
FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2011.

PRINCIPAL ACTIVITIES

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

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	55,472	5,076
Attributable to:		
Owners of the parent	56,988	5,076
Non-controlling interests	(1,516)	-
	55,472	5,076

DIVIDENDS

Since the end of the previous financial year, the Company paid a first and final dividend of 5 sen per ordinary share, less tax of 25%, amounting to RM17,087,000 in respect of the financial year ended 30 June 2010 on 26 January 2011.

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 2011, 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

During the financial year, the issued and paid-up share capital of the Company was increased from RM456,132,359 to RM456,133,692 following the issuance of 1,333 new ordinary shares of RM1.00 each pursuant to the exercise of 1,333 2000/2010 Warrants B.

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 C.

Warrants

Warrants B

All 2000/2010 Warrants B which were not exercised on 29 October 2010 at 5.00 p.m. had lapsed and became null and void and cease to be exercisable thereafter.

Warrants C

A total of 213,811,972 2010/2020 Warrants C were issued on 6 December 2010 pursuant to the completion of the following corporate exercises:

- (a) the renounceable rights issue of 171,049,635 new warrants in the Company ('Warrant(s) C') to all the shareholders of the Company on the basis of three (3) Warrants C for every eight (8) existing ordinary shares of RM1.00 each held on 10 November 2010 at an issue price of RM0.02 per Warrant C; and
- (b) the restricted issue of 42,762,337 Warrants C in the Company to the holders of unexercised 2000/2010 Warrants B on 29 October 2010, being the expiry date of Warrants B ('Expiry Date') on the basis of three (3) Warrants C for every eight (8) unexercised 2000/2010 Warrants B held on the Expiry Date at an issue price of RM0.02 per Warrant C.

The exercise price of each Warrant C shall be RM1.00 per ordinary share or such adjusted price as may for the time being be applicable subject to the Deed Poll dated 20 October 2010. The exercise period shall commence from the date of issue of the Warrants and will expire on 5 December 2020 at 5.00 p.m..

As at 30 June 2011, 213,811,972 Warrants C have yet to be converted to ordinary shares.

DIRECTORS

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

YM Ungku Haji Mohd. Afandi bin Ungku Suleiman

Wong Ah Chiew

Wong Chong Shee

Khor Chai Moi

Yap Yoon Kong

Au Chun Choong

Loy Tuan Bee

Ong Ju Xing

(appointed on 18 November 2010)

(appointed on 3 October 2011)

DIRECTORS' REPORT

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in shares and warrants of the Company and shares of its related corporations during the financial year ended 30 June 2011 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 1.7.2010	Bought	Sold	Balance as at 30.6.2011
Shares in the Company				
Direct interests:				
Wong Ah Chiew	2,376,000	-	-	2,376,000
Wong Chong Shee	3,000,000	300,000	-	3,300,000
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	4,400,000	-	107,841,841
Yap Yoon Kong ***	376,500	143,500	-	520,000
← Number of Warrant B →				
	Balance as at 1.7.2010	Bought	Lapsed	Balance as at 30.6.2011
Warrants B in the Company				
Direct interests:				
Wong Ah Chiew	402,000	-	(402,000)	-
Wong Chong Shee	33	-	(33)	-
Khor Chai Moi	10,080,829	-	(10,080,829)	-
Indirect interests:				
Wong Ah Chiew ****	31,593,392	-	(31,593,392)	-
Khor Chai Moi *****	33,427,232	-	(33,427,232)	-

DIRECTORS' REPORT

DIRECTORS' INTERESTS (continued)

	← Number of Warrant C →			
	Balance as at 1.7.2010	Subscribed	Sold	
Warrants C in the Company				
Direct interests:				
Wong Ah Chiew	-	1,046,300	-	1,046,300
Wong Chong Shee	-	30,100	(30,100)	-
Khor Chai Moi	-	15,888,100	-	15,888,100
Indirect interests:				
Wong Ah Chiew *	-	50,629,900	-	50,629,900
Khor Chai Moi **	-	57,421,100	-	57,421,100

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

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

*** By virtue of shares 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 and warrants of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except for any benefit which may be deemed to have arisen by virtue of those transactions as disclosed in Note 35 to the financial statements.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate except for Warrants C issued pursuant to the corporate exercises as mentioned above.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the income statements, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

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

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

- (a) the renounceable rights issue of 171,049,635 2010/2020 Warrants C ('Warrant(s) C') in the Company to all the shareholders of the Company on the basis of three (3) Warrants C for every eight (8) existing ordinary shares of RM1.00 each held on 10 November 2010 at an issue price of RM0.02 per Warrant C; and
- (b) the restricted issue of 42,762,337 Warrants C in the Company to the holders of unexercised 2000/2010 Warrants B on 29 October 2010, being the expiry date of Warrants B ('Expiry Date') on the basis of three (3) Warrants C for every eight (8) unexercised 2000/2010 Warrants B held on the Expiry Date at an issue price of RM0.02 per Warrant C.

The Warrants C were listed on Bursa Malaysia Securities Berhad on 13 December 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
19 October 2011

Wong Chong Shee
Director

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 55 to 157 have been drawn up in accordance with applicable approved Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2011 and of their financial performance and cash flows for the financial year then ended.

On behalf of the Board,

Wong Ah Chiew
Director

Wong Chong Shee
Director

Kuala Lumpur
19 October 2011

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 55 to 157 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 19 October 2011.

Yap Yoon Kong

Before me:

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

INDEPENDENT AUDITORS' REPORT

to the members of PJ Development Holdings Berhad

Report on the Financial Statements

We have audited the financial statements of PJ Development Holdings Berhad, which comprise the statements of financial position as at 30 June 2011 of the Group and of the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 55 to 156.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with applicable approved Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia, and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with applicable approved Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2011 and of their financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

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

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the 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 10 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the 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.

INDEPENDENT AUDITORS' REPORT

to the members of PJ Development Holdings Berhad

Other Reporting Responsibilities

The supplementary information set out in Note 42 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ('MIA Guidance') and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

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

BDO
AF : 0206
Chartered Accountants

Kuala Lumpur
19 October 2011

Lim Seng Siew
2894/08/13 (J)
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

as at 30 June 2011

	Note	Group		Company	
		2011 RM'000	2010 (Restated) RM'000	2011 RM'000	2010 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	7	440,225	432,950	575	620
Intangible assets	8	4,568	4,568	-	-
Investment properties	9	151,078	162,629	-	-
Investments in subsidiaries	10	-	-	521,526	520,718
Investments in associates	11	53,003	44,379	-	-
Other investments	12	63,244	49,754	-	-
Land held for property development	13	166,896	143,284	-	-
Deferred tax assets	14	5,333	5,112	-	-
Trade and other receivables	15	21,774	30,795	-	-
		906,121	873,471	522,101	521,338
Current assets					
Property development costs	16	159,824	156,628	-	-
Inventories	17	41,455	43,900	-	-
Trade and other receivables	15	224,281	204,761	193,048	217,916
Current tax assets		11,283	9,628	5,385	3,356
Cash and cash equivalents	18	69,290	118,834	516	4,469
		506,133	533,751	198,949	225,741
TOTAL ASSETS		1,412,254	1,407,222	721,050	747,079
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	19	456,134	456,132	456,134	456,132
Treasury shares	19	(266)	(266)	(266)	(266)
Reserves	20	438,706	369,995	111,945	119,679
		894,574	825,861	567,813	575,545
Non-controlling interests		(1,648)	86	-	-
TOTAL EQUITY		892,926	825,947	567,813	575,545

STATEMENTS OF FINANCIAL POSITION
as at 30 June 2011

	Note	Group		Company	
		2011 RM'000	2010 (Restated) RM'000	2011 RM'000	2010 RM'000
LIABILITIES					
Non-current liabilities					
Trade and other payables	21	6,854	6,129	-	-
Borrowings	22	200,327	99,094	3,747	7,822
Deferred income	23	38,140	39,891	-	-
Deferred tax liabilities	14	22,795	20,086	-	-
		268,116	165,200	3,747	7,822
Current liabilities					
Trade and other payables	21	176,180	200,019	144,554	126,018
Borrowings	22	66,444	206,913	4,936	37,694
Deferred income	23	2,200	2,784	-	-
Current tax liabilities		6,388	6,359	-	-
		251,212	416,075	149,490	163,712
TOTAL LIABILITIES		519,328	581,275	153,237	171,534
TOTAL EQUITY AND LIABILITIES		1,412,254	1,407,222	721,050	747,079

PJ DEVELOPMENT HOLDINGS BERHAD (5938-A)

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

INCOME STATEMENTS

for the financial year ended 30 June 2011

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Revenue	26	591,263	665,828	23,300	15,800
Cost of sales and services	27	(407,671)	(487,848)	(9,014)	(7,697)
Gross profit		183,592	177,980	14,286	8,103
Other income		20,418	14,795	897	44,164
Administrative expenses		(23,492)	(26,349)	(1,565)	(876)
Other expenses		(92,004)	(84,349)	(3,349)	(3,933)
Finance costs		(9,885)	(8,752)	(2,222)	(4,266)
Share of profit of associates		1,236	1,003	-	-
Profit before tax	28	79,865	74,328	8,047	43,192
Tax expense	29	(24,393)	(21,647)	(2,971)	(733)
Profit for the financial year		55,472	52,681	5,076	42,459
Profit attributable to:					
Owners of the parent		56,988	52,759	5,076	42,459
Non-controlling interests		(1,516)	(78)	-	-
		55,472	52,681	5,076	42,459
Basic earnings per ordinary share (sen)	30	12.51	11.58		

STATEMENTS OF COMPREHENSIVE INCOME

for the financial year ended 30 June 2011

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Profit for the financial year	55,472	52,681	5,076	42,459
Other comprehensive income:				
Fair value gains on available-for-sale financial assets	11,648	-	-	-
Foreign currency translations	12,736	(3,911)	-	-
Other comprehensive income	24,384	(3,911)	-	-
Total comprehensive income	79,856	48,770	5,076	42,459
Total comprehensive income attributable to:				
Owners of the parent	81,590	48,848	5,076	42,459
Non-controlling interests	(1,734)	(78)	-	-
	79,856	48,770	5,076	42,459

PJ DEVELOPMENT HOLDINGS BERHAD (5938-A)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2011

Group	Note	← Attributable to the owners of the parent →					Non-controlling interests RM'000	Total equity RM'000	
		Share capital RM'000	Share premium RM'000	Exchange translation reserve RM'000	Treasury shares RM'000	Retained earnings RM'000			Total RM'000
Balance at 1 July 2009		456,132	39,773	(6,211)	(266)	297,837	787,265	164	787,429
Profit for the financial year		-	-	-	-	52,759	52,759	(78)	52,681
Foreign currency translations		-	-	(3,911)	-	-	(3,911)	-	(3,911)
Total comprehensive income		-	-	(3,911)	-	52,759	48,848	(78)	48,770
Transactions with owners									
Dividend paid to shareholders	31	-	-	-	-	(10,252)	(10,252)	-	(10,252)
Total transactions with owners		-	-	-	-	(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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the financial year ended 30 June 2011

Group	Note	Attributable to the owners of the parent									
		Share capital RM'000	Share premium RM'000	Warrant reserve RM'000	Available-for-sale reserve RM'000	Exchange translation reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Balance at 1 July 2010		456,132	39,773	-	-	(10,122)	(266)	340,344	825,861	86	825,947
Effects of adoption of FRS 139	41	-	-	-	1,143	-	-	(1,212)	(69)	-	(69)
Restated balance at 1 July 2010		456,132	39,773	-	1,143	(10,122)	(266)	339,132	825,792	86	825,878
Profit for the financial year		-	-	-	-	-	-	56,988	56,988	(1,516)	55,472
Fair value of available-for-sale financial assets		-	-	-	11,648	-	-	-	11,648	-	11,648
Foreign currency translations		-	-	-	-	12,954	-	-	12,954	(218)	12,736
Total comprehensive income		-	-	-	11,648	12,954	-	56,988	81,590	(1,734)	79,856
Transactions with owners											
Dividend paid to shareholders	31	-	-	-	-	-	-	(17,087)	(17,087)	-	(17,087)
Ordinary shares issued	19	2	1	-	-	-	-	-	3	-	3
Warrants issued		-	-	4,276	-	-	-	-	4,276	-	4,276
		2	1	4,276	-	-	-	(17,087)	(12,808)	-	(12,808)
Balance at 30 June 2011		456,134	39,774	4,276	12,791	2,832	(266)	379,033	894,574	(1,648)	892,926

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

STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2011

Company	Note	Share capital RM'000	Non-distributable		Distributable		Total RM'000
			Share premium RM'000	Warrant reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	
Balance at 1 July 2009		456,132	39,773	-	(266)	47,699	543,338
Profit for the financial year		-	-	-	-	42,459	42,459
Total comprehensive income		-	-	-	-	42,459	42,459
Transactions with owners							
Dividend paid to shareholders	31	-	-	-	-	(10,252)	(10,252)
Total transaction with owners		-	-	-	-	(10,252)	(10,252)
Balance at 30 June 2010		456,132	39,773	-	(266)	79,906	575,545
Profit for the financial year		-	-	-	-	5,076	5,076
Total comprehensive income		-	-	-	-	5,076	5,076
Transactions with owners							
Dividend paid to shareholders	31	-	-	-	-	(17,087)	(17,087)
Ordinary shares issued	19	2	1	-	-	-	3
Warrants issued		-	-	4,276	-	-	4,276
Total transaction with owners		2	1	4,276	-	(17,087)	(12,808)
Balance at 30 June 2011		456,134	39,774	4,276	(266)	67,895	567,813

ANNUAL REPORT 2011

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

STATEMENTS OF CASH FLOWS

for the financial year ended 30 June 2011

	Note	Group		Company	
		2011 RM'000	2010 (Restated) RM'000	2011 RM'000	2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		79,865	74,328	8,047	43,192
Adjustments for:					
Bad debts written off		20	6	-	-
Depreciation of investment properties	9	4,212	2,447	-	-
Depreciation of property, plant and equipment	7	17,084	15,338	166	146
Dividend income	26	(2,940)	(2,775)	(20,000)	(12,500)
Gain on disposal of:					
- investment properties		(2,013)	(1,053)	-	-
- property, plant and equipment		(479)	(376)	-	(63)
- subsidiaries	34	-	-	-	(42,436)
- other investments		(1,092)	-	-	-
Impairment loss on:					
- goodwill on consolidation	8	-	1,024	-	-
- investments in subsidiaries	10	-	-	2,192	3,275
- trade and other receivables		1,077	1,179	-	-
Interest accretion on trade receivables		(705)	-	-	-
Interest expense		9,885	8,752	2,222	4,266
Interest income		(3,096)	(2,091)	(869)	(1,586)
Inventories written down	17	1,325	1,761	-	-
Inventories written off		54	11	-	-
Investment properties written off	9	710	-	-	-
Property, plant and equipment written off	7	458	264	-	-
Reversal of impairment loss on other investments		-	(3,493)	-	-
Reversal of impairment loss on trade and other receivables		(4,609)	(1,683)	-	-
Reversal of inventories previously written off		(47)	-	-	-
Share of profit of associates		(1,236)	(1,003)	-	-
Unrealised loss on foreign exchange		1,079	978	-	-
Operating profit/(loss) before changes in working capital		99,552	93,614	(8,242)	(5,706)
Changes in working capital:					
Inventories		2,451	8,632	-	-
Property development costs and land held for property development		(22,580)	31,923	-	-
Trade and other receivables		(6,594)	32,618	32	(81)
Trade and other payables		(21,725)	4,575	(102)	24
Cash generated from/(used in) operating activities		51,104	171,362	(8,312)	(5,763)
Tax paid		(23,190)	(23,347)	-	-
Tax refunded		776	1,695	-	1,190
Net cash from/(used in) operating activities		28,690	149,710	(8,312)	(4,573)

STATEMENTS OF CASH FLOWS
for the financial year ended 30 June 2011

	Note	Group		Company	
		2011 RM'000	2010 (Restated) RM'000	2011 RM'000	2010 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividends received		2,227	2,081	15,000	10,125
Decrease in pledged deposits placed with licensed banks		830	4,484	-	-
Interest received		3,096	2,091	869	1,586
Proceeds from disposal of investment properties		6,664	2,213	-	-
Proceeds from disposal of other investments		14,473	-	-	-
Proceeds from disposal of property, plant and equipment		804	524	-	64
Purchase of investment properties	9	(509)	(139)	-	-
Purchase of property, plant and equipment	7	(27,444)	(47,643)	(121)	(200)
Repayment by subsidiaries		-	-	43,474	31,064
Subscription of shares in other investments		(14,080)	-	-	-
Subscription of shares in subsidiaries		-	-	(3,000)	(1,900)
Net cash (used in)/from investing activities		(13,939)	(36,389)	56,222	40,739
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest paid		(15,508)	(16,931)	(2,222)	(4,266)
Dividend paid to shareholders of the Company	31	(17,087)	(10,252)	(17,087)	(10,252)
Drawdowns of loans and borrowings		209,978	98,954	-	-
Repayments of loans and borrowings		(252,435)	(142,822)	(37,692)	(18,566)
Proceeds from issuance of:					
- ordinary shares	19	3	-	3	-
- warrants		4,276	-	4,276	-
Net cash used in financing activities		(70,773)	(71,051)	(52,722)	(33,084)
Net (decrease)/increase in cash and cash equivalents		(56,022)	42,270	(4,812)	3,082
Effect of exchange rate fluctuations on cash held		4,087	(1,184)	-	-
Cash and cash equivalents at beginning of financial year		104,346	63,260	4,469	1,387
Cash and cash equivalents at end of financial year	18	52,411	104,346	(343)	4,469

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

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 19 October 2011.

2. PRINCIPAL ACTIVITIES

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

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with applicable approved Financial Reporting Standards ('FRSs') and the provisions of the Companies Act, 1965 in Malaysia. However, Note 42 to the financial statements has been prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits and Losses in the Context of Disclosure pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ('MIA Guidance') and directive of Bursa Malaysia Securities Berhad.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of accounting

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

The preparation of financial statements 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. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries. Subsidiaries are entities (including special purposes entities) over which the Company has the power to govern the financial operating policies, generally accompanied by a shareholding giving rise to the majority of the voting rights, as to obtain benefits from their activities.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup balances, transactions, income and expenses are eliminated on consolidation. Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the other entities in the Group.

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

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

The Group has applied the revised FRS 3 *Business Combinations* in accounting for business combinations from 1 July 2010 onwards. The change in accounting policy has been applied prospectively in accordance with the transitional provisions provided by the Standard.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to owners of the parent.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 139 *Financial Instruments: Recognition and Measurement* or, where applicable, the cost on initial recognition of an investment in associate or jointly controlled entity.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 Business combinations

Business combinations from 1 July 2010 onwards

Business combinations are accounted for by applying the acquisition method of accounting.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, except that:

- (a) deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 112 *Income Taxes* and FRS 119 *Employee Benefits* respectively;
- (b) liabilities or equity instruments related to the replacements by the Group of an acquiree's share-based payment awards are measured in accordance with FRS 2 *Share-based Payment*; and
- (c) assets (or disposal groups) that are classified as held for sale in accordance with FRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the serviced are received.

In a business combination achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profits or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquire (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquire net identifiable assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquire (if any), and the fair value of the Group's previously held equity interest in the acquire (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. The accounting policy for goodwill is set out in Note 4.10. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Business combinations before 1 July 2010

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

At the acquisition date, the cost of business combination is allocated to identifiable assets acquired, liabilities assumed and contingent liabilities in the business combination which are measured initially at their fair values at the acquisition date. The excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill (see Note 4.10 to the financial statements on goodwill). If the cost of business combination is less than the interest in the net fair value of the identifiable assets, liabilities and contingent liabilities, the Group will:

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

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost. 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 profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable. The cost of self-constructed assets also includes the cost of materials and direct labour. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

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

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

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

Freehold hotel properties	Over the remaining useful life of 36 - 42 years
Leasehold hotel properties	Over the remaining useful life of 43 years
Long term leasehold land	49 - 91 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 are not depreciated. Construction-in-progress represents buildings under construction and renovation-in-progress and is stated at cost. Construction-in-progress is not depreciated until such time when the asset is available for use.

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

At the end of each reporting period, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 4.11 to the financial statements on impairment of non-financial assets).

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 Property, plant and equipment and depreciation (continued)

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss and the revaluation surplus related to those assets, if any, is transferred directly to retained earnings.

4.5 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 profit or loss over the period of the lease term so as to produce a constant periodic rate of interest on the remaining lease and hire purchase liabilities.

(b) Operating leases

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

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

(c) Leases for land and buildings

For leases of land and buildings, the land and buildings elements are considered separately for the purpose of lease classification and these leases are classified as operating or finance leases in the same way as leases of other assets.

The minimum lease payments including any lump-sum upfront payments made to acquire the interest in the land and buildings, are allocated between the land and the buildings elements in proportion to the relative fair values of the leasehold interests in the land element and the buildings element of the lease at the inception of the lease.

For a lease of land and buildings in which the amount that would initially be recognised for the land element is immaterial, the land and buildings are treated as a single unit for the purpose of lease classification and is accordingly classified as a finance or operating lease. In such a case, the economic life of the buildings is regarded as the economic life of the entire leased asset.

Following the adoption of Amendment to FRS 117 *Leases* contained in the Improvements to FRSs (2009), the Group reassessed the classification of land elements of unexpired leases on the basis of information existing at the inception of those leases. Consequently, the Group retrospectively reclassified certain prepaid lease payments for land as finance leases as disclosed in Notes 7 and 40 to the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**4.6 Property development activities****(a) Land held for property development**

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

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

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

(b) Property development costs

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

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

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

4.7 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.

4.8 Investment properties

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

Investment properties are stated at cost less accumulated depreciation and any impairment losses, consistent with the accounting policy for property, plant and equipment as stated in Note 4.4 to the financial statements.

For buildings, depreciation is charged to profit or loss on a straight-line basis over the estimated useful life of 50 years. Freehold land is not depreciated.

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9 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. Investments accounted for at cost shall be accounted for in accordance with FRS 5 *Non-current Assets Held for Sale and Discontinued Operations* when they are classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with FRS 5.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the Group would derecognise all assets, liabilities and non-controlling interests at their carrying amount and to recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

(b) Associates

An associate is an entity over which the Group and the Company have significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is 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.

An investment in associate is accounted for in the consolidated financial statements using the equity method of accounting. The investment in associate in the consolidated statement of financial position is initially recognised at cost and adjusted thereafter for the post acquisition change in the Group's share of net assets of the investments.

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 investment in the associate.

The Group's share of the profit or loss of the associate during the financial year is included in the consolidated financial statements, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. Distributions received from the associate reduce the carrying amount of the investment. Adjustments to the carrying amount 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. When the end of the reporting periods of the financial statements are not coterminous, the share of results is arrived at using the latest audited financial statements for which the difference at end of the reporting periods is no more than three months. Adjustments are made for the effects of any significant transactions or events that occur between the intervening period.

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**4.10 Intangible assets*****Goodwill***

Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is not amortised but instead tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount 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 and liabilities at the date of acquisition.

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

4.11 Impairment of non-financial 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 the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

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

Goodwill acquired in a business combination shall be tested for impairment as part of the impairment testing of CGU to which it relates. The CGU to which goodwill is allocated shall represent the lowest level within the Group at which the goodwill is monitored for internal management purposes and not larger than an operating segment determined in accordance with FRS 8.

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 profit or loss when the carrying amount of the asset or the CGU, including the goodwill or intangible asset, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated, first, to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.11 Impairment of non-financial assets (continued)

The impairment loss is recognised in profit or loss immediately except for the impairment on a revalued asset where the impairment loss is recognised directly against the revaluation reserve to the extent of the surplus credited from the previous revaluation for the same asset with the excess of the impairment loss charged to profit or loss.

An impairment loss on goodwill is not reversed in subsequent periods. An impairment loss for other assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Such reversals are recognised as income immediately in profit or loss 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 profit or loss, a reversal of that impairment loss is also recognised in profit or loss.

4.12 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. SIGNIFICANT ACCOUNTING POLICIES (continued)**4.13 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Group.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Group.

Financial instruments are recognised on the statement of financial position when the Group has become a party to the contractual provisions of the instrument. At initial recognition, a financial instrument is recognised at fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of the financial instrument.

An embedded derivative is separated from the host contract and accounted for as a derivative if, and only if the economic characteristics and risks of the embedded derivative is not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative meets the definition of a derivative, and the hybrid instrument is not measured at fair value through profit or loss.

(a) Financial assets

A financial asset is classified into the following four categories after initial recognition for the purpose of subsequent measurement:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise financial assets that are held for trading (i.e. financial assets acquired principally for the purpose of resale in the near term), derivatives (both, freestanding and embedded) and financial assets that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial assets classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as at fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial assets classified as at fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

However, derivatives that is linked to and must be settled by delivery of unquoted equity instruments that do not have a quoted market price in an active market are recognised at cost.

(ii) Held-to-maturity investments

Financial assets classified as held-to-maturity comprise non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity.

Subsequent to initial recognition, financial assets classified as held-to-maturity are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as held-to-maturity are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.13 Financial instruments (continued)

(a) Financial assets (continued)

(iii) Loans and receivables

Financial assets classified as loans and receivables comprise non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Subsequent to initial recognition, financial assets classified as loans and receivables are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as loans and receivables are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

(iv) Available-for-sale financial assets

Financial assets classified as available-for-sale comprise non-derivative financial assets that are designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Subsequent to initial recognition, financial assets classified as available-for-sale are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised directly in other comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss. However, interest calculated using the effective interest method is recognised in profit or loss whilst dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payment is established.

Cash and cash equivalents include cash and bank balances, bank overdrafts, deposits and other short term, highly liquid investments, which are readily convertible to cash and are subject to insignificant risk of changes in value.

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**4.13 Financial instruments (continued)****(b) Financial liabilities**

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. A financial liability is classified into the following two categories after initial recognition for the purpose of subsequent measurement:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprise financial liabilities that are held for trading, derivatives (both, freestanding and embedded) and financial liabilities that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial liabilities classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial liabilities classified as at fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial liabilities classified as at fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

(ii) Other financial liabilities

Financial liabilities classified as other financial liabilities comprise non-derivative financial liabilities that are neither held for trading nor initially designated as at fair value through profit or loss.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains or losses on other financial liabilities are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

Convertible bonds are initially classified separately as financial liabilities and equity instruments in accordance with the substance of the contractual arrangement. When the initial carrying amount of the convertible bonds is allocated to its equity and liability components, the equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. The sum of the carrying amounts assigned to the liability and equity components on initial recognition is always equal to the fair value that would be ascribed to the instrument as a whole. No gain or loss arises from initially recognising the components of the instrument separately.

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

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

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

NOTES TO THE FINANCIAL STATEMENTS

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.13 Financial instruments (continued)

(c) Equity

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

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

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

The Group measures a liability to distribute non-cash assets as a dividend to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at each reporting date and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Group recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

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

Following the adoption of FRS 139 during the financial year, the Group reassessed the classification and measurement of financial assets and financial liabilities as at 1 July 2010. Consequently, the Group reclassified and remeasured financial assets and financial liabilities as disclosed in Note 41 to the financial statements.

4.14 Impairment of financial assets

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

(a) Loans and receivables

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

If any such objective evidence exists, the amount of impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of loans and receivables is reduced through the use of an allowance account.

If in a subsequent period, the amount of the impairment loss decreases and it objectively relates to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of impairment reversed is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**4.14 Impairment of financial assets (continued)****(b) Available-for-sale financial assets**

The Group collectively considers factors such as significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market as objective evidence that available-for-sale financial assets are impaired.

If any such objective evidence exists, an amount comprising the difference between the financial asset's cost (net of any principal payment and amortisation) and current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

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

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

4.15 Borrowing costs

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

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

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

4.16 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, and real property gains taxes payable on disposal of properties.

Taxes in the income statements 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 end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.16 Income taxes (continued)

(b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statement of financial position and its tax base.

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

A deferred tax asset is recognised only to the extent that it is probable that 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 the end of each reporting period. 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 on either:

- (i) the same taxable entity; or
- (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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

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

4.17 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 the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits 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)**4.18 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 non-controlling interest.

4.19 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 contributions to their respective countries' statutory pension schemes. 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.

NOTES TO THE FINANCIAL STATEMENTS

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.20 Foreign currencies

(a) Functional and presentation currency

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

(b) Foreign currency transactions and balances

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

(c) Foreign operations

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

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

Exchange differences arising on a monetary item that forms part of the net investment of the Company in a foreign operation shall be recognised in profit or loss in the separate financial statements of the Company or the foreign operation, as appropriate. In the consolidated financial statements, such exchange differences shall be recognised initially as a separate component of equity and recognised in profit or loss upon disposal of the net investment.

Goodwill and fair value adjustments to the assets and liabilities arising from the acquisition of a foreign operation are treated as assets and liabilities of the acquired entity and translated at the exchange rate ruling at the end of the reporting period.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**4.21 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 has been transferred to the customer and where the Group retains neither continuing managerial involvement over the goods, which coincides with the delivery of goods and services and acceptance by customers.

(b) Services*Hotel and golf course*

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

Property investment and property management services

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

Management and operation of timeshare membership scheme

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

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

(c) Construction contracts

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

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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.21 Revenue recognition (continued)

(d) Property development

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

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

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

(e) Completed properties held for sale

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

(f) Dividend income

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

(g) Interest income

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

(h) Rental income

Rental income is accounted for on a straight-line basis over the lease term of an ongoing lease. 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. SIGNIFICANT ACCOUNTING POLICIES (continued)**4.22 Operating segments**

Following the adoption of FRS 8 *Operating Segments* during the previous 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);
- (b) whose operating results are regularly reviewed by the Group's chief operating decision maker (i.e. the Group's Managing Director) in making decisions about resources to be allocated to the segment and assessing its performance; and
- (c) for which discrete financial information is available.

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

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

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

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

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

4.23 Earnings per share

- (a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

- (b) Diluted

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs

5.1 New FRS adopted during the current financial year

- (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 end of the reporting period, 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 statement of financial position until they are discharged or cancelled, or expire, and to present insurance liabilities without offsetting them against related reinsurance assets.

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

- (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 the Group's financial position and performance.

- (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.

There is no impact upon adoption of this Standard during the financial year.

- (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.

The impact upon adoption of this Standard is disclosed in Note 41 to the financial statements.

- (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.

There is no impact upon adoption of these amendments during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

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

5.1 New FRS adopted during the current financial year (continued)

- (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* are 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.

There is no impact upon adoption of these amendments during the financial year.

- (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.

There is no impact upon adoption of this Interpretation during the financial year.

- (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.

There is no impact upon adoption of this Interpretation during the financial year.

- (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.

There is no impact upon adoption of this Interpretation during the financial year.

The Group would like to draw attention to the withdrawal of this Interpretation for annual periods beginning on or after 1 January 2011 as disclosed in Note 5.2(d) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

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

5.1 New FRS adopted during the current financial year (continued)

- (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.

There is no impact upon adoption of this Interpretation during the financial year.

- (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.

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 end of the reporting period 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.

There is no impact upon adoption of this Interpretation during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

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

5.1 New FRS adopted during the current financial year (continued)

- (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.

Following the adoption of this Standard, the Group has reflected the new format of presentation and additional disclosures warranted in the primary financial statements and relevant notes to the financial statements.

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

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

There is no impact upon adoption of these amendments during the financial year.

- (n) Amendments to FRS 132 *Financial Instruments: Presentation* are 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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

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

5.1 New FRS adopted during the current financial year (continued)

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

Amendment to FRS 5 *Non-current Assets Held for Sale and Discontinued Operations* clarifies that the disclosure requirements of this Standard specifically apply to non-current assets (or disposal groups) classified as held for sale or discontinued operations. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 8 clarifies the consistency of disclosure requirement for information about profit or loss, assets and liabilities. There is no impact upon adoption of this amendment during the financial year.

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. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 108 clarifies that only Implementation Guidance issued by the MASB that are integral parts of FRSs is mandatory. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 110 *Events after the Reporting Period* clarifies the rationale for not recognising dividends declared after the reporting period but before the financial statements are authorised for issue. There is no impact upon adoption of this amendment during the financial year.

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. There is no impact upon adoption of this amendment during the financial year.

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 end of the reporting period, the Group has carrying amount of prepaid lease payments for land of RM12,965,000 that has been reclassified as land held in accordance with FRS 116 upon adoption of this amendment.

Amendment to FRS 118 clarifies reference made on the term 'transaction costs' to the definition in FRS 139. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 119 *Employee Benefits* clarifies the definitions in this Standard by consistently applying settlement dates within twelve 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. There is no impact upon adoption of this amendment during the financial year.

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. There is no impact upon adoption of this amendment during the financial year.

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. There is no impact upon adoption of this amendment during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

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

5.1 New FRS adopted during the current financial year (continued)

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

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. There is no impact upon adoption of this amendment during the financial year.

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. There is no impact upon adoption of this amendment during the financial year.

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. There is no impact upon adoption of this amendment during the financial year.

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. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 136 *Impairment of Assets* 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. There is no impact upon adoption of this amendment during the financial year.

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. There is no impact upon adoption of this amendment during the financial year.

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. There is no impact upon adoption of this amendment during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

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

5.1 New FRS adopted during the current financial year (continued)

- (p) Amendments to FRS 132 are 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 clarify 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.

There is no impact upon adoption of these amendments during the financial year.

- (q) Amendments to FRS 139 are mandatory for annual periods beginning on or after 1 January 2010.

These amendments 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.

There is no impact upon adoption of these amendments during the financial year.

- (r) 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.

There is no impact upon adoption of this Interpretation during the financial year.

- (s) 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 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.

There is no impact upon adoption of this Standard during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

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

5.1 New FRS adopted during the current financial year (continued)

- (t) 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. Any changes in the amount of consideration to be paid will no longer be adjusted against goodwill but recognised in profit or loss.

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 profit or loss.

The revised FRS 3 has been applied prospectively in accordance with its transitional provisions. Assets and liabilities that arose from business combinations whose acquisition dates were before 1 July 2010 are not adjusted.

There is no impact upon adoption of this Standard during the financial year.

- (u) 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 the 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 profit or loss and any investment retained in the former subsidiary shall be remeasured at its fair value at the date when control is lost.

According to its transitional provisions, the revised FRS 127 has been applied prospectively, and does not impact the Group's consolidated financial statements in respect of transactions with non-controlling interest, attribution of losses to non-controlling interest, and disposal of subsidiaries before 1 July 2010. These changes would only affect future transactions with non-controlling interest.

As at the end of reporting period, the Group has reclassified RM1,648,000 as non-controlling interests.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

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

5.1 New FRS adopted during the current financial year (continued)

- (v) Amendments to FRSs are mandatory for annual periods beginning on or after 1 July 2010.

Amendments to FRS 2 *Share-based Payments* clarify 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. There is no impact upon the adoption of these amendments during the financial year.

Amendments to FRS 5 clarify 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 amendments also clarify 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. There is no impact upon adoption of these amendments during the financial year.

Amendments to FRS 138 clarify 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. There is no impact upon adoption of these amendments during the financial year.

Amendments to IC Interpretation 9 clarify 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. There is no impact upon adoption of these amendments during the financial year.

- (w) 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. There is no impact upon adoption of this Interpretation during the financial year.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (continued)**5.1 New FRS adopted during the current financial year (continued)**

- (x) 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 profit or loss. The new accounting policy (see Note 4.13(c)) has been applied prospectively.

There is no impact upon adoption of this Interpretation during the financial year.

5.2 New FRSs that have been issued, but not yet effective and not yet adopted

- (a) 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.

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

- (b) 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.

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

- (c) 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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

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

5.2 New FRSs that have been issued, but not yet effective and not yet adopted (continued)

- (d) 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 transaction.

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

The Group does not expect any impact on the financial statements arising from the adoption of these amendments. The effects of adopting IC Interpretation 11 have been disclosed in Note 5.1(i) to the financial statements.

- (e) 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 impact on the financial statements arising from the adoption of this Interpretation because there are no arrangements dependent on the use of specific assets in the Group.

- (f) 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 impact on the financial statements arising from the adoption of this Interpretation because there are no such arrangements in the Group.

- (g) 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.

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 end of the reporting period, 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.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (continued)**5.2 New FRSs that have been issued, but not yet effective and not yet adopted (continued)**

- (h) *Improvements to FRSs (2010)* are mandatory for annual periods beginning on or after 1 January 2011.

Amendments to FRS 1 clarify that FRS 108 does not apply to changes in accounting policies made upon adoption of FRSs until after the first FRS financial statements have been presented. If changes in accounting policies or exemptions in this FRS are used, an explanation of such changes together with updated reconciliations shall be made in each interim financial report. Entities whose operations are subject to rate regulation are permitted the use of previously revalued amounts as deemed cost. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Amendments to FRS 3 clarify that for each business combination, the acquirer shall measure at the acquisition date non-controlling interests that consists of the present ownership interests and entitle holders to a proportionate share of the entity's net assets in the event of liquidation. Un-replaced and voluntarily replaced share-based payment transactions shall be measured using the market-based measurement method in accordance with FRS 2 at the acquisition date. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Amendments to FRS 7 clarify that quantitative disclosures of risk concentrations are required if the disclosures made in other parts of the financial statements are not readily apparent. The disclosure on maximum exposure to credit risk is not required for financial instruments whose carrying amount best represents the maximum exposure to credit risk. The Group expects to improve the disclosures on maximum exposure to credit risk upon adoption of these amendments.

Amendments to FRS 101 clarify that a statement of changes in equity shall be presented as part of a complete set of financial statements. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Amendments to FRS 121 *The Effects of Changes in Foreign Exchange Rates* clarify that the accounting treatment for cumulative foreign exchange differences in other comprehensive income for the disposal or partial disposal of a foreign operation shall be applied prospectively. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Amendments to FRS 128 clarify that the accounting treatment for the cessation of significant influence over an associate shall be applied prospectively. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Amendments to FRS 131 clarify that the accounting treatment for the cessation of joint control over an entity shall be applied prospectively. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Amendments to FRS 132 clarify that contingent consideration from a business combination that occurred before the effective date of the revised FRS 3 of 1 July 2010 shall be accounted for prospectively. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Amendments to FRS 134 clarify that updated information on significant events and transactions since the end of the last annual reporting period shall be included in the Group's interim financial report. Although the Group does not expect any impact on the financial statements arising from the adoption of these amendments, it is expected that additional disclosures would be made in the quarterly interim financial statements of the Group.

Amendments to FRS 139 clarify that contingent consideration from a business combination that occurred before the effective date of the revised FRS 3 of 1 July 2010 shall be accounted for prospectively. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Amendments to IC Interpretation 13 clarify that the fair value of award credits takes into account, amongst others, the amount of the discounts or incentives that would otherwise be offered to customers who have not earned award credits from an initial sale. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

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

5.2 New FRSs that have been issued, but not yet effective and not yet adopted (continued)

- (i) Amendments to IC Interpretation 14 *FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* are mandatory for annual periods beginning on or after 1 July 2011.

These amendments clarify that if there is a minimum funding requirement for contributions relating to future service, the economic benefit available as a reduction in future contributions shall include any amount that reduces future minimum funding requirement contributions for future service because of the prepayment made.

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

- (j) IC Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments* is mandatory for annual periods beginning on or after 1 July 2011.

This Interpretation applies to situations whereby equity instruments are issued to a creditor to extinguish all or part of a recognised financial liability. Such equity instruments shall be measured at fair value, and the difference between the carrying amount of the financial liability extinguished and the consideration paid shall be recognised in profit or loss.

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

- (k) FRS 124 *Related Party Disclosures* and the consequential amendments to FRS 124 are mandatory for annual periods beginning on or after 1 January 2012.

This revised Standard simplifies the definition of a related party and eliminates certain inconsistencies within the superseded version. In addition to this, transactions and balances with government-related entities are broadly exempted from the disclosure requirements of the Standard.

The Group expects to reduce related party disclosures in respect of transactions and balances with government-related entities upon adoption of this Standard.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

6.1 Changes in estimates

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Directors are of the opinion that there are no significant changes in estimates at the end of the reporting period.

6.2 Critical judgements made in applying accounting policies

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

- (a) Operating lease commitments – the Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out as operating leases.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)**6.2 Critical judgements made in applying accounting policies (continued)****(b) Impairment of available-for-sale investments**

The Group assesses its equity shares and warrants classified as available-for-sale investments at the end of each reporting period whether there has been a significant or prolonged decline in the fair value below their cost.

The determination of what is 'significant' or 'prolonged' requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is below its cost.

(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.

6.3 Key sources of estimation uncertainty

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

(a) Impairment of goodwill on consolidation

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

(b) Useful lives of property, plant and equipment

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

(c) Property development

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

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

(d) Construction contract

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

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

NOTES TO THE FINANCIAL STATEMENTS

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6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

6.3 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) Impairment of receivables

The Group makes impairment of receivables based on an assessment of the recoverability of receivables. Impairment is applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Judgement is required to evaluate the adequacy of impairment, including review of credit worthiness and the past collection history of each receivable. Where expectations differ from the original estimates, the differences will impact the carrying amount of receivables.

(g) Write down for obsolete or slow moving inventories

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

(h) Impairment of investments in subsidiaries

Investments in subsidiaries are assessed for impairment losses whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. Such assessment requires the Directors to make estimates of the recoverable amounts. Impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an asset's fair value less cost to sell and its value in use.

(i) Fair values of borrowings

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

NOTES TO THE FINANCIAL STATEMENTS
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7. PROPERTY, PLANT AND EQUIPMENT

Group	Balance as at 1.7.2010, as restated RM'000	Additions RM'000	Disposals RM'000	Write off RM'000	Depreciation charge for the financial year (Note 7(a)) RM'000	Reclassifications RM'000	Translation adjustments RM'000	Balance as at 30.6.2011 RM'000
Carrying amount								
Freehold hotel properties	133,797	1,661	-	-	(4,058)	36,511	849	168,760
Leasehold hotel properties	63,146	218	-	-	(1,619)	-	-	61,745
Freehold golf course	15,332	-	-	-	-	-	-	15,332
Freehold land	47,216	1	-	-	-	-	930	48,147
Long term leasehold land	11,843	-	-	-	(148)	-	-	11,695
Short term leasehold land	1,568	-	-	-	(32)	-	(266)	1,270
Buildings and improvements	41,555	89	-	-	(1,134)	17,674	(452)	57,732
Jetty and infrastructure	23,347	-	-	-	(585)	-	-	22,762
Plant, machinery and electrical installation	14,692	8,659	(123)	-	(4,962)	-	(443)	17,823
Motor vehicles and boats	2,518	1,293	-	-	(1,006)	-	(20)	2,785
Hotel furniture, fittings and equipment	20,367	3,046	(82)	(336)	(3,486)	2,141	167	21,817
Furniture, fittings and equipment	10,037	1,989	(117)	(112)	(2,703)	-	(10)	9,084
Computers	1,059	388	(3)	(10)	(408)	-	-	1,026
Construction-in-progress	46,473	10,100	-	-	-	(56,326)	-	247
	432,950	27,444	(325)	(458)	(20,141)	-	755	440,225

NOTES TO THE FINANCIAL STATEMENTS
30 June 2011

7. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	← At 30.6.2011 →		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Freehold hotel properties	186,304	(17,544)	168,760
Leasehold hotel properties	71,772	(10,027)	61,745
Freehold golf course	15,332	-	15,332
Freehold land	48,147	-	48,147
Long term leasehold land	12,979	(1,284)	11,695
Short term leasehold land	1,406	(136)	1,270
Buildings and improvements	67,177	(9,445)	57,732
Jetty and infrastructure	29,466	(6,704)	22,762
Plant, machinery and electrical installation	77,834	(60,011)	17,823
Motor vehicles and boats	9,218	(6,433)	2,785
Hotel furniture, fittings and equipment	70,516	(48,699)	21,817
Furniture, fittings and equipment	26,144	(17,060)	9,084
Computers	5,489	(4,463)	1,026
Construction-in-progress	247	-	247
	622,031	(181,806)	440,225

NOTES TO THE FINANCIAL STATEMENTS
30 June 2011

7. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Balance as at 1.7.2009, as restated RM'000	Additions RM'000	Disposals RM'000	Write off RM'000	Depreciation charge for the financial year (Note 7(a)) RM'000	Reclassifications RM'000	Translation adjustments as restated RM'000	Balance as at 30.6.2010, as restated 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
Long term leasehold land	10,725	1,262	-	-	(144)	-	-	11,843
Short term leasehold land	1,889	-	-	-	(38)	-	(283)	1,568
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
	403,720	47,643	(148)	(264)	(16,508)	-	(1,493)	432,950

NOTES TO THE FINANCIAL STATEMENTS
30 June 2011

7. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	At 30.6.2010		
	Cost (Restated) RM'000	Accumulated depreciation (Restated) RM'000	Carrying amount (Restated) 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
Long term leasehold land	12,978	(1,135)	11,843
Short term leasehold land	1,696	(128)	1,568
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
	597,534	(164,584)	432,950

Company	Balance as at 1.7.2010 RM'000	Additions RM'000	Disposals RM'000	Depreciation charge for the financial year	Balance as at 30.6.2011 RM'000
				RM'000	
Carrying amount					
Computers	167	31	-	(49)	149
Furniture, fittings and equipment	219	90	-	(36)	273
Motor vehicles	234	-	-	(81)	153
	620	121	-	(166)	575

	At 30.6.2011		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Computers	535	(386)	149
Furniture, fittings and equipment	764	(491)	273
Motor vehicles	400	(247)	153
	1,699	(1,124)	575

NOTES TO THE FINANCIAL STATEMENTS

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7. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	Balance as at	Additions	Disposals	Depreciation charge for the financial year	Balance as at
	1.7.2009			RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	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	Accumulated depreciation	Carrying amount
	RM'000	RM'000	RM'000
Computers	509	(342)	167
Furniture, fittings and equipment	676	(457)	219
Motor vehicles	400	(166)	234
	1,585	(965)	620

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

	Group		Company	
	2011	2010 (Restated)	2011	2010
	RM'000	RM'000	RM'000	RM'000
Income Statements	17,084	15,338	166	146
Amount due from customers for contract works (Note 15)	3,057	1,170	-	-
	20,141	16,508	166	146

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

7. PROPERTY, PLANT AND EQUIPMENT (continued)

(b) Security

The freehold land and buildings of the Group with a carrying amount of RM22,006,000 (2010: RM11,073,000) have been pledged to banks for credit facilities granted to the Group and the Company (Note 22).

The freehold land with buildings classified as hotel properties of the Group with a carrying amount of RM181,221,000 (2010: RM149,943,000) have been pledged to banks for credit facilities granted to the Group and the Company (Note 22).

In the previous financial year, leasehold land of the Group with a carrying value of RM5,210,000 were pledged to licensed financial institutions to secure banking facilities granted to the Group (Note 22).

Other property, plant and equipment of the Group with a carrying amount of RM4,606,000 (2010: RM46,367,000) have been pledged to banks for credit facilities granted to the Group (Note 22).

(c) During the financial year, the Group reassessed its leases of land in accordance with the Amendment to FRS 117 to be finance leases. The classification of prepaid lease payments for land as property, plant and equipment has been accounted for retrospectively. The effects of the reclassifications are shown in Note 40 to the financial statements.

8. INTANGIBLE ASSETS

	Group	
	2011 RM'000	2010 RM'000
Goodwill		
Cost		
Balance as at 30 June	6,615	6,615
Less: Impairment loss		
Balance as at 1 July	(2,047)	(1,023)
Charge for the financial year	-	(1,024)
Balance as at 30 June	(2,047)	(2,047)
Carrying amount	4,568	4,568

Impairment testing for cash-generating units containing goodwill

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

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

	Group	
	2011 RM'000	2010 RM'000
Manufacturing and trading	2,183	2,183
Hotel and leisure	2,385	2,385
	4,568	4,568

NOTES TO THE FINANCIAL STATEMENTS

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8. INTANGIBLE ASSETS (continued)

The recoverable amounts of the operating divisions have been determined based on value in use calculations using cash flow projections from financial budgets approved by management covering a five-year period.

Value in use was determined by discounting the future cash flows generated from the continuing use of the unit based on actual operating results and management's assessment of future trends in the respective industries derived from both external sources and internal sources (internal data) and based on the following key assumptions:

- (i) Revenue is projected to grow at rates ranging from 5% to 10% over the next five years with gradual improvement in the pre-tax margin.
- (ii) Pre-tax discount rate of 9% was applied to the cash flow projections. The discount rate was estimated based on the Group's weighted average cost of capital.
- (iii) Terminal value representing the projected net assets of the operating divisions at end of year five.

With regard to the assessment of value in use, the management is of the view that no reasonably possible change in any of the above key assumptions would cause the carrying amount of the goodwill to materially differ from its recoverable amount.

Based on the above computation, the recoverable amounts of each operating division are higher than the carrying amount of goodwill. Therefore, no additional impairment loss was recognised during the financial year.

In the previous financial year, an impairment loss on goodwill amounting to RM1,024,000 relating to a subsidiary, PJD Malta Sdn. Bhd., had been recognised due to declining business as a result of transfer of its business operations to another subsidiary, PJDCP Malta Sdn. Bhd..

9. INVESTMENT PROPERTIES

Group	Balance as at 1.7.2010 RM'000	Additions RM'000	Adjust- ments* RM'000	Disposals RM'000	Write off RM'000	Depreciation charge for the financial year RM'000	Balance as at 30.6.2011 RM'000
Carrying amount							
Freehold land	55,458	-	-	(2,785)	-	-	52,673
Buildings	107,171	509	(2,487)	(1,866)	(710)	(4,212)	98,405
	162,629	509	(2,487)	(4,651)	(710)	(4,212)	151,078

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

	← At 30.6.2011 →		Carrying amount RM'000
	Cost RM'000	Accumulated depreciation RM'000	
Freehold land	52,673	-	52,673
Buildings	105,264	(6,859)	98,405
	157,937	(6,859)	151,078

Fair Value

At 30 June 2011 259,274

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9. INVESTMENT PROPERTIES (continued)

Group	Balance as at 1.7.2009 RM'000	Additions RM'000	Disposals RM'000	Transfer from property development costs (Note 16) 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
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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 except for the two units of supermarket premises and the office cum commercial premise which contain an initial non-cancellable period of six years and three years respectively. Subsequent renewals are negotiated with the lessee. No contingent rents are charged.

The fair value of the investment properties were derived from transaction prices for similar types of properties obtained from property agencies.

Investment properties of certain subsidiaries with a carrying value of RM146,603,000 (2010: RM153,742,000) are pledged to licensed financial institutions to secure banking facilities granted to the Company and certain subsidiaries (Note 22).

NOTES TO THE FINANCIAL STATEMENTS

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9. INVESTMENT PROPERTIES (continued)

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

	Group	
	2011 RM'000	2010 RM'000
Generating rental income		
Building insurance	116	90
Service charges	48	51
Quit rent and assessment	1,564	237
Security service	382	258
Maintenance	440	272
Utilities	2,263	1,159
Other expenses	11	18
	4,824	2,085
Non-generating rental income		
Quit rent and assessment	20	34
Security services	12	12
Building insurance	7	7
Other expenses	1	3
	40	56

10. INVESTMENTS IN SUBSIDIARIES

	Company	
	2011 RM'000	2010 RM'000
Unquoted equity shares, at cost	532,193	529,193
Less: Impairment loss	(10,667)	(8,475)
	521,526	520,718

NOTES TO THE FINANCIAL STATEMENTS

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10. INVESTMENTS IN SUBSIDIARIES (continued)

The details of the subsidiaries are as follows:

Name of company	Country of incorporation	Equity interest		Principal activities
		2011 %	2010 %	
Bindev Sdn. Bhd.	Malaysia	100	100	Property development
Bunga Development Sdn. Bhd. and its subsidiary	Malaysia	100	100	Property development
Kulai Management Services Sdn. Bhd.	Malaysia	100	100	Provision of property management services
DLHA Management Services Sdn. Bhd.	Malaysia	100	99	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
OCC Cables Berhad and its subsidiaries	Malaysia	100	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

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10. INVESTMENTS IN SUBSIDIARIES (continued)

Name of company	Country of incorporation	Equity interest		Principal activities
		2011 %	2010 %	
Pengerang Jaya Pte. Ltd.* and its subsidiaries (continued)				
PJ. (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				
Damai Laut Golf Resort Sdn. Bhd.	Malaysia	99	99	Development and investment in resort property, hotel and restaurant business and operation of golf course
MM Hotels Sdn. Bhd.	Malaysia	100	100	Hotel and restaurant business
Swiss-Garden Management Services Sdn. Bhd.	Malaysia	100	100	Hotel and restaurant business
PJD Land Sdn. Bhd.	Malaysia	100	100	Leasing of office cum commercial building
PJD Landmarks Sdn. Bhd.	Malaysia	100	100	Property development
PJD 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.	Malaysia	100	100	Property development
PJD Properties Management Sdn. Bhd.	Malaysia	100	100	Provision of project management services

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10. INVESTMENTS IN SUBSIDIARIES (continued)

Name of company	Country of incorporation	Equity interest		Principal activities
		2011 %	2010 %	
PJD Realty Sdn. Bhd.	Malaysia	100	100	Investment holding
PJD Regency Sdn. Bhd.	Malaysia	100	100	Property development
PJD Sejahtera Sdn. Bhd.	Malaysia	100	100	Property development
PJDCP Malta Sdn. Bhd. and its subsidiaries	Malaysia	100	100	Manufacturing and sale of 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
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.

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10. INVESTMENTS IN SUBSIDIARIES (continued)

On 18 February 2011 and 13 April 2011, the Company subscribed for additional 1,000,000 and 2,000,000 ordinary shares of RM1.00 each in its subsidiaries, Kota Mulia Sdn. Bhd. and Swiss-Garden International Vacation Club Berhad respectively, for cash consideration of RM1,000,000 and RM2,000,000 respectively.

On 1 April 2011, the Company acquired the entire paid up capital of its indirect subsidiary, DLHA Management Services Sdn. Bhd. ('DMSSB'), from its subsidiary, Damai Laut Golf Resort Sdn. Bhd., for a cash consideration of RM2. With effect from the same date, DMSSB became a direct subsidiary of the Company.

An additional impairment loss on investment in a subsidiary, PJD Malta Sdn. Bhd. amounting to RM2,192,000 had been recognised during the financial year due to declining business operations as a result of the transfer of its business operations to another subsidiary, PJDCP Malta Sdn. Bhd..

11. INVESTMENTS IN ASSOCIATES

	Group	
	2011 RM'000	2010 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	29,082	20,458
	53,003	44,379

The details of the associates are as follows:

Name of company	Country of incorporation	Group Equity interest		Principal activities
		2011 %	2010 %	
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.

** Audited by member firms of BDO International.

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11. INVESTMENTS IN ASSOCIATES (continued)

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

	Group	
	2011	2010
	RM'000	RM'000
Assets and liabilities		
Non-current assets	76,937	28,505
Current assets	122,883	136,471
Total assets	199,820	164,976
Current liabilities	6,401	3,030
Total liabilities	6,401	3,030

	Group	
	2011	2010
	RM'000	RM'000
Results		
Revenue	9,154	6,407
Profit for the financial year	4,956	3,654

(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	
	2011	2010
	RM'000	RM'000
Loss for the financial year	*	2
Accumulated losses	11	11

* Amount is less than RM1,000.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

12. OTHER INVESTMENTS

Group 2011	Carrying amount RM'000	Market value of quoted investments RM'000
Non-current		
Available-for-sale financial assets		
- Unquoted shares (within Malaysia)	612	-
- Quoted warrants (within Malaysia)	349	349
- Quoted shares (within Malaysia)	62,283	62,283
	63,244	62,632
<hr/>		
2010		
Non-current		
- Unquoted shares (within Malaysia), at cost	34	-
- Quoted shares (within Malaysia), at cost	61,843	50,286
Less: Impairment loss	(12,123)	-
	49,720	50,286
	49,754	50,286

Certain quoted shares in Malaysia with a carrying amount of RM56,546,000 (2010: RM45,578,000) have been pledged to licensed financial institutions as security for banking facilities granted to the Company (Note 22).

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

The comparative figures have not been presented based on the new categorisation of financial assets resulting from the adoption of FRS 139 by virtue of the exemption given in FRS 7.44AA.

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

NOTES TO THE FINANCIAL STATEMENTS
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13. LAND HELD FOR PROPERTY DEVELOPMENT

	Note	Group	
		2011 RM'000	2010 RM'000
Carrying amount			
Opening balance		143,284	140,654
Additions		35,000	5,763
Translation adjustment		(57)	(86)
Transfer to property development costs	16	(11,331)	(3,047)
Closing balance		166,896	143,284
Representing:			
Land		139,221	123,369
Land development costs		27,675	19,915
		166,896	143,284

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

	Group	
	2011 RM'000	2010 RM'000
Interest expense	1,743	1,380

Interest is capitalised in land held for property development at rates ranging from 4.00% to 7.80% (2010: 4.00% to 7.55%) per annum.

Certain land held for property development with a carrying amount of RM35,158,000 (2010: RM54,718,000) have been pledged to licensed banks for banking facilities granted to certain subsidiaries (Note 22).

14. DEFERRED TAX

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

	Group	
	2011 RM'000	2010 RM'000
Opening balance	14,974	13,433
Tax effect on adoption of FRS 139	(404)	-
Restated balance as at 1 July	14,570	13,433
Recognised in profit or loss (Note 29)	2,892	1,541
Closing balance	17,462	14,974
Presented after appropriate offsetting:		
Deferred tax assets, net	(5,333)	(5,112)
Deferred tax liabilities, net	22,795	20,086
	17,462	14,974

NOTES TO THE FINANCIAL STATEMENTS

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14. DEFERRED TAX (continued)

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

Deferred tax liabilities of the Group

	Property development costs RM'000	Property, plant and equipment RM'000	Set off of tax RM'000	Fair value adjustments RM'000	Total RM'000
At 1 July 2009	(6,787)	(17,359)	7,232	87	(16,827)
Recognised in profit or loss	-	(1,434)	(1,825)	-	(3,259)
At 30 June 2010	(6,787)	(18,793)	5,407	87	(20,086)
Recognised in profit or loss	-	(8,312)	5,780	(177)	(2,709)
At 30 June 2011	(6,787)	(27,105)	11,187	(90)	(22,795)

Deferred tax assets of the Group

	Allowances RM'000	Unused tax losses and unabsorbed capital allowances RM'000	Property, plant and equipment and investment properties RM'000	Property development costs and inventories RM'000	Set off of tax RM'000	Fair value adjustments RM'000	Total RM'000
At 1 July 2009	787	8,030	-	1,809	(7,232)	-	3,394
Recognised in profit or loss	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
Tax effect on adoption of FRS 139	-	-	-	-	-	404	404
Restated balance as at 1 July 2010	2,003	5,464	1,552	1,500	(5,407)	404	5,516
Recognised in profit or loss	(1,070)	5,773	792	69	(5,780)	33	(183)
At 30 June 2011	933	11,237	2,344	1,569	(11,187)	437	5,333

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

14. DEFERRED TAX (continued)

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

	Group	
	2011 RM'000	2010 RM'000
Deductible temporary differences	14,778	15,820
Taxable temporary differences	(40,123)	(38,755)
Unused tax losses		
- No expiry date	33,890	33,303
- Expire by 30 June 2013	798	962
- Expire by 30 June 2014	948	1,144
- Expire by 30 June 2015	966	896
Unabsorbed capital allowances	60,863	57,258
	72,120	70,628

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.

15. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Non-current					
Trade					
Third parties	a	19,062	24,844	-	-
Retention sum - third parties	b	2,712	5,951	-	-
		21,774	30,795	-	-
Current					
Trade					
Third parties	a	151,405	154,481	-	-
Accrued billings		27,380	5,858	-	-
Amount due from customers for contract works	c	19,373	22,452	-	-
Retention sum - third parties	b	12,667	12,428	-	-
		210,825	195,219	-	-
Less: Impairment loss - third parties		(3,115)	(6,654)	-	-
		207,710	188,565	-	-

NOTES TO THE FINANCIAL STATEMENTS

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15. TRADE AND OTHER RECEIVABLES (continued)

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Non-trade					
Associate	d	-	627	-	-
Subsidiaries	e	-	-	192,476	217,312
Other receivables	f	10,170	9,817	295	328
Deposits		5,156	4,945	126	127
Prepayments		2,235	2,489	151	149
		17,561	17,878	193,048	217,916
Less: Impairment loss - other receivables	g	(990)	(1,682)	-	-
		16,571	16,196	193,048	217,916
		224,281	204,761	193,048	217,916
Total trade and other receivables	h	246,055	235,556	193,048	217,916

- (a) Trade receivables are non-interest bearing and the normal credit terms granted by the Group range from 30 to 90 days (2010: 30 to 90 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Trade receivables of the Group include timeshare membership fees amounting RM41,035,000 (2010: RM49,571,000) receivable from customers via monthly instalments ranging from 12 to 60 months (2010: 12 to 60 months).

Included in trade receivables of the Group are amounts owing by companies in which certain Directors have interest totalling RM2,161,000 (2010: RM4,590,000).

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

	Group	
	2011 RM'000	2010 RM'000
Within 1 year	12,667	12,428
1 - 2 years	-	5,890
2 - 3 years	2,018	-
3 - 4 years	694	61
	15,379	18,379

NOTES TO THE FINANCIAL STATEMENTS
30 June 2011

15. TRADE AND OTHER RECEIVABLES (continued)

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

	Note	Group	
		2011 RM'000	2010 RM'000
Aggregate costs incurred to date		1,025,394	952,507
Add: Attributable profits		51,057	26,855
		1,076,451	979,362
Less: Progress billings		(1,074,988)	(997,595)
		1,463	(18,233)
Amount due to customers for contract works	21	17,910	40,685
		19,373	22,452

Addition to aggregate costs incurred during the financial year include:

	Note	2011 RM'000	2010 RM'000
Staff costs	32	3,667	4,440
Depreciation	7	3,057	1,170

- (d) Amount owing by associate is in respect of advances and payments made on behalf, which are unsecured, interest-free and payable upon demand in cash and cash equivalents.
- (e) 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 RM191,885,000 (2010:RM215,577,000) which is subject to interest at 0.44% (2010: 0.65%) per annum.
- (f) Included in other receivables of the Group are advances to and payments made on behalf of subcontractors amounting to RM465,000 (2010: RM501,000), which are unsecured, interest-free and repayable on demand in cash and cash equivalents.
- (g) During the financial year, bad debts in respect of other receivables amounting to RM697,000 have been written off against impairment loss.
- (h) The currency exposure profile of receivables is as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Ringgit Malaysia	232,303	222,275	193,048	217,916
Thai Baht	9,286	11,911	-	-
Australian Dollar	383	299	-	-
Singapore Dollar	708	232	-	-
United States ('US') Dollar	897	472	-	-
Vietnam Dong	2,370	196	-	-
Euro	108	171	-	-
	246,055	235,556	193,048	217,916

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

15. TRADE AND OTHER RECEIVABLES (continued)

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

	Group	
	2011 RM'000	2010 RM'000
Neither past due nor impaired	211,289	177,284
Past due, not impaired		
0 to 30 days	11,846	25,809
31 to 60 days	1,562	4,312
61 to 90 days	1,053	1,013
91 to 120 days	3,630	1,430
More than 120 days	104	9,512
	18,195	42,076
Past due and impaired	3,115	6,654
	232,599	226,014

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. These customers had maintained long working relationship with the Group and there is no indication as of the reporting date that the debtors will not meet their payment obligations.

None of the trade receivables of the Group that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

Owing to the reason that no loss event had occurred to these receivables, such as significant financial difficulties, no impairment was made in respect of these past due trade receivables. These receivables are unsecured in nature.

Receivables that are past due and impaired

Trade receivables of the Group that are past due and impaired at the end of the reporting period are as follows:

Group	Individually impaired	
	2011 RM'000	2010 RM'000
Trade receivables, gross	3,115	6,654
Less: Impairment loss	(3,115)	(6,654)
	-	-

NOTES TO THE FINANCIAL STATEMENTS
30 June 2011

15. TRADE AND OTHER RECEIVABLES (continued)

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

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

	Group	
	2011 RM'000	2010 RM'000
At 1 July 2010/2009	6,654	7,468
Charge for the financial year	1,067	523
Written off	(2)	-
Reversal of impairment loss	(4,604)	(1,337)
At 30 June 2011/2010	3,115	6,654

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to those debtors that exhibit significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

16. PROPERTY DEVELOPMENT COSTS

	Note	Group	
		2011 RM'000	2010 RM'000
Opening balance			
Land		91,266	138,053
Development costs		376,861	373,588
Accumulated costs charged to profit or loss		(311,499)	(180,339)
		156,628	331,302
Transfer from land held for property development	13	11,331	3,047
Transfer to completed properties held for sale		(1,338)	(16,246)
Transfer to investment properties	9	-	(131,968)
Development costs incurred during the year		142,622	161,272
Cost charged to profit or loss		(149,419)	(190,779)
Completed developments			
- Reversal of land and development costs		(144,031)	(75,157)
- Reversal of costs charged to profit or loss		144,031	75,157
		3,196	(174,674)
Closing balance		159,824	156,628
Represented by:			
Land		88,761	91,266
Development costs		404,187	376,861
Accumulated costs charged to profit or loss		(333,124)	(311,499)
		159,824	156,628

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

16. PROPERTY DEVELOPMENT COSTS (continued)

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

	Group	
	2011	2010
	RM'000	RM'000
Interest expense	3,880	6,799

Interest is capitalised in property development costs at rates ranging from 0.44% to 5.30% (2010: 0.65% to 5.30%) per annum.

The portion of property development costs 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 amount of RM164,534,000 (2010: RM121,483,000) have been pledged to licensed banks for banking facilities granted to certain subsidiaries (Note 22). Subsequent to the end of the reporting period, RM43,184,000 has been discharged by the bank.

17. INVENTORIES

	Group	
	2011	2010
	RM'000	RM'000
At cost		
Completed properties held for sale	10,175	21,227
Raw materials	6,943	4,030
Consumables	2,170	1,945
Work-in-progress	7,624	6,155
Finished goods	9,829	7,196
	36,741	40,553
At net realisable value		
Completed properties held for sale	1,879	683
Raw materials	390	287
Finished goods	2,445	2,377
	4,714	3,347
	41,455	43,900

During the financial year, inventories of the Group recognised as cost of sales amounted to RM133,975,000 (2010: RM99,575,000) while the write down of inventories to their net realisable value amounted to RM1,325,000 (2010: RM1,761,000).

NOTES TO THE FINANCIAL STATEMENTS
30 June 2011

18. CASH AND CASH EQUIVALENTS

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Cash and bank balances	a	28,387	84,034	516	4,469
Deposits with licensed banks	b	40,903	34,800	-	-
Per statements of financial position	c	69,290	118,834	516	4,469
Bank overdrafts included in borrowings	22	(10,329)	(7,108)	(859)	-
Deposits pledged as securities	b	(6,550)	(7,380)	-	-
Per statements of cash flows		52,411	104,346	(343)	4,469

- (a) Included in the Group's cash and bank balances is an amount of RM15,511,000 (2010: RM42,780,000) held under Housing Development Account maintained pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966. The utilisation of this balance is restricted. Before completion of the housing development and fulfilling all relevant obligations to the purchasers, the cash can only be withdrawn from such account for the purpose of completing the particular projects concerned.

Included in the Housing Development Account is an amount of RM3,434,000 (2010: RM31,470,000) assigned for banking facilities granted to certain subsidiaries. Subsequent to the end of the reporting period, RM3,430,000 has been discharged by the bank.

- (b) Included in deposits placed with licensed banks is an amount of RM6,550,000 (2010: RM7,380,000) pledged for bank facilities granted to certain subsidiaries (Note 22).
- (c) The currency exposure profile of cash and bank balances and deposits with licensed banks is as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Ringgit Malaysia	27,351	81,405	516	4,469
Australian Dollar	32,330	26,054	-	-
Thai Baht	7,752	10,334	-	-
Vietnam Dong	1,622	567	-	-
US Dollar	184	402	-	-
Singapore Dollar	51	72	-	-
	69,290	118,834	516	4,469

NOTES TO THE FINANCIAL STATEMENTS

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19. SHARE CAPITAL AND TREASURY SHARES

	Group and Company			
	2011	2010		
	RM'000	Number of shares '000	RM'000	Number of shares '000
Ordinary shares of RM1.00 each:				
Authorised	1,000,000	1,000,000	1,000,000	1,000,000
Issued and fully paid:				
Balance as at 1 July 2010/2009	456,132	456,132	456,132	456,132
Issued for cash pursuant to exercise of 2000/2010 Warrants B	2	2	-	-
Balance as at 30 June 2011/2010	456,134	456,134	456,132	456,132

During the financial year, the issued and paid-up share capital of the Company was increased from RM456,132,359 to RM456,133,692 following the issuance of 1,333 new ordinary shares of RM1.00 each pursuant to the exercise of 1,333 2000/2010 Warrants B.

The owners of the parent 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.

Of the total 456,134,000 (2010: 456,132,000) issued and fully paid ordinary shares of RM1.00 each as at 30 June 2011, there are 475,000 (2010: 475,000) ordinary shares of RM1.00 each with a cumulative total consideration amounting to RM266,000 (2010: RM266,000) held as treasury shares by the Company. The number of outstanding shares in issue after the share buy-back is 455,659,000 (2010: 455,657,000) ordinary shares of RM1.00 each as at 30 June 2011.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

19. 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 expired on 29 October 2010 at 5.00 p.m.. Notice to warrant holders dated 24 September 2010 had been despatched to all warrant holders notifying them of the forthcoming expiry date.

All 2000/2010 Warrants B which were not exercised on 29 October 2010 at 5.00 p.m. had lapsed and became null and void and cease to be exercisable thereafter.

Warrants C

A total of 213,811,972 2010/2020 Warrants C were issued on 6 December 2010 pursuant to the completion of the following corporate exercises:

- (a) the renounceable rights issue of 171,049,635 new warrants in the Company ('Warrant(s) C') to all the shareholders of the Company on the basis of three (3) Warrants C for every eight (8) existing ordinary shares of RM1.00 each held on 10 November 2010 at an issue price of RM0.02 per Warrant C, and
- (b) the restricted issue of 42,762,337 Warrants C in the Company to the holders of unexercised 2000/2010 Warrants B on 29 October 2010, being the expiry date of Warrants B ('Expiry Date') on the basis of three (3) Warrants C for every eight (8) unexercised 2000/2010 Warrants B held on the Expiry Date at an issue price of RM0.02 per Warrant C.

The exercise price of each Warrant C shall be RM1.00 per ordinary share or such adjusted price as may for the time being be applicable subject to the Deed Poll dated 20 October 2010. The exercise period shall commence from the date of issue of the Warrants and will expire on 5 December 2020 at 5.00 p.m..

As at 30 June 2011, 213,811,972 Warrants C have yet to be converted to ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

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20. RESERVES

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Non-distributable:					
Share premium	a	39,774	39,773	39,774	39,773
Warrant reserve	b	4,276	-	4,276	-
Available-for-sale reserve	c	12,791	-	-	-
Exchange translation reserve	d	2,832	(10,122)	-	-
		59,673	29,651	44,050	39,773
Distributable:					
Retained earnings	e	379,033	340,344	67,895	79,906
		438,706	369,995	111,945	119,679

(a) Share premium

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

(b) Warrant reserve

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

(c) Available-for-sale reserve

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

(d) Exchange translation reserve

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

(e) Retained earnings

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

The Company has decided not to make this election and has sufficient tax credit under Section 108 of the Income Tax Act, 1967 and balance in the tax exempt account to frank the payment of dividends out of its entire retained earnings without incurring additional tax liabilities. Upon full utilisation of tax credit under Section 108 of the Income Tax Act, 1967, the Company will move to single tier system.

NOTES TO THE FINANCIAL STATEMENTS
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21. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Non-current					
Trade					
Retention sum - third parties	a	6,854	6,129	-	-
Current					
Trade					
Third parties	b	47,687	61,063	-	-
Progress billings in respect of property development		15,789	15,356	-	-
Amount due to customers for contract works	15	17,910	40,685	-	-
Retention sum - third parties	a	20,028	21,671	-	-
		101,414	138,775	-	-
Non-trade					
Subsidiaries	c	-	-	143,182	124,544
Other payables - third parties	d	20,148	22,199	953	935
- associates	e	-	397	-	-
Accruals		54,618	38,648	419	539
		74,766	61,244	144,554	126,018
		176,180	200,019	144,554	126,018
Total trade and other payables	f	183,034	206,148	144,554	126,018

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

	Group	
	2011 RM'000	2010 RM'000
Within 1 year	20,028	21,671
1 - 2 years	5,677	3,876
2 - 3 years	894	2,208
3 - 4 years	283	45
	26,882	27,800

NOTES TO THE FINANCIAL STATEMENTS

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21. TRADE AND OTHER PAYABLES (continued)

- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days (2010: 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 RM29,714,000 (2010: RM18,323,000), which is subject to interest rates ranging from 4.00% to 7.60% (2010: 3.93% to 7.05%) per annum.
- (d) Other payables include enrolment fees payable to Interval International Inc. of RM2,945,000 (2010: RM4,155,000) to activate the exchange facility granted to timeshare members which allows them to exchange their holiday accommodation through the exchange network.
- (e) Amount owing to associates is in respect of advances and payments made on behalf, which are unsecured, interest-free and payable upon demand in cash and cash equivalents.
- (f) The currency exposure profile of payables is as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Ringgit Malaysia	176,341	194,657	144,554	126,018
Thai Baht	5,939	9,427	-	-
US Dollar	103	1,157	-	-
Vietnam Dong	431	696	-	-
Australian Dollar	160	129	-	-
Singapore Dollar	47	67	-	-
Euro	13	15	-	-
	183,034	206,148	144,554	126,018

22. BORROWINGS

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Non-current					
Secured term loans		198,886	95,450	3,747	7,822
Unsecured term loans		1,441	3,644	-	-
		200,327	99,094	3,747	7,822

NOTES TO THE FINANCIAL STATEMENTS
30 June 2011

22. BORROWINGS (continued)

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current					
Secured term loans		36,997	112,943	4,077	4,194
Unsecured term loans		2,073	2,010	-	-
Secured bank overdrafts	18	4,829	2,796	-	-
Unsecured bank overdrafts	18	5,500	4,312	859	-
Secured bankers' acceptances		-	2,385	-	-
Unsecured bankers' acceptances		11,045	4,467	-	-
Secured revolving credits		2,200	71,500	-	33,500
Unsecured revolving credits		3,800	6,500	-	-
		66,444	206,913	4,936	37,694
		266,771	306,007	8,683	45,516

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Total borrowings					
Secured term loans		235,883	208,393	7,824	12,016
Unsecured term loans		3,514	5,654	-	-
Secured bank overdrafts	18	4,829	2,796	-	-
Unsecured bank overdrafts	18	5,500	4,312	859	-
Secured bankers' acceptances		-	2,385	-	-
Unsecured bankers' acceptances		11,045	4,467	-	-
Secured revolving credits		2,200	71,500	-	33,500
Unsecured revolving credits		3,800	6,500	-	-
		266,771	306,007	8,683	45,516

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

Group	Year of maturity	Carrying amount RM'000	Within 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	Over 5 years RM'000
2011						
Secured term loans	2024	235,883	36,997	36,753	67,679	94,454
Unsecured term loans	2014	3,514	2,073	987	454	-
Secured bank overdrafts	2012	4,829	4,829	-	-	-
Unsecured bank overdrafts	2012	5,500	5,500	-	-	-
Unsecured bankers' acceptances	2012	11,045	11,045	-	-	-
Secured revolving credits	2012	2,200	2,200	-	-	-
Unsecured revolving credits	2012	3,800	3,800	-	-	-
		266,771	66,444	37,740	68,133	94,454

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22. BORROWINGS (continued)

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

Group	Year of maturity	Carrying amount RM'000	Within 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	Over 5 years RM'000
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
Company						
Company	Year of maturity	Carrying amount RM'000	Within 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	Over 5 years RM'000
2011						
Secured term loans	2014	7,824	4,077	3,379	368	-
Unsecured bank overdrafts	2012	859	859	-	-	-
		8,683	4,936	3,379	368	-
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

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

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Ringgit Malaysia	265,226	303,740	8,683	45,516
US Dollar	1,545	2,267	-	-
	266,771	306,007	8,683	45,516

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22. BORROWINGS (continued)

- (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 9) and quoted investments (Note 12).

The borrowings of subsidiaries are secured by way of charges over certain subsidiaries' freehold land and buildings, hotel properties, leasehold land and other property, plant and equipment (Note 7), investment properties (Note 9), land held for property development (Note 13), property development costs (Note 16) and deposits placed with licensed banks (Note 18). 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.

23. DEFERRED INCOME

	Group	
	2011 RM'000	2010 RM'000
Non-current		
Membership fees	38,140	39,891
Current		
Membership fees	2,105	2,713
Maintenance fees	95	71
	2,200	2,784

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.

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24. 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 end of the reporting period as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Less than one year	1,219	1,525	18	7
Between one and five years	1,420	2,054	27	13
	2,639	3,579	45	20

(ii) The Group as lessor

The Group had entered into non-cancellable lease arrangements on certain investment properties. The Group has future minimum lease receivables aggregate as at end of the reporting period as follows:

	Group	
	2011 RM'000	2010 RM'000
Less than one year	20,982	21,114
Between one and five years	12,008	31,164
Later than five years	36,385	37,808
	69,375	90,086

(b) Capital commitments

	Group	
	2011 RM'000	2010 RM'000
Contracted but not provided for		
- property, plant and equipment	4,463	1,487
- land held for property development	3,150	-
	7,613	1,487

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25. 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 outflow of economic benefits will be required or the amount is not capable of reliable measurement.

	Company	
	2011 RM'000	2010 RM'000
Guarantees		
Corporate guarantees given to financial institutions relating to banking facilities of subsidiaries	530,548	571,621
Corporate guarantees given to third parties relating to credit facilities granted to subsidiaries	23,200	20,900
	553,748	592,521

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, which resulted in SGIVCB having suffered, amongst others, loss and damage amounting to RM5,280,000. In this civil suit, the Agent had filed a counter claim against SGIVCB claiming for its marketing fee, electricity and rental charges pursuant to the Marketing Agreement amounting to RM21,132,000, interests and costs.

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

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

On 6 October 2010, the Court determined the scope of work for the qualified accountant.

On 21 March 2011, the qualified accountant submitted its final assessment to the Court and SGIVCB is awaiting an outcome from the Court.

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

NOTES TO THE FINANCIAL STATEMENTS

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26. REVENUE

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Sale of goods	187,650	145,143	-	-
Property development revenue	215,693	270,376	-	-
Services rendered	106,614	100,122	3,300	3,300
Contract revenue	78,366	147,412	-	-
Dividend income				
- subsidiaries	-	-	20,000	12,500
- other investments	2,940	2,775	-	-
	591,263	665,828	23,300	15,800

27. COST OF SALES AND SERVICES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Inventories sold	141,205	105,381	-	-
Property development costs	159,617	208,713	-	-
Services rendered	49,685	43,118	9,014	7,697
Contract works	57,164	130,636	-	-
	407,671	487,848	9,014	7,697

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28. PROFIT BEFORE TAX

	Note	Group		Company	
		2011 RM'000	2010 (Restated) RM'000	2011 RM'000	2010 RM'000
Profit before tax is arrived at after charging:					
Auditors' remuneration:					
- statutory audit					
- current year		383	350	43	34
- under/(over) provision in prior years		18	(14)	9	-
- other services		48	369	46	21
Bad debts written off		20	6	-	-
Compensation to purchasers		30	20	-	-
Depreciation on:					
- investment properties	9	4,212	2,447	-	-
- property, plant and equipment	7	17,084	15,338	166	146
Directors' remuneration:					
- salaries and other emoluments		5,923	4,639	4,558	3,624
- fees		93	93	93	93
Impairment loss on:					
- goodwill on consolidation	8	-	1,024	-	-
- investments in subsidiaries	10	-	-	2,192	3,275
- trade and other receivables		1,077	1,179	-	-
Interest expense on:					
- bank overdrafts		270	305	98	63
- bankers' acceptances		91	313	-	-
- revolving credits		2,515	2,668	357	2,192
- term loans		6,968	5,459	687	870
- subsidiaries		-	-	1,080	1,141
- others		41	7	-	-
Inventories written down	17	1,325	1,761	-	-
Inventories written off		54	11	-	-
Liquidated and ascertained damages expenses		2,914	2,781	-	-
Investment properties written off	9	710	-	-	-
Property, plant and equipment written off	7	458	264	-	-
Rental expense on land and buildings		2,928	1,541	35	11
Rental of equipment		308	393	-	-
Replacement cost for operating equipment		536	781	-	-
Research and development expensed as incurred		4,997	3,920	-	-
Realised loss on foreign exchange		223	98	-	-
Unrealised loss on foreign exchange		1,079	978	-	-
And crediting:					
Bad debt recovered		-	50	-	-
Gross dividends received from:					
- shares quoted in Malaysia		2,763	2,598	-	-
- subsidiaries		-	-	20,000	12,500
- unquoted shares		177	177	-	-

NOTES TO THE FINANCIAL STATEMENTS

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28. PROFIT BEFORE TAX (continued)

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
And crediting (continued):					
Gain on disposal of:					
- investment properties		2,013	1,053	-	-
- property, plant and equipment		479	376	-	63
- subsidiaries	34	-	-	-	42,436
- other investments		1,092	-	-	-
Interest accretion of trade receivables		705	-	-	-
Interest income received from:					
- fixed deposits		1,769	1,554	-	-
- housing development account		698	273	-	-
- subsidiaries		-	-	836	1,584
- others		629	264	33	2
Realised gain on foreign exchange		64	60	-	-
Rental income from land and buildings		26,658	19,608	-	-
Reversal of impairment loss on:					
- trade and other receivables		4,609	1,683	-	-
- other investments		-	3,493	-	-
Reversal of inventories previously written off		47	-	-	-

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 RM125,000 and RM33,000 (2010: RM89,000 and RM32,000) respectively.

29. TAX EXPENSE

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current tax expense based on profit for the financial year:				
Malaysian income tax	21,244	18,699	2,996	721
Foreign income tax	1,508	358	-	-
	22,752	19,057	2,996	721
(Over)/Under provision in prior years:				
Malaysian income tax	(1,241)	350	(25)	12
Foreign income tax	(10)	699	-	-
	21,501	20,106	2,971	733

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29. TAX EXPENSE (continued)

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Deferred tax (Note 14):				
Relating to origination and reversal of temporary differences	2,440	1,455	-	-
Under provision in prior years	452	86	-	-
	2,892	1,541	-	-
	24,393	21,647	2,971	733

The Malaysian income tax is calculated at the statutory tax rate of 25% (2010: 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.

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	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Tax at Malaysian statutory tax rate of 25% (2010: 25%)	19,966	18,582	2,012	10,798
Tax effect in respect of:				
Non-allowable expenses	6,254	4,469	984	1,290
Non-taxable income	(352)	(2,571)	-	(11,367)
Utilisation of previously unrecognised deferred tax assets	(393)	(41)	-	-
Deferred tax assets not recognised during the year	766	829	-	-
Tax incentives and allowances	(708)	(520)	-	-
Share of post tax results of associates	(309)	(251)	-	-
Effect of different tax rate in foreign jurisdiction	(32)	15	-	-
	25,192	20,512	2,996	721
(Over)/Under provision of income tax expense in prior years	(1,251)	1,049	(25)	12
Under provision of deferred tax in prior years	452	86	-	-
	24,393	21,647	2,971	733

Tax savings of the Group are as follows:

	Group	
	2011 RM'000	2010 RM'000
Arising from utilisation of previously unrecognised capital allowances	23	4
Arising from utilisation of previously unrecognised tax losses	149	37
Arising from utilisation of previously unrecognised deductible temporary differences	221	-

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30. EARNINGS PER ORDINARY SHARE

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year, after taking into consideration of treasury shares held by the parent.

	Group	
	2011	2010
Profit attributable to equity holders of the parent (RM'000)	56,988	52,759
Weighted average number of ordinary shares in issue (in '000)	456,134	456,132
Weighted average number of treasury shares held (in '000)	(475)	(475)
Adjusted weighted average number of ordinary shares applicable to basic earnings per share (in '000)	455,659	455,657
Basic earning per share (sen)	12.51	11.58

(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 parent 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 is not shown as the exercise price of warrants is higher than the market price of the ordinary shares as at the end of the reporting period.

31. DIVIDENDS

	Group and Company			
	2011		2010	
	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 2010	5	17,087	-	-
- year ended 30 June 2009	-	-	3	10,252

The first and final dividend in respect of the financial year ended 30 June 2011 of 5 sen per ordinary share, less tax of 25% amounting to RM17,087,000 has been proposed by the Directors after the reporting period for shareholders' approval at the forthcoming Annual General Meeting. The financial statements for the current financial year do not reflect these dividends. These dividends, if approved by shareholders, will be accounted for as an appropriation of retained earnings in the financial year ending 30 June 2012.

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32. EMPLOYEE BENEFITS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Wages, salaries and bonuses	45,962	44,552	7,086	6,007
Contributions to defined contribution plan	6,468	5,565	1,131	939
Social security contributions	601	604	31	29
Other benefits	12,343	6,779	380	535
	65,374	57,500	8,628	7,510

The above staff costs are allocated as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Income statements	61,707	53,060	8,628	7,510
Amount due from customers for contract works (Note 15)	3,667	4,440	-	-
	65,374	57,500	8,628	7,510

33. ACQUISITION OF A SUBSIDIARY

In the previous financial year, the Company acquired the entire equity interest of OCC Cables Berhad ('OCB'), a company incorporated in Malaysia with a paid-up share capital of RM2.00 comprising four ordinary shares of RM0.50 each for a cash consideration of RM2.00.

The acquired subsidiary had contributed the following results to the Group during the previous 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 flows of the Group were not material.

34. DISPOSAL OF SUBSIDIARIES

Company

In the previous financial year, 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 by the Company, however, the disposal had no effect to the Group.

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35. RELATED PARTY DISCLOSURES

(a) Identities of related parties

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

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

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

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Related parties:				
Sale of building materials	2,291	4,410	-	-
Insurance premium payable	(2,193)	(1,871)	(89)	(104)
Progress claim payable	(1,506)	(1,419)	-	-
Room revenue receivable	245	419	-	-
Construction cost billed	1,392	5,763	-	-
Rental of premises payable	(1,337)	(1,436)	(17)	(6)
Purchase of security equipment and services	(401)	(21)	-	-
IT services receivable	6	12	-	-
Internal audit services receivable	21	10	-	-
Subsidiaries:				
Dividend receivable	-	-	20,000	12,500
Interest receivable	-	-	836	1,584
Interest payable	-	-	(1,079)	(1,141)
Facilities charges payable	-	-	(16)	(6)
Management fees receivable	-	-	3,300	3,300
Rental payable	-	-	(18)	(4)
IT maintenance services payable	-	-	(71)	(60)
Secondment fees receivable	-	-	15	80

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Material balances with related parties at the end of the reporting period are disclosed in Note 15 and Note 21 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	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Short term employee benefits	5,994	4,661	3,956	3,170
Contributions to defined contribution plan	961	743	728	579
	6,955	5,404	4,684	3,749

NOTES TO THE FINANCIAL STATEMENTS

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36. OPERATING SEGMENTS

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

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

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

- (i) Properties
Property development, property investment, provision of property management services and project management services.
- (ii) Construction
Securing and carrying out construction contracts.
- (iii) Manufacturing and trading
 - (a) Cable
The manufacture and sale of cables and wires.
 - (b) Building material
The manufacture and sale of 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.

NOTES TO THE FINANCIAL STATEMENTS

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36. OPERATING SEGMENTS (continued)

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

2011	Properties RM'000	Construction RM'000	← Manufacturing and trading →		Hotel and leisure RM'000	Investment holding RM'000	Other operating segments RM'000	Consolidated RM'000
			Cable RM'000	Building material RM'000				
Revenue								
Total revenue	256,902	179,445	158,160	36,078	85,591	26,240	1,396	743,812
Inter-segment revenue	(20,250)	(101,079)	-	(6,587)	(104)	(23,300)	(1,229)	(152,549)
Revenue from external customers	236,652	78,366	158,160	29,491	85,487	2,940	167	591,263
Results								
Segment results	44,912	10,701	25,092	3,334	4,096	(4,637)	1,920	85,418
Finance costs	(5,888)	(1,096)	(119)	(41)	(1,498)	(1,243)	-	(9,885)
Interest income	1,292	64	81	-	25	1,634	-	3,096
Share of profit of associates	-	-	-	-	-	1,236	-	1,236
Profit before tax	40,316	9,669	25,054	3,293	2,623	(3,010)	1,920	79,865
Tax expense	(11,209)	(6,570)	(6,160)	(352)	(1,143)	1,318	(277)	(24,393)
Profit for the financial year	29,107	3,099	18,894	2,941	1,480	(1,692)	1,643	55,472
Assets								
Segment assets	598,742	86,238	100,442	27,199	439,187	103,028	4,415	1,359,251
Investments in associates	-	-	-	-	-	53,003	-	53,003
Total assets	598,742	86,238	100,442	27,199	439,187	156,031	4,415	1,412,254
Liabilities								
Segment liabilities	282,945	84,100	31,105	5,936	104,655	10,437	150	519,328
Other segment information								
Additions to non-current assets other than financial instruments and deferred tax assets	4,336	4,229	4,863	719	13,648	121	37	27,953
Depreciation	5,963	3,934	1,353	1,303	11,628	161	11	24,353
Other material non-cash item:								
- Reversal of impairment loss on trade and other receivables	20	-	4,406	177	6	-	-	4,609

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36. OPERATING SEGMENTS (continued)

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

2010	Properties RM'000	Construction RM'000	← Manufacturing and trading →		Hotel and leisure RM'000	Investment holding RM'000	Other operating segments RM'000	Consolidated RM'000
			Cable RM'000	Building material RM'000				
Revenue								
Total revenue	303,744	271,204	121,813	35,925	85,682	18,575	1,128	838,071
Inter-segment sales	(18,920)	(123,792)	(6)	(12,588)	(130)	(15,800)	(1,007)	(172,243)
<hr/>								
Revenue from external customers	284,824	147,412	121,807	23,337	85,552	2,775	121	665,828
<hr/>								
Results								
Segment results	46,050	5,940	16,693	1,180	9,045	113	965	79,986
Finance costs	(2,624)	(1,658)	(412)	(149)	(784)	(3,125)	-	(8,752)
Interest income	520	306	107	-	14	1,144	-	2,091
Share of profit of associates	-	-	-	-	-	1,003	-	1,003
<hr/>								
Profit before tax	43,946	4,588	16,388	1,031	8,275	(865)	965	74,328
Tax expense	(10,391)	(3,710)	(5,180)	(189)	(3,012)	951	(116)	(21,647)
<hr/>								
Profit for the financial year	33,555	878	11,208	842	5,263	86	849	52,681
<hr/>								
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	-	44,379
<hr/>								
Total assets	586,771	124,663	87,168	26,916	444,097	130,840	6,767	1,407,222
<hr/>								
Liabilities								
Segment liabilities	276,439	132,282	24,562	7,084	91,867	47,240	1,801	581,275
<hr/>								
Other segment information								
Additions to non-current assets other than financial instruments and deferred tax assets	2,890	1,325	2,980	665	39,705	199	18	47,782
Depreciation	3,395	2,119	1,189	1,265	10,839	141	7	18,955
Other material non-cash item:								
- Reversal of impairment loss on trade and other receivables	101	279	1,071	93	139	-	-	1,683
<hr/>								

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

37. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the Group's capital management is to ensure that entities of the Group would be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance. The overall strategy of the Group remains unchanged from that in financial year ended 30 June 2010.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2011 and 30 June 2010.

The Group monitors and maintains a prudent level of total debts and to ensure compliance with any externally imposed capital requirements, if any.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital. Net debt represents total borrowings less cash and cash equivalents whereas total capital represents equity attributable to the owners of the parent less the fair value adjustment reserve.

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Borrowings	266,771	306,007	8,683	45,516
Less: Cash and cash equivalents	(69,290)	(118,834)	(516)	(4,469)
Net debt	197,481	187,173	8,167	41,047
Equity attributable to the owners of the parent	894,574	825,861	567,813	575,545
Less: Fair value adjustment reserve	(12,791)	-	-	-
Total capital	881,783	825,861	567,813	575,545
Gearing ratio	22%	23%	1%	7%

(b) Financial instruments

Certain comparative figures have not been presented for 30 June 2010 by virtue of the exemption given in paragraph 44AA of FRS 7.

Categories of financial instruments

Group	Loans and receivables RM'000	Available for sale RM'000	Total RM'000
2011			
Financial assets			
Other investments	-	63,244	63,244
Trade and other receivables	246,055	-	246,055
Cash and cash equivalents	69,290	-	69,290
	315,345	63,244	378,589

NOTES TO THE FINANCIAL STATEMENTS
30 June 2011

37. FINANCIAL INSTRUMENTS (continued)

(b) Financial instruments (continued)

Categories of financial instruments (continued)

Group	Other financial liabilities RM'000	Total RM'000
2011		
Financial liabilities		
Borrowings	266,771	266,771
Trade and other payables	183,034	183,034
	449,805	449,805

Company	Loans and receivables RM'000	Total RM'000
2011		
Financial assets		
Trade and other receivables	193,048	193,048
Cash and cash equivalents	516	516
	193,564	193,564

Group	Other financial liabilities RM'000	Total RM'000
2011		
Financial liabilities		
Borrowings	8,683	8,683
Trade and other payables	144,554	144,554
	153,237	153,237

(c) Fair values of financial instruments

The fair values of financial instruments that are not carried at fair value and whose carrying amounts do not approximate its fair values are as follows:

Group	Carrying amount RM'000	Fair value RM'000
2011		
Recognised		
Financial liabilities:		
Fixed rate term loans	30,910	26,462

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

37. FINANCIAL INSTRUMENTS (continued)

(d) Determination of fair values

Methods and assumptions used to estimate fair values

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

- i. Financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value

The carrying amounts of financial assets and liabilities, such as trade and other receivables, trade and other payables and short term borrowings, are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

- ii. Non-current trade receivables

The carrying amounts of non-current trade receivables in respect of timeshare membership fees receivable represent future cash flows discounted at the market interest rate. Hence, their carrying amounts closely approximate their fair values.

- iii. Fixed rate term loans

The fair value of fixed rate term loans is estimated by using discounted cash flows technique. The discount rate used is based on the current market information and rate applicable to similar type of borrowing.

- iv. Quoted shares and quoted warrants

The fair value of quoted investments in Malaysia is determined by reference to the exchange quoted market bid prices at the close of the business on the end of the reporting period.

- v. Unquoted shares

The fair value of these unquoted investments has been estimated using a relative valuation technique based on the industry average price earnings ('PE') ratio obtained from the market, discounted by 40% to reflect the listing premium of the public listed entities that forms the industry average. Management believes that the estimated fair values resulting from the valuation technique are reasonable and the most appropriate at the end of the reporting period.

(e) Fair value hierarchy

The following table provides an analysis of financial statements that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on degree to which the fair value is observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 30 June 2011, the Group held the following financial instruments carried at fair value on the statement of financial position:

Assets measured at fair value

	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Available-for-sale financial assets				
- Quoted shares	62,283	62,283	-	-
- Quoted warrants	349	349	-	-
- Unquoted shares	612	-	-	612
	63,244	62,632	-	612

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

38. 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 operates within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Board of Directors and does not trade in derivative financial instruments. Financial risk management is carried out through risk review programmes, internal control systems, insurance programmes and adherence to the Group financial risk management policies. The Group is exposed mainly to credit risk, liquidity and cash flow risk, interest rate risk, foreign currency risk and market price risk. Information on the management of the related exposures is detailed below. Certain comparative figures have not been presented for 30 June 2010 by virtue of the exemption given by FRS 7.44AA.

(i) Credit risk

Cash deposits and trade receivables may give rise to credit risk which requires the loss to be recognised if a counterparty fails to perform as contracted. The Group's primary exposure to credit risk arises from its trade receivables.

The Group minimises credit risk by associating itself with high credit rated counterparties and through credit approval, financial limits and on-going monitoring procedures. Counterparties credit evaluation is done systematically using quantitative and qualitative criteria on credit risks specified by individual operating division. Depending on the creditworthiness of the counterparty, the Group may require collateral or other credit enhancements. The Group uses ageing analysis and credit limit review to monitor the credit quality of the receivables.

Exposure to credit risk

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

Information regarding credit enhancements for trade and other receivables is disclosed in Note 15 to the financial statements.

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the country and industry sector profiles of its trade receivables on an ongoing basis.

As at the reporting date, 95% (2010: 95%) of trade receivables are generated from Malaysia.

The credit risk concentration profile of the Group's trade receivables by industry sectors at the end of the reporting period are as follows:

	Group			
	2011	2010	2011	2010
	RM'000	% of total	RM'000	% of total
By industry sectors:				
Properties	80,670	35%	44,277	20%
Construction	56,275	25%	86,195	39%
Manufacturing and trading	47,222	20%	33,294	15%
Hotel and leisure	45,269	20%	55,553	26%
Others	48	*	41	*
	229,484	100%	219,360	100%

* Amount is less than 1%.

At the end of the reporting period, less than 1% (2010: 2%) of the Group's receivables are due from related parties.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(i) Credit risk (continued)

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 15 to the financial statements. Cash and bank balances, deposits with banks and other financial institutions and investment securities that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 15 to the financial statements.

(ii) Liquidity and cash flow risk

Liquidity risk is the risk that the Group is unable to service its cash obligations in future.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the Group's activities.

Prudent liquidity risk management implies maintaining level of cash and the availability of funding through an adequate amount of committed credit facilities. As far as possible, the Group raises funding from financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

Analysis of financial instruments by remaining contractual maturities

The table below summaries the maturity profile of the Group's and the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
As at 30 June 2011				
Group Financial liabilities:				
Borrowings	67,986	108,157	94,234	270,377
Trade and other payables	176,180	6,854	-	183,034
Total undiscounted financial liabilities	244,166	115,011	94,234	453,411

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(ii) Liquidity and cash flow risk (continued)

Analysis of financial instruments by remaining contractual maturities (continued)

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
As at 30 June 2011				
Company				
Financial liabilities:				
Borrowings	4,936	3,747	-	8,683
Trade and other payables	144,554	-	-	144,554
Total undiscounted financial liabilities	149,490	3,747	-	153,237

As at 30 June 2010

Group				
Financial liabilities:				
Borrowings	208,720	91,435	11,264	311,419
Trade and other payables	200,019	6,129	-	206,148
Total undiscounted financial liabilities	408,739	97,564	11,264	517,567
Company				
Financial liabilities:				
Borrowings	37,694	7,822	-	45,516
Trade and other payables	126,018	-	-	126,018
Total undiscounted financial liabilities	163,712	7,822	-	171,534

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

As the Group has no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed as short term deposits with financial institutions.

The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings. The Group manages its interest rate exposure by way of applying centralised treasury management function, closely monitoring the debt market and where necessary, maintaining a prudent mix of fixed and floating rate borrowings. This strategy allows the Group to borrow at competitive interest rates. The Group does not use derivative financial instruments to hedge any debt obligations.

Sensitivity analysis for interest rate risk

As at 30 June 2011, if interest rates at the date had been 50 basis points lower, with all other variables held constant, the Group's and the Company's post-tax profit for the year would have been approximately RM473,000 and RM99,000 higher, arising mainly as a result of lower interest expense on variable borrowings and advances. If interest rates had been 50 basis points higher, with all other variables held constant, the Group's and the Company's post-tax profit would have been approximately RM475,000 and RM100,000 lower, arising mainly as a result of higher interest expense on variable borrowings and advances. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2011

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Interest rate risk (continued)

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

Group	Note	Weighted average effective interest rate % per annum	Within 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000	Total RM'000
As at 30 June 2011									
Fixed rate instruments									
Deposits with licensed banks	18	4.97	40,903	-	-	-	-	-	40,903
Secured term loans	22	5.30	6,046	10,001	9,368	5,495	-	-	30,910
Floating rate instruments									
Secured term loans	22	5.57	204,973	-	-	-	-	-	204,973
Unsecured term loans	22	6.56	3,514	-	-	-	-	-	3,514
Unsecured bankers' acceptances	22	3.46	11,045	-	-	-	-	-	11,045
Secured bank overdrafts	22	7.45	4,829	-	-	-	-	-	4,829
Unsecured bank overdrafts	22	7.94	5,500	-	-	-	-	-	5,500
Secured revolving credits	22	4.43	2,200	-	-	-	-	-	2,200
Unsecured revolving credits	22	4.75	3,800	-	-	-	-	-	3,800

NOTES TO THE FINANCIAL STATEMENTS
30 June 2011

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Interest rate risk (continued)

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

Group	Note	Weighted average effective interest rate %	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	18	4.22	34,800	-	-	-	-	-	34,800
Secured term loans	22	5.30	5,088	6,046	10,002	9,368	5,495	-	35,999
Floating rate instruments									
Secured term loans	22	6.35	172,394	-	-	-	-	-	172,394
Unsecured term loans	22	6.26	5,654	-	-	-	-	-	5,654
Secured bankers' acceptances	22	3.32	2,385	-	-	-	-	-	2,385
Unsecured bankers' acceptances	22	3.12	4,467	-	-	-	-	-	4,467
Secured bank overdrafts	22	7.05	2,796	-	-	-	-	-	2,796
Unsecured bank overdrafts	22	7.52	4,312	-	-	-	-	-	4,312
Secured revolving credits	22	4.24	71,500	-	-	-	-	-	71,500
Unsecured revolving credits	22	4.07	6,500	-	-	-	-	-	6,500

NOTES TO THE FINANCIAL STATEMENTS

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38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Interest rate risk (continued)

The following tables set out the carrying amounts, the weighted average effective interest rates as at the end of the reporting period 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	Weighted average effective interest rate %	Within 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	Over 5 years RM'000	Total RM'000
At 30 June 2011							
Floating rate instruments							
Amount owing to subsidiaries	21	4.05	29,714	-	-	-	29,714
Secured term loans	22	7.21	7,824	-	-	-	7,824
Unsecured bank overdrafts	22	7.93	859	-	-	-	859
At 30 June 2010							
Floating rate instruments							
Amount owing to subsidiaries	21	4.14	18,323	-	-	-	18,323
Secured term loans	22	6.56	12,016	-	-	-	12,016
Secured revolving credits	22	4.46	33,500	-	-	-	33,500

(iv) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Subsidiaries operating in Singapore, Thailand, Vietnam and Australia have assets and liabilities together with expected cash flows from anticipated transactions denominated in foreign currencies that give rise to foreign exchange exposures.

The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances amount to RM41,939,000 (2010:RM37,429,000) for the Group. To a certain extent, the cash forms a natural hedge against a borrowing denominated in a foreign currency.

The Group is also exposed to foreign currency exchange risk in respect of its overseas investments. The Group does not hedge this exposure with foreign currency borrowings as the currency positions are considered to be long term in nature.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the US Dollar exchange rates against the respective functional currencies of the Group entities, with all other variables held constant. The sensitivity analysis includes only significant outstanding balances denominated in foreign currencies, of which the fluctuations in foreign exchange rates would have an impact on profit or loss.

		Group 2011 RM'000 Profit net of tax
US Dollar/RM	- strengthen by 3%	-304
	- weaken by 3%	+304

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38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(vi) Market price risk

Market price risk is the risk that the fair value of future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risks arising from quoted investments held by the Group. The quoted equity instruments in Malaysia are listed on the Bursa Malaysia Securities Berhad. The Group does not actively trade these investments and are classified as available-for-sale financial assets. The Group does not have exposure to commodity price risk.

To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

Sensitivity analysis for equity price risk

At the end of the reporting period, if Bursa Malaysia's Kuala Lumpur Composite Index ('KLCI') had been 3% higher or lower, with all other variables held constant, the Group's other reserve in equity would have been RM1,879,000 higher or lower, arising as a result of an increase or decrease in the fair value equity instruments classified as available-for-sale.

39. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

During the financial year, the Company had undertaken the following corporate exercises:

- (a) the renounceable rights issue of 171,049,635 2010/2020 Warrants C ('Warrant(s) C') in the Company to all the shareholders of the Company on the basis of three (3) Warrants C for every eight (8) existing ordinary shares of RM1.00 each held on 10 November 2010 at an issue price of RM0.02 per Warrant C; and
- (b) the restricted issue of 42,762,337 Warrants C in the Company to the holders of unexercised 2000/2010 Warrants B on 29 October 2010, being the expiry date of Warrants B ('Expiry Date') on the basis of three (3) Warrants C for every eight (8) unexercised 2000/2010 Warrants B held on the Expiry Date at an issue price of RM0.02 per Warrant C.

The Warrants C were listed on Bursa Malaysia Securities Berhad on 13 December 2010.

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40. COMPARATIVES

Certain figures as at 1 July 2009 have been restated due to the effects arising from the adoption of Amendment to FRS 117 *Leases*, which have resulted in retrospective adjustments. Leasehold land held by the Group for own use were reclassified from prepaid lease payments for land as previously reported, to property, plant and equipment as long term and short term leasehold land.

As at 1 July 2009	As previously reported RM'000	Effects of adoption of Amendment to FRS 117 RM'000	As restated RM'000
Group			
<u>Statement of financial position</u>			
Assets			
Non-current assets			
Property, plant and equipment	391,106	12,614	403,720
Intangible assets	5,592	-	5,592
Prepaid lease payments for land	12,614	(12,614)	-
Investment properties	34,129	-	34,129
Investments in associates	44,615	-	44,615
Other investments	46,261	-	46,261
Land held for property development	140,654	-	140,654
Deferred tax assets	3,394	-	3,394
Trade and other receivables	42,825	-	42,825
	721,190	-	721,190
Current assets			
Property development costs	331,302	-	331,302
Inventories	38,058	-	38,058
Trade and other receivables	223,553	-	223,553
Current tax assets	4,228	-	4,228
Cash and cash equivalents	85,071	-	85,071
	682,212	-	682,212
Total assets	1,403,402	-	1,403,402

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40. COMPARATIVES (continued)

	As previously reported RM'000	Effects of adoption of Amendment to FRS 117 RM'000	As restated RM'000
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	456,132	-	456,132
Treasury shares	(266)	-	(266)
Reserves	331,399	-	331,399
	787,265	-	787,265
Non-controlling interests	164	-	164
Total equity	787,429	-	787,429
Liabilities			
Non-current liabilities			
Trade and other payables	4,797	-	4,797
Borrowings	177,151	-	177,151
Deferred income	38,292	-	38,292
Deferred tax liabilities	16,827	-	16,827
	237,067	-	237,067
Current liabilities			
Trade and other payables	197,729	-	197,729
Borrowings	175,368	-	175,368
Deferred income	2,610	-	2,610
Current tax liabilities	3,199	-	3,199
	378,906	-	378,906
Total liabilities	615,973	-	615,973
Total equity and liabilities	1,403,402	-	1,403,402
For the financial year ended 30 June 2010			
Income statements			
Depreciation of property, plant and equipment – leasehold land	-	182	182
Amortisation of prepaid lease payments for land	182	(182)	-
Statement of financial position			
Property, plant and equipment – leasehold land	-	13,411	13,411
Prepaid lease payments for land	13,411	(13,411)	-

NOTES TO THE FINANCIAL STATEMENTS

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41. OPENING STATEMENT OF FINANCIAL POSITION

The opening statement of financial position as at 1 July 2010 primarily reflects the effects arising from the adoption of FRS 139, as follows:

As at 1 July 2010	As previously reported RM'000	Effects of adoption of FRS 139 RM'000	As restated RM'000
Group			
<u>Statement of financial position</u>			
Assets			
Non-current assets			
Property, plant and equipment	432,950	-	432,950
Intangible assets	4,568	-	4,568
Investment properties	162,629	-	162,629
Investments in associates	44,379	-	44,379
Other investments	49,754	1,143	50,897
Land held for property development	143,284	-	143,284
Deferred tax assets	5,112	404	5,516
Trade and other receivables	30,795	(1,475)	29,320
	873,471	72	873,543
Current assets			
Property development costs	156,628	-	156,628
Inventories	43,900	-	43,900
Trade and other receivables	204,761	(2,486)	202,275
Current tax assets	9,628	-	9,628
Cash and cash equivalents	118,834	-	118,834
	533,751	(2,486)	531,265
Total assets	1,407,222	(2,414)	1,404,808

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

41. OPENING STATEMENT OF FINANCIAL POSITION (continued)

The opening statement of financial position as at 1 July 2010 primarily reflects the effects arising from the adoption of FRS 139, as follows (continued):

	As previously reported RM'000	Effects of adoption of FRS 139 RM'000	As restated RM'000
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	456,132	-	456,132
Treasury shares	(266)	-	(266)
Reserves	369,995	(69)	369,926
	825,861	(69)	825,792
Non-controlling interests	86	-	86
Total equity	825,947	(69)	825,878
Liabilities			
Non-current liabilities			
Trade and other payables	6,129	-	6,129
Borrowings	99,094	-	99,094
Deferred income	39,891	(1,867)	38,024
Deferred tax liabilities	20,086	-	20,086
	165,200	(1,867)	163,333
Current liabilities			
Trade and other payables	200,019	-	200,019
Borrowings	206,913	-	206,913
Deferred income	2,784	(478)	2,306
Current tax liabilities	6,359	-	6,359
	416,075	(478)	415,597
Total liabilities	581,275	(2,345)	578,930
Total equity and liabilities	1,407,222	(2,414)	1,404,808

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

42. SUPPLEMENTARY INFORMATION ON REALISED AND UNREALISED PROFITS OR LOSSES

The retained earnings as at the end of the reporting period may be analysed as follows:

	Group	2011 Company
	RM'000	RM'000
Total retained profits of PJ Development Holdings Berhad and its subsidiaries:		
- Realised	350,882	67,895
- Unrealised	(19,574)	-
	331,308	67,895
Total share of retained profits from associates:		
- Realised	52,056	-
- Unrealised	947	-
	384,311	67,895
Less: Consolidation adjustments	(5,278)	-
Total retained profits of the Group/Company as per consolidated accounts	379,033	67,895