property development (continued)

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

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

(e) Completed properties held for sale

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

(f) Dividend income

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

(g) Interest income

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

(h) Rental income

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

(i) Management fees

Management fees are recognised when services are rendered.

4.20 Operating segments

During the previous financial year, segment reporting was presented based on business segments and geographical segments of the Group. 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.

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

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



4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.20 Operating segments (continued)

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

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

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

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

- (a) Its reported revenue, including both sales to external customers and intersegment sales or transfers, is ten (10) per cent or more of the combined revenue, internal and external, of all operating segments.
- (b) The absolute amount of its reported profit or loss is ten (10) per cent or more of the greater, in absolute amount of:
 - (i) the combined reported profit of all operating segments that did not report a loss; and
 - (ii) the combined reported loss of all operating segments that reported a loss.
- (c) Its assets are ten (10) per cent or more of the combined assets of all operating segments.

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

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

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs

5.1 New FRS adopted during the current financial year

FRS 8 *Operating Segments* 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 the Group'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 Group that management uses to make decisions about operating matters. This Standard requires the identification of operating segments on the basis of internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segment and assess its performance, as elaborated in Note 4.20 to the financial statements.

In accordance with the transitional provisions of FRS 8, segment information for prior years that is reported as comparative information for the initial year of application has been restated to conform to requirements of FRS 8, as disclosed in Note 37 to the financial statements.

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

5.2 New FRSs not adopted

- (a) FRS 4 *Insurance Contracts* and the consequential amendments resulting from FRS 4 are mandatory for annual financial periods beginning on or after 1 January 2010. FRS 4 replaces the existing FRS 202²⁰⁰⁴ *General Insurance Business* and FRS 203²⁰⁰⁴ *Life Insurance Business*.

This Standard applies to all insurance contracts, including reinsurance contracts that an entity issues and to reinsurance contracts that it holds. This Standard prohibits provisions for potential claims under contracts that are not in existence at the 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.

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

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

This Standard applies to all risks arising from a wide array of financial instruments and requires the disclosure of the significance of financial instruments for 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 is not disclosed.

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

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

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

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

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



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

5.2 New FRSs not adopted (continued)

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

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

These amendments are not applicable to the Group's operations.

- (f) Amendments to FRS 1 *First-time Adoption of Financial Reporting Standards* and FRS 127 *Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate* 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.

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

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

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

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

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

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

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONTINUED)**5.2 New FRSs not adopted (continued)**

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

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

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

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

This IC Interpretation is not applicable to the Group's operations.

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

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

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

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

This IC Interpretation is not applicable to the Group's operations.

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

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

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

5.2 New FRSs not adopted (continued)

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

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.

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

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

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

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

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

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

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.

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

5.2 New FRSs not adopted (continued)

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

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

These amendments also clarify the designation of one-sided risk in eligible hedged items and 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.

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

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

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

Presently, the Group does not expect any impact on the consolidated financial statements arising from the adoption of this Standard. However, the Group is in the process of assessing the impact of this Standard in conjunction with the implementation of FRS 139 and would only be able to provide further information in the interim financial statements followed by the next annual financial statements.

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

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

This amendment is not applicable to the Group's operations.

- (ii) 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 material impact on the consolidated financial statements arising from the adoption of this amendment.



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

5.2 New FRSs not adopted (continued)

- (o) *Improvements to FRSs (2009)* are mandatory for annual periods beginning on or after 1 January 2010 (continued).
- (iii) 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.
- (iv) 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 material impact on the consolidated financial statements arising from the adoption of this amendment.
- (v) 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.
- (vi) 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.
- (vii) Amendment to FRS 117 *Leases* removes the classification of leases of land and of buildings, and instead, requires assessment of classification based on the risks and rewards of the lease itself. The reassessment of land elements of unexpired leases shall be made retrospectively in accordance with FRS 108. As at the reporting date, the Group has carrying amount of prepaid lease payments for land of RM13,411,000 (2009: 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.
- (viii) 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.
- (ix) Amendment to FRS 119 *Employee Benefits* clarifies the definitions in this 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 material impact on the consolidated financial statements arising from the adoption of this amendment.

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

5.2 New FRSs not adopted (continued)

- (o) *Improvements to FRSs (2009)* are mandatory for annual periods beginning on or after 1 January 2010 (continued).
- (x) Amendment to FRS 120 *Accounting for Government Grants and Disclosure of Government Assistance* streamlines the terms used in this Standard in accordance with the new terms used in FRS 101.
- This amendment is not applicable to the Group's operations.
- (xi) 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.
- (xii) 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.
- (xiii) 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.
- (xiv) Amendment to FRS 129 *Financial Reporting in Hyperinflationary Economies* streamlines the terms used in this Standard in accordance with the new terms used in FRS 101. This amendment also clarifies that assets and liabilities that are measured at fair value are exempted from the requirement to apply historical cost basis of accounting.
- This amendment is not applicable to the Group's operations.
- (xv) 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.
- This amendment is not applicable to the Group's operations.
- (xvi) 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.



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

5.2 New FRSs not adopted (continued)

- (o) *Improvements to FRSs (2009)* are mandatory for annual periods beginning on or after 1 January 2010 (continued).
- (xvii) 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.
- (xviii) Amendment to FRS 138 *Intangible Assets* clarifies the examples provided in this Standard in measuring the fair value of an intangible asset acquired in a business combination. This amendment also removes the statement on the rarity of situations whereby the application of the amortisation method for intangible assets results in a lower amount of accumulated amortisation than under the straight-line method. The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this amendment.
- (xix) 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.
- (p) Amendments to FRS 132 is mandatory for annual periods beginning on or after 1 January 2010 and 1 March 2010 in respect of the transitional provisions in accounting for compound financial instruments and classification of rights issues respectively.

These amendments remove the transitional provisions in respect of accounting for compound financial instruments issued before 1 January 2003 pursuant to FRS 132²⁰⁰⁴ *Financial Instruments: Disclosure and Presentation*. Such compound financial instruments shall be classified into its liability and equity components when FRS 139 first applies.

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

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

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

5.2 New FRSs not adopted (continued)

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

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

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

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

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

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

This Standard supersedes the existing FRS 3 and now includes business combinations involving mutual entities and those achieved by way of contract alone. Any non-controlling interest in an acquiree shall be measured at fair value or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The time limit on the adjustment to goodwill due to the arrival of new information on the crystallisation of deferred tax benefits shall be restricted to the measurement period resulting from the arrival of the new information. Contingent liabilities acquired arising from present obligations shall be recognised, regardless of the probability of outflow of economic resources.

Acquisition-related costs shall be accounted for as expenses in the periods in which the costs are incurred and the services are received. Consideration transferred in a business combination, including contingent consideration, shall be measured and recognised at fair value at acquisition date.

In business combinations achieved in stages, the acquirer shall remeasure its previously held equity interest at its acquisition date fair value and recognise the resulting gain or loss in income statement.

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



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

5.2 New FRSs not adopted (continued)

- (s) FRS 127 *Consolidated and Separate Financial Statements* is mandatory for annual periods beginning on or after 1 July 2010.

This Standard supersedes the existing FRS 127 and replaces the current term 'minority interest' with a new term 'non-controlling interest' which is defined as the equity in a subsidiary that is not attributable, directly or indirectly, to a parent. Accordingly, total comprehensive income shall be attributed to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. If the Group loses control of a subsidiary, any gains or losses are recognised in income statement and any investment retained in the former subsidiary shall be measured at its fair value at the date when control is lost.

As at the reporting date, the Group reports minority interests of RM86,000. The Group expects to reclassify this as non-controlling interests and remeasure the non-controlling interests prospectively in accordance with the transitional provisions of FRS 127.

- (t) Amendments to FRSs are mandatory for annual periods beginning on or after 1 July 2010, except for Amendments to FRS 139 which is mandatory for annual periods beginning on or after 1 January 2010.
- (i) Amendments to FRS 2 *Share-based Payments* clarifies that transactions in which the Group acquired goods as part of the net assets acquired in a business combination or contribution of a business on the formation of a joint venture are excluded from the scope of this Standard.

These amendments are not applicable to the Group's operations.

- (ii) Amendments to FRS 5 clarifies that non-current asset classified as held for distribution to owners acting in their capacity as owners are within the scope of this Standard. The amendment also clarifies that in determining whether a sale is highly probable, the probability of shareholders' approval, if required in the jurisdiction, shall be considered. In a sale plan involving loss of control of a subsidiary, all assets and liabilities of that subsidiary shall be classified as held for sale, regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale. Discontinued operations information shall also be presented. Non-current asset classified as held for distribution to owners shall be measured at the lower of its carrying amount and fair value less costs to distribute. These amendments are not applicable to the Group's operations.
- (iii) Amendments to FRS 138 clarifies that the intention of separating an intangible asset is irrelevant in determining the identifiability of the intangible asset. In a separate acquisition and acquisition as part of a business combination, the price paid by the Group reflects the expectations of the Group of an inflow of economic benefits, even if there is uncertainty about the timing or the amount of the inflow. Accordingly, the probability criterion is always considered to be satisfied for separately acquired intangible assets. The useful life of a reacquired right recognised as an intangible asset in a business combination shall be the remaining contractual period of the contract in which the right was granted, and do not include renewal periods. In the case of a reacquired right in a business combination, if the right is subsequently reissued to a third party, the related carrying amount shall be used in determining the gain or loss on reissue. The Group does not expect any material impact on the consolidated financial statements arising from the adoption of these amendments.

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

5.2 New FRSs not adopted (continued)

- (t) Amendments to FRSs are mandatory for annual periods beginning on or after 1 July 2010, except for Amendments to FRS 139 which is mandatory for annual periods beginning on or after 1 January 2010 (continued).
- (iv) Amendments to FRS 139 remove the scope exemption on contracts for contingent consideration in a business combination. Accordingly, such contracts shall be recognised and measured in accordance with the requirements of FRS 139. The Group does not expect any material impact on the consolidated financial statements arising from the adoption of these amendments.
- (v) Amendments to IC Interpretation 9 clarifies that embedded derivatives in contracts acquired in a business combination, combination of entities or business under common controls, or the formation of a joint venture are excluded from this Interpretation. These amendments are not applicable to the Group's operations.
- (u) IC Interpretation 12 *Service Concession Arrangements* is mandatory for annual periods beginning on or after 1 July 2010.

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

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

This IC Interpretation is not applicable to the Group's operations.

- (v) IC Interpretation 16 *Hedges of a Net Investment in a Foreign Operation* is mandatory for annual periods beginning on or after 1 July 2010.

This Interpretation applies to hedges undertaken on foreign currency risk arising from net investments in foreign operations and the Group wishes to qualify for hedge accounting in accordance with FRS 139.

Hedge accounting is applicable only to the foreign exchange differences arising between the functional currency of the foreign operation and the functional currency of any parent (immediate, intermediate or ultimate parent) of that foreign operation. An exposure to foreign currency risk arising from a net investment in a foreign operation may qualify for hedge accounting only once in the consolidated financial statements.

Hedging instruments designated in the hedge of a net investment in a foreign operation may be held by any companies within the Group, as long as the designation, documentation and effectiveness requirements of FRS 139 are met. This IC Interpretation is not applicable to the Group's operations.



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

5.2 New FRSs not adopted (continued)

- (w) IC Interpretation 17 *Distributions of Non-cash Assets to Owners* is mandatory for annual periods beginning on or after 1 July 2010.

This Interpretation applies to non-reciprocal distributions of non-cash assets by the Group to its owners in their capacity as owners, as well as distributions that give owners a choice of receiving either non-cash assets or a cash alternative. This Interpretation also applies to distributions in which all owners of the same class of equity instruments are treated equally.

The liability to pay a dividend shall be recognised when the dividend is appropriately authorised and is no longer at the discretion of the Group. The liability shall be measured at the fair value of the assets to be distributed. If the Group gives its owners a choice of receiving either a non-cash asset or a cash alternative, the dividend payable shall be estimated by considering the fair value of both alternatives and the associated probability of the owners' selection.

At the end of each reporting period, the carrying amount of the dividend payable shall be remeasured and any changes shall be recognised in equity. At the settlement date, any difference between the carrying amounts of the assets distributed and the carrying amount of the dividend payable shall be recognised in income statement.

This IC Interpretation is not applicable to the Group's operations.

- (x) Amendment to FRS 1 *Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters* is mandatory for annual periods beginning on or after 1 January 2011.

This amendment permits a first-time adopter of FRSs to apply the exemption of not restating comparatives for the disclosures required in Amendments to FRS 7 (see Note 5.2(y) to the financial statements).

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

- (y) Amendments to FRS 7 *Improving Disclosures about Financial Instruments* are mandatory for annual periods beginning on or after 1 January 2011.

These amendments require enhanced disclosures of fair value of financial instruments based on the fair value hierarchy, including the disclosure of significant transfers between Level 1 and Level 2 of the fair value hierarchy as well as reconciliations for fair value measurements in Level 3 of the fair value hierarchy.

By virtue of the exemption provided under paragraph 44G of FRS 7, the impact of applying these amendments on the financial statements upon first adoption of FRS 7 as required by paragraph 30(b) of FRS 108 are not disclosed.

- (z) Amendments to FRS 1 *Additional Exemptions for First-time Adopters* are mandatory for annual periods beginning on or after 1 January 2011.

These amendments permit a first-time adopter of FRSs to apply the exemption of not restating the carrying amounts of oil and gas assets determined under previous GAAP.

These amendments are not applicable to the Group's operations.

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

5.2 New FRSs not adopted (continued)

- (A) Amendments to FRS 2 *Group Cash-settled Share-based Payment Transactions* are mandatory for annual periods beginning on or after 1 January 2011.

These amendments clarify the scope and the accounting for group cash-settled share-based payment transactions in the separate financial statements of the entity receiving the goods or services when that entity has no obligation to settle the share-based payment transactions.

Consequently, IC Interpretation 8 *Scope of FRS 2* and IC Interpretation 11 have been superseded and withdrawn.

These amendments are not applicable to the Group's operations.

- (B) IC Interpretation 4 *Determining whether an Arrangement contains a Lease* is mandatory for annual periods beginning on or after 1 January 2011.

This Interpretation requires the determination of whether an arrangement is, or contains, a lease based on an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and whether the arrangement conveys a right to use the asset. This assessment shall be made at the inception of the arrangement and subsequently reassessed if certain condition(s) in the Interpretation is met.

The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this amendment because there are no arrangements dependent on the use of specific assets in the Group.

- (C) IC Interpretation 18 *Transfers of Assets from Customers* is mandatory for annual periods beginning on or after 1 January 2011.

This Interpretation applies to agreements in which an entity receives from a customer an item of property, plant and equipment that must be used to either connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services. The entity receiving the transferred item is required to assess whether the transferred item meets the definition of an asset set out in the Framework. The credit entry would be accounted for as revenue in accordance with FRS 118.

The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this amendment because there are no such arrangements in the Group.

- (D) IC Interpretation 15 *Agreements for the Construction of Real Estate* is mandatory for annual periods beginning on or after 1 January 2012.

This Interpretation applies to the accounting for revenue and associated expenses by entities undertaking construction or real estate directly or via subcontractors. Within a single agreement, the Group may contract to deliver goods or services in addition to the construction of real estate. Such an agreement shall therefore, be split into separately identifiable components.



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

5.2 New FRSs not adopted (continued)

- (D) IC Interpretation 15 *Agreements for the Construction of Real Estate* is mandatory for annual periods beginning on or after 1 January 2012 (continued).

An agreement for the construction of real estate shall be accounted for in accordance with FRS 111 if the buyer is able to specify the major structural elements of the design of the real estate before construction begins and/or specify major structural changes once construction is in progress. Accordingly, revenue shall be recognised by reference to the stage of completion of the contract.

An agreement for the construction of real estate in which buyers only have limited ability to influence the design of the real estate or to specify only minor variations to the basic designs is an agreement for the sale of goods in accordance with FRS 118. Accordingly, revenue shall be recognised by reference to the criteria in paragraph 14 of FRS 118 (e.g. transfer of significant risks and rewards, no continuing managerial involvement nor effective control, reliable measurement, etc.).

At the reporting date, the Group recognises revenue and associated costs from the construction of real estate by reference to the stage of completion of the construction works. The Group is in the process of assessing the impact of implementing this Interpretation since the effects would only be observable for the financial year ending 30 June 2013.

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.

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.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)**6.1 Critical judgements made in applying accounting policies (continued)**

(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.

(c) Property development

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

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

(d) Construction contract

The Group recognises construction contract revenue and expenses in the income statement by using the stage of completion method. The stage of completion is determined by reference to surveys of work performed.

Significant judgement is required in determining the stage of completion, the extent of the progress billings issued, the estimated total construction revenue and costs, as well as the recoverability of the construction projects and determination of liquidated and ascertained damages. In making the judgments, the Group evaluates based on past experience and by relying on the work of specialists.



6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

6.2 Key sources of estimation uncertainty (continued)

(e) Deferred tax assets

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

(f) 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.

(g) 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.

(h) Write down for obsolete or slow moving inventories

The Group writes down its obsolete or slow moving inventories based on assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts 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.

(i) Amount due from the subsidiaries

The Company makes allowance for doubtful debts based on an assessment of the recoverability of amount due from subsidiaries. Allowances are applied to amount due where events or changes in circumstances indicate that the carrying amounts may not be recoverable.

(j) Fair values of borrowings

The fair values of borrowings are estimated by discounting future contractual cash flows at the current market interest rates available to the Group for similar financial instruments. It is assumed that the effective interest rates approximate the current market interest rates available to the Group based on its size and its business risk.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

6.2 Key sources of estimation uncertainty (continued)

- (k) Fair values of other investments

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

- (i) The fair value of quoted investments is the closing market price at the balance sheet date.
- (ii) Fair value, in the absence of an active market, is estimated by using discounted cash flow analysis. Estimated future cash flows and discount rates are based on current market information and rates applicable to financial instruments with similar yield, credit quality and maturity characteristics. Estimated future cash flows are influenced by factors such as economic conditions (including country specific risks), concentrations in specific industries, types of instruments or currencies, market liquidity and financial conditions of counter-parties. Discount rates are influenced by risk-free interest rates and credit risk.

7. PROPERTY, PLANT AND EQUIPMENT

Group	Balance as at 1.7.2009 RM'000	Additions RM'000	Disposals RM'000	Write off RM'000	Depreciation charge for the financial year (Note 7(a)) RM'000	Reclassi- fications RM'000	Translation adjustments RM'000	Balance as at 30.6.2010 RM'000
Carrying amount								
Freehold hotel properties	137,231	149	-	-	(3,442)	-	(141)	133,797
Leasehold hotel properties	64,321	445	-	-	(1,620)	-	-	63,146
Freehold golf course	15,332	-	-	-	-	-	-	15,332
Freehold land	47,376	-	-	-	-	-	(160)	47,216
Buildings and improvements	41,386	991	-	-	(1,095)	671	(398)	41,555
Jetty and infrastructure	23,936	4	-	-	(593)	-	-	23,347
Plant, machinery and electrical installation	15,558	2,569	(16)	-	(2,942)	-	(477)	14,692
Motor vehicles and boats	2,113	1,274	(23)	-	(823)	-	(23)	2,518
Hotel furniture, fittings and equipment	20,811	3,203	(20)	(159)	(3,498)	31	(1)	20,367
Furniture, fittings and equipment	9,445	2,691	(85)	(97)	(1,928)	20	(9)	10,037
Computers	1,117	340	(4)	(8)	(385)	-	(1)	1,059
Construction-in- progress	12,480	34,715	-	-	-	(722)	-	46,473
	391,106	46,381	(148)	(264)	(16,326)	-	(1,210)	419,539



7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	----- At 30.6.2010 -----		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Freehold hotel properties	147,236	(13,439)	133,797
Leasehold hotel properties	71,554	(8,408)	63,146
Freehold golf course	15,332	-	15,332
Freehold land	47,216	-	47,216
Buildings and improvements	49,881	(8,326)	41,555
Jetty and infrastructure	29,466	(6,119)	23,347
Plant, machinery and electrical installation	69,890	(55,198)	14,692
Motor vehicles and boats	9,521	(7,003)	2,518
Hotel furniture, fittings and equipment	66,191	(45,824)	20,367
Furniture, fittings and equipment	24,840	(14,803)	10,037
Computers	5,260	(4,201)	1,059
Construction-in-progress	46,473	-	46,473
	582,860	(163,321)	419,539

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Balance as at 1.7.2008 RM'000	Additions RM'000	Disposals RM'000	Write off RM'000	Adjustment* 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 properties (Note 10) RM'000	Translation adjustments RM'000	Balance as at 30.6.2009 RM'000
Carrying amount											
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



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

	Balance as at 1.7.2009 RM'000	Additions RM'000	Disposals RM'000	Depreciation charge for the financial year RM'000	Balance as at 30.6.2010 RM'000
Carrying amount					
Computers	140	67	-	(40)	167
Furniture, fittings and equipment	116	133	(1)	(29)	219
Motor vehicles	311	-	-	(77)	234
	567	200	(1)	(146)	620

	At 30.6.2010		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Computers	509	(342)	167
Furniture, fittings and equipment	676	(457)	219
Motor vehicles	400	(166)	234
	1,585	(965)	620

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Balance as at 1.7.2008 RM'000	Additions RM'000	Disposals RM'000	Depreciation charge for the financial year RM'000	Balance as at 30.6.2009 RM'000
Carrying amount					
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

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

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Income statement	15,156	15,780	146	208
Amount due from customers for contract works (Note 16 (d))	1,170	-	-	-
	16,326	15,780	146	208

(b) Security

The freehold land and buildings of the Group with a carrying amount of RM11,073,000 (2009: RM11,410,000) have been pledged to banks for credit facilities granted to the Group and the Company (Note 23).

The freehold land with buildings classified as hotel properties of the Group with a carrying amount of RM149,943,000 (2009: RM153,144,000) have been pledged to banks for credit facilities granted to the Group and the Company (Note 23).

Other property, plant and equipment of the Group with a carrying amount of RM46,367,000 (2009: RM3,480,000) have been pledged to banks for credit facilities granted to the Group (Note 23).



8. INTANGIBLE ASSETS

	Group	
	2010 RM'000	2009 RM'000
Cost		
Balance as at 30 June	6,615	6,615
Less: Accumulated amortisation		
Balance as at 1 July	(1,023)	-
Charge for the financial year	(1,024)	(1,023)
Balance as at 30 June	(2,047)	(1,023)
Carrying amount	4,568	5,592

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	
	2010 RM'000	2009 RM'000
Manufacturing and trading	2,183	3,207
Hotel and leisure	2,385	2,385
	4,568	5,592

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 RM1,024,000 (2009: 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, PJDPC Malta Sdn. Bhd..

9. PREPAID LEASE PAYMENTS FOR LAND

Group	Balance as at 1.7.2009 RM'000	Additions RM'000	Amortisation charge for the financial year RM'000	Translation adjustments RM'000	Balance as at 30.6.2010 RM'000
Carrying amount					
Leasehold land	12,614	1,262	(182)	(283)	13,411

9. PREPAID LEASE PAYMENTS FOR LAND (CONTINUED)

	At 30.6.2010		
	Cost RM'000	Accumulated amortisation RM'000	Carrying amount RM'000
Leasehold land	14,674	(1,263)	13,411

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

	At 30.6.2009		
	Cost RM'000	Accumulated amortisation RM'000	Carrying amount RM'000
Leasehold land	13,714	(1,100)	12,614

	Group	
	2010 RM'000	2009 RM'000
Analysed as:		
Long term leasehold land	11,843	10,725
Short term leasehold land	1,568	1,889
	13,411	12,614

The leasehold land of certain subsidiaries with carrying value of RM5,210,000 (2009: RM5,285,000) are pledged to licensed financial institutions to secure banking facilities granted to certain subsidiaries (Note 23).



10. INVESTMENT PROPERTIES

Group	Balance as at 1.7.2009 RM'000	Additions RM'000	Disposals RM'000	Transfer from property development costs (Note 17) RM'000	Depreciation charge for the financial year RM'000	Balance as at 30.6.2010 RM'000
Carrying amount						
Freehold land	15,967	-	(1,160)	40,651	-	55,458
Buildings	18,162	139	-	91,317	(2,447)	107,171
	34,129	139	(1,160)	131,968	(2,447)	162,629

	At 30.6.2010		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Freehold land	55,458	-	55,458
Buildings	110,453	(3,282)	107,171
	165,911	(3,282)	162,629
Fair Value			
At 30 June 2010			194,733

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
Carrying amount					
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

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
Fair Value			
At 30 June 2009			45,875

Investment properties comprise a number of shop lots, condominium units, supermarket premises and office cum commercial premise that are leased to third parties. Each of the leases contains an initial non-cancellable period of one year (Note 25) except for the 2 units of supermarket premises and the office cum commercial premise which contain an initial non-cancellable period of 6 years and 3 years respectively. Subsequent renewals are negotiated with the lessee. No contingent rents are charged.

The fair value of the investment properties were derived from property agencies and valuation performed by independent professional valuers.

Investment properties of certain subsidiaries with a carrying value of RM153,742,000 (2009: RM27,244,000) are pledged to licensed financial institutions to secure banking facilities granted to the Company and certain subsidiaries (Note 23).

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

	Group	
	2010 RM'000	2009 RM'000
Generating rental income		
Building insurance	90	12
Service charges	51	42
Quit rent and assessment	237	32
Security service	258	-
Maintenance	272	-
Utilities	1,159	-
Other expenses	18	5
	2,085	91
Non-generating rental income		
Quit rent and assessment	34	40
Security services	12	12
Building insurance	7	-
Other expenses	3	7
	56	59

11. INVESTMENTS IN SUBSIDIARIES

	Company	
	2010 RM'000	2009 RM'000
Unquoted equity shares, at cost	529,193	484,857
Less: Impairment losses (2009: net of impairment written off of RM18,455,000 during internal restructuring exercise)	(8,475)	(5,200)
	520,718	479,657

In the previous 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
		2010 %	2009 %	
Bindev Sdn. Bhd.	Malaysia	100	100	Property development
Bunga Development Sdn. Bhd. and its subsidiary	Malaysia	100	100	Property development
Kulai Management Services Sdn. Bhd.	Malaysia	100	100	Provision of property management services
Eframe Sdn. Bhd.	Malaysia	100	100	Software consultancy, product development and maintenance
Eframe Solutions Sdn. Bhd.	Malaysia	100	100	Software consultancy, product development and maintenance
Harbour Place Management Services Sdn. Bhd.	Malaysia	100	100	Provision of property management services
HTR Management Services Sdn. Bhd.	Malaysia	100	100	Provision of property management services
Kota Mulia Sdn. Bhd. and its subsidiaries	Malaysia	100	100	Property development and investment
Rose Villa Management Services Sdn. Bhd.	Malaysia	100	100	Dormant
PTC Management Services Sdn. Bhd.	Malaysia	100	100	Provision of property management services

11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Country of incorporation	Equity interest		Principal activities
		2010 %	2009 %	
OCC Cables Berhad and its subsidiaries	Malaysia	100	-	Investment holding
Olympic Cable Company Sdn.Bhd. and its subsidiaries #	Malaysia	100	100	Manufacturing and sale of cables and wires
Olympic Cable (Singapore) Pte. Ltd. and its subsidiary*	Singapore	100	100	Investment holding and trading of cable products
OVI Cables (Vietnam) Co., Ltd.*	Vietnam	100	100	Manufacturing and sale of cables and wires
PJ Exim Sdn. Bhd. #	Malaysia	100	100	Trading of cable products
Olympic Properties Sdn. Bhd.	Malaysia	100	100	Property investment
Pengerang Jaya Pte. Ltd.* and its subsidiaries	Singapore	100	100	Investment holding
Pengerang Jaya Investment Pte. Ltd.*	Singapore	100	100	Investment holding
P.J. (A) Pty. Limited	Australia	100	100	Investment holding and hotel business
PJ Equity Sdn. Bhd.	Malaysia	100	100	Investment holding
PJD Construction Sdn. Bhd. and its subsidiaries	Malaysia	100	100	Construction
PJDC International Sdn. Bhd. and its subsidiary	Malaysia	100	100	Investment holding
PJDCI Co., Ltd. and its subsidiary*	Thailand	78.5	78.5	Investment holding
PJDC Co., Ltd.*	Thailand	88.5	88.5	Construction
PJD Eastern Land Sdn. Bhd.	Malaysia	100	100	Property development and investment
PJD Hotels Sdn. Bhd. and its subsidiaries	Malaysia	100	100	Investment holding and hotel and restaurant business
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. and its subsidiary	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	Leasing of office cum commercial building



11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Country of incorporation	Equity interest		Principal activities
		2010 %	2009 %	
PJD Landmarks Sdn. Bhd. (formerly known as Wahyu Sdn. Bhd.)	Malaysia	100	100	Dormant
PJD Malta Sdn. Bhd.	Malaysia	100	100	Trading of building materials
PJD Management Services Sdn. Bhd.	Malaysia	100	100	Provision of property management and facilities services
PJD-MM2H Sdn. Bhd.	Malaysia	100	100	Licensed agent to handle applications for Malaysia My Second Home programme
PJD Pravest Sdn. Bhd. (formerly known as Pravest Sdn. Bhd.)	Malaysia	100	100	Property development
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
PJD Sejahtera Sdn. Bhd. (formerly known as Sanubari Sejahtera Sdn. Bhd.)	Malaysia	100	100	Property development
PJDPC Malta Sdn. Bhd. and its subsidiaries	Malaysia	100	100	Manufacturing and sale of roofing tiles and concrete wall panels and trading of building materials
Acotec-Concrete Products Sdn. Bhd.	Malaysia	100	100	Property investment and rental services
PJD Concrete Land (JB) Sdn. Bhd.	Malaysia	100	100	Property investment
PJD Concrete Land (South) Sdn. Bhd.	Malaysia	100	100	Property investment
PKM Management Services Sdn. Bhd.	Malaysia	100	100	Provision of property management services
Putri Kulai Sdn. Bhd.	Malaysia	100	100	Property investment
Superville Sdn. Bhd.	Malaysia	100	100	Property development
Swiss-Garden International Vacation Club Berhad	Malaysia	100	100	Operation and management of timeshare membership scheme
Swiss-Garden Hotel Management Sdn. Bhd.	Malaysia	100	100	Hotel management and consultancy services

11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Country of incorporation	Equity interest		Principal activities
		2010 %	2009 %	
Swiss-Garden International Sdn. Bhd. and its subsidiaries	Malaysia	100	100	Hotel management and consultancy services
Swiss-Garden International Limited	British Virgin Islands	100	100	Hotel management and consultancy services
Swiss-Garden International Hotels & Resorts (Australia) Pty. Ltd.**	Australia	100	100	Hotel management and consultancy services
Swiss-Garden International Limited**	United Kingdom	100	100	Dormant
Swiss-Garden Rewards Sdn. Bhd. and its subsidiary	Malaysia	70	70	Marketing of timeshare memberships
Swiss-Garden Rewards (Singapore) Pte. Ltd.*	Singapore	70	70	Agent providing services to hotel companies

* Audited by member firms of BDO International.

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

The status of these subsidiaries have been changed from direct to indirect as a result of the Group internal restructuring exercise pursuant to the proposed listing of cables and wires division of the Group during the financial year.

An impairment loss on investments in subsidiaries amounting to RM2,275,000 and RM1,000,000 relating to subsidiaries, PJD Malta Sdn. Bhd. and PJD Realty Sdn. Bhd. respectively, has been recognised during the financial year due to declining business operations. The declining business in PJD Malta Sdn. Bhd. was as a result of the transfer of its business operations to another subsidiary, PJDCP Malta Sdn. Bhd..

12. INVESTMENTS IN ASSOCIATES

	Group	
	2010 RM'000	2009 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	20,458	20,694
	44,379	44,615



12. INVESTMENTS IN ASSOCIATES (CONTINUED)

The details of the associates are as follows:

Name of company	Country of incorporation	Group Equity interest		Principal activities
		2010 %	2009 %	
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 informations of the associates are as follows:

	Group	
	2010 RM'000	2009 RM'000
Assets and liabilities		
Non-current assets	28,505	28,394
Current assets	136,471	149,892
Total assets	164,976	178,286
Current liabilities	3,030	15,476
Total liabilities	3,030	15,476
Results		
Revenue	6,407	15,388
Profit for the financial year	3,654	8,697

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

	Group	
	2010 RM'000	2009 RM'000
Loss for the financial year	2	2
Accumulated losses	11	8

13. OTHER INVESTMENTS

	Group	
	2010 RM'000	2009 RM'000
Non-current		
Unquoted shares in Malaysia, at cost	34	34
Quoted shares in Malaysia, at cost	61,843	61,843
Less: Allowance for diminution in value	(12,123)	(15,616)
	49,720	46,227
	49,754	46,261
Market value:		
Quoted shares in Malaysia	50,286	42,769

In the previous financial year, no additional allowance for diminution in value was made although the market value was lower than the carrying amount as at the end of financial year as the Directors were of the view that the decline in market value was only temporary.

Certain quoted shares in Malaysia with a carrying value of RM45,578,000 (2009: RM44,248,000) have been pledged to licensed financial institutions as security for banking facilities granted to the Company (Note 23).

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

14. LAND HELD FOR PROPERTY DEVELOPMENT

	Note	Group	
		2010 RM'000	2009 RM'000
Carrying amount			
Opening balance		140,654	117,748
Additions		5,763	27,345
Translation adjustment		(86)	-
Transfer to property development costs	17	(3,047)	(4,439)
Closing balance		143,284	140,654
Representing:			
Land		123,369	124,962
Land development costs		19,915	15,692
		143,284	140,654



14. LAND HELD FOR PROPERTY DEVELOPMENT (CONTINUED)

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

	Group	
	2010 RM'000	2009 RM'000
Interest expense	1,380	1,167

Interest is capitalised in land held for property development at rates ranging from 4.0% to 7.55% (2009: 4.8% to 6.0%) per annum.

Certain land held for property development with a carrying value of RM54,718,000 (2009: RM46,179,000) have been pledged to licensed banks for banking facilities granted to certain subsidiaries (Note 23).

15. DEFERRED TAX

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

	Group	
	2010 RM'000	2009 RM'000
Opening balance	13,433	8,412
Recognised in income statement (Note 30)	1,541	5,021
Closing balance	14,974	13,433
Presented after appropriate offsetting:		
Deferred tax assets, net	(5,112)	(3,394)
Deferred tax liabilities, net	20,086	16,827
	14,974	13,433

(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 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)
Recognised in the income statement	-	(1,434)	(1,825)	-	(3,259)
At 30 June 2010	(6,787)	(18,793)	5,407	87	(20,086)

15. DEFERRED TAX (CONTINUED)

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

Deferred tax assets of the Group

	Allowances RM'000	Unused tax losses and unabsorbed capital allowances RM'000	Property, plant and equipment and investment properties RM'000	Property development costs and inventories RM'000	Set off of tax RM'000	Total RM'000
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
Recognised in the income statement	1,216	(2,566)	1,552	(309)	1,825	1,718
At 30 June 2010	2,003	5,464	1,552	1,500	(5,407)	5,112

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

	Group	
	2010 RM'000	2009 RM'000
Deductible temporary differences	16,345	15,816
Taxable temporary differences	(38,012)	(36,390)
Unused tax losses		
- No expiry date	35,919	34,060
- Expire by 30 June 2013	962	1,133
- Expire by 30 June 2014	1,144	1,840
- Expire by 30 June 2015	896	-
Unabsorbed capital allowances	57,056	54,699
	74,310	71,158

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	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Non-current					
Trade					
Third parties	a,b	24,844	26,064	-	-
Retention sum - associate	c	-	2,452	-	-
- third parties	c	5,951	14,309	-	-
	g	30,795	42,825	-	-
Current					
Trade					
Third parties	a	152,252	148,925	-	-
Accrued billings		5,858	16,960	-	-
Amount due from customers for contract works	d	22,452	27,573	-	-
Retention sum - third parties	c	12,428	8,245	-	-
		192,990	201,703	-	-
Less: Allowance for doubtful debts - third parties	b	(6,654)	(7,468)	-	-
		186,336	194,235	-	-
Non-trade					
Associate		627	325	-	-
Subsidiaries	e	-	-	217,312	263,451
Other receivables	f	12,046	23,881	328	277
Deposits		4,945	4,472	127	127
Prepayments		2,489	2,012	149	119
		20,107	30,690	217,916	263,974
Less: Allowance for doubtful debts – other receivables		(1,682)	(1,372)	-	-
		18,425	29,318	217,916	263,974
	g	204,761	223,553	217,916	263,974

- (a) Trade receivables are non-interest bearing and the normal credit terms granted by the Group range from 30 to 90 days (2009: 30 to 90 days).

Trade receivables of the Group include timeshare membership fees amounting RM49,571,000 (2009: RM51,810,000) receivable from customers via monthly instalments ranging from 12 to 60 months (2009: 12 to 60 months).

Included in trade receivables of the Group are amounts owing by companies in which certain Directors have interest totaling RM4,590,000 (2009: RM3,864,000).

- (b) Third party trade receivables of RM130,000 has been written off against allowance for doubtful debts in the previous financial year.

16. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

	Group	
	2010 RM'000	2009 RM'000
Within 1 year	12,428	8,245
1 - 2 years	5,890	13,753
2 - 3 years	-	3,008
3 - 4 years	61	-
	18,379	25,006

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

	Note	Group	
		2010 RM'000	2009 RM'000
Aggregate costs incurred to date		952,507	1,044,777
Add: Attributable profits		26,855	29,715
		979,362	1,074,492
Less: Progress billings		(997,595)	(1,090,924)
		(18,233)	(16,432)
Amount due to customers for contract works	22	40,685	44,005
		22,452	27,573

Addition to aggregate costs incurred during the financial year include:

	Note	Group	
		2010 RM'000	2009 RM'000
Staff costs	33	4,440	5,291
Depreciation	7(a)	1,170	-

(e) Amount owing by subsidiaries is in respect of advances and payments made on behalf, which are unsecured, interest-free and payable upon demand in cash and cash equivalents except for RM215,577,000 (2009: RM262,426,000) which is subject to interest at 0.65% (2009: 0.84%) per annum.

(f) Included in other receivables of the Group are advances to and payments made on behalf of subcontractors amounting to RM501,000 (2009: RM4,161,000), which are unsecured, interest-free and repayable on demand.



16. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Ringgit Malaysia	222,275	241,899	217,916	263,974
Thai Baht	11,911	20,956	-	-
Australian Dollar	299	386	-	-
Singapore Dollar	232	1,201	-	-
US Dollar	472	1,141	-	-
Vietnam Dong	196	783	-	-
Euro	171	11	-	-
Sterling Pound	-	1	-	-
	235,556	266,378	217,916	263,974

17. PROPERTY DEVELOPMENT COSTS

	Note	Group	
		2010 RM'000	2009 RM'000
Opening balance			
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
Transfer from land held for property development	14	3,047	4,439
Transfer to completed properties held for sale		(16,246)	(17,683)
Transfer to investment properties	10	(131,968)	-
Acquisition of land		-	30
Development costs incurred during the year		161,272	232,668
Cost charged to income statement for the year		(190,779)	(177,824)
Completed developments			
- Reversal of land and development costs		(75,157)	(261,688)
- Reversal of costs charged to income statement		75,157	261,688
		(174,674)	41,630
Closing balance		156,628	331,302
Represented by:			
Land		91,266	138,053
Development costs		376,861	373,588
Accumulated costs charged to the income statement		(311,499)	(180,339)
		156,628	331,302

17. PROPERTY DEVELOPMENT COSTS (CONTINUED)

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

	Group	
	2010 RM'000	2009 RM'000
Interest expense	6,799	9,658

Interest is capitalised in property development costs at rates ranging from 0.65% to 5.30% (2009: 0.84% 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 RM121,483,000 (2009: RM254,970,000) have been pledged to licensed banks for banking facilities granted to certain subsidiaries (Note 23).

18. INVENTORIES

	Group	
	2010 RM'000	2009 RM'000
At cost		
Completed properties held for sale	21,227	23,931
Raw materials	4,030	3,782
Consumables	1,945	1,699
Work-in-progress	6,155	2,032
Finished goods	7,196	4,505
	40,553	35,949
At net realisable value		
Completed properties held for sale	683	-
Raw materials	287	473
Work-in-progress	-	54
Finished goods	2,377	1,582
	3,347	2,109
	43,900	38,058

During the financial year, inventories of the Group recognised as cost of sales amounted to RM99,575,000 (2009: RM112,700,000) while the write down of inventories to their net realisable value amounted to RM1,761,000 (2009: RM3,934,000).



19. CASH AND CASH EQUIVALENTS

	Note	Group		Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Cash and bank balances	a	84,034	45,956	4,469	1,387
Deposits with licensed banks	b	34,800	39,115	-	-
Per balance sheets	c	118,834	85,071	4,469	1,387
Bank overdrafts included in borrowings	23	(7,108)	(9,947)	-	-
Deposits pledged as securities	b	(7,380)	(11,864)	-	-
Per cash flow statements		104,346	63,260	4,469	1,387

- (a) Included in the Group's cash and bank balances is an amount of RM42,780,000 (2009: RM16,709,000) 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.

Included in the Housing Development Account is an amount of RM31,470,000 (2009: RM2,037,000) assigned for bank facilities granted to certain subsidiaries.

- (b) Included in deposits placed with licensed banks is an amount of RM7,380,000 (2009: RM11,864,000) pledged for bank facilities granted to certain subsidiaries.
- (c) The currency exposure profile of cash and bank balances and deposits with licensed banks are as follows:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Ringgit Malaysia	81,405	45,708	4,469	1,387
Australian Dollar	26,054	26,454	-	-
Thai Baht	10,334	12,338	-	-
Vietnam Dong	567	177	-	-
US Dollar	402	319	-	-
Singapore Dollar	72	75	-	-
	118,834	85,071	4,469	1,387

- (d) Information on the financial risks of cash and bank balances and deposits with licensed banks are disclosed in Note 38 to the financial statements.

20. SHARE CAPITAL AND TREASURY SHARES

	Group and Company			
	2010		2009	
	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 for the Company and its shareholders.

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

Details of the repurchase of shares in previous financial year were as follows:

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

Of the total 456,132,000 (2009: 456,132,000) issued and fully paid ordinary shares of RM1.00 each as at 30 June 2010, there are 475,000 (2009: 475,000) ordinary shares of RM1.00 each with a cumulative total consideration amounting to RM266,000 (2009: RM266,000) held as treasury shares by the Company. The number of outstanding shares in issue after the share buy-back is 455,657,000 (2009: 455,657,000) ordinary shares of RM1.00 each as at 30 June 2010.

20. SHARE CAPITAL AND TREASURY SHARES (CONTINUED)

(b) Warrants

Warrants B

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

The exercise price of each Rights Warrant shall be RM1.10 per ordinary share for the first five (5) years of the exercise period and RM1.20 thereafter for the subsequent five (5) years or such adjusted price as may for the time being be applicable subject to the Deed Poll dated 14 August 2000. The exercise period shall commence from the date of issue of the Rights Warrants and will expire on 29 October 2010 at 5.00 p.m.. Notice to warrant holders dated 24 September 2010 has been despatched to all warrant holders notifying them of the forthcoming expiry date.

As at 30 June 2010, 114,032,898 Warrants B have yet to be converted to ordinary shares. Details of the proposed New Warrants are disclosed in Note 40 to the financial statements.

21. RESERVES

	Note	Group		Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Non-distributable:					
Share premium	a	39,773	39,773	39,773	39,773
Exchange translation reserve	b	(10,122)	(6,211)	-	-
		29,651	33,562	39,773	39,773
Distributable:					
Retained earnings	c	340,344	297,837	79,906	47,699
		369,995	331,399	119,679	87,472

(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.

21. RESERVES (CONTINUED)

(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 and has sufficient tax credit under Section 108 of the Income Tax Act, 1967 and balance in the tax exempt account to frank the payment of dividends out of its entire retained earnings without incurring additional tax liabilities. Upon full utilisation of tax credit under Section 108 of the Income Tax Act, 1967, the Company could move to single tier system.

22. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Non-current					
Trade					
Retention sum - third parties	a,e	6,129	4,797	-	-
Current					
Trade					
Third parties	b	61,063	74,753	-	-
Progress billings in respect of property development		15,356	6,236	-	-
Amount due to customers for contract works	16(d)	40,685	44,005	-	-
Retention sum - third parties	a	21,671	25,041	-	-
		138,775	150,035	-	-
Non-trade					
Subsidiaries	c	-	-	124,544	139,619
Other payables - third parties	d	22,199	24,703	935	967
- associates		397	67	-	-
Accruals		38,648	22,924	539	483
		61,244	47,694	126,018	141,069
	e	200,019	197,729	126,018	141,069



22. TRADE AND OTHER PAYABLES (CONTINUED)

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

	Group	
	2010 RM'000	2009 RM'000
Within 1 year	21,671	25,041
1 – 2 years	3,876	2,461
2 – 3 years	2,208	2,203
3 – 4 years	45	133
	27,800	29,838

(b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days (2009: 30 to 90 days).

(c) Amount owing to subsidiaries is in respect of advances and payments made on behalf by the subsidiaries, which are unsecured, interest-free and payable upon demand in cash and cash equivalents, except for RM18,323,000 (2009: RM36,361,000), which is subject to interest rates ranging from 3.93% to 7.05% (2009: 3.97% to 8.25%) per annum.

(d) Other payables include enrolment fees payable to Interval International Inc. of RM180,000 (2009: RM621,000) and Resort Condominiums International LCC of RM3,975,000 (2009: 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	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Ringgit Malaysia	194,657	181,907	126,018	141,069
Thai Baht	9,427	19,599	-	-
US Dollar	1,157	308	-	-
Vietnam Dong	696	410	-	-
Australian Dollar	129	166	-	-
Singapore Dollar	67	123	-	-
Euro	15	13	-	-
	206,148	202,526	126,018	141,069

23. BORROWINGS

	Note	Group		Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Non-current					
Secured term loans		95,450	171,370	7,822	12,005
Unsecured term loans		3,644	5,781	-	-
		99,094	177,151	7,822	12,005
Current					
Secured term loans		112,943	17,386	4,194	4,077
Unsecured term loans		2,010	1,697	-	-
Secured bank overdrafts	19	2,796	4,140	-	-
Unsecured bank overdrafts	19	4,312	5,807	-	-
Secured bankers' acceptances		2,385	4,934	-	-
Unsecured bankers' acceptances		4,467	34,404	-	-
Secured revolving credits		71,500	91,000	33,500	48,000
Unsecured revolving credits		6,500	16,000	-	-
		206,913	175,368	37,694	52,077
		306,007	352,519	45,516	64,082
Total borrowings					
Secured term loans		208,393	188,756	12,016	16,082
Unsecured term loans		5,654	7,478	-	-
Secured bank overdrafts	19	2,796	4,140	-	-
Unsecured bank overdrafts	19	4,312	5,807	-	-
Secured bankers' acceptances		2,385	4,934	-	-
Unsecured bankers' acceptances		4,467	34,404	-	-
Secured revolving credits		71,500	91,000	33,500	48,000
Unsecured revolving credits		6,500	16,000	-	-
		306,007	352,519	45,516	64,082



23. BORROWINGS (CONTINUED)

(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
Group						
2010						
Secured term loans	2024	208,393	112,943	26,420	56,879	12,151
Unsecured term loans	2014	5,654	2,010	2,123	1,521	-
Secured bank overdrafts	2011	2,796	2,796	-	-	-
Unsecured bank overdrafts	2011	4,312	4,312	-	-	-
Secured bankers' acceptances	2011	2,385	2,385	-	-	-
Unsecured bankers' acceptances	2011	4,467	4,467	-	-	-
Secured revolving credits	2011	71,500	71,500	-	-	-
Unsecured revolving credits	2011	6,500	6,500	-	-	-
		306,007	206,913	28,543	58,400	12,151
2009						
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	-	-	-
		352,519	175,368	72,706	87,626	16,819
Company						
2010						
Secured term loans	2014	12,016	4,194	4,095	3,388	339
Secured revolving credits	2011	33,500	33,500	-	-	-
		45,516	37,694	4,095	3,388	339
2009						
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	-

23. BORROWINGS (CONTINUED)

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

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Ringgit Malaysia	303,740	349,441	45,516	64,082
US Dollar	2,267	3,078	-	-
	306,007	352,519	45,516	64,082

- (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), investment properties (Note 10), land held for property development (Note 14) and property development costs (Note 17). The borrowings are also secured by the corporate guarantee provided by the Company.

- (d) In connection with the term loan agreements, the Company and certain subsidiaries have agreed to certain significant covenants, subject to the consent of the lenders, which include the following:
- (i) not to amend the Memorandum and Articles of Association in a manner inconsistent with the provisions of the lenders' Letters of Offer;
 - (ii) not to sell, lease or transfer all or any substantial part of its assets;
 - (iii) not to allow any change in its existing shareholders or their shareholdings and/or undertake a scheme or merger or amalgamation;
 - (iv) not to decrease the authorised or issued share capital; and
 - (v) not to enter into any partnership, profit-sharing or royalty agreements whereby income or profits may be shared with other persons;
- (e) Information on financial risks of borrowings are disclosed in Note 38 to the financial statements.



24. DEFERRED INCOME

	Group	
	2010 RM'000	2009 RM'000
Non-current		
Membership fees	39,891	38,292
Current		
Membership fees	2,713	2,588
Maintenance fees	71	22
	2,784	2,610

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.

25. 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	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Less than one year	1,525	1,293	7	4
Between one and five years	2,054	155	13	5
	3,579	1,448	20	9

(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	
	2010 RM'000	2009 RM'000
Less than one year	21,114	2,162
Between one and five years	31,164	5,250
Later than five years	37,808	39,175
	90,086	46,587

25. COMMITMENTS (CONTINUED)

(b) Capital commitments

	Group	
	2010 RM'000	2009 RM'000
Contracted but not provided for		
- property, plant and equipment	1,487	3,408

26. 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.

	Company	
	2010 RM'000	2009 RM'000
Guarantees		
Corporate guarantees given to financial institutions relating to banking facilities of subsidiaries	571,621	571,281
Corporate guarantees given to third parties relating to credit facilities granted to subsidiaries	20,900	36,040
	592,521	607,321

Contingent assets/liabilities not considered remote***Litigations***

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

The civil suit taken by SGIVCB against the Agent was in respect of the wrongful repudiation of the Marketing Agreement entered into by the parties on 2 July 2001, resulting in SGIVCB suffered a loss and damage inter-alia amounting to a total of RM5,280,000. In this civil suit, the Agent has filed a counter claim against SGIVCB for its marketing fee amounting to RM21,091,000, electricity and rental charges pursuant to the Marketing Agreement and is seeking for loss, damages, interests and costs.

On 27 August 2010, the Court had allowed SGIVCB's claim against the Agent and ordered the Agent to pay the damages amounting to RM5,232,000, damages for the loss of use of promotion materials amounting to RM48,000, damages for misrepresentation and loss of goodwill of SGIVCB which is to be assessed by a Senior Assistant Registrar, interest at 8% per annum on the damages allowed commencing from the date when the writ was filed until full and final satisfaction and costs. The Agent had appealed against the Court award.

On the counter claim, the Court allowed claim for marketing fee, rental arrears amounting to RM1,840 and related costs. The said marketing fee, however, would need to be assessed by a qualified accountant agreed by both parties. On 3 September 2010, the Court appointed a qualified accountant to assess the Agent's marketing fee and subsequently fixed 6 October 2010 as mention date to monitor the assessment exercise.



26. CONTINGENCIES (CONTINUED)

Contingent assets/liabilities not considered remote (continued)

Litigations (continued)

On 6 October 2010, the Court determined the scope of work for the qualified accountant and did not fix another mention date until the assessment is completed by the qualified accountant.

The Board of Directors are of the opinion that, after taking into consideration the claim of damages of RM5,280,000 awarded by the Court to SGIVCB and accrued marketing fees, the outcome of the assessment exercise by the qualified accountant will not have material impact to the financial statements of the Group.

27. REVENUE

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Sale of goods	145,143	156,003	-	-
Property development revenue	270,376	213,402	-	-
Services rendered	100,122	91,615	3,300	3,300
Contract revenue	147,412	165,077	-	-
Dividend income				
- subsidiaries	-	-	12,500	21,391
- other investments	2,775	2,388	-	-
	665,828	628,485	15,800	24,691

28. COST OF SALES AND SERVICES

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Inventories sold	105,381	117,680	-	-
Property development costs	208,713	169,463	-	-
Services rendered	43,118	37,451	7,697	6,954
Contract works	130,636	160,594	-	-
	487,848	485,188	7,697	6,954

29. PROFIT BEFORE TAX

	Note	Group		Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Profit before tax is arrived at after charging:					
Allowance for doubtful debts		1,179	2,150	-	-
Amortisation of prepaid lease payments for land	9	182	178	-	-
Auditors' remuneration:					
- statutory audit					
- current year		350	368	34	34
- over provision in prior years		(14)	(20)	-	(2)
- other services		369	12	21	9
Bad debts written off		6	2	-	-
Compensation to purchasers		20	149	-	-
Depreciation on:					
- investment properties	10	2,447	222	-	-
- property, plant and equipment	7(a)	15,156	15,780	146	208
Directors' remuneration:					
- salaries and other emoluments		4,639	4,958	3,624	3,238
- fees		93	93	93	93
Impairment loss on:					
- goodwill on consolidation	8	1,024	1,023	-	-
- investments in subsidiaries	11	-	-	3,275	-
Interest expense on:					
- bank overdrafts		305	1,761	63	252
- bankers' acceptances		313	1,554	-	-
- hire purchase creditors		-	1	-	-
- revolving credits		2,668	3,622	2,192	2,759
- term loans		5,459	1,758	870	1,231
- subsidiaries		-	-	1,141	1,213
- other interest		7	11	-	-
Inventories written down	18	1,761	3,934	-	-
Inventories written off		11	2	-	-
Liquidated and ascertained damages expenses		2,781	31	-	-
Loss on disposal of property, plant and equipment		-	33	-	3
Other investments written off		-	225	-	-
Property, plant and equipment written off	7	264	745	-	-
Rental expense on land and buildings		1,541	2,064	11	16

29. PROFIT BEFORE TAX (CONTINUED)

	Note	Group		Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Profit before tax is arrived at after charging (continued):					
Rental of equipment		393	429	-	-
Replacement cost for operating equipment		781	675	-	-
Research and development expensed as incurred		3,920	3,753	-	-
Realised loss on foreign exchange		98	1,344	-	-
Unrealised loss on foreign exchange		978	123	-	-
And crediting:					
Allowance for doubtful debts no longer required		1,683	25	-	-
Reversal of allowance for diminution in value of other investments		3,493	-	-	-
Bad debt recovered		50	-	-	-
Gross dividends received from:					
- shares quoted in Malaysia		2,598	2,210	-	-
- subsidiaries		-	-	12,500	21,391
- unquoted shares		177	177	-	-
Gain on disposal of:					
- investment properties		1,053	-	-	-
- property, plant and equipment		376	220	63	-
- subsidiaries	35	-	-	42,436	-
Interest income received from:					
- fixed deposits		1,554	2,788	-	-
- housing development account		273	435	-	-
- subsidiaries		-	-	1,584	2,098
- others		264	494	2	3
Realised gain on foreign exchange		60	67	-	-
Rental income from land and buildings		19,608	3,911	-	-

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 RM89,000 and RM32,000 (2009: RM88,000 and RM31,000) respectively.

30. TAX EXPENSE

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Current tax expense based on profit for the financial year:				
Malaysian income tax	18,699	9,113	721	567
Foreign income tax	358	-	-	-
	19,057	9,113	721	567
Under provision in prior years:				
Malaysian income tax	350	613	12	32
Foreign income tax	699	-	-	-
	20,106	9,726	733	599
Deferred tax (Note 15):				
Relating to origination and reversal of temporary differences	1,455	3,588	-	-
Under provision in prior years	86	1,433	-	-
	1,541	5,021	-	-
	21,647	14,747	733	599

The Malaysian income tax is calculated at the statutory tax rate of 25% (2009: 25%) of the estimated taxable profits for the fiscal year.

Tax expense for foreign subsidiaries are calculated at the rates prevailing in those respective jurisdictions.



30. TAX EXPENSE (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	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Tax at Malaysian statutory tax rate of 25% (2009: 25%)	18,582	9,358	10,798	3,214
Tax effect in respect of:				
Non-allowable expenses	4,469	5,178	1,290	433
Non-taxable income	(2,571)	(486)	(11,367)	(3,080)
Utilisation of previously unrecognised deferred tax assets	(41)	(400)	-	-
Deferred tax assets not recognised during the year	829	813	-	-
Tax incentives and allowances	(520)	(788)	-	-
Share of post tax results of associates	(251)	(596)	-	-
Effect of different tax rate in foreign jurisdiction	15	49	-	-
Others	-	(427)	-	-
	20,512	12,701	721	567
Under provision of income tax expense in prior years	1,049	613	12	32
Under provision of deferred tax in prior years	86	1,433	-	-
	21,647	14,747	733	599

Tax savings of the Group are as follows:

	Group	
	2010 RM'000	2009 RM'000
Arising from utilisation of previously unrecognised capital allowances	4	16
Arising from utilisation of previously unrecognised tax losses	37	384

31. EARNINGS PER ORDINARY SHARE

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to ordinary equity holders of the 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.

	Group	
	2010	2009
Profit attributable to equity holders of the Company (RM'000)	52,759	22,623
Weighted average number of ordinary shares in issue (in '000)	456,132	456,132
Weighted average number of treasury shares held (in '000)	(475)	(467)
Adjusted weighted average number of ordinary shares applicable to basic earnings per share (in '000)	455,657	455,665
Basic earning per share (sen)	11.58	4.96

(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 as at the balance sheet date.

32. DIVIDENDS

	Group and Company			
	2010		2009	
	Gross dividend per share Sen	Amount of dividend net of tax RM'000	Gross dividend per share Sen	Amount of dividend net of tax RM'000
First and final dividend paid				
- year ended 30 June 2009	3	10,252	-	-
- year ended 30 June 2008	-	-	5	17,087

The first and final dividend in respect of the financial year ended 30 June 2010 of 5 sen per ordinary share, less tax amounting to RM17,087,000 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 these dividends. These dividends, if approved by shareholders, will be accounted for as an appropriation of retained earnings in the financial year ending 30 June 2011.



33. EMPLOYEE BENEFITS

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Wages, salaries and bonuses	44,552	43,126	6,007	5,381
Contributions to defined contribution plan	5,565	5,622	939	839
Social security contributions	604	600	29	27
Other benefits	6,779	9,484	535	534
	57,500	58,832	7,510	6,781

The above staff costs are allocated as follows:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Income statement	53,060	53,541	7,510	6,781
Amount due from customers for contract works (Note 16 (d))	4,440	5,291	-	-
	57,500	58,832	7,510	6,781

34. ACQUISITION OF A SUBSIDIARY

On 24 September 2009, the Company acquired the entire equity interest of OCC Cables Berhad ('OCB'), a company incorporated in Malaysia with paid-up share capital of RM2.00 comprising 4 ordinary shares of RM0.50 each for a cash consideration of RM2.00.

The acquired subsidiary has contributed the following results to the Group during the financial year:

	2010 RM'000
Revenue	-
Loss for the financial year	(1,014)

If the acquisition had occurred on 1 July 2009, the acquired subsidiary's contribution to the Group's results would have been the same as above.

The effects of the acquisition on the financial position and cash flow of the Group were not material.

35. DISPOSAL OF SUBSIDIARIES**Company**

On 5 November 2009, the Group completed an internal restructuring exercise as part of the Proposed Listing of OCB by disposal of the Company's entire equity interest in Olympic Cable Company Sdn. Bhd. and PJ Exim Sdn. Bhd. to OCB for consideration of RM55,400,000 and RM6,125,000 respectively.

The consideration was satisfied by way of issuance of 123,049,996 new ordinary shares of RM0.50 each by OCB to the Company. Subsequently, the Company did not proceed with the Proposed Listing of OCB.

Gain of RM42,436,000 was derived from the disposal for the Company, however, the disposal had no effect to the Group.

36. RELATED PARTY DISCLOSURES

(a) Identities of related parties

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

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

(b) 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	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Related parties:				
Sale of building materials	4,410	5,367	-	-
Insurance premium payable	(1,871)	(1,771)	(104)	(72)
Progress claim payable	(1,419)	(451)	-	-
Room revenue receivable	419	153	-	-
Construction cost billed	5,763	5,871	-	-
Rental of premises payable	(1,436)	(1,415)	(6)	(12)
Purchase of security equipment and services	(21)	(194)	-	-
IT services receivable	12	4	-	-
Internal audit services receivable	10	-	-	-
Subsidiaries:				
Dividend receivable	-	-	12,500	21,391
Interest receivable	-	-	1,584	2,098
Interest payable	-	-	(1,141)	(1,213)
Facilities charges payable	-	-	(6)	(13)
Management fees receivable	-	-	3,300	3,300
Rental payable	-	-	(4)	(4)
IT maintenance services payable	-	-	(60)	(83)
Secondment fees receivable	-	-	80	56
Associate:				
Progress billings receivable	-	520	-	-



36. 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 (continued):

Material balances with related parties at balance sheet date are disclosed in Note 16 and Note 22 to the financial statements.

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

- (c) Compensation of key management personnel

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

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

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Short term employee benefits	4,661	5,053	3,170	2,845
Contributions to defined contribution plan	743	803	579	517
	5,404	5,856	3,749	3,362

37. OPERATING SEGMENTS

The Group is principally engaged in property development, construction, manufacturing and trading, hotel and leisure and investment holdings.

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

The Group has arrived five (5) reportable segments that are organised and managed separately according to the nature of products and services, specific expertise and technologies requirements, which requires different business and marketing strategies. The reportable segments are summarised as follow:

- (i) Properties

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

37. OPERATING SEGMENTS (CONTINUED)

The Group has arrived five (5) reportable segments that are organised and managed separately according to the nature of products and services, specific expertise and technologies requirements, which requires different business and marketing strategies. The reportable segments are summarised as follow (continued):

(ii) Construction

Securing and carrying out construction contracts.

(iii) Manufacturing and trading

(a) Cable

The manufacture and sale of cables and wires.

(b) Building material

The manufacture and sale of roofing tiles, concrete wall panels, and trading of building materials.

(iv) Hotel and leisure

Hotel and restaurant business, hotel management and consultancy services, golf course operations and marketing and management of timeshare membership scheme.

(v) Investment holding

Holding and trading of quoted and unquoted shares, warrants and other investments.

Other operating segments that do not constitute reportable segments comprise operations related to software consultancy, product development and maintenance.

The accounting policies of operating segments are the same as those described in the summary of significant accounting policies.

The Group evaluates performance on the basis of profit or loss from operations before tax not including non-recurring losses, such as restructuring costs and goodwill impairment.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current and previous financial years.



37. OPERATING SEGMENTS (CONTINUED)

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

2010	-- Manufacturing and trading --							Eliminations RM'000	Consolidated RM'000
	Properties RM'000	Construction RM'000	Cable RM'000	Building material RM'000	Hotel and leisure RM'000	Investment holding RM'000	Other operating segments RM'000		
Revenue									
Sales to external customers	284,824	147,412	121,807	23,337	85,552	2,775	121	-	665,828
Inter-segment sales	18,920	123,792	6	12,588	130	15,800	1,007	(172,243)	-
Total revenue	303,744	271,204	121,813	35,925	85,682	18,575	1,128	(172,243)	665,828
Results									
Segment results	46,050	8,225	16,693	1,180	9,045	113	965	(2,285)	79,986
Finance costs	(5,245)	(1,700)	(615)	(149)	(1,313)	(4,266)	(1)	4,537	(8,752)
Interest income	1,710	306	1,040	481	363	2,728	-	(4,537)	2,091
Share of profit of associates									1,003
Profit before tax									74,328
Tax expense									(21,647)
Profit for the financial year									52,681

2010	-- Manufacturing and trading --							Consolidated RM'000
	Properties RM'000	Construction RM'000	Cable RM'000	Building material RM'000	Hotel and leisure RM'000	Investment holding RM'000	Other operating segments RM'000	
Assets								
Segment assets	586,771	124,663	87,168	26,916	444,097	86,461	6,767	1,362,843
Investments in associates								44,379
Total assets								1,407,222
Liabilities								
Segment liabilities	276,439	132,282	24,562	7,084	91,867	47,240	1,801	581,275
Total liabilities								581,275
Other segment information								
Capital expenditure	2,890	1,325	2,980	665	39,705	199	18	47,782
Depreciation	3,395	2,111	1,151	1,190	10,778	141	7	18,773
Amortisation	-	8	38	75	61	-	-	182
Non-cash expenses other than depreciation and amortisation	428	11	1,428	1,034	165	-	-	3,066

37. OPERATING SEGMENTS (CONTINUED)

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

2009	--- Manufacturing and trading ---							Eliminations RM'000	Consolidated RM'000
	Properties RM'000	Construction RM'000	Cable RM'000	Building material RM'000	Hotel and leisure RM'000	Investment holding RM'000	Other operating segments RM'000		
Revenue									
Sales to external customers	214,445	165,077	123,943	32,060	90,438	2,388	134	-	628,485
Inter-segment sales	16,422	188,526	43	21,963	-	24,691	1,000	(252,645)	-
Total revenue	230,867	353,603	123,986	54,023	90,438	27,079	1,134	(252,645)	628,485
Results									
Segment results	17,796	(5,309)	16,666	2,644	13,541	(3,227)	1	(2,073)	40,039
Finance costs	(1,661)	(3,556)	(1,586)	(270)	(1,554)	(5,455)	(1)	5,376	(8,707)
Interest income	1,778	704	1,737	311	481	4,082	-	(5,376)	3,717
Share of profit of associates									2,384
Profit before tax									37,433
Tax expense									(14,747)
Profit for the financial year									22,686

2009	--- Manufacturing and trading ---							Other operating segments RM'000	Consolidated RM'000
	Properties RM'000	Construction RM'000	Cable RM'000	Building material RM'000	Hotel and leisure RM'000	Investment holding RM'000			
Assets									
Segment assets	627,143	133,666	66,575	31,853	414,893	78,635	6,022		1,358,787
Investments in associates									44,615
Total assets									1,403,402
Liabilities									
Segment liabilities	238,272	176,677	34,981	14,025	86,083	65,586	349		615,973
Total liabilities									615,973
Other segment information									
Capital expenditure	7,484	7,082	2,292	381	17,663	210	8		35,120
Depreciation	1,205	1,379	937	1,268	11,006	202	5		16,002
Amortisation	-	-	43	74	61	-	-		178
Non-cash expenses other than depreciation and amortisation	123	2	3,946	1,024	609	-	2		5,706

38. 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.

(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.

38. FINANCIAL INSTRUMENTS (CONTINUED)

- (a) Financial risk management objectives and policies (continued)
- (ii) Interest rate risk (continued)

The following 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	Average effective interest rate % per annum	Within 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000	Total RM'000
As at 30 June 2010									
Fixed rate instruments									
Deposits with licensed banks	19	4.22	34,800	-	-	-	-	-	34,800
Secured term loans	23	5.30	5,088	6,046	10,002	9,368	5,495	-	35,999
Floating rate instruments									
Secured term loans	23	6.35	172,394	-	-	-	-	-	172,394
Unsecured term loans	23	6.26	5,654	-	-	-	-	-	5,654
Secured bankers' acceptances	23	3.32	2,385	-	-	-	-	-	2,385
Unsecured bankers' acceptances	23	3.12	4,467	-	-	-	-	-	4,467
Secured bank overdrafts	23	7.05	2,796	-	-	-	-	-	2,796
Unsecured bank overdrafts	23	7.52	4,312	-	-	-	-	-	4,312
Secured revolving credits	23	4.24	71,500	-	-	-	-	-	71,500
Unsecured revolving credits	23	4.07	6,500	-	-	-	-	-	6,500
As at 30 June 2009									
Fixed rate instruments									
Deposits with licensed banks	19	2.89	39,115	-	-	-	-	-	39,115
Secured term loans	23	5.30	1,002	5,088	6,046	10,001	9,368	5,495	37,000
Floating rate instruments									
Secured term loans	23	5.27	151,756	-	-	-	-	-	151,756
Unsecured term loans	23	7.50	7,478	-	-	-	-	-	7,478
Secured bankers' acceptances	23	3.32	4,934	-	-	-	-	-	4,934
Unsecured bankers' acceptances	23	3.12	34,404	-	-	-	-	-	34,404
Secured bank overdrafts	23	6.75	4,140	-	-	-	-	-	4,140
Unsecured bank overdrafts	23	7.10	5,807	-	-	-	-	-	5,807
Secured revolving credits	23	4.30	91,000	-	-	-	-	-	91,000
Unsecured revolving credits	23	4.01	16,000	-	-	-	-	-	16,000



38. FINANCIAL INSTRUMENTS (CONTINUED)

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

(ii) Interest rate risk (continued)

The following 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
At 30 June 2010							
Floating rate instruments							
Secured term loans	23	6.56	12,016	-	-	-	12,016
Secured revolving credits	23	4.46	33,500	-	-	-	33,500
At 30 June 2009							
Floating rate instruments							
Secured term loans	23	6.07	16,082	-	-	-	16,082
Secured revolving credits	23	4.77	48,000	-	-	-	48,000

(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.

38. 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 their 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 their 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 Group'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 of RM34,000 (2009: RM34,000) in the balance sheet. The Group's share of net tangible assets reported by the unquoted company in Malaysia as at 31 December 2009 was RM612,000 (31 December 2008: RM624,000).

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:

	Group	
	Carrying amount RM'000	Fair value RM'000
At 30 June 2010		
Quoted shares in Malaysia	49,720	50,286
Term loans with fixed interest rate	35,999	34,814
At 30 June 2009		
Quoted shares in Malaysia	46,227	42,769
Term loans with fixed interest rate	37,000	36,308

38. 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 in Malaysia

The fair value of quoted shares 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

The fair value of term loans with fixed interest rate which are accounted for as long term financial liabilities 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 liabilities.

39. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

During the financial year, the Group undertook an internal restructuring exercise for the proposed listing of OCC Cables Berhad, a wholly owned subsidiary of the Company, along with its subsidiaries on the Main Market of Bursa Malaysia Securities Berhad ('Proposed Listing'). The Proposed Listing was approved by the shareholders of the Company and the Securities Commission ('SC') on 26 November 2009 and 24 February 2010 respectively. Subsequently, on 17 August 2010, the Company announced that the Board of Directors did not intend to proceed with the Proposed Listing and allowed the SC's approval to lapse on 23 August 2010.

40. SIGNIFICANT EVENT SUBSEQUENT TO THE BALANCE SHEET DATE

On 26 July 2010, the Company announced the following proposals:

- (i) a renounceable rights issue of up to 213,811,972 New Warrants in the Company ('Warrant(s) C') to all the shareholders of the Company on the basis of three (3) Warrants C for every eight (8) existing ordinary shares of RM1.00 each held in the Company at an issue price of RM0.02 per Warrant C; and
- (ii) a restricted issue of up to 42,762,337 Warrants C in the Company to the holders of unexercised 2000/2010 Warrants B on 29 October 2010, being the expiry date of the Warrants ('Expiry Date') on the basis of three (3) Warrants C for every eight (8) unexercised 2000/2010 Warrants B held on the Expiry Date at an issue price of RM0.02 per Warrant C.

The proposals were approved by Bank Negara Malaysia on 27 August 2010 and Bursa Malaysia Securities Berhad on 8 September 2010 respectively. The proposals were also approved by the shareholders of the Company at an Extraordinary General Meeting held on 11 October 2010.