





VISION

To be a reliable organisation that delivers quality products and services on timely basis and within cost.

MISSION

To strive towards excellence in providing quality products and services through teamwork for the betterment of the organisation, society and nation. Our endeavour - based on self-awareness, conscience, independent will and imaginations - shall always be guided by correct principles and value.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

YBHG. TAN SRI DATUK (DR.) HJ
MUSTAPHA KAMAL BIN HJ ABU BAKAR
Non-Executive Chairman

PN. HJH FELINA BINTI TAN SRI DATUK
(DR.) HJ MUSTAPHA KAMAL
Executive Director

MR. HONG HEE LEONG
Senior Independent Non-Executive Director

YBHG. DATUK KASI A/L K.L. PALANIAPPAN
Non-Independent Non-Executive Director

MS. ANITA CHEW CHENG IM
Independent Non-Executive Director

PN. HJH JULIANA HEATHER BINTI ISMAIL
Independent Non-Executive Director

DATO' HJH FAZWINNA BINTI TAN SRI DATUK
(DR.) HJ MUSTAPHA KAMAL
*(Alternate to Pn. Hjh Felina Binti Tan Sri Datuk
(DR.) Hj Mustapha Kamal)*

AUDIT COMMITTEE

MR. HONG HEE LEONG
(Chairman)

YBHG. DATUK KASI A/L K.L. PALANIAPPAN
(Member)

MS. ANITA CHEW CHENG IM
(Member)

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

MR. HONG HEE LEONG

SECRETARY

MR. YEAP KOK LEONG (MAICSA 0862549)

REGISTERED OFFICE

No. 19, Jalan PJU 8/5H,
Perdana Business Centre,
Bandar Damansara Perdana,
47820 Petaling Jaya,
Selangor Darul Ehsan
Tel : 03 - 7726 8866
Fax : 03 - 7727 9007

SHARE REGISTRARS

TRICOR INVESTOR SERVICES SDN BHD
Level 17, The Gardens North Tower,
Mid Valley City, Lingkaran Syed Putra,
59200 Kuala Lumpur
Tel : 03 - 2264 3883
Fax : 03 - 2282 1886
Email : is.enquiry@my.tricorglobal.com

AUDITORS

ERNST & YOUNG
Chartered Accountants

PRINCIPAL BANKERS

AMBank BERHAD
CIMB BANK BERHAD
ALLIANCE INVESTMENT BANK BERHAD
PUBLIC BANK BERHAD
BANK KERJASAMA RAKYAT MALAYSIA BERHAD
BANK MUAMALAT MALAYSIA BERHAD

LISTING

BURSA MALAYSIA SECURITIES BERHAD
MAIN MARKET

5-YEAR FINANCIAL HIGHLIGHTS

	1.7.2009 to 30.6.2010	1.7.2010 to 30.6.2011	1.7.2011 to 30.6.2012	1.7.2012 to 30.6.2013	1.7.2013 to 30.6.2014
Revenue	308,770	418,856	428,530	468,239	488,747
Profit/(loss) before tax	12,204	32,172	38,129	63,767	71,448
Net profit after tax	11,012	18,960	24,205	40,345	65,698
Total assets	1,820,341	1,950,139	1,976,245	1,948,117	1,980,913
Net assets	1,006,957	1,055,657	1,079,862	1,102,139	1,146,757
Shareholders' fund	1,006,957	1,055,657	1,079,862	1,102,139	1,146,757
Total number of shares ('000)	1,204,590	1,204,590	1,204,590	1,204,590	1,204,590
Group's earnings per share (sen)	1	2	2	3.3	5.5
Net assets per share (sen)	84	88	89	91	95

CORPORATE STRUCTURE

SUBSIDIARIES

BML MANAGEMENT SDN. BHD.
 BUKIT MERAH RESORT SDN. BHD.
 CENTRALPOLITAN DEVELOPMENT SDN. BHD.
 DOMINANT STAR SDN. BHD.
 DUTA REALITI SDN. BHD.
 GOLDEN PRECINCT SDN. BHD.
 M K LAND RESOURCES SDN. BHD.
 M K TRAINING & CONSULTANCY SDN. BHD.
 M K LAND VENTURES SDN. BHD.
 M.K. DEVELOPMENT SDN. BHD.
 MEDAN PRESTASI SDN. BHD.
 MELUR UNGGUL SDN. BHD.
 PARAMODEN SDN. BHD.
 PARAMOUNT INNOVATION SDN. BHD.
 PLATO CONSTRUCTION SDN. BHD.

PROFIL ETIKA (M) SDN. BHD.
 PROMINENT VALLEY BHD.
 PUJAN PASIFIK SDN. BHD.
 RITMA MANTAP SDN. BHD.
 SAUJANA TRIANGLE SDN. BHD.
 SEGI OBJEKTIF (M) SDN. BHD.
 SUMBANGAN BERKAT SDN. BHD.
 TEMA TELADAN SDN. BHD.
 VAST OPTION SDN. BHD.
 VIBRANT LEISURE SDN. BHD.
 ZAMAN TELADAN SDN. BHD.

ASSOCIATES

MK EMBASSY LAND SDN. BHD. (47.5%)

BOARD OF DIRECTORS



**YBHG TAN SRI DATUK (DR.) HJ
MUSTAPHA KAMAL BIN HJ ABU BAKAR**
Non-Executive Chairman
- Remuneration Committee

Tan Sri Datuk (Dr.) Hj Mustapha Kamal, age 65, Malaysian, is the co-founder of the M K Land Group of Companies and was appointed to the Board of M K Land Holdings on 19 August 1999. Tan Sri is a firm believer of the philosophy "Together we make it happen".

Tan Sri graduated from University Malaya and started his career with Selangor State Government. His last position was Deputy Commissioner of Lands & Mines before moving to the private sector as the Managing Director of Shah Alam Properties Sdn. Bhd. It was at this juncture where he harnessed the relevant skills, knowledge, experience and competence in property development to embark on his own business venture when he formed the EMKAY Group of Companies in 1983.

Tan Sri contributes immensely towards the national and international property industry. In 2004, Tan Sri was appointed the "Professor Adjunct", a recognition given by Universiti Utara Malaysia, Sintok, Kedah, until March 2008. He sits on the Board of Trustees of Yayasan EMKAY, Bukit Merah Orang Utan Island Foundation and Perdana Leadership Foundation. He is also the Advisor to the Pulau Banding Foundation. In September 2014, Tan Sri was appointed as a member of the Board of Directors for Universiti Islam Malaysia.

In recognition of his immense contribution, Tan Sri received numerous accolades during his illustrious career. He received the Dewan Perniagaan Melayu Malaysia (DPMM) Fellowship Award 2002 from the D.Y.M.M. Yang Di-Pertuan Agong and the Anugerah Khas Tokoh Maal Hijrah 2003 from the Raja Muda of Perak. He was awarded

the Outstanding Entrepreneur of Selangor 1995 by the Malay Chamber of Commerce for the State of Selangor; the FIABCI Property Man of The Year Award 1997, the Construction Industry Outstanding Personality of The Year Award by the Construction Industry Development Board (CIDB) in 2001, the Platinum Award in 2005 by the Small Medium Industry Association of Malaysia, the Presidential Award 2006 from Malaysian Business Malay Chambers, The Malaysian Tatler – Diamond of Excellence Award 2011 and The BrandLaureate Brand ICON Leadership Award 2011. In September 2012, Tan Sri was conferred Honorary Degree, Doctor of Philosophy (Sustainable Development) by Universiti Utara Malaysia (UUM) and in October the same year, Tan Sri was awarded the Life Time Achievement Award from Malaysia Business, Malay Chamber of Commerce Kuala Lumpur. On 11 May 2013, he was also conferred the Honorary Degree, Doctor of Philosophy (Business and Entrepreneurship) from Universiti Teknologi Mara (UiTM). Recently, he was awarded the "Chairman of the Year Award 2013-2014" by BrandLaureate on 30 May 2014. On 23 August 2014, he was conferred Honorary Doctorate of Philosophy (Community Development and Education) by Multimedia University.

Tan Sri has interest in several private limited companies through Setia Haruman Sdn Bhd and its subsidiaries and within the EMKAY Group of Companies, some of which are involved in property development. However, these companies are not in direct competition with the business of the Company. He has not been convicted of any offence within the past ten years.

Pn. Hjh Felina, age 43, Malaysian, is the Executive Director of the Group. She was first appointed to the Board on 19 January 2007 after having served as Senior General Manager, Special Functions Department in M K Land Holdings Berhad.

Pn. Hjh Felina holds a Bachelor of Business Degree. She also sits on the Board of several private limited companies within the EMKAY Group of companies, some of which are also involved in property development. However, these companies are not in direct competition with the business of the Company.

Pn. Hjh Felina is the daughter of YBhg. Tan Sri Datuk (Dr.) Hj Mustapha Kamal Bin Hj Abu Bakar. She has not been convicted of any offence within the past ten years.



**PN. HJH FELINA BINTI TAN SRI DATUK
(DR.) HJ MUSTAPHA KAMAL**
Executive Director



MR. HONG HEE LEONG

Senior Independent Non-Executive Director

- Chairman, Audit Committee
- Chairman, Nomination Committee
- Chairman, Remuneration Committee

Mr. Hong Hee Leong, age 57, Malaysian, was appointed to the Board of M K Land Holdings Berhad on 19 August 1999.

Mr. Hong is a fellow of the Institute of Chartered Accountants in England and Wales, a member of the Malaysian Institute of Accountants, a fellow member of the Chartered Tax Institute of Malaysia and a chartered member of the Institute of Internal Auditors Malaysia.

Mr. Hong is in public practice as a Chartered Accountant. He had served in various capacities with Fraser and Neave Limited, Asiatic Development Berhad, Worley Engineering International Ltd, Sanyo Sales & Service Sdn Bhd and Lim Ali & Co (now merged as Ernst & Young).

Mr. Hong does not have any family relationship with any Director and/or substantial shareholder of the Company, nor any conflict of interest with the Company. He has not been convicted of any offence within the past ten years.



YBHG. DATUK KASI A/L K.L. PALANIAPPAN
Non-Independent Non-Executive Director
- Audit Committee

Datuk P. Kasi, age 56, Malaysian, is the co-founder of the M K Land Group of companies and was appointed to the Board of M K Land Holdings Berhad on 19 August 1999.

Datuk P. Kasi has a Bachelor's Degree in Architecture and is a registered Architect with Lembaga Arkitek Malaysia and is a Fellow of the Pertubuhan Arkitek Malaysia. He is a corporate member of the Royal Institute of British Architects, the Association of Building Engineers, England, an Associate of the Royal Australian Institute of Architects and a corporate member of the Chartered Institute of Arbitrators, Malaysian Institute of Arbitrators and the Malaysian Institute of Interior Design.

Datuk P. Kasi has been involved in Professional and Industry organizations where he has shared his experience and knowledge for the benefit of the property and building industry, both local and international. Among others, he is the Past President of the Pertubuhan Arkitek Malaysia (PAM), Past Chairman of the Balai Ikhtisas Malaysia (Malaysian Professional Centre), Past Chairman of the Architects Regional Council of Asia (ARCASIA), Past Chairman of the Building Industry President's Council (BIPC), and has been a Board Member of Lembaga Arkitek Malaysia. He has also been a Board Member of the Construction Industry Development Board (CIDB), Lembaga Jurutera Malaysia and Lembaga Perancang Bandar Malaysia. He currently sits on the Board of the Credit Guarantee Corporation Berhad (CGC) and the Credit Bureau Malaysia (CBM).

Datuk P. Kasi was honoured with the Presidential Medal and Honorary Membership in 2001 by The American Institute of Architects (AIA). He was among the top nominees for the Ernst & Young Entrepreneur Award in 2002 and 2005 in the Master Entrepreneur Category and has been conferred several other entrepreneurial awards.

Datuk P. Kasi has interest in several private limited companies involved in property investment and property development. However, these companies are not in direct competition with the business of the Company.

Datuk P. Kasi does not have any family relationship with any Director and/or substantial shareholder of the Company. He has not been convicted of any offence within the past ten years.

Ms. Anita Chew Cheng Im, age 47, Malaysian, was appointed to the Board of M K Land Holdings Berhad on 19 February 2009 as Independent Non-Executive Director.

Ms. Anita holds a Degree in Economics, majoring in Accounting from Monash University, Australia.

She started her career at KPMG, Melbourne in 1989. In 1992, she joined the corporate finance department of Bumiputra Merchant Bankers Berhad and subsequently worked at Alliance Investment Bank Berhad and HwangDBS Investment Bank Berhad. She was involved in most related areas of corporate finance during her 15 year tenure at the various investment/merchant banks, having advised clients on IPO, fund raising and corporate restructuring exercises. Her last position held at HwangDBS Investment Bank Berhad was Senior Vice President, Equity Capital Market.

Ms. Anita's directorship in other public listed company on Bursa Malaysia Securities Berhad is Notion Vtec Berhad.

Ms. Anita does not have any family relationship with any Director and/or substantial shareholder of the Company, nor any conflict of interest with the Company. She has not been convicted of any offence within the past ten years.



MS. ANITA CHEW CHENG IM
Independent Non-Executive Director
- Audit Committee
- Nomination Committee



PUAN HJH JULIANA HEATHER BINTI ISMAIL
Independent Non-Executive Director
- Nomination Committee
- Remuneration Committee

Pn. Hj Julia Heather Binti Ismail, age 56, Malaysian, was appointed to the Board of M K Land Holdings Berhad on 21 December 2009 as Independent Non-Executive Director.

Pn. Hj Julia Heather Binti Ismail started her career as a Human Resource Generalist in 1984 with Shah Alam Properties Sdn Bhd, formerly a subsidiary of Kumpulan Perangsang Selangor Berhad. She was assigned to the Holding Company, Kumpulan Darul Ehsan Berhad in year 2000 and served with the Company as the Assistant General Manager, Group Human Resource till March 2014. She was appointed as a panel member of the Industrial Court, representing employers, by the Minister of Human Resources Malaysia on 1 January 2007.

Pn. Hj Julia Heather Binti Ismail does not have any family relationship with any Director and/or substantial shareholder of the Company, nor any conflict of interest with the Company. She has not been convicted of any offence within the past ten years.



DATO' HJH FAZWINNA BINTI TAN SRI DATUK (DR.) HJ MUSTAPHA KAMAL

Alternate director to Pn. Hjh Felina Binti Tan Sri Datuk (Dr.) Hj Mustapha Kamal

Dato' Hjh Fazwinna, age 38, Malaysian, was appointed as alternate director to Pn. Hajjah Felina Binti Tan Sri Datuk (Dr.) Haji Mustapha Kamal on 12 February 2007.

Dato' Hjh Fazwinna is the Chief Executive Officer of MKN Motor Sports Sdn Bhd. She also sits on the Board of several private limited companies within the EMKAY Group of companies, some of which are involved in property development. However, these companies are not in direct competition with the business of the Company.

Dato' Hjh Fazwinna is the daughter of YBhg. Tan Sri Datuk (Dr.) Hj Mustapha Kamal Bin Hj Abu Bakar. She has not been convicted of any offence within the past ten years.

GROUP CHIEF EXECUTIVE OFFICER



LAU SHU CHUAN

Group Chief Executive Officer

Mr Lau Shu Chuan, aged 54, Malaysian, was appointed as Group Chief Executive Officer of M K Land Holdings Berhad on 1 June 2011.

Mr Lau is a member of the Malaysian Institute of Accountants (MIA) and the Malaysian Institute of Certified Public Accountants (MICPA).

Prior to joining M K Land, Mr Lau has worked with two (2) of the Big Four accounting firms and a local public group of companies. He has been involved in the areas of finance, audit, corporate consultancy, re-structuring and recovery services. Mr Lau has also been exposed to the financial, construction, property development and manufacturing industries.

Mr Lau has been with MK Land Holdings Berhad for the past 14 years and held the position of Chief Operating Officer since 2004, before assuming his present position. He does not have any family relationship with any of the Directors and/or substantial shareholders of the Company, any conflict of interests with the Company nor any interest in the securities of the Company and/or its subsidiaries.

Mr SC Lau does not hold any directorship in other public companies. He has no conviction for offences within the past 10 years.

GROUP MANAGEMENT

From left to right:

MR CHARLES DUNCAN
Senior General Manager (Technical)

DR HJ ZULKIFLI MOHD ISA
Senior General Manager

TN HJ ZULKIPLI SIDIN
Group Senior General Manager (Operations)

TN HJ KAMARULZAMAN ABU BAKAR
Group Senior General Manager



Sitting:

MR LAU SHU CHUAN
Group Chief Executive Officer

From left to right:

MR WONG YOKE MENG, STEVEN
Group Financial Controller

TN HJ SHAHAIRI AZIZ
General Manager (Land Matters)

EN MUSTAFA KAMAL HAWARI
General Manager (Qlassic)





From left to right:

MR MICHAEL YAP KIM KEAT
Financial Controller

MR HAU WEE SIN
Internal Audit Manager

**EN MOHAMAD MUKHRIZ
MOHAMAD ROSLAN**
Head of Operation
(Group Resort)

**MR KRISHNAMOORTHY A/L
KUPPUSAMY**
Senior General Manager
(Sales & Marketing)



From left to right:

EN MOHAMAD ZAINI HASBULLAH
Senior Manager (Group Human
Resource)

EN HOLIL DAHALAN
General Manager (Property - Northern)

PN SALMAH AWANG
Chief Executive (Lake View College)

EN MUZAFFAR MUDARIS MAHMUD
General Manager (Group Planning
& Design)

CHAIRMAN'S STATEMENT



**YBHG TAN SRI DATUK (DR.) HAJI
MUSTAPHA KAMAL BIN HAJI ABU BAKAR**
Non-Executive Chairman

MESSAGE FROM THE CHAIRMAN

ALHAMDULILLAH, WITH THE GRACE AND BLESSINGS OF ALLAH SUBHANAHUWATAALA, THE MOST COMPASSIONATE AND MERCIFUL, ON BEHALF OF THE BOARD OF DIRECTORS OF M K LAND HOLDINGS BERHAD ("M K LAND"), I AM PLEASED TO PRESENT THE ANNUAL REPORT OF M K LAND FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014.

OPERATING ENVIRONMENT

In 2013, Malaysia recorded a growth of 4.7% amidst headwinds from the global economic environment driven by strong domestic demand and private consumption together with public and private investments.

Bank Negara Malaysia introduced responsible lending guidelines and Budget 2014 brought in more property cooling measures with the aim to curb speculative demands and to address rising household debts.

Mindful of the effects of the global economic situation and the cooling-off in the Asian region, we intensified our efforts to grow the Group's performance.

FINANCIAL RESULTS

The Group recorded a revenue of RM488.7 million resulting in a profit after tax of RM65.7 million for the financial year ended 30 June 2014 compared to the revenue and profit after tax of RM468.2 million and RM40.3 million respectively for the previous financial year.

Property development segment remain the main driver for the Group and recorded a revenue of RM445.0 million (2013: RM422.5 million) followed by the leisure and education segments recording revenue of RM42.4 million (2013 : RM40.6 million) and RM1.4 million (2013 : RM5.1 million) respectively.

DIVIDEND

M K Land has declared two (2) interim dividends of 1 sen per share each, on 27 November 2013 and 26 May 2014 respectively for the financial year ended 30 June 2014.

The Board of Directors is pleased to recommend a final dividend (single-tier) of 2 sen per share in respect of the financial year ended 30 June 2014 for approval by the shareholders at the forthcoming Annual General Meeting.

Together with the Board Members, management and staff, I take this opportunity to record our appreciation to the shareholders for their continuing support.

PROSPECTS

Steps taken by the Government and Bank Negara Malaysia to cool the property market and to rein in household debts have led to a decline in the number of property transactions.

The Malaysian economy is expected to remain strong in 2014. Bank Negara Malaysia (BNM) had forecasted GDP to grow by 4.5% to 5.5% in 2014, supported by continued growth in domestic demand and exports. While anticipating a challenging environment with the introduction of various cooling measures and the Goods and Services Tax in April 2015, the private sector is expected to be the key driver of growth.

We remain focused on the strategies in our core property development segment as demand for properties is expected to remain strong especially in prime locations. Barring unforeseen circumstances, M K Land expects to build on its growth momentum for the financial year ending 30 June 2015.

APPRECIATION

On behalf of M K Land Group, I would like to express my sincere thanks and gratitude for the unswerving support and trust by our customers, investors, contractors, consultants, bankers, solicitors, business associates and all other stakeholders and the various government authorities.

To my fellow Board Members, I extend my utmost appreciation for your unfailing support and dedication.

To the management and staff, I value your loyalty, commitment and hard work.

Thank you.

TAN SRI DATUK (DR.) HAJI MUSTAPHA KAMAL BIN HAJI ABU BAKAR
CHAIRMAN

GROUP CHIEF EXECUTIVE OFFICER'S REVIEW



LAU SHU CHUAN
Group Chief Executive Officer

FINANCIAL REVIEW

M K Land Holdings Berhad ('M K Land') has made much efforts over the past few years to continue building its business for sustainable growth. For the financial year ended 30 June 2014, M K Land continued to improve its financial performance, particularly in the following areas:

- Profit after tax increased by 63.0% to RM65.7 million;
- Earnings per share grew from 3.3 sen to 5.5 sen; and
- Turnover improved from RM468.2 million to RM488.7 million.

M K Land recorded a consolidated revenue of RM488.7 million, of which the property development segment contributed RM444.5 million (or 91%) compared to the preceding year's RM422.5 million (or 90%).

The remaining revenue contributed by the leisure and education segments amounted to RM42.8 million (or 8.7%) and RM1.4 million (or 0.3%) respectively compared to the preceding year of RM40.6 million (or 9%) and RM5.1 million (or 1%).

The consolidated financial position of the Company continues to see improvement, particularly the Group's borrowings have reduced to RM93.0 million against the preceding year of RM150.9 million.

OPERATIONS REVIEW

PROPERTY DEVELOPMENT

Our main property development project in Damansara Perdana, a 750-acre integrated township in Petaling Jaya, is designed as a 'resort-style, high-tech, high-art' township. Other ongoing property developments are Damansara Damai in the Klang Valley and Meru Perdana in Ipoh.

In Damansara Perdana, during the financial year under review, Phase 6 comprising 50 units of Rafflesia Semi-detached bungalows was completed with Certificate of Fitness for occupational (CF). The final 2 blocks of Metropolitan Square Condominiums were nearing completion as at year end and have to date been completed with CF for handing over to purchasers.

The quality of these 2 blocks, 253 units Metropolitan Square Block C and 183 units Metropolitan Square Block B, and the abovementioned Rafflesia Semi-detached bungalows, were evaluated by the Construction Industry Development Board using the Qlassic Standard.

In Damansara Damai, Petaling Jaya Utara, a 400-acre development, Block B of One Damansara comprising 375 units condominium at which was launched in July 2012 was completed and handed over to the purchasers during the financial year.

Meru Perdana, a 190-acre mixed development located in Ipoh is nestled in the new growth centre of Bandar Meru Raya, nearby to a new development called 'Mini Putrajaya' where the majority of government offices moved to. Our developments in Meru Perdana, comprises mainly affordable properties, have been well received by the public.

During the year, we have launched the ollowing properties:

- 208 units of Jasmine (Double Storey Terrace)
- 146 units of Daisy (Double Storey Terrace)
- 61 units of Perdana Centrepoint Shops

We have completed 241 units of Delima (Single Storey Terrace).

LEISURE

The Leisure segment recorded improved revenue of RM42.8 million during the year compared to RM40.6 million last year.

Approximately 93% of the leisure revenue was recorded by the Bukit Merah Laketown Resort in Bukit Merah, Perak and the Langkawi Lagoon Resort in Langkawi, Kedah. The remaining leisure revenue was contributed by the Taiping Golf Resort and the Taiping Golf and Country Club, both in Taiping, Perak.

Our new addition, Ombak Villa, a 79-room luxurious hotel featuring traditional Malay style concept in Langkawi Lagoon Resort was officially opened in September 2013.

EDUCATION

While we added new courses, such as environmental health and occupational safety and health, to supplement our nursing courses, there was a drop in the student enrollment. For the financial year, the education segment recorded a revenue of RM1.4 million against previous year of RM5.1 million.

Bukit Merah Laketown Institute of Allied Health Sciences has been rebranded and is now known as Lake View College. With this rebranding, we are introducing new courses, such as hotel management and teaching methodology courses, we intend to add on other courses, which are pending approvals from the authorities, to raise the profile of Lake View College.

LOOKING AHEAD

The Malaysian Budget 2015 forecasted a GDP growth of 5%-6% in 2015. Among the strategies announced in the Budget 2015, are "Strengthening Economic Growth" and "Developing Human Capital and Entrepreneurship". These strategies undertaken by the government, underpinned by resilient domestic demand and higher public investment, will support the forecasted growth in the Malaysian Economy.

The Malaysian Economy is expected to remain strong despite global headwinds. The property sector is faced with a challenging time following the various measures introduced by the government to cool the property market to curb speculative buying activity and to reduce household debts.

Monetary policy is expected to remain accommodative to support economic growth.

M K Land has been improving its performance over the last few years and will continue to build on this growth momentum. As M K Land's main property development project is located in Damansara Perdana, a prime location in the Klang Valley, there will be continuous demand for our properties.

We will remain focus on our strategies in the core property development segment to further our growth. Supported by strong local demand, we anticipate to maintain sustainable growth, barring unforeseen circumstances.

ACKNOWLEDGEMENT

On behalf of the management and staff, I would like to extend our appreciation to our valued customers, investors, contractors, consultants, bankers, solicitors, business associates, other stakeholders and various Government authorities for their partnership and continuous support.

To our Board of Directors, thank you for the trust and guidance.

LAU SHU CHUAN

Group Chief Executive Officer

corporate governance statement

audit committee report

statement of risk management and internal control

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CORPORATE GOVERNANCE STATEMENT

The Board of Directors of M K Land Holdings Berhad ("M K Land") recognizes that the exercise of good corporate governance in conducting the affairs of the M K Land Group with integrity, transparency and professionalism is a key component for the Group's continued progress and success as this would not only safeguard and enhance shareholders' investment and value but also ensure that the interests of other stakeholders are protected.

As such, the Board strives to adopt the substance behind corporate governance prescriptions and not merely the form. The Board is fully committed to the maintenance of high standards of corporate governance by supporting and implementing the prescriptions of the principles and best practices of the Malaysian Code on Corporate Governance ("Code").

Steps taken by M K Land Group to apply the principles and best practices of Corporate Governance as contained in the Code are set out below:

BOARD OF DIRECTORS

Board Composition and Balance

The Board has six (6) members comprising the Non-Independent Non-Executive Chairman, one (1) Executive Director, three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. A brief description of the background of each Director is presented from pages 4 to 8.

The Board members' diverse professional backgrounds with a wide range of business and financial experience are relevant in leading and managing the Group. Their wide spectrum of skills and experiences give added strength to the leadership, enabling the Group to rest firmly in the charge of an accountable and competent Board.

The Board is satisfied that the current composition of Directors provides the appropriate balance and size in the Board necessary to promote all shareholders' interest and to govern the Group effectively.

The Independent Directors exceeded the one-third requirement as set out under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Board recognizes the importance of gender balance in the Board's composition and currently there are two (2) female Independent Non-Executive Directors and one (1) female Executive Director.

The roles of the Chairman and Group Chief Executive Officer are separate with clear distinction of responsibility between them to ensure that there is a balance of power and authority. The Chairman is responsible for the leadership and governance of the Board, ensuring its effectiveness, orderly conduct and working of the Board whilst the Group Chief Executive Officer is overall responsible for the day-to-day management of the Group's operations and business as well as implementation of Board policies and decisions.

The Code recommends that, if the Chairman of the Board is not an Independent Director, the Board should comprise a majority of Independent Directors to ensure balance of power and authority on the Board.

M K Land does not have a policy that the Group Chairman be an independent Chairman. The Board is of the view that, YBhg Tan Sri Datuk (Dr.) Hj Mustapha Kamal bin Hj Abu Bakar, being the co-founder of the Group with his vision and passion, is the guiding light for the Group. His position as the Chairman does not influence or impose on the decision making of the Board and the Board is free to deliberate all decision making and to raise any comments which may affect the Group.

The Non-Executive Directors bring a wide range of business and financial experience and have proven track record in the private and public service sectors vital to the success of the Group. They do not participate in the day to day management and do not engage in any business dealings or other relationship with the Group to ensure that they are capable of exercising judgment objectively and act in the Group's best interest. Together, they play an important role in ensuring that the strategies proposed by the management are fully deliberated and examined, taking into account the interest of the shareholders, employees, customers, suppliers and the many communities in which the Group conducts its business.

The Board places great importance on the balance of its Independent Directors where they serve as an essential source of impartial and professional guidance to protect the interest of the shareholders. The Board holds the view that the ability of an Independent Director to exercise independence is not a function of his length of service as an Independent Director. The suitability and ability of an Independent Director to carry out his roles and responsibilities effectively are very much a function of his calibre, qualifications, experience and personal qualities. M K Land does not impose any term limits for Independent Directors.

The Board identified Mr Hong Hee Leong as the Senior Independent Non-Executive Director, to whom any concern pertaining to the Group may be conveyed by shareholders and other stakeholders.

The Code recommends for the tenure of an Independent Director of the Company not to exceed a cumulative term of nine (9) years.

The Board has assessed and determined that Mr Hong Hee Leong, who has served the Group as an Independent Director for more than nine (9) years, remains objective and independent in expressing his views and in making deliberations and decisions with the interest of the Group at the Board and Board Committees' meetings.

Mr Hong Hee Leong, has served as an Independent Non Executive Director of the Company for a cumulative term of more than nine (9) years, and has shown that he:

- a. Fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, he would able to function as a check and balance, bring an element of objectivity to the Board;
- b. Possesses vast experience in the finance industry that would enable him to provide the Board with a diverse set of experience, expertise and independent judgement;
- c. Has been with the Company for more than nine (9) years and has knowledge of the Company's business operations and the property development market;
- d. Has devoted sufficient time and attention to his professional obligations for informed and balanced decision making; and
- e. Had exercised due care during his tenure as an Independent Non-Executive Director of the Company and carried out his professional duties in the best interest of the Company and shareholders.

Board Charter and Code of Conduct

The Board Charter sets out the principal composition, roles and processes for the operations of the Board and the functions of the Board and those delegated to management. The Group also has set out the Code of Conduct for its Directors and senior management to support the M K Land's corporate culture which advances the principles of discipline, teamwork and integrity which are critical to the success and well being of the Group.

The Board Charter and Code of Conduct shall be reviewed annually or as and when necessary.

The Board Charter and the Code of Conduct are available on the corporate website at www.mkland.com.my.

CORPORATE GOVERNANCE STATEMENT (cont'd)

Board Meetings

During the financial year ended 30 June 2014, five (5) Board meetings were held. Set out below is the record of attendance of the Board Members.

	Attendance
YBhg Tan Sri Datuk (Dr.) Hj Mustapha Kamal Bin Hj Abu Bakar Non-Executive Chairman	5/5
Pn Hjh Felina Binti Tan Sri Datuk (Dr.) Hj Mustapha Kamal Executive Director	4/5
Mr Hong Hee Leong Senior Independent Non-Executive Director	5/5
Ms Anita Chew Cheng Im Independent Non-Executive Director	5/5
Pn Hjh Juliana Heather Binti Ismail Independent Non-Executive Director	5/5
YBhg Datuk Kasi A/L K.L. Palaniappan Non-Independent Non-Executive Director	5/5
Dato' Hjh Fazwinna Binti Tan Sri Datuk (Dr.) Hj Mustapha Kamal (Alternate to Pn. Hjh Felina Binti Tan Sri Datuk (Dr.) Hj Mustapha Kamal)	–

All the Directors have complied with the minimum 50% attendance requirement at Board Meeting during the financial year as stipulated by the Listing Requirements of Bursa Malaysia Securities Berhad.

Appointment to the Board

Any proposed appointment of the new Board members as well as proposed re-election or re-appointment of existing directors seeking re-election or re-appointment at the annual general meeting are first considered and evaluated by the Nomination Committee. Upon its evaluation, the Nomination Committee shall make recommendation to the Board.

The Board makes the final decision on any proposed appointment, re-election or re-appointment, if any, to be presented to shareholders for approval.

During the year, there was no new appointment to the Board.

Re-election of Directors

In accordance with the Company's Articles of Association, any Director appointed by the Board is subject to retirement and re-election by the shareholders at the Annual General Meeting ("AGM") subsequent to his or her appointment. The Articles of Association also provides that one third of the Directors are subject to retirement by rotation and subsequent re-election at each AGM.

Board Committees

The Board of Directors had established the following committees in compliance with the Bursa Main Market Requirements and the Code :

- a. Audit Committee;
- b. Nomination Committee; and
- c. Remuneration Committee.

The Board delegates certain responsibilities to Board Committees, each with defined terms of reference and responsibilities.

The Terms of Reference of the Board Committees is available on the corporate website at www.mkland.com.my.

The Chairman of the each committee reports the outcome of the committee meetings to the Board and relevant decisions are incorporated in the minutes of the Board of Directors' meetings.

a. Audit Committee

The Audit Committee Report is detailed from pages 27 to 31 of the Annual Report.

b. Nomination Committee

The Nomination Committee is responsible for recommending suitable candidates with the necessary skills, experience and competencies to be appointed to the Board and also assesses the effectiveness of the Board and the contribution of each Director on an on-going basis for recommendation to the Board. The members of the Nomination Committee are:-

Mr Hong Hee Leong (Chairman)
Pn Hj Julia Heather Binti Ismail (Member)
Ms Anita Chew Cheng Im (Member)

During the financial year ended 30 June 2014, the Nomination Committee Meeting met on 2 October 2013. All the members of this Committee attended the meeting.

The Directors are required to notify the Chairman of the Board before accepting any new directorship in a public listed company and to indicate the time expected to be spent on the new appointment. The Directors are required to notify the Chairman and the Board on their list of directorship in all companies on a quarterly basis. The Directors are at liberty to accept other board appointments so long as such appointments are not in conflict with the business of the Group and do not adversely affect the Directors performance as a member of the Board. The Directors are of the view that their acceptances of directorships in private limited companies do not affect their commitment and performance as a director of M K Land.

Each year, the Nomination Committee assesses the effectiveness of the Board and Board Committees, contributions and performance of each individual director and the independence of the Independent Directors, and makes its recommendation to the Board.

c. Remuneration Committee

The Remuneration Committee is responsible for recommending to the Board the framework of executive remuneration and its costs, including the remuneration packages for the Executive Directors and the senior management.

The Remuneration Committee also recommends the framework of fees payable to Non-Executive Directors. The Remuneration Committee may draw on the expertise of consultants before making recommendations to the Board. The final remuneration package offered to the Executive Director and the senior management and fees payable to Non-Executive Directors is the responsibility of the entire Board and individuals are required to abstain from discussion on their own remuneration.

CORPORATE GOVERNANCE STATEMENT (cont'd)

The remuneration package for the Executive Director and senior management are structured according to their skills, experience and performance and are designed to link rewards to the achievement of corporate and individual performance. Whereas the fees of the Non-Executive Directors depend on their contribution to the Company in terms of their responsibilities and time spent as well as their level of knowledge and experience.

The members of the Remuneration Committee are:

Mr Hong Hee Leong (Chairman)
YBhg Tan Sri Datuk (Dr.) Hj Mustapha Kamal Bin Hj. Abu Bakar (Member)
Pn Hjh Juliana Heather Binti Ismail (Member)

During the financial year ended 30 June 2014, the Remuneration Committee Meeting met on 2 October 2013. All the members of this Committee attended the meeting.

SUPPLY OF INFORMATION

Prior to each Board meeting, every director is given an agenda and a set of board papers for each agenda item to be deliberated. At the Board Meetings, the Management will present the board papers and provide comprehensive explanation of pertinent issues. Information provided to the Board goes beyond quantitative performance data to include other qualitative performances.

Board meetings are held regularly. The Board and its Committees have access to all information within M K Land Group pertaining to the Group's business and affairs. The Board is provided in advance with the agenda for every Board meeting, together with management reports and supporting documents for the Board's perusal. The Board is briefed in a timely manner on all matters requiring their deliberation and approval.

All directors are entitled to call for additional clarification and information to assist them in matters that require their decision. In arriving at any decision on recommendation by the Management, deliberation and discussion by the Board is a prerequisite. All proceedings of the Board meetings are minuted and signed by the Non-Executive Chairman of the meeting in accordance with the provision of Section 156 of the Companies Act, 1965. Apart from quarterly and year end financial statements, a report of the Group's performance and progress is presented to the Board every quarter for the directors to be kept informed of the Group's state of affairs. The Board is also notified of any disclosures or announcements made to Bursa Malaysia Securities Berhad.

For each financial year, the Board will review and approved the Group's plan and budget for the forthcoming year. Whilst the Management reviews the budget results regularly, reports of the results and variances against the budget are presented to the Board for review every quarter. In furtherance of their duties as Directors, whenever independent professional advice is required, external independent experts may be engaged at the Group's expense. All Directors have access to the advice and services of the Company Secretary.

CONTINUING BOARD DEVELOPMENT

Recognizing the demands of their role as Directors, the Directors of the Company continue to equip themselves with the relevant professional advancement particularly in the corporate regulatory developments and current development of the industry. All Directors have attended the Mandatory Accreditation Programme ("MAP") and they were also informed and encouraged to attend the professional programmes organised by various professional bodies. The Board will continue to evaluate and determine the training needs of its directors on an ongoing basis.

During the financial year ended 30 June 2014, all Directors attended the Proposed New Companies Bill 2013 training on 9 June 2014 conducted by Tricor Corporate Services Sdn. Bhd.

Some of the Directors also attended the following training :

- i. Nominating Committee Programme, an Iclif Leadership and Governance Centre - Bursa NC Programme; and
- ii. Advocacy Session on Corporate Disclosure for Directors by Bursa Malaysia

DIRECTORS' REMUNERATION

Level and Make-up

The Company has adopted the objectives as recommended by the Code to determine the remuneration of the Directors so as to ensure that the Company attracts and retains the Directors needed to run the Group successfully. The component parts of their remuneration are structured so as to link rewards to corporate and individual performance in the case of Executive Directors. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the individual Non-Executive Director concerned.

Details of Directors' Remuneration

The details of the remuneration of the Directors, categorized into the appropriate components, for the financial year ended 30 June 2014 are as follows:

Name of Director	Basic Salary & EPF RM	Fees RM	Allowances RM	Benefits- In-Kind RM	Total RM
Tan Sri Datuk (Dr.) Hj Mustapha Kamal Bin Hj Abu Bakar (Chairman)	–	720,000	302,000	–	1,022,000
Pn Hj Felina Binti Tan Sri Datuk (Dr.) Hj Mustapha Kamal	893,280	–	199,500	96,000	1,188,780
Datuk Kasi A/L K.L. Palaniappan	–	84,000	16,500	–	100,500
Mr Hong Hee Leong	–	126,000	19,500	–	145,500
Ms Anita Chew Cheng Im	–	84,000	16,500	–	100,500
Pn Hj Juliana Heather Binti Ismail	–	84,000	12,000	–	96,000
Dato' Hj Fazwinna Binti Tan Sri Datuk (Dr.) Hj Mustapha Kamal (Alternate Director)	–	–	–	–	–
TOTAL	893,280	1,098,000	566,000	96,000	2,653,280

WHISTLE BLOWING POLICY

The Group in its effort to enhance corporate governance has put into place its Whistle Blowing Policy, providing an avenue for employees and stakeholders to report genuine concerns on malpractices, unethical behaviour and misconduct without fear of reprisal. All concerns raised shall be investigated and reports of investigations of genuine concerns shall be provided to the Audit Committee.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board aims to present a balanced and meaningful assessment of the Group's position and prospects, primarily through the annual financial statements and the quarterly financial reporting, as well as the Non-Executive Chairman's Statement in the Annual Report. The Board is assisted by the Audit Committee to oversee the Group's financial reporting process and the integrity of its financial reporting.

Director's Responsibility Statement in respect of the preparation of the Audited Financial Statement

The Board is required by the Companies Act, 1965 to prepare financial statements for each financial year which have been made out in accordance with applicable approved accounting standards and give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and the cash flows of the Group and of the Company for the year then ended.

In preparing the financial statements, the Directors have:

- selected suitable accounting policies and applied them accordingly;
- made judgments and estimates that are reasonable and prudent;
- ensured that all applicable accounting standards have been appropriately and consistently adhered to; and
- prepared the financial statements on the going concern basis as the Directors have a reasonable expectation, having made appropriate enquiries that the Group and the Company have the ability to continue operations in the foreseeable future.

The Board acknowledges the responsibility for ensuring that the Group keeps accounting records, which disclose with reasonable accuracy, the financial positions of the Group and of the Company and enable them to ensure that the financial statements comply with the Companies Act, 1965 and applicable accounting standards in Malaysia.

The Directors have an overall responsibility to take such steps as are reasonably open to them to safeguard the assets of the Group, to prevent and detect fraud and other irregularities.

Statement of Risk Management and Internal Controls

The Group's Statement of Risk Management and Internal Controls, is presented in pages 32 to 33 of the Annual Report.

Relationship with the Auditors

The Audit Committee works closely with external auditors and maintains a transparent relationship with them in seeking professional advice and ensuring compliance with applicable approved accounting standards and statutory requirements.

The external auditors are invited to attend all Audit Committee Meetings when the Company's quarterly and annual financial results are considered. The Audit Committee met with the external auditors twice without the presence of the Executive Director and Management.

DIALOGUE WITH SHAREHOLDERS AND INVESTORS

Shareholders

The Company recognises the importance of timely dissemination of relevant corporate and other information to its shareholders and investors. The Company complies with the disclosure requirements of Bursa Malaysia for the Main Market and the Malaysian Accounting Standards Board. Information is disseminated via annual reports, circulars to shareholders, press releases, quarterly financial results and various announcements made from time to time to Bursa Malaysia.

The Company also maintains a website at www.mkland.com.my that allows all shareholders and investors to gain access to the information of the Company.

Annual General Meeting

All shareholders are encouraged to attend the Annual General Meeting ("AGM"), where the shareholders can participate and be given the opportunity to ask questions regarding the business operations and financial performance of the Company.

The Code recommends that the Board should encourage poll voting for substantive resolutions. The Board is of the view that within the current level of shareholders at AGMs, voting by way of a show of hands continues to be efficient. The Board will evaluate the feasibility of carrying out electronic polling at its general meetings in future.

SUSTAINABILITY

The Group recognizes the importance of sustainability and its increasingly relevance to the Group's business. The Group is committed to understand and implement sustainable practices and exploring its benefits to the business whilst attempting to achieve the right balance between the needs of the wider community, the requirements of shareholders, stakeholders and economic success.

The Group sustainability policy aims to integrate the principles of sustainability into the Group's strategies, policies and practices. It also aims to cultivate a culture of sustainability with emphasis on integrating the environment, social and governance considerations into decisions making and the delivery of outcomes.

CORPORATE RESPONSIBILITY

Apart from building sustainable business, we remind ourselves of our roles as responsible corporate citizen. In this aspect, we share to provide a positive impact on both the community and environment.

During the year amongst the activities organized by the Group are outings with neighbourhood orphanages , "gotong-royong" clean-up events in Klang Valley and Ipoh, Perak, repairing the homes of the under privilege in Gopeng, Perak and providing humanitarian aid to the flood victims in Jerantut, Pahang. We also participate in tree planting activity in conjunction with the World Environment Day. Our Resort also participated in the Earth Hour 2014 as well as organizing 'Say Hello 2 Nature'.

In maintaining transparency and accountability, the Group provides timely information to the market place through regular announcements, press releases, meetings and briefing to the various stakeholders. Shareholders and invited guests, such as the Minority Shareholders Watchdog Group (MSWG) are briefed on the Group's performance and activities at Annual General Meetings.

The Groups' corporate information is assessable on the public domain.

ADDITIONAL COMPLIANCE INFORMATION

Pursuant to the Listing Requirements of the Bursa Malaysia Securities Berhad, additional applicable disclosures by the Group are as follows:

- 1. Share Buy Back**
The Company did not buy back any shares during the financial year.
- 2. Options, Warrants or Convertible Securities**
There were no options, warrants or convertible securities issued during the financial year.
- 3. Depository Receipt Programme**
The Company did not sponsor any depository programme during the financial year.
- 4. Sanctions and/or Penalties**
There were no sanctions and/or penalties imposed on the Company and/or its subsidiaries, Directors or Management by the relevant authorities during the financial year.
- 5. Non-Audit Fees**
The Company and its subsidiaries incurred non-audit fees of RM20,000.00 during the financial year for reviewing the Quarterly Results Announcements, the Statement on Risk Management and Internal Control and implementation of new Financial Reporting Standards.

CORPORATE GOVERNANCE STATEMENT (cont'd)

6. Variation in Results

The variation between the audited results and the unaudited results for the financial year is less than 10%.

7. Profit Guarantee

There were no profit guarantees issued during the financial year.

8. Material Contracts

Other than those related party transactions disclosed in Note 31 to the financial statements, there were no material contracts outside the ordinary course of business, including contract relating to loans entered into by the Company and/or subsidiaries involving Directors and major shareholders that are still subsisting at the end of the financial year or which was entered into since the end of the previous financial year.

This Corporate Governance Statement is made in accordance with the resolution of the Board of Directors dated 14 October 2014.

AUDIT COMMITTEE REPORT

The Board of Directors is pleased to present the report of the Audit Committee for the financial year ended 30 June 2014.

MEMBERSHIP

The members of Audit Committee comprise:-

MR HONG HEE LEONG
(Chairman)

YBHG DATUK KASI A/L K.L. PALANIAPPAN
(Member)

MS ANITA CHEW CHENG IM
(Member)

TERMS OF REFERENCE OF AUDIT COMMITTEE

1. MEMBERSHIP

- 1.1 The Committee shall be appointed by the Board of Directors amongst the Directors of the Company which fulfils the following requirements:
 - a) the Committee must be composed of no fewer than three (3) members;
 - b) all members of the Audit Committee must be non-executive directors with a majority of the Committee being independent directors; and
 - c) at least one (1) member of the Committee:
 - i) must be a member of the Malaysian Institute of Accountants; or
 - ii) if he is not member of the Malaysian Institute of Accountants, he must have at least three (3) years working experience and :
 - he must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act 1967; or
 - he must be a member of one (1) of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.
 - iii) fulfill such other requirements prescribed or approved by the Exchange.
- 1.2 The members of the Committee shall elect a Chairman from among themselves who shall be an independent director.
- 1.3 No alternate director should be appointed as a member of the Committee.
- 1.4 In the event of any vacancy in the Committee resulting in the non-compliance of the listing requirement of the Exchange pertaining to composition of audit committee, the Board of Directors shall within three (3) months of that event fill the vacancy.
- 1.5 The terms of office and performance of the Committee and each of its members must be reviewed by the Board of Directors at least once every three (3) years to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

2. MEETINGS

Frequency

Meetings shall be conducted at least four (4) times in a year. Upon any request of the external auditors, the Chairman of the Committee shall convene a meeting of the Committee to consider any matter the external auditors believe should be brought to the attention of the Directors or shareholders.

Quorum

A quorum shall consist of a majority of independent directors.

Secretary

The Secretary of the Company shall be the Secretary of the Committee or in his absence, another person authorised by the Chairman of the Committee.

Attendance

Group Chief Executive Officer and Group Financial Controller, Head of Internal Audit and a representative of the external auditors shall be invited to attend the meetings. Other Directors and management may attend any particular meeting upon the Committee's invitation. At least twice a year, the Committee shall meet with the external auditors without the present of management.

Reporting Procedure

The minutes of each meeting shall be circulated to all members of the Board.

Meeting Procedure

The Committee shall regulate its own procedures, in particular:

- a) the calling of meetings;
- b) the notice to be given to such meetings;
- c) the voting and proceedings of such meetings;
- d) the keeping of minutes; and
- e) the custody, production and inspection of such minutes.

3. RIGHTS

The Committee in performing its duties shall be in accordance with a procedure to be determined by the Board of Directors:

- a) have authority to investigate any matter within its terms of reference;
- b) have the resources which are required to perform its duties;
- c) have full and unrestricted access to any information pertaining to the Group;
- d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any);
- e) be able to obtain independent professional or other advice; and
- f) be able to convene meetings with the external auditors, internal auditors or both, excluding the attendance of other directors or employees, whenever deemed necessary.

4. FUNCTIONS

The Committee shall, amongst others, discharge the following functions:

4.1 To review :

- a) the quarterly results and year end financial statements, prior to the approval by the Board of Directors, focusing particularly on :
 - i) the going concern assumption;
 - ii) changes in or implementation of major accounting policy changes;
 - iii) significant and unusual events; and
 - iv) compliance with accounting standards and other legal requirements.
- b) any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions or management integrity.
- c) with the external auditors :
 - i) the audit plan;
 - ii) their evaluation of the system of internal controls;
 - iii) their audit report;
 - iv) their management letter and management's response; and
 - v) the assistance given by the Company's employees to the external auditors.

4.2 To monitor the management's risk management practices and procedures.

AUDIT COMMITTEE REPORT (cont'd)

4.3 In respect of the appointment of external auditors:

- a) to review whether there is reason (supported by grounds) to believe that the external auditors are not suitable for re-appointment;
- b) to consider the nomination of a person or persons as external auditors and the audit fees; and
- c) to consider any questions of resignation or dismissal of external auditors.

4.4 In respect of the internal audit function, the Audit Committee :

- a) to review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
- b) to review the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
- c) to review any appraisal or assessment of the performance of members of the internal audit function; and
- d) to be informed of any resignation of internal audit staff member and provide the resigning staff member an opportunity to submit his reasons for resigning.

4.5 To promptly report such matter to the Bursa Securities if the Committee is of the view that the matter reported by it to the Board of Directors has not been satisfactorily resolved resulting in a breach of the Listing Requirements.

4.6 To carry out such other functions as may be agreed to by the Committee and the Board of Directors.

MEETINGS OF THE AUDIT COMMITTEE

During the financial year 30 June 2014, five (5) Audit Committee meetings were held and the details of the attendance of each member of the Committee are tabulated below:

No. of Meetings	Attended
Mr Hong Hee Leong (Chairman)	5/5
YBhg Datuk Kasi A/L K.L. Palaniappan	5/5
Ms Anita Chew Cheng Im	5/5

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

Activities carried out by the Audit Committee during the year were as follows:

- i) Reviewed the external auditors' scope of work and audit plans for the year. Prior to the commencement of the audit, representatives from the external auditors presented their audit strategy and plan;
- ii) Reviewed the results of the audit, the audit report and the management letter, including management's response, with the external auditors;
- iii) Considered and recommended to the Board for approval of the audit fees payable to the external auditors as disclosed in the financial statements;

- iv) Considered the re-appointment of the external auditors and make recommendation to the shareholders for their approval;
- v) Reviewed the audited financial statements of the Group prior to submission to the Board for their consideration and approval. The review was to ensure that the audited financial statements were drawn up in accordance with the provisions of the Companies Act 1965 and the applicable approved accounting standards in Malaysia;
- vi) Reviewed the Group's compliance in particular the quarterly and year-end financial statements with the Listing Requirements of the Bursa Malaysia Securities Berhad, approved accounting standards and other relevant legal and regulatory requirements;
- vii) Reviewed the quarterly unaudited financial results announcements before recommending them for the Board's approval;
- viii) Reviewed the related party transactions entered into by the Group;
- ix) Reviewed the Audit Committee's Terms of Reference to ensure consistency with the best practices as recommended in the Malaysian Code of Corporate Governance and the new Listing Requirements of the Bursa Malaysia Securities Berhad;
- x) Reviewed the internal audit's resources, requirements, program and plan for the financial year under review;
- xi) Reviewed the internal audit reports, which highlighted the risk issues, recommendations and management's response; discussed the actions taken to improve the system of internal control based on improvement identified in the internal audit reports, with management;
- xii) Recommended to the Board improvement in internal control, procedures and risk management; and
- xiii) Reviewed and approved the Statement of Risk Management and Internal Control for inclusion in the annual report and for compliance with regulatory requirement.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is carried out by our Internal Audit Department ("IAD"), assisted by an independent external firm of professional internal auditors, which reports directly to the Audit Committee on its activities based on the approved annual Internal Audit Plan. The approved annual Internal Audit Plan is designed to cover entities across all level of operations within the Group.

The principle role of IAD is to provide the Audit Committee with reports on the state of internal controls of the operating entities within the Group and the extent of compliance of such entities within the Group's established policies and procedures.

During the financial year under review, IAD conducted audit assignments on entities in all operating segments of the Group.

The cost incurred for the internal audit function of the Group for the financial year ended 30 June 2014 was approximately RM504,000.00.

This Audit Committee Report is made in accordance with the resolution of the Board of Directors dated 14 October 2014.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("Board") is committed to maintain a sound system of risk management and internal control within the Group in order to safeguard shareholders' investment and the Group's assets. Pursuant to paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa"), the Board is pleased to provide this statement on Risk Management and Internal Control which is prepared in accordance with the guidelines set out in the Bursa's statement on Risk Management and Internal Control: Guidance for Directors of Listed Issuers.

RESPONSIBILITY OF THE BOARD

The Board is responsible for the Group's system of internal control, which includes the establishment of an appropriate control environment and framework as well as reviewing its adequacy and integrity. However, it should be noted that such systems are designed to manage rather than eliminate risks of failure to achieve the corporate objectives. Inherently, it can only provide reasonable and not absolute assurance against material misstatement or error.

While the Board maintains responsibility over risk and control issues, it has empowered the management to implement a system of internal control and risk management within an established framework that encompasses all the companies in the Group.

The Board has received assurance from the Group Chief Executive Officer and Group Financial Controller that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects.

A Risk Management Working Committee has been formed which is chaired by the Group Chief Executive Officer.

RISK MANAGEMENT FRAMEWORK

The Board supports the guidelines as spelt out in the Statement on Risk Management and Internal Control: Guidance for Directors of Listed Issuers and confirms that there is an on-going process of identifying, evaluating and managing all significant risks faced by the Group. The Internal Audit Department continuously reviews the adequacy and effectiveness of the risk management processes that are in place within the Group.

The Board believes that the function of sound system of internal control and risk management policies is built on a clear understanding and appreciation of the Group's risk management framework with the following key elements:-

- Effective and efficient risk management activities contribute to good corporate governance and are integral to the achievement of business objectives;
- Risk management should be embedded into day-to-day management processes and is extensively applied in decision-making and strategic planning;
- Risk management processes applied should aim to take advantage of opportunities, manage uncertainties and minimize threats; and
- Regular reporting and monitoring activities emphasize the accountability and responsibility for managing risk.

KEY RISK MANAGEMENT AND INTERNAL CONTROL PROCESSES

The Board has implemented an organizational structure which defined the lines of authority, accountability and responsibility.

The key principles of the Group's risk management and internal control system are described below:-

- Clearly defined objectives and terms of reference of the various Committees established by the Board;

- Internal control procedures as set out in M K Land Holdings Berhad's Standard Operating Procedures for key operating units have been adopted Group-wide. This includes standard policies for the Management of Funds, Security & Safety and Environmental & IT Risk Management. The Board has a set of defined corporate values which emphasize teamwork and ethical behavior that have been communicated to all personnel within the Group;
- A budgetary control system is in place whereby annual budgets are prepared by the respective operating units that are approved by the Board. Reviews of actual performance against budgets are regularly carried out, and the review encompasses both financial and non-financial key performance indicators;
- Regular financial and management information is provided to the Board, showing actual results against budgets for the month, quarter and year to date with projections for the financial year updated on a regular basis; and
- The Group, through its Training Department, is on an on-going basis, compile, review and update the Standard Operating Procedures which involve key processes relating to its operations.

These processes have been in place during the period under review.

INTERNAL AUDIT FUNCTION

The Group has an Internal Audit Department (IAD), assisted by an independent external firm of professional internal auditors, which reports directly to the Audit Committee. Its role is to provide the Board with the assurance it requires regarding the adequacy and integrity of internal control across the Group.

IAD reviews the internal control processes in the key activities of the Group's businesses by adopting a risk-based internal audit approach and reports directly to the Audit Committee. Reports on internal audit findings together with recommendations for Management actions are presented to the Audit Committee where it then reported to the Board of Directors by the Audit Committee on a quarterly basis or as appropriate.

For each financial year, IAD prepares an Annual Audit Plan and presented it to the Audit Committee for their approval. The scope of work in the audit plan encompasses review of financial and operational activities within the Group.

The IAD has completed the planned audits for the year and will closely monitor the implementation progress of its audit recommendations in order to ensure that all major risks and control concerns have been duly addressed by the Management. All internal audit reports together with the recommended action plans and their implementation status have been presented to the Management and Audit Committee.

REVIEW BY EXTERNAL AUDITORS

The External Auditors have reviewed this statement of Risk Management and Internal Control for inclusion in the annual report for the financial year ended 30 June 2014 and reported to the Board that nothing has come to their attention that causes them to believe that this statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and integrity of the system of risk management and internal control.

STATE OF INTERNAL CONTROL DURING THE PERIOD UNDER REVIEW

The Board is satisfied with the adequacy, effectiveness and integrity of the system of risk management and internal control and is committed through improving when necessary to further enhance the Group's system of risk management and internal control. The system of risk management and internal control of the Group is regularly reviewed by the Audit Committee.

This statement is made in accordance with the resolution of the Board of Directors dated 14 October 2014.

financial statements

YEAR ENDED 30 JUNE 2014

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DIRECTOR'S REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2014.

Principal activities

The principal activities of the Company are those of investment holding and the provision of management services.

The principal activities of the subsidiaries and associate are disclosed in Notes 16 and 17 to the financial statements respectively.

There have been no significant changes in the nature of these principal activities during the financial year.

Results

	Group RM'000	Company RM'000
Profit for the year attributable to equity holders of the Company	<u>65,698</u>	<u>16,528</u>

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

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Dividends

The amount of dividends paid by the Company since 30 June 2013 were as follows:

In respect of the financial year ended 30 June 2013:	RM'000
Second interim dividend of 1 sen per share less tax at 25%, on 1,207,262,000 ordinary shares of RM1 each, less 2,672,000 treasury shares, declared on 21 May 2013 and paid on 20 August 2013.	<u>9,034</u>
In respect of the financial year ended 30 June 2014:	
First interim dividend of 1 sen per share less tax at 25%, on 1,207,262,000 ordinary shares of RM1 each, less 2,672,000 treasury shares, declared on 27 November 2013 and paid on 27 December 2013.	9,034
Second interim dividend of 1 sen per share on 1,207,262,000 ordinary shares of RM1 each, less 2,672,000 treasury shares, declared on 26 May 2014 and paid on 22 August 2014.	<u>12,046</u> <u>21,080</u>

The directors now recommend the payment of a single tier final dividend of 2 sen per share amounting to RM24,092,000 in respect of the financial year ended 30 June 2014, subject to the approval of shareholders at the forthcoming Annual General Meeting of the Company.

DIRECTOR'S REPORT (cont'd)

Directors

The Directors of the Company in office since the date of the last report and at the date of this report are:

Tan Sri Datuk (Dr). Hj. Mustapha Kamal bin Hj. Abu Bakar
Datuk Kasi a/l K. L. Palaniappan
Hong Hee Leong
Hjh. Felina binti Tan Sri Datuk (Dr). Hj. Mustapha Kamal
Anita Chew Cheng Im
Juliana Heather binti Ismail
Dato' Hj. Fazwinna binti Tan Sri Datuk (Dr). Hj. Mustapha Kamal
(alternate to Hj. Felina binti Tan Sri Datuk (Dr). Hj. Mustapha Kamal)

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 9 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Directors' interests

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in the shares of the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares of RM1 each			
	1.7.2013	Acquired	Disposed	30.6.2014
Tan Sri Datuk (Dr). Hj. Mustapha Kamal bin Hj. Abu Bakar				
- direct	82,405,198	—	—	82,405,198
- indirect	488,252,718	—	—	488,252,718
Datuk Kasi a/l K. L. Palaniappan				
- direct	238,554,015	—	(32,759,200)	205,794,815

Tan Sri Datuk (Dr). Hj. Mustapha Kamal bin Hj. Abu Bakar and Datuk Kasi a/l K. L. Palaniappan by virtue of their interests in the shares of the Company are also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

None of the other directors in office at the end of the financial year had any interest in the shares of the Company or its related corporations during the financial year.

Treasury shares

As at 30 June 2014, the Company held as treasury shares a total of 2,672,000 of its 1,207,262,000 issued ordinary shares. Such treasury shares, in accordance with Section 67A of the Companies Act, 1965, are held at a carrying amount of RM1,904,000.

Employee Share Option Scheme

The Company's Employee Share Option Scheme ("ESOS") is governed by the by-laws approved by the shareholders at an Extraordinary General Meeting held on 29 November 2002. As at the reporting date and at the date of this report, the ESOS has yet to be implemented. Accordingly, no options have been granted at the reporting date.

The salient features of the ESOS are disclosed in Note 23(a) to the financial statements.

Other statutory information

- (a) Before the 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 allowance for doubtful debts and satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
 - (i) it necessary to write off any bad debts or the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances 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) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
 - (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
 - (i) 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 and of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

DIRECTOR'S REPORT (cont'd)

Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 14 October 2014.

Tan Sri Datuk (Dr). Hj. Mustapha Kamal
bin Hj. Abu Bakar

Hong Hee Leong

STATEMENT BY DIRECTORS

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

We, Tan Sri Datuk (Dr). Hj. Mustapha Kamal bin Hj. Abu Bakar and Hong Hee Leong, being two of the directors of M K Land Holdings Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 42 to 103 are drawn up in accordance with applicable Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2014 and of the financial performance and the cash flows for the year then ended.

The information set out in Note 36 on page 104 to the financial statements have been prepared in accordance with the 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.

Signed on behalf of the Board in accordance with a resolution of the directors dated 14 October 2014.

Tan Sri Datuk (Dr). Hj. Mustapha Kamal
bin Hj. Abu Bakar

Hong Hee Leong

STATUTORY DECLARATION

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

I, Lau Shu Chuan, being the officer primarily responsible for the financial management of M K Land Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 42 to 103 are in my opinion 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 Lau Shu Chuan at
Petaling Jaya, Selangor Darul Ehsan
on 14 October 2014.

Lau Shu Chuan

Before me,

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF M K LAND HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)

Report on the financial statements

We have audited the financial statements of M K Land Holdings Berhad, which comprise the statements of financial position as at 30 June 2014 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 42 to 104.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or 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 judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2014 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Emphasis of matter

Without qualifying our opinion, we draw attention to the contingent liability in respect of taxes as disclosed in Note 30 to the financial statements.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia ("the Act"), 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 are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.
- (c) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

Other matters

The supplementary information set out in Note 36 on page 115 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. 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 MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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.

Ernst & Young
AF: 0039
Chartered Accountants

Kuala Lumpur, Malaysia

Abraham Verghese A/L T.V. Abraham
No. 1664/10/16(J)
Chartered Accountant

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

	Note	2014 RM'000	2013 RM'000
Revenue	4	488,747	468,239
Cost of sales	5	(302,817)	(291,660)
Gross profit		185,930	176,579
Other income		33,197	33,490
Administrative expenses		(71,214)	(72,394)
Selling and marketing expenses		(26,014)	(11,766)
Other expenses		(35,711)	(41,873)
Operating profit		86,188	84,036
Finance costs	6	(14,740)	(20,269)
Profit before tax	7	71,448	63,767
Income tax expense	10	(5,750)	(23,422)
Profit after tax, representing total comprehensive income for the year		65,698	40,345
Earnings per share attributable to equity holders of the Company			
Basic earnings per share (sen)	11	5.5	3.3

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2014

	Note	2014 RM'000	2013 RM'000
Assets			
Non-current assets			
Property, plant and equipment	13	192,564	183,889
Land held for property development	14(a)	611,986	597,848
Investment properties	15	147,297	211,087
Investment in associate	17	–	–
Other investments	18	–	–
Deferred tax assets	19	4,090	3,847
		955,937	996,671
Current assets			
Property development costs	14(b)	368,907	415,879
Inventories	20	113,860	117,689
Trade and other receivables	21	324,417	300,099
Tax recoverable		10,502	7,352
Cash and bank balances	22	207,290	110,427
		1,024,976	951,446
Total assets		1,980,913	1,948,117
Equity and liabilities			
Equity attributable to equity holders of the Company			
Share capital	23	1,207,262	1,207,262
Reserves		(60,505)	(105,123)
Total equity		1,146,757	1,102,139
Non-current liabilities			
Borrowings	25	76,019	105,336
Long term payable	28	60,973	57,423
Deferred tax liabilities	19	29,720	43,525
		166,712	206,284
Current liabilities			
Borrowings	25	17,048	45,591
Provision for liabilities	27	98,084	80,148
Trade and other payables	29	547,059	511,031
Tax payable		5,253	2,924
		667,444	639,694
Total liabilities		834,156	845,978
Total equity and liabilities		1,980,913	1,948,117

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

				Reserves			
				Non-distributable	Distributable		
	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Retained earnings RM'000	Merger deficit RM'000	Total reserves RM'000	Total equity RM'000
At 1 July 2013	1,207,262	9,034	(1,904)	–	(112,253)	(105,123)	1,102,139
Total comprehensive income	–	–	–	65,698	–	65,698	65,698
Dividend on ordinary shares (Note 12)	–	–	–	(21,080)	–	(21,080)	(21,080)
Transfer to merger deficit account	–	–	–	(20,526)	20,526	–	–
At 30 June 2014	1,207,262	9,034	(1,904)	24,092	(91,727)	(60,505)	1,146,757
At 1 July 2012	1,207,262	9,034	(1,904)	–	(134,530)	(127,400)	1,079,862
Total comprehensive income	–	–	–	40,345	–	40,345	40,345
Dividend on ordinary shares (Note 12)	–	–	–	(18,068)	–	(18,068)	(18,068)
Transfer to merger deficit account	–	–	–	(22,277)	22,277	–	–
At 30 June 2013	1,207,262	9,034	(1,904)	–	(112,253)	(105,123)	1,102,139

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

	2014 RM'000	2013 RM'000
Cash flows from operating activities		
Profit before tax	71,448	63,767
Adjustments for:		
Depreciation	7,418	5,865
Gain on disposal of property, plant and equipment	(9)	(35)
Gain on disposal of investment property	(12,548)	–
Gain on disposal of associate	–	(980)
(Reversal of impairment)/Impairment on receivables	(93)	2,250
Fair value gain on investment properties	(7,210)	(15,922)
Provision for liabilities	19,591	23,479
Interest expense	14,740	20,269
Interest income	(2,951)	(2,250)
Operating profit before working capital changes	90,386	96,443
Decrease/(increase) in property development costs and land held for property development	32,834	(12,144)
Decrease in inventories	3,829	2,210
(Increase)/decrease in receivables	(24,225)	23,794
Increase/(decrease) in payables	36,566	(27,262)
Cash generated from operations	139,390	83,041
Utilisation of provision for liabilities, net of reversals	(1,655)	(11,828)
Interest paid	(14,740)	(20,269)
Net taxes paid	(20,619)	(22,461)
Net cash generated from operating activities	102,376	28,483
Cash flows from investing activities		
Proceeds from disposal of associate	–	980
Proceeds from disposal of property, plant and equipment	17	35
Purchase of property, plant and equipment	(15,909)	(27,436)
Proceeds from disposal of investment property	83,548	–
Interest received	2,951	2,250
Net cash generated from/(used in) investing activities	70,607	(24,171)
Cash flows from financing activities		
Dividend paid	(18,068)	(9,034)
Drawdowns from loans and borrowings	8,724	71,213
Repayment of loans and borrowings	(64,515)	(67,624)
Net cash used in financing activities	(73,859)	(5,445)
Net increase/(decrease) in cash and cash equivalents	99,124	(1,133)
Cash and cash equivalents at beginning of financial year	108,166	109,299
Cash and cash equivalents at end of financial year (Note 22)	207,290	108,166

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

	Note	2014 RM'000	2013 RM'000
Revenue	4	35,896	32,373
Other income		3,084	4,165
Administrative expenses		(16,155)	(15,616)
Other expenses		(2,228)	(674)
Operating profit		20,597	20,248
Finance costs	6	(2,854)	(2,131)
Profit before tax	7	17,743	18,117
Income tax expense	10	(1,215)	(2,584)
Profit after tax, representing total comprehensive income for the year		16,528	15,533

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2014

	Note	2014 RM'000	2013 RM'000
Assets			
Non-current assets			
Property, plant and equipment	13	295	365
Investments in subsidiaries	16	1,923,305	1,923,305
Other investments	18	—	—
Deferred tax assets	19	3,106	2,889
		<u>1,926,706</u>	<u>1,926,559</u>
Current assets			
Other receivables	21	336,868	373,473
Tax recoverable		644	1,760
Cash and bank balances	22	40,896	31,696
		<u>378,408</u>	<u>406,929</u>
Total assets		<u>2,305,114</u>	<u>2,333,488</u>
Equity and liabilities			
Equity attributable to equity holders of the Company			
Share capital	23	1,207,262	1,207,262
Reserves		771,198	775,750
Total equity		<u>1,978,460</u>	<u>1,983,012</u>
Non-current liability			
Borrowings	25	<u>11,602</u>	<u>28,988</u>
Current liabilities			
Borrowings	25	5,012	10,108
Other payables	29	310,040	311,380
		<u>315,052</u>	<u>321,488</u>
Total liabilities		<u>326,654</u>	<u>350,476</u>
Total equity and liabilities		<u>2,305,114</u>	<u>2,333,488</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

		Reserves					
		Non-distributable		Distributable			
	Share capital RM'000	Share premium RM'000	Merger reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total reserves RM'000	Total equity RM'000
At 1 July 2013	1,207,262	9,034	636,856	(1,904)	131,764	775,750	1,983,012
Total comprehensive income	–	–	–	–	16,528	16,528	16,528
Dividend on ordinary shares (Note 12)	–	–	–	–	(21,080)	(21,080)	(21,080)
At 30 June 2014	1,207,262	9,034	636,856	(1,904)	127,212	771,198	1,978,460
At 1 July 2012	1,207,262	9,034	636,856	(1,904)	134,299	778,285	1,985,547
Total comprehensive income	–	–	–	–	15,533	15,533	15,533
Dividend on ordinary shares (Note 12)	–	–	–	–	(18,068)	(18,068)	(18,068)
At 30 June 2013	1,207,262	9,034	636,856	(1,904)	131,764	775,750	1,983,012

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

	2014 RM'000	2013 RM'000
Cash flows from operating activities		
Profit before tax	17,743	18,117
Adjustments for:		
Depreciation	187	165
Gain on disposal of property, plant and equipment	–	(8)
Impairment of amount due from subsidiary	1,559	–
Interest expense	2,854	2,131
Interest income	(3,083)	(4,149)
Operating profit before working capital changes	19,260	16,256
Decrease/(increase) in other receivables	35,046	(27,440)
Decrease/(increase) in amount due from subsidiaries	32,824	(23,756)
(Decrease)/increase in other payables	(37,176)	30,571
Cash generated from/(used in) operations	49,954	(4,369)
Interest received	3,083	4,149
Interest paid	(2,854)	(2,131)
Tax paid	(316)	(4,076)
Net cash generated from/(used in) operating activities	49,867	(6,427)
Cash flows from investing activity		
Proceeds from disposal of property, plant and equipment	–	16
Purchase of property, plant and equipment	(117)	(217)
Net cash used in investing activities	(117)	(201)
Cash flows from financing activities		
Dividend paid	(18,068)	(9,034)
Drawdowns from loans and borrowings	–	32,558
Repayment of loans and borrowings	(22,482)	(9,613)
Net cash (used in)/generated from financing activities	(40,550)	13,911
Net increase in cash and cash equivalents	9,200	7,283
Cash and cash equivalents at beginning of financial year	31,696	24,413
Cash and cash equivalents at end of financial year (Note 22)	40,896	31,696

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2014

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 the principal place of business of the Company is located at No. 19, Jalan PJU 8/5H, Perdana Business Centre, Bandar Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan.

The principal activities of the Company are those of investment holding and the provision of management services. The principal activities of the subsidiaries and associate are disclosed in Notes 16 and 17 respectively.

There have been no significant changes in the nature of these principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 14 October 2014.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 July 2013, the Group and the Company adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2013.

<u>Description</u>	<u>Effective for annual period beginning on or after</u>
Amendments to FRS 101: Presentation of Financial Statements (Improvements to FRSs (2012))	1 January 2013
FRS 10 Consolidated Financial Statements	1 January 2013
FRS 11 Joint Arrangements	1 January 2013
FRS 12 Disclosures of interest in Other Entities	1 January 2013
FRS 13 Fair Value Measurements	1 January 2013
FRS 119 Employee Benefits	1 January 2013
FRS 127 Separate Financial Statements	1 January 2013
FRS 128 Investment in Associates and Joint Ventures	1 January 2013
Amendment to IC Interpretation 2 Members' Shares in Co-operative Entities and Similar Instruments (Improvements to FRSs(2012))	1 January 2013
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to FRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Changes in accounting policies (cont'd)

<u>Description</u>	Effective for annual period beginning on or after
Amendments to FRS 1: First-time Adoption of Malaysian Financial Reporting Standards - Government Loans	1 January 2013
Amendments to FRS 1: First-time Adoption of Malaysian Financial Reporting Standards (Improvements to FRSs(2012))	1 January 2013
Amendments to FRS 116: Property, Plant and Equipment (Improvements to FRSs(2012))	1 January 2013
Amendments to FRS 132: Financial Instruments: Presentation (Improvements to FRSs(2012))	1 January 2013
Amendments to FRS 134: Interim Financial Reporting (Improvements to FRSs(2012))	1 January 2013
Amendments to FRS 10: Consolidated Financial Statements: Transition Guidance	1 January 2013
Amendments to FRS 11: Joint Arrangements: Transition Guidance	1 January 2013
Amendments to FRS 12: Disclosure of Interest in Other Entities: Transition Guidance	1 January 2013

The adoption of the above standards and interpretations did not have any significant effect on the financial performance and position of the Group and of the Company.

2.3 Standards and interpretations issued but not yet effective

The Group and the Company have not adopted the following standards and interpretations that have been issued but not yet effective:

<u>Description</u>	Effective for annual period beginning on or after
Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 10, FRS 12, and FRS 127: Investment Entities	1 January 2014
Amendments to FRS 136: Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to FRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21 Levies	1 January 2014
Amendment to FRS 2: Share-Based Payment (Annual Improvements to FRSs 2010-2012 Cycle)	1 July 2014
Amendment to FRS 3: Business Combinations (Annual Improvements to FRSs 2010-2012 Cycle)	1 July 2014
Amendment to FRS 3: Business Combinations (Annual Improvements to FRSs 2011-2013 Cycle)	1 July 2014
Amendment to FRS 8: Operating Segments (Annual Improvements to FRSs 2010-2012 Cycle)	1 July 2014
Amendment to FRS 13: Fair Value Measurements (Annual Improvements to FRSs 2011-2013 Cycle)	1 July 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards and interpretations issued but not yet effective (cont'd)

<u>Description</u>	<u>Effective for annual period beginning on or after</u>
Amendments to FRS 116: Property, Plant and Equipment (Annual Improvements to FRSs 2010-2012 Cycle)	1 July 2014
Amendments to FRS 119: Defined Benefit Plans: Employee Contributions	1 July 2014
Amendment to FRS 124: Related Party Disclosures (Annual Improvements to FRSs 2010-2012 Cycle)	1 July 2014
Amendment to FRS 138: Intangible Assets (Annual Improvements to FRSs 2010-2012 Cycle)	1 July 2014
Amendment to FRS 140: Investment Property (Annual Improvements to FRSs 2011-2013 Cycle)	1 July 2014
FRS 9: Financial Instruments	1 January 2015
Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
FRS 14: Regulatory Deferral Accounts	1 January 2016
Amendments to FRS 116 and FRS 138: Classification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
FRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009)	To be announced
FRS 9 Financial Instruments (IFRS 9 issued by IASB in October 2010)	To be announced
FRS 9 Financial Instruments: Hedge Accounting and amendments to FRS 9, FRS 7, and FRS 139	To be announced

The directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application.

2.4 Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards.

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer. (Transitioning Entities)

On 2 September 2014, the MASB has allowed Transitioning Entities to defer adoption of the new MFRS until the adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2017.

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 30 June 2018. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Malaysian Financial Reporting Standards (MFRS Framework) (cont'd)

The Group is in the process of making its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 30 June 2014 could be different if prepared under the MFRS Framework.

The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 30 June 2018.

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Subsidiaries are consolidated using the acquisition method of accounting except for certain subsidiaries, which were consolidated prior to 1 July 2002 using the merger method of accounting in accordance with Malaysian Accounting Standard No. 2, Accounting for Acquisitions and Mergers, the generally accepted accounting principles prevailing at that time. These subsidiaries continue to be consolidated using the merger method of accounting.

- (a) Under the acquisition method of accounting, the results of subsidiaries acquired or disposed of during the year are included from the date of acquisition or up to the effective date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the consolidated financial statements. The difference between the acquisition costs and these values are reflected as goodwill or negative goodwill as appropriate. Goodwill on consolidation is stated at cost less accumulated impairment. Negative goodwill is recognised immediately in the statement of comprehensive income.
- (b) Under the merger method of accounting, the results of the subsidiaries are presented as if the companies had been combined throughout the current and previous financial years. The difference between the cost of acquisition over the nominal value of the share capital and share premium of the subsidiaries is treated as merger reserve or merger deficit.

2.6 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates it over its useful life. Likewise, when a major replacement occurs, its cost is recognised in the carrying amount as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of comprehensive income as incurred. Freehold land and buildings are measured at fair value less accumulated depreciation on buildings and impairment after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the freehold land and buildings at the reporting date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Property, plant and equipment (cont'd)

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the statement of comprehensive income, in which case the increase has been recognised. A revaluation deficit is recognised in the statement of comprehensive income, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is subsidised to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained profits on retirement or disposal of the asset.

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold land	1%
Buildings and resort properties	2% - 33%
Plant and machinery	10% - 25%
Motor vehicles	20% - 25%
Furniture, fixtures and fittings	10% - 25%
Computers and office equipment	10% - 40%
Renovation	10% - 20%
Cutlery and kitchen utensils	33%
Golf and recreational equipment	10% - 20%

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the statement of comprehensive income in the year the asset is derecognised.

2.7 Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value which reflects market conditions at the reporting date. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. Gains or losses arising from changes in the fair values of investment properties are included in the statement of comprehensive income in the year in which they arise.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Investment properties (cont'd)

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in the statement of comprehensive income in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.6 up to the date of change in use.

2.8 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing the value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment recognised in respect of a CGU or groups of CGUs is allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment is recognised in the statement of comprehensive income except for assets that were previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment may no longer exist or may have decreased. A previously recognised impairment is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment been recognised previously. Such reversal is recognised in the statement of comprehensive income unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment on goodwill is not reversed in a subsequent period.

2.9 Subsidiaries

A subsidiary is an entity over which the Group has all the following:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its investment with the investee; and
- The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in the statement of comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Associate

An associate is an entity in which the Group has significant influence. 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.

On acquisition of an investment in associate, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

An associate is equity accounted for from the date on which the investee becomes an associate.

Under the equity method, on initial recognition, the investment in an associate is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate after the date of acquisition. When the Group's share of losses in an associate equal or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

After application of the equity method, the Group applies FRS 139 Financial Instruments: Recognition and Measurement to determine whether it is necessary to recognise any additional impairment with respect to its net investment in the associate. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with FRS 136 Impairment of Assets as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment is recognised in the statement of comprehensive income. Reversal of an impairment is recognised to the extent that the recoverable amount of the investment subsequently increases.

In the Company's separate financial statements, investment in associate is accounted for at cost less impairment. On disposal of such investment, the difference between net disposal proceeds and its carrying amounts is included in the statement of comprehensive income.

2.11 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

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

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Financial assets (cont'd)

(a) Financial assets at fair value through profit or loss (cont'd)

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gain or loss arising from changes in fair value is recognised in the statement of comprehensive income. Net gain or net loss on financial assets at fair value through profit or loss does not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in the statement of comprehensive income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

As at reporting date, the Group and the Company do not have any financial asset at fair value through profit or loss.

(b) Loans and receivables

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

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in the statement of comprehensive income when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(c) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in the statement of comprehensive income when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

As at reporting date, the Group and the Company do not have any held-to-maturity investment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Financial assets (cont'd)

(d) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

Subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Any gain or loss from changes in fair value of the financial asset is recognised in other comprehensive income, except for impairment, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in the statement of comprehensive income. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of comprehensive income as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in the statement of comprehensive income. Dividends on an available-for-sale equity instrument are recognised in the statement of comprehensive income when the Group's and the Company's rights to receive payment are established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

As at reporting date, the Group and the Company do not have any available-for-sale financial asset.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in the statement of comprehensive income.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

2.12 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Impairment of financial assets (cont'd)

(a) Trade and other receivables and other financial assets carried at amortised cost

If any such evidence exists, the amount of impairment is measured as the difference between the 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 is recognised in the statement of comprehensive income.

The carrying amount of the financial asset is reduced by the impairment directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment 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 reversal is recognised in the statement of comprehensive income.

(b) Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment are not reversed in subsequent periods.

2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.14 Land held for property development and property development costs

(a) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment.

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 costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Land held for property development and property development costs (cont'd)

(b) Property development costs (cont'd)

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the statement of comprehensive income by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date to the estimated total property development costs.

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

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

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

The excess of revenue recognised in the statement of comprehensive income over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in the statement of comprehensive income is classified as advance billings within trade payables.

2.15 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined using either the specific identification or weighted average method, where applicable. Cost of other inventories comprises costs of purchase.

The cost of unsold completed properties comprises cost associated with the acquisition of land, direct costs and appropriate proportions of common costs.

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.

2.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provisions due to the passage of time is recognised as a finance cost.

2.17 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Financial liabilities (cont'd)

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

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

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gain or loss recognised in the statement of comprehensive income. Net gain or loss on derivatives includes exchange differences.

The Group and the Company do not have any financial liability at fair value through profit or loss.

(b) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group and the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

2.18 Financial guarantee contracts

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.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in the statement of comprehensive income in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.20 Employee benefits

(a) Defined contribution plans

The Group and the Company participate in the national pension schemes as defined by the laws of the countries in which it has operations. The Group and the Company make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee share option scheme

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

2.21 Leases

(a) As lessee

Finance leases, which transfer to the Group and the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the statement of comprehensive income. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Leases (cont'd)

(a) As lessee (cont'd)

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group and the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) As lessor

Leases where the Group and the Company retain substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.22(f).

2.22 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(a) Revenue from property development activities

Revenue from sale of development properties is accounted for by using the stage of completion method as described in Note 2.14(b).

(b) Sale of completed properties

Revenue relating to sale of completed properties is recognised, net of discounts, upon the transfer of significant risks and rewards of ownership to the buyer.

(c) Revenue from resort operations

Revenue from rental of rooms, sale of food and beverage and other related income are recognised on an accrual basis.

(d) Sale of goods

Revenue is recognised net of sales taxes and upon transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(e) Revenue from services

Revenue from services rendered is recognised, net of services taxes and discounts, when the services are performed.

(f) Rental income

Income from the rental of property is recognised on an accrual basis in accordance with the terms of the agreements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.22 Revenue (cont'd)

(g) Dividend income

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

(h) Management fees

Management fees are recognised when services are rendered.

(i) Education fees

Tuition fees are recognised on an accrual basis.

2.23 Income taxes

(a) Current tax

Current tax assets and liabilities 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 are enacted or substantively enacted at the reporting date.

Current taxes are recognised in the statement of comprehensive income except to the extent that the tax relates to items recognised either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting nor the taxable profit; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting nor the taxable profit; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 Income taxes (cont'd)

(b) Deferred tax (cont'd)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be utilised.

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

Deferred tax relating to items not recognised in the statement of comprehensive income is recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.24 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 35, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.25 Share capital and share issuance expenses

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 equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.26 Treasury shares

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

2.27 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Critical judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(a) Investment properties

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

Judgement is made on an individual property basis to determine whether ancillary services are significant that a property does not qualify as investment property. Accordingly, any gain arising from the disposal of investment properties should be assessed under Real Property Gains Tax Act, 1976.

(b) Contingent liabilities

The Group determines whether an obligation in relation to a contingent liability exists at the reporting date by taking into account all available evidence, including, the opinion of experts. The evidence considered includes any additional evidence provided by events after the reporting date. On the basis of such evidence, the Group evaluates if the obligation needs to be recognised in the financial statements. Details of the contingent liability involving the Group are disclosed in Note 30.

3.2 Key sources of estimation and uncertainty

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

(a) Receivables

The Group evaluates the collectability of receivables and records provisions for doubtful receivables based on historical collection pattern. These provisions are based on, amongst other things, comparisons of the relative age of accounts and consideration of actual write-off history. The actual level of receivables collected may differ from the estimated levels of provision which could impact operating results positively or negatively.

(b) Impairment of investment

At reporting date, the Group and the Company determine whether the carrying amounts of their investments are impaired. This involves measuring the recoverable amounts which included fair value less cost to sell and valuation techniques. Valuation techniques include the use of discounted cash flow analysis, considering the current market value indicators and recent arms-length market transactions. These estimates provide reasonable approximations to the computation of recoverable amounts.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (cont'd)

3.2 Key sources of estimation and uncertainty (cont'd)

(b) Impairment of investment (cont'd)

In performing discounted cash flow analysis, discount rate and growth rates used reflect, amongst others, the maturity of the business development cycle as well as the industry growth potential. The growth rates used to forecast the projected cash flow for the following year approximate the performances of the respective investments.

(c) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the tax losses and capital allowances can be utilised. Significant 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.

(d) Property development

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

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

When the finalised total actual revenue and cost incurred are different from the estimates, these differences may have an impact on the profit and loss of the various projects. Such differences are recognised in the statement of comprehensive income immediately.

(e) Impairment of property development costs and property, plant and equipment

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

The Group carried out the impairment test based on a variety of estimation including the value in use of the cash-generating units ("CGU") to which the property development costs and property, plant and equipment are allocated. Estimating the value in use requires the Group to make an estimate of the rate in order to calculate the present value of those cash flows.

(f) Liquidated ascertained damages ("LAD")

The Group had provided LAD for properties which have yet to be completed on time. The provision of LAD is based on past experience. Any change, either in the expected time of completion of a particular development or the estimated payout or both, could impact the provision for LAD.

LAD income are recognised to the extent that the economic benefits will flow to the Group and the amount can be reliably measured.

4. REVENUE

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Revenue from property development and related activities	440,025	420,537	–	–
Sale of completed properties	4,472	1,999	–	–
Revenue from resort operations	42,849	40,589	–	–
Educational services	1,401	5,114	–	–
Dividends from a subsidiary	–	–	18,000	15,000
Management fees from subsidiaries	–	–	17,896	17,373
	488,747	468,239	35,896	32,373

5. COST OF SALES

Cost of sales comprise property development cost, cost of completed properties sold, cost of resort and education operations.

Included in the cost of sales are the following:

	Group	
	2014	2013
	RM'000	RM'000
Property development costs (Note 14(b))	286,723	282,588
Cost of completed properties	3,703	2,130

6. FINANCE COSTS

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Interest expense on borrowings	15,296	22,757	2,854	2,131
Less: Amount capitalised in land held for property development/property development costs (Note 14(b))	(556)	(2,488)	–	–
	14,740	20,269	2,854	2,131

7. PROFIT BEFORE TAX

The following amounts have been included in arriving at profit before tax:

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Employee benefits expense (Note 8)	38,191	37,807	11,095	10,515
Non-executive directors' remuneration (Note 9)	1,464	1,523	1,464	1,523
Auditors' remuneration				
- Statutory audit	287	293	56	60
- overprovision in prior year	(21)	(28)	–	–
- others	20	20	10	10
Depreciation (Note 13)	7,418	5,865	187	165
Impairment on receivables	–	2,250	1,559	–
Reversal of Impairment on receivables	(93)	–	–	–
Provision for liabilities (Note 27)	19,591	23,479	–	–
Rental expense	1,155	1,122	585	585
Gain on disposal of investment property	(12,548)	–	–	–
Gain on disposal of associate	–	(980)	–	–
Gain on disposal of property, plant and equipment	(9)	(35)	–	(8)
Fair value gain on investment properties (Note 15)	(7,210)	(15,922)	–	–
Interest income				
- from deposits and HDA	(2,951)	(2,250)	(466)	(727)
- charged to subsidiaries	–	–	(2,617)	(3,422)
Rental income	(2,984)	(2,576)	–	–

8. Employee benefits expense

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Wages and salaries	29,246	29,750	8,667	8,251
Pension costs - Employee Provident Fund ("EPF")	3,874	3,720	1,062	981
Social security costs	408	377	56	53
Other staff benefits	4,663	3,960	1,310	1,230
	38,191	37,807	11,095	10,515

Included in staff costs of the Group and of the Company is the executive director's remuneration amounting to **RM1,093,000** (2013: RM1,093,000) as further disclosed in Note 9.

9. DIRECTORS' REMUNERATION

	Group/Company	
	2014	2013
	RM'000	RM'000
Directors of the Company		
Executive:		
Salaries and other emoluments	920	920
Pension costs - EPF	173	173
	1,093	1,093
Benefits-in-kind	96	96
	1,189	1,189
Non-Executive:		
Fees and other emoluments	1,098	1,126
Allowances	366	397
	1,464	1,523
Total	2,653	2,712

The details of the remuneration of the directors (excluding benefit-in-kind) of the Company are as follows:

	Group/Company	
	2014	2013
	RM'000	RM'000
Tan Sri Datuk (Dr). Hj. Mustapha Kamal bin Hj. Abu Bakar ("Tan Sri MK")	1,022	1,022
Datuk Kasi a/l K. L. Palaniappan ("Datuk P. Kasi")	100	108
Hong Hee Leong	146	141
Hjh. Felina binti Tan Sri Datuk (Dr). Hj. Mustapha Kamal ("Felina")	1,093	1,093
Anita Chew Cheng Im	100	108
Juliana Heather binti Ismail	96	97

10. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense for the year ended 30 June 2014 and 2013 are:

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Income tax:				
Charge for the year	21,632	16,053	1,010	4,616
(Over)/under provided in prior years	(1,834)	(313)	422	(1,123)
	19,798	15,740	1,432	3,493
Deferred tax (Note 19):				
Relating to origination and reversal of temporary differences	(17,833)	3,209	(188)	(206)
Under/(over) provided in prior years	3,785	4,473	(29)	(703)
	(14,048)	7,682	(217)	(909)
	5,750	23,422	1,215	2,584

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2013: 25%) of the estimated assessable profit for the year. The domestic statutory rate will be reduced to 24% from the current year's rate of 25%, effective year assessment 2016 as announced in the Budget 2015.

Reconciliation between tax expense and accounting profit

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	2014	2013
	RM'000	RM'000
Group		
Profit before tax	71,448	63,767
Taxation at Malaysian statutory tax rate of 25% (2013: 25%)	17,862	15,942
Income not subject to tax	(118)	(178)
Expenses not deductible for tax purposes	767	2,156
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	2,059	1,342
Utilisation of previously unrecognised tax losses and unabsorbed capital allowance	(3,760)	–
Reversal of deferred tax liability upon disposal of investment property	(13,011)	–
Over provision of income tax expense in prior years	(1,834)	(313)
Under provision of deferred tax in prior years	3,785	4,473
Income tax expense for the year	5,750	23,422

NOTES TO THE FINANCIAL STATEMENT (cont'd)

10. INCOME TAX EXPENSE (cont'd)

Reconciliation between tax expense and accounting profit (cont'd)

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows: (cont'd)

	2014 RM'000	2013 RM'000
Company		
Profit before tax	<u>17,743</u>	18,117
Taxation at Malaysian statutory tax rate of 25% (2013: 25%)	4,436	4,529
Income not subject to tax	(4,613)	(178)
Expenses not deductible for tax purposes	999	59
Under/(over) provision of income tax expense in prior years	422	(1,123)
Over provision of deferred tax in prior years	(29)	(703)
Income tax expense for the year	<u>1,215</u>	2,584

11. BASIC EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares held by the Company.

	2014	Group 2013
Profit attributable to ordinary equity holders of the Company (RM'000)	65,698	40,345
Weighted average number of ordinary shares in issue ('000)	1,204,590	1,204,590
Basic earnings per share (sen)	<u>5.5</u>	3.3

No item, transaction or event has arisen in the interval between the end of the financial year and the date of this report which has dilutive effect on the ordinary shares.

12. DIVIDENDS

	Group/Company Dividends in respect of /recognised in year	
	2014 RM'000	2013 RM'000
Cash dividends on ordinary shares declared and paid:		
First interim dividend for 2014: 1 sen per share less tax at 25% on 1,207,262,000 ordinary shares of RM1 each less 2,672,000 treasury shares (2013: 1 sen per share less tax at 25% on 1,207,262,000 ordinary shares of RM1 each less 2,672,000 treasury shares).	9,034	9,034
Second interim dividend for 2014: 1 sen per share on 1,207,262,000 ordinary shares of RM1 each less 2,672,000 treasury shares (2013: 1 sen per share less tax at 25% on 1,207,262,000 ordinary shares of RM1 each less 2,672,000 treasury shares).	12,046	9,034
	21,080	18,068

At the forthcoming Annual General Meeting of the Company, a single tier final dividend of 2 sen per share amounting to RM24,092,000 (2013: Nil) in respect of the financial year ended 30 June 2014 will be proposed for shareholders' approval. These financial statements do not reflect this final dividend which will be paid in the financial year ending 30 June 2015 when approved by shareholders.

13. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Leasehold land RM'000	Buildings and resort properties RM'000	Plant and machinery RM'000	Others # RM'000	Total RM'000
At 30 June 2014						
Cost/valuation						
At 1 July 2013	1,400	33,402	172,350	18,852	54,720	280,724
Additions	–	–	15,255	846	–	16,101
Disposals	–	–	–	–	(260)	(260)
At 30 June 2014	1,400	33,402	187,605	19,698	54,460	296,565
Representing:						
At cost	1,400	10,055	57,784	19,698	54,460	143,399
At valuation	–	23,347	129,821	–	–	153,766
At 30 June 2014	1,400	33,402	187,605	19,698	54,460	296,565

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Freehold land RM'000	Leasehold land RM'000	Buildings and resort properties RM'000	Plant and machinery RM'000	Others # RM'000	Total RM'000
Accumulated depreciation						
At 1 July 2013	–	4,710	30,804	18,258	43,063	96,835
Depreciation charge for the year	–	409	4,599	392	2,018	7,418
Disposals	–	–	–	–	(252)	(252)
At 30 June 2014	–	5,119	35,403	18,650	44,829	104,001
Net carrying amount						
At cost	1,400	7,536	54,350	1,048	9,631	73,965
At valuation	–	20,747	97,852	–	–	118,599
At 30 June 2014	1,400	28,283	152,202	1,048	9,631	192,564
At 30 June 2013						
Cost/valuation						
At 1 July 2012	1,400	33,402	147,992	18,832	52,081	253,707
Additions	–	–	24,358	20	3,058	27,436
Disposal	–	–	–	–	(419)	(419)
At 30 June 2013	1,400	33,402	172,350	18,852	54,720	280,724
Representing:						
At cost	1,400	10,055	42,529	18,852	54,720	127,556
At valuation	–	23,347	129,821	–	–	153,168
At 30 June 2013	1,400	33,402	172,350	18,852	54,720	280,724
Accumulated depreciation						
At 1 July 2012	–	4,316	26,560	18,186	42,327	91,389
Depreciation charge for the year	–	394	4,244	72	1,155	5,865
Disposal	–	–	–	–	(419)	(419)
At 30 June 2013	–	4,710	30,804	18,258	43,063	96,835
Net carrying amount						
At cost	1,400	7,696	42,529	594	11,657	63,876
At valuation	–	20,996	99,017	–	–	120,013
At 30 June 2013	1,400	28,692	141,546	594	11,657	183,889

Others comprise motor vehicles, furniture, fixtures and fittings, computers, office equipment, renovation, cutlery and kitchen utensils, and golf and recreational equipment.

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Renovation RM'000	Furniture, fixtures and fittings RM'000	Computers and office equipment RM'000	Motor vehicles RM'000	Total RM'000
Company					
At 30 June 2014					
Cost					
At 1 July 2013	707	1,596	873	732	3,908
Additions	–	2	115	–	117
At 30 June 2014	707	1,598	988	732	4,025
Accumulated depreciation					
At 1 July 2013	703	1,541	669	630	3,543
Depreciation charge for the year	2	10	98	77	187
At 30 June 2014	705	1,551	767	707	3,730
Net carrying amount					
At 30 June 2014	2	47	221	25	295
At 30 June 2013					
Cost					
At 1 July 2012	707	1,600	777	839	3,923
Additions	–	23	194	–	217
Disposal	–	(27)	(98)	(107)	(232)
At 30 June 2013	707	1,596	873	732	3,908
Accumulated depreciation					
At 1 July 2012	701	1,556	684	661	3,602
Depreciation charge for the year	2	12	75	76	165
Disposal	–	(27)	(90)	(107)	(224)
At 30 June 2013	703	1,541	669	630	3,543
Net carrying amount					
At 30 June 2013	4	55	204	102	365

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (a) Net carrying amount of the Group's property, plant and equipment held under hire purchase and finance lease arrangements are as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Others	<u>279</u>	264	<u>25</u>	102

- (b) Net carrying amount of the Group's property, plant and equipment pledged for borrowings as referred to in Note 25 are as follows:

	Group	
	2014 RM'000	2013 RM'000
Leasehold land and buildings	<u>15,933</u>	16,200

- (c) Long term leasehold land and buildings were revalued on 30 June 2013, by a Malaysian registered private limited company approved by the Board of Valuer, Appraisers and Estate Agents, Malaysia, using the comparison method on the basis of open market value.
- (d) Had the revalued buildings been carried at historical cost, the net carrying amount that would have been included in the financial statements of the Group would have been:

	Group	
	2014 RM'000	2013 RM'000
Buildings	<u>35,270</u>	37,333

- (e) Included in the Group's building and resort properties is RM Nil (2013: RM42,529,000) which relate to expenditure for a hotel in the course of construction.

14. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

(a) Land held for property development

	Group	
	2014	2013
	RM'000	RM'000
At beginning of the year		
Land cost	309,387	309,387
Development costs	288,461	292,554
	<u>597,848</u>	<u>601,941</u>
Cost incurred during the year:		
Development costs	209	6,652
Transfers:		
From/(to) property development costs	13,929	(10,745)
At end of the year	<u>611,986</u>	<u>597,848</u>

(b) Property development costs

	Group	
	2014	2013
	RM'000	RM'000
At beginning of the year		
Freehold land	26,222	26,222
Leasehold land	130,238	119,459
Development costs	1,378,766	1,104,764
	<u>1,535,226</u>	<u>1,250,445</u>
Costs incurred during the year:		
Leasehold land	–	34
Development costs	219,880	274,002
	<u>219,880</u>	<u>274,036</u>

	Group	
	2014	2013
	RM'000	RM'000
Costs recognised in the statement of comprehensive income:		
At beginning of the year	(1,085,547)	(836,759)
Recognised during the year (Note 5)	(286,723)	(282,588)
At end of the year	<u>(1,372,270)</u>	<u>(1,119,347)</u>
Transfer:		
(To)/from land held for property development	(13,929)	10,745
	<u>(13,929)</u>	<u>10,745</u>
At end of the year	<u>368,907</u>	<u>415,879</u>

14. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONT'D)**(b) Property development costs (cont'd)**

The following properties and their related development expenditure are pledged as security for borrowings granted to the Group as disclosed in Note 25:

	2014 RM'000	2013 RM'000
Land held for property development:		
Freehold land	13,068	13,068
Leasehold land	68,481	68,481
	<u>81,549</u>	<u>81,549</u>
Property development costs:		
Freehold land	24,993	24,993
Leasehold land	28,717	28,717
	<u>53,710</u>	<u>53,710</u>
	<u>135,259</u>	<u>135,259</u>

Title deeds in respect of freehold land with a carrying value of RM6,981,000 (2013: RM6,981,000) are not registered under a subsidiary's name and will be eventually transferred directly to house buyers upon sale of the properties.

Included in the Group's development expenditure is the following cost incurred during the financial year:

	2014 RM'000	2013 RM'000
Interest expense capitalised (Note 6)	<u>556</u>	<u>2,488</u>

15. INVESTMENT PROPERTIES

	Group 2014 RM'000	2013 RM'000
At beginning of the year	211,087	195,165
Disposed during the year	(71,000)	–
Fair value adjustments (Note 7)	7,210	15,922
At end of the year	<u>147,297</u>	<u>211,087</u>

The following investment properties are held under lease terms:

Long term leasehold land and buildings	<u>147,297</u>	<u>211,087</u>
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Investment properties amounting to RM39,033,000 (2013: RM110,649,000) have been pledged to financial institutions for borrowings as referred to in Note 25.

Investment properties were valued by independent professional valuers using the comparison method of valuation.

16. INVESTMENTS IN SUBSIDIARIES

	Company	
	2014	2013
	RM'000	RM'000
Unquoted shares, at cost	1,924,055	1,924,055
Less: Impairment	(750)	(750)
	<u>1,923,305</u>	<u>1,923,305</u>

Details of the subsidiaries, all of which are incorporated in Malaysia, are as follows:

Name of company	Proportion of ownership interest (%)		Principal activities
	2014	2013	
BML Management Sdn. Bhd.	100	100	Property maintenance services
Bukit Merah Resort Sdn. Bhd.	100	100	Operator of resort and theme park
Centralpolitan Development Sdn. Bhd.	100	100	Property development
Dominant Star Sdn. Bhd.	100	100	Property development, owner of hotel and golf course and investment holding
Golden Precinct Sdn. Bhd.	100	100	Property rental and management
Medan Prestasi Sdn. Bhd.	100	100	Property development, property investment and investment holding
Melur Unggul Sdn. Bhd.	100	100	Dormant
M K Development Sdn. Bhd.	100	100	Property development and property investment
M K Land Resources Sdn. Bhd.	100	100	Investment and property holding
M K Land Ventures Sdn. Bhd.	100	100	Investment and property holding
Paramoden Sdn. Bhd.	100	100	Property development
Plato Construction Sdn. Bhd.	100	100	General construction
Profil Etika (M) Sdn. Bhd.	100	100	Dormant
Prominent Valley Bhd.	100	100	Operator of golf club

NOTES TO THE FINANCIAL STATEMENT (cont'd)

16. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries, all of which are incorporated in Malaysia, are as follows: (cont'd)

Name of company	Proportion of ownership interest (%)		Principal activities
	2014	2013	
Pujaan Pasifik Sdn. Bhd.	100	100	Operator of hotel
Saujana Triangle Sdn. Bhd.	100	100	Property development, property investment and investment holding
Segi Objektif (M) Sdn. Bhd.	100	100	Property development, owner of resort and theme park and investment holding
Sumbangan Berkat Sdn. Bhd.	100	100	Operator of hotel
Tema Teladan Sdn. Bhd.	100	100	Property development, owner of hotel and investment holding
Vast Option Sdn. Bhd.	100	100	Provision of educational services
Vibrant Leisure Sdn. Bhd.	100	100	Property development
Zaman Teladan Sdn. Bhd.	100	100	Property development
Paramount Innovation Sdn. Bhd.	100	100	Property Investment holding
M K Training & Consultancy Sdn. Bhd.	100	100	Dormant
Ritma Mantap Sdn. Bhd.	100	100	Dormant
Duta Realiti Sdn. Bhd.	100	100	Dormant

The above subsidiaries are audited by Ernst & Young, Malaysia

17. INVESTMENT IN ASSOCIATE

	Group	
	2014 RM'000	2013 RM'000
In Malaysia:		
Unquoted shares, at cost	119	119
Share of losses recognised	(119)	(119)
Represented by share of net assets	—	—

17. INVESTMENT IN ASSOCIATE (CONT'D)

Details of the associate which have the same continuous financial year end is as follow:

Name of company	Country of incorporation	Equity interest held (%)		Principal activities
		2014	2013	
M K Embassy Land Sdn. Bhd.	Malaysia	47.5%	47.5%	Investment holding

The summarised financial information of the associate, not adjusted for the proportion of ownership interest held by the Group, is as follow:

	Group	
	2014 RM'000	2013 RM'000
Assets and liabilities		
Total assets	2,687	2,687
Total liabilities	2,521	2,521
Results		
Revenue	—	—
Loss for the year	(3)	(2,931)

The Group has not recognised losses relating to its associate where its share of losses exceeds the Group's interest in this associate. The Group's cumulative share of unrecognised losses at the reporting date was RM1,392,000 (2013: RM1,392,000), of which RM2,000 (2013: RM1,392,000) was the share of the current year's losses. The Group has no obligation in respect of these losses.

18. OTHER INVESTMENTS

	Group/Company	
	2014 RM'000	2013 RM'000
Investment in bonds, held to maturity		
At the beginning of the year	4,000	4,000
Less: Impairment	(4,000)	(4,000)
At end of the year	—	—

19. DEFERRED TAX

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
At beginning of the year	39,678	31,996	(2,889)	(1,980)
Recognised in the statement of comprehensive income (Note 10)	(14,048)	7,682	(217)	(909)
At end of the year	25,630	39,678	(3,106)	(2,889)
Presented after appropriate offsetting as follows:				
Deferred tax assets	(4,090)	(3,847)	(3,151)	(2,952)
Deferred tax liabilities	29,720	43,525	45	63
	25,630	39,678	(3,106)	(2,889)

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:

	Other receivables RM'000	Revaluation of assets RM'000	Excess of capital allowances over book depreciation RM'000	Investment properties RM'000	Total RM'000
At 1 July 2013	5,636	5,677	6,102	25,993	43,408
Recognised in the statement of comprehensive income	(2,169)	(231)	1,643	(11,904)	(12,661)
At 30 June 2014	3,467	5,446	7,745	14,089	30,747
At 1 July 2012	3,293	7,076	2,585	22,011	34,965
Recognised in the statement of comprehensive income	2,343	(1,399)	3,517	3,982	8,443
At 30 June 2013	5,636	5,677	6,102	25,993	43,408

19. DEFERRED TAX (CONT'D)

Deferred tax assets of the Group:

	Tax losses and unabsorbed capital allowances RM'000	Provisions RM'000	Unabsorbed investment tax allowances RM'000	Total RM'000
At 1 July 2013	3,499	(6,434)	(795)	(3,730)
Recognised in the statement of comprehensive income	(658)	(729)	–	(1,387)
At 30 June 2014	2,841	(7,163)	(795)	(5,117)
At 1 July 2012	3,305	(5,479)	(795)	(2,969)
Recognised in the statement of comprehensive income	194	(955)	–	(761)
At 30 June 2013	3,499	(6,434)	(795)	(3,730)

Deferred tax assets have not been recognised by the Group in respect of the following items:

	Group	
	2014 RM'000	2013 RM'000
Unutilised tax losses	38,796	45,600
Unabsorbed capital allowances	2,754	2,754
Other deductible temporary differences	9,770	9,770
	51,320	58,124

The availability of the unutilised tax losses, unabsorbed capital allowances and other deductible temporary differences for offsetting against future taxable profits of the respective subsidiaries are subject to no substantial changes in shareholdings under the Income Tax Act, 1967 and guidelines issued by the tax authority.

Deferred tax assets were not recognised in respect of the above as certain subsidiaries do not foresee sufficient future taxable profits be available for offsetting against these items.

19. DEFERRED TAX (CONT'D)

Deferred tax liabilities of the Company:

	Excess of capital allowances over book depreciation RM'000
At 1 July 2013	63
Recognised in the statement of comprehensive income	(18)
At 30 June 2014	45
At 1 July 2012	37
Recognised in the statement of comprehensive income	26
At 30 June 2013	63

Deferred tax assets of the Company:

	Accruals RM'000
At 1 July 2013	(2,952)
Recognised in the statement of comprehensive income	(199)
At 30 June 2014	(3,151)
At 1 July 2012	(2,017)
Recognised in the statement of comprehensive income	(935)
At 30 June 2013	(2,952)

20. INVENTORIES

	Group 2014 RM'000	2013 RM'000
Cost:		
Completed properties	113,027	116,730
Food, beverage, supplies and merchandise	833	959
	113,860	117,689

During the year, the amount of inventories recognised as an expense in cost of sales of the Group was **RM3,829,000** (2013: RM2,193,000)

21. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Trade receivables				
Third parties	81,275	57,569	–	–
Stakeholders' sum	14,813	15,202	–	–
Accrued billings in respect of property development costs	213,935	201,180	–	–
	310,023	273,951	–	–
Less: Allowance for impairment	(7,052)	(7,145)	–	–
Trade receivables, net	302,971	266,806	–	–
Other receivables				
Advances to contractors	13,766	13,530	–	–
Deposits and prepayments	7,773	6,830	103	114
Due from associate	1,431	1,431	–	–
Due from subsidiaries	–	–	338,304	373,339
Sundry receivables*	29,531	42,557	20	20
	52,501	64,348	338,427	373,473
Less: Allowance for impairment	(31,055)	(31,055)	(1,559)	–
Other receivables, net	21,446	33,293	336,868	373,473
Total trade and other receivables	324,417	300,099	336,868	373,473
Add: Cash and bank balances (Note 22)	207,290	110,427	40,896	31,696
Less: Prepayments	–	(551)	–	(43)
Total loans and receivables	531,707	409,975	377,764	405,126

* Included in the Group's sundry receivables is an amount due from a contractor for liquidated ascertained damages receivable on late completion of projects undertaken by the said contractor amounting to RM7,790,000 (2013: RM13,776,000), which has been fully provided.

(a) Trade receivables

The Group's normal trade credit terms ranges from 14 to 90 days (2013: 14 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

21. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables (cont'd)

Ageing analysis of trade receivables

The ageing of trade receivables as at the reporting date is as follows:

	Group	
	2014 RM'000	2013 RM'000
Neither past due nor impaired	18,675	13,357
1 to 30 days past due not impaired	5,571	9,523
31 to 60 days past due not impaired	7,318	3,701
Above 60 days past due not impaired	42,659	23,843
Impaired	7,052	7,145
	81,275	57,569

Receivables that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

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

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM55,548,000 (2013: RM37,067,000) that are past due at the reporting date but not impaired.

Receivables that are impaired

The Group's trade and other receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

Allowance for impairment

	Group	
	2014 RM'000	2013 RM'000
Trade receivables	7,052	7,145
Other receivables	31,055	31,055
	38,107	38,200

21. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables (cont'd)

The movement in allowance account for receivables are as follows:

	Group	
	2014 RM'000	2013 RM'000
At 1 July	38,200	35,950
Charge for the year	–	2,250
Reversal of impairment	(93)	–
At 30 June	38,107	38,200

(b) Due from subsidiaries

	Company	
	2014 RM'000	2013 RM'000

The amounts due from subsidiaries are classified as follows:

Current

Management fees receivable	17,896	17,373
Non-trade	320,408	355,966
	338,304	373,339

Certain amount due from subsidiaries which represent term loans and revolving credits proceeds on-lent to subsidiaries are subject to the same interest and terms of repayment as detailed in Note 25. The term loans and revolving credits are subject to interest from 6.3% to 7.2% (2013: 6.3% to 7.2%) per annum respectively.

The other amounts due from subsidiaries are unsecured, non-interest bearing and have no fixed terms of repayment.

22. CASH AND CASH EQUIVALENTS

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Cash on hand and at banks	188,209	104,821	27,955	30,784
Deposits with licensed banks	19,081	5,606	12,941	912
Cash and bank balances	207,290	110,427	40,896	31,696

22. CASH AND CASH EQUIVALENTS (CONT'D)

Included in cash and bank balances of the Group and the Company are:

	Group	
	2014	2013
	RM'000	RM'000
Amounts maintained pursuant to Section 7A of the Housing Developers (Control and Licensing) Act, 1966 ("HDA")	57,210	42,313
Deposits with licensed banks pledged for bank guarantee facilities	6,275	6,288

The weighted average effective interest rates of deposits as at reporting date were as follows:

	Group		Company	
	2014	2013	2014	2013
	%	%	%	%
Licensed banks	3.3	3.0	3.4	2.1

The weighted average effective maturity of deposits as at reporting date were as follows:

	Group		Company	
	2014	2013	2014	2013
	Days	Days	Days	Days
Licensed banks	355	365	365	365

For the purpose of the statements of cash flow, cash and cash equivalents comprise the following as at the reporting date:

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	207,290	110,427	40,896	31,696
Bank overdrafts (Note 25)	—	(2,261)	—	—
Total cash and cash equivalents	207,290	108,166	40,896	31,696

23. SHARE CAPITAL

	Number of ordinary shares of RM1 each		Amount	
	2014 '000	2013 '000	2014 RM'000	2013 RM'000
Authorised:				
At beginning/end of the year	<u>2,000,000</u>	2,000,000	<u>2,000,000</u>	2,000,000
Issued and fully paid:				
At beginning/end of the year	<u>1,207,262</u>	1,207,262	<u>1,207,262</u>	1,207,262

The holders of the ordinary shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(a) Employee Share Option Scheme ("ESOS")

The Company's ESOS is governed by the by-laws approved by the shareholders at an Extraordinary General Meeting held on 29 November 2002. As at the reporting date and at the date of this report, the ESOS has yet to be implemented. Accordingly, no options have been granted at the reporting date.

The salient features of the ESOS are as follows:

- (i) The ESOS shall be in force for a period of five years from the date of offer which is yet to be determined.
- (ii) Eligible persons are full time employees of the Group (including executive directors subject to the approval by the Company in a general meeting) and must have attained the age of eighteen years before the date of the offer. The eligibility for participation in the ESOS shall be at the discretion of the Option Committee appointed by the Board of Directors.
- (iii) Total number of shares to be offered shall not at the time of offering the options exceed 10% of the total issued and paid-up capital of the Company at any point in time or such maximum percentages as may be permitted by the relevant authorities from time to time during the tenure of the ESOS.
- (iv) The option price for each share shall be the average of the mean market price of the shares as shown in the daily official list issued by Bursa Malaysia Securities Berhad for the five trading days preceding the date of offer, or the par value of the shares of the Company of RM1.00, whichever is the higher.
- (v) There will be an equitable allocation to the various grades of eligible employees, such that not more than 50% of the shares available under the scheme should be allocated, in aggregate, to the senior management. In addition, not more than 10% of the shares available under the scheme should be allocated to any eligible employee who, either singly or collectively through his or her associates, holds 20% or more in the issued and paid up capital of the Company.
- (vi) An option granted under the ESOS shall be capable of being exercised by the grantee by notice in writing to the Company before the expiry of five years from the date of the offer or such shorter period as may be specified in such offer.
- (vii) The number of shares under option or the option price or both so far as the options remain unexercised may be adjusted following any variation in the issued share capital of the Company by way of capitalisation or rights issue or a reduction, subdivision or consolidation of the Company's shares made by the Company.

23. SHARE CAPITAL (CONT'D)**(a) Employee Share Option Scheme ("ESOS") (cont'd)**

- (viii) The shares under option shall remain unissued until the option is exercised and shall on allotment rank pari passu in all respects with the existing shares of the Company at the time of allotment save that they will not entitle the holders thereof to receive any rights and bonus issues announced or to any dividend or other distribution declared to the shareholders of the Company as at a date which precedes the date of the exercise of the option.

(b) Treasury shares

This amount relates to the acquisition cost of treasury shares net of the proceeds received on their subsequent sale or issuance. As at 30 June 2014, the Company held as treasury shares a total of 2,672,000 of its 1,207,262,000 issued ordinary shares. Such treasury shares, in accordance with Section 67A of the Companies Act, 1965, are held at a carrying amount of RM1,904,000.

24. RETAINED EARNINGS

Under the single tier tax system which came into effect on 1 January 2014, companies are not required to have tax credits under Section 108 of the Income Tax Act, 1967 for dividend payment purposes. Dividends paid under this system are tax exempt in the hands of shareholders.

The balance of the entire retained earnings as at 30 June 2014 may be distributed as dividends under the single tier system. In addition, the Company has tax exempt income of RM7,843,000 (2013: RM7,843,000) available as at 30 June 2014 to pay as tax exempt dividends.

25. BORROWINGS

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Short term borrowings				
Secured:				
Bank overdrafts	–	2,261	–	–
Revolving credits	15,906	33,306	5,000	8,000
Term loans	1,093	9,899	–	2,038
Hire purchase payables (Note 26)	49	125	12	70
	17,048	45,591	5,012	10,108
Long term borrowings				
Secured:				
Term loans	75,886	105,300	11,599	28,973
Hire purchase payables (Note 26)	133	36	3	15
	76,019	105,336	11,602	28,988

25. BORROWINGS (CONT'D)

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Total borrowings				
Bank overdrafts (Note 22)	–	2,261	–	–
Revolving credits	15,906	33,306	5,000	8,000
Term loans	76,979	115,199	11,599	31,011
Hire purchase payables (Note 26)	182	161	15	85
	93,067	150,927	16,614	39,096

- (a) The weighted average interest rates during the financial year for borrowings, excluding hire purchase payables, were as follows:

	Group		Company	
	2014	2013	2014	2013
	%	%	%	%
Bank overdrafts	8.3	8.3	8.3	8.1
Revolving credits	5.4	5.8	6.3	6.3
Term loans	7.8	7.5	7.2	7.2

- (b) The secured borrowings of the Group and of the Company are secured by certain assets of the Group and of the Company as disclosed in Notes 13, 14, and 15.

26. HIRE PURCHASE PAYABLES

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Minimum lease payments:				
Not later than 1 year	59	133	15	72
Later than 1 year but not later than 2 years	21	42	–	16
Later than 2 years but not later than 5 years	82	–	–	–
Later than 5 years	56	–	–	–
	218	175	15	88
Less: Future finance charges	(36)	(14)	–	(3)
Present value of finance lease liabilities	182	161	15	85

26. HIRE PURCHASE PAYABLES (CONT'D)

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Present value of hire purchase liabilities:				
Not later than 1 year	49	125	12	70
Later than 1 year but not later than 2 years	15	36	3	15
Later than 2 years but not later than 5 years	67	—	—	—
Later than 5 years	51	—	—	—
	182	161	15	85

Analysed as:

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Due within 12 months (Note 25)	49	125	12	70
Due after 12 months (Note 25)	133	36	3	15
	182	161	15	85

The Group has hire purchase contracts for various items of property, plant and equipment (Note 13). The effective interest rate of the hire purchase during the year ranged from 5.6% to 6.4% (2013: 5.6% to 6.4%) per annum.

Other information on financial risks of hire purchase liabilities are disclosed in Note 32.

27. PROVISION FOR LIABILITIES

Group	Guaranteed rental returns RM'000	Marketing incentives RM'000	Liquidated ascertained damages RM'000	Total RM'000
At 30 June 2014				
At beginning of the year	—	2,304	77,844	80,148
Provision during the year (Note 7)	—	46	19,545	19,591
Utilisation during the year	—	(304)	(803)	(1,107)
Reversal of provision	—	—	(548)	(548)
At end of the year	—	2,046	96,038	98,084
Current	—	2,046	96,038	98,084

27. PROVISION FOR LIABILITIES (CONT'D)

Group	Guaranteed rental returns RM'000	Marketing incentives RM'000	Liquidated ascertained damages RM'000	Total RM'000
At 30 June 2013				
At beginning of the year	1,103	3,759	63,635	68,497
Provision during the year (Note 7)	4,305	53	19,121	23,479
Utilisation during the year	(5,408)	(1,508)	(2,765)	(9,681)
Reversal of provision	–	–	(2,147)	(2,147)
At end of the year	–	2,304	77,844	80,148
Current	–	2,304	77,844	80,148

(a) Guaranteed rental returns and marketing incentives

Provisions for guaranteed rental returns and marketing incentives are in respect of the sale of development properties of the Group. The provisions are recognised for the expected guaranteed rental returns and marketing incentives granted to the purchasers based on agreements which outline the terms of the applicable guaranteed rental returns and marketing incentives.

(b) Liquidated ascertained damages

Provision for liquidated and ascertained damaged is in respect of projects undertaken by the Group. The provision is recognised for the expected liquidated ascertained damaged claims based on the terms of the applicable sale and purchase agreements.

28. LONG TERM PAYABLE

Long term payable relates to amount payable to the State Government of Perak is unsecured, non-interest bearing and payable according to the progress of development undertaken by a subsidiary.

The repayment schedule for land cost payable is as follows:

Group	Total RM'000	Under 1 year RM'000	1-5 years RM'000	Over 5 years RM'000
Unsecured				
2014				
Land cost payable	60,973	–	–	60,973
2013				
Land cost payable	57,423	–	–	57,423

The long term payable is discounted at the rate of 5.75%.

29. Trade and other payables

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Current				
Trade payables				
Third parties	226,032	181,668	–	–
Retention sums	66,365	64,013	–	–
Advance billings in respect of property development costs	24,890	3,615	–	–
	317,287	249,296	–	–
Other payables				
Due to directors	2,833	2,836	2,833	2,836
Interest payable	55	157	–	2,835
Sundry payables	40,042	27,449	–	90
Other accruals	29,016	29,382	9,339	8,552
Deposits and amount refundable to purchasers	122,540	169,012	–	–
Dividend payable	12,046	9,034	12,046	9,034
Due to subsidiaries	–	–	285,822	288,033
Amounts due to companies in which directors have interests	22	72	–	–
Amount due to State Government	23,218	23,793	–	–
	229,772	261,735	310,040	311,380
	547,059	511,031	310,040	311,380
Non-current				
Long term payables (Note 28)	60,973	57,423	–	–
Total trade and other payables	608,032	568,454	310,040	311,380
Add: Loans and borrowings (Note 25)	93,067	150,927	16,614	39,096
Total financial liabilities carried at amortised costs	701,099	719,381	326,654	350,476

(a) Trade payables

The normal trade credit terms granted to the Group ranges from 30 to 90 days (2013: 30 to 90 days).

(b) Due to subsidiaries

The amounts due to subsidiaries are non-trade in nature, unsecured, non-interest bearing and have no fixed terms of repayment.

29. TRADE AND OTHER PAYABLES (CONT'D)

(c) Amounts due to directors

The amounts due to directors comprise the following:

	Group/Company	
	2014	2013
	RM'000	RM'000
Due to directors in respect of directors' remuneration	<u>2,833</u>	2,836

The amounts due to directors and companies in which directors have interests are unsecured, non-interest bearing and have no fixed terms of repayment.

Further details on related party transactions are disclosed in Note 31.

(d) Sundry payables

Included in sundry payables are gratuities provided for previous executive directors amounted to **RM5,464,800** (2013: RM5,464,800).

30. CONTINGENT LIABILITIES (UNSECURED)

Gain on sale of investment properties sold in previous years

Between financial years 2002 and 2004, a wholly owned subsidiary, Medan Prestasi Sdn Bhd ("MPSB") disposed of certain investment properties and filed the necessary forms as required by the Real Property Gains Tax Act, 1976. The Inland Revenue Board ("IRB") contended that the gain from the sale should be subject to income tax instead of the Real Property Gains Tax and has raised an assessment of approximately RM14.6 million (inclusive of a penalty of RM3.9 million). MPSB after due consideration and in consultation with its tax agent disagreed with the IRB's position and appealed against the assessment.

Subsequently, IRB rejected MPSB's appeal and demanded MPSB to pay the outstanding tax and additional penalties amounting to RM13,503,000. MPSB then appealed to the Special Commissioner of Income Tax ("SCIT") and subsequently to the High Court. The High Court, on 14 September 2012, ordered for a hearing to be fixed and determined before a new panel of SCIT.

On 14 September 2012, the Kuala Lumpur High Court held that there was a valid appeal and directed for the matter to be remitted to the SCIT to be heard. The SCIT has fixed the hearing date on 20 and 21 October 2014.

The Group has not made any provision in the financial statements for this amount as MPSB is disputing the basis of the assessment that the disposal of these investment properties should be subject to Real Property Gains Tax Act, 1976.

31. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	Company	
	2014	2013
	RM'000	RM'000
Rental of premises payable to subsidiaries	585	585
Management fees from subsidiaries	(17,896)	(17,373)
Dividend income from subsidiaries	(18,000)	(15,000)

The directors are of the opinion that all the transactions above have been entered into in the normal course of the business and have been established on mutually agreed terms and conditions.

- (b) Compensation of key management personnel

The remuneration of directors and other members of key management during the year are as follows:

	Group/Company	
	2014	2013
	RM'000	RM'000
Salaries and other emoluments	1,920	1,920
Pension cost - EPF	317	317

Included in the total key management personnel compensation are:

	Group/Company	
	2014	2013
	RM'000	RM'000
Directors' remuneration	1,093	1,093

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management objectives seek to ensure that adequate financial resources are available for the development of the Group's business whilst managing its interest rate, credit, liquidity and fair value risks. The Group's policy is not to engage in speculative transactions.

(a) Credit Risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

At the reporting date there were no significant concentrations of credit risk that may arise from exposures to a single debtor or to groups of debtors. The maximum exposure to credit risk for the Group and the Company is represented by the carrying amount of each financial asset.

At the reporting date, the Company provided corporate guarantees to some of its subsidiaries in respect of credit facilities granted totalling **RM76,409,000** (2013: RM111,670,000).

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit Risk (cont'd)

The value of corporate guarantees provided by the Company to its subsidiaries are determined by reference to the difference in the interest rates, by comparing the actual rates charged by the suppliers if these guarantees has not been available. The directors have assessed the fair value of these corporate guarantees to have no material financial impact on the results and the retained profits of the Company.

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 21. Deposits with banks and other financial institutions, investment securities and derivatives 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 credit enhancements for trade receivables is disclosed in Note 21.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group and the Company manage their liquidity risks by maintaining adequate reserves, access to various sources of banking facilities which are sufficient to meet anticipated funding requirements, and reserve borrowing facilities by continuously monitoring its forecasts and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Maturity analysis

The table below summarises the maturity profile of the Group's and Company's financial liabilities at the reporting date based on undiscounted contractual payment obligations:

	Total	Under	1–5	Over 5
	RM'000	1 year	years	years
		RM'000	RM'000	RM'000
Group				
2014				
Financial liabilities:				
Trade and other payables	547,059	547,059	–	–
Borrowings	93,067	17,048	76,019	–
Long term payable	60,973	–	–	60,973
Total undiscounted financial liabilities	701,099	564,107	76,019	60,973

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)**(b) Liquidity risk (cont'd)**

Group	Total RM'000	Under 1 year RM'000	1-5 years RM'000	Over 5 years RM'000
2013				
Financial liabilities:				
Trade and other payables	511,031	511,031	–	–
Borrowings	150,927	45,591	97,131	8,205
Long term payables	57,423	–	–	57,423
Total undiscounted financial liabilities	719,381	556,622	97,131	65,628
Company				
2014				
Financial liabilities:				
Other payables	310,040	310,040	–	–
Borrowings	16,614	5,012	11,602	–
Total undiscounted financial liabilities	326,654	315,052	11,602	–
2013				
Financial liabilities:				
Other payables	311,380	311,380	–	–
Borrowings	39,096	10,108	28,988	–
Total undiscounted financial liabilities	350,476	321,488	28,988	–

(c) 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.

The Group's and the Company's interest rate risk arises primarily from interest-bearing borrowings.

Sensitivity analysis for interest rate risk

A change of 25 basis points in the interest rates being lower/higher, with all other variables held constant, would impact the Group's profit net of tax by RM232,000.

33. FAIR VALUES

Financial instruments

The Group's and the Company's financial instruments consist of cash and cash equivalents, investments and loans, trade and other receivables, borrowings, trade and other payables and various debt and currency management instruments.

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

This analysis assumes that all other variables remain constant.

The following table analyses financial instruments not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position. The different levels have been defined as follows:

Group	Fair value of financial instruments not carried at fair value				Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
2014					
Financial liabilities					
Revolving credits	–	15,906	–	15,906	15,906
Term loans	–	61,276	–	61,276	76,979
Hire purchase payables	–	159	–	159	182
2013					
Financial liabilities					
Bank overdrafts	–	2,261	–	2,261	2,261
Revolving credits	–	33,306	–	33,306	33,306
Term loans	–	98,094	–	98,094	115,199
Hire purchase payables	–	140	–	140	161

33. FAIR VALUES (CONT'D)**Financial instruments (cont'd)**

	Fair value of financial instruments not carried at fair value				Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
Company					
2014					
Financial liabilities					
Revolving credits	–	5,000	–	5,000	5,000
Term loans	–	10,497	–	10,497	11,599
Hire purchase payables	–	15	–	15	15
2013					
Financial liabilities					
Revolving credits	–	8,000	–	8,000	8,000
Term loans	–	29,073	–	29,073	31,011
Hire purchase payables	–	80	–	80	85

For other financial instruments listed above, fair values have been determined by discounting expected future cash flows at market incremental lending rate for similar types of borrowings at the reporting date. There has been no transfers between Level 1 and Level 2 fair values during the financial year.

Non financial instruments

The following table provides the fair value measurement hierarchy of the Group's assets.

Quantitative disclosures fair value measurement hierarchy for asset as at 30 June 2014 and 30 June 2013:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets measured at fair value:				
2014				
Property, plant and equipments	–	118,599	–	118,599
Investment properties	–	147,297	–	147,297
2013				
Property, plant and equipments	–	120,013	–	120,013
Investment properties	–	211,087	–	211,087

33. FAIR VALUES (CONT'D)

Non financial instruments (cont'd)

- Level 1 - the fair value is measured using quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - the fair value is measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices)
- Level 3 - the fair value is measured using inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Determination of fair values

(a) Borrowings

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

(b) Long term receivables/payables

Fair value of long term receivables/payables are based on discounting expected future cash flows at market incremental lending rate for the receivable/payable.

34. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a good credit rating and capital ratios in order to support its business, maximise shareholders' values, maintaining financial flexibility for its business requirement and investing for future growth. The Group manages its capital structure in accordance to the changes in economic conditions, its business plans and future commitments. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2014 and 2013.

The gearing ratios as at 30 June 2014 and 2013 were as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Total Equity	1,146,757	1,102,139	1,978,460	1,983,012
Total Debt	93,067	150,927	16,614	39,096
Gearing ratio (times)	0.08	0.14	0.01	0.02

35. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

- (i) Property development and related activities - the development of mixed properties and its related activities;
- (ii) Leisure - operation of resorts/hotels, golf course and theme parks;
- (iii) Educational - provision of educational services; and
- (iv) Investment holding - investment in subsidiaries and property investment.

There are no other operating segments which have been aggregated to form the above four reportable operating segments.

No segmental information is provided on a geographical basis as the Group's activities are carried out predominantly in Malaysia.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established under terms that are no less favourable than those arranged with independent parties.

35. SEGMENT INFORMATION (CONT'D)

	Property development				Leisure				Investment holding				Education				Elimination				Consolidated			
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue																								
External	444,497	422,537	42,849	40,589	-	-	-	-	-	-	1,401	5,113	-	-	488,747	468,239	-	-	488,747	468,239	-	-	-	-
Inter-segment	-	-	-	-	-	-	36,854	33,322	-	-	-	-	-	(36,854)	-	-	(36,854)	(33,322)	-	-	-	-	-	-
Total revenue	444,497	422,537	42,849	40,589	-	-	36,854	33,322	-	-	1,401	5,113	-	(36,854)	488,747	468,239	(36,854)	(33,322)	488,747	468,239	-	-	-	-
Results																								
Interest income	2,798	2,820	44	44	-	-	3,067	2,801	-	-	3	7	-	(2,961)	2,951	2,250	(3,422)	(3,422)	2,951	2,250	-	-	-	-
Dividend income	-	-	-	-	-	-	18,000	15,000	-	-	-	-	-	(18,000)	-	-	(15,000)	(15,000)	-	-	-	-	-	-
Fair value gain on investment properties	7,210	16,232	-	-	-	-	-	(310)	-	-	-	-	-	-	7,210	15,922	-	-	7,210	15,922	-	-	-	-
Depreciation and amortisation	6,414	4,933	150	115	-	-	187	165	-	-	400	385	-	267	7,418	5,865	-	267	7,418	5,865	-	-	-	-
Share of result of an associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Segment profit/(loss)	75,406	68,139	(2,418)	(5,147)	-	-	19,332	17,663	-	-	(2,596)	(1,118)	-	(18,276)	71,448	63,767	(15,770)	(15,770)	71,448	63,767	-	-	-	-
Assets:																								
Addition of non-current assets	15,603	27,017	359	128	-	-	117	217	-	-	22	74	-	-	16,101	27,436	-	-	16,101	27,436	-	-	-	-
Segment assets	2,656,884	2,607,035	36,643	38,607	-	-	2,336,570	2,378,327	-	-	7,330	10,773	-	(3,056,514)	1,980,913	1,948,117	(3,086,625)	(3,086,625)	1,980,913	1,948,117	-	-	-	-
Segment liabilities	1,535,965	1,536,108	51,738	54,108	-	-	337,974	378,332	-	-	747	1,598	-	(1,092,268)	834,156	845,978	(1,124,168)	(1,124,168)	834,156	845,978	-	-	-	-

36. SUPPLEMENTARY INFORMATION - RETAINED EARNINGS

The retained earnings balance for the Group as at 30 June 2014 was RM24,092,000 (2013: RM Nil) consist of realised retained earnings.

The retained earnings balance of the Company as at 30 June 2014 amounted to RM127,212,000 (2013: RM131,764,000). The entire retained earnings balance are considered as realised pursuant to the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with the 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.

LIST OF PROPERTIES

Location	Description / Existing Use	Land / Built-Up Area	Tenure	Age of Building (Year)	Date of Acquisition, Date of Valuation*	Net Carrying Amount @ 30 June 2014 (RM'000)
PT 45196, H.S.(D) 198534, Mukim of Sungai Buloh, District of Petaling, State of Selangor Darul Ehsan	Petrol Kiosk Station	0.50 acres	Leasehold expiring on 5/3/2103		30/6/14*	4,570
PT 36234, H.S. (D) 112497, Mukim of Sungai Buloh, District of Petaling, State of Selangor Darul Ehsan	Land for proposed mixed development	22.0 acres	Leasehold expiring on 5/3/2103		8/7/99	124,502
PT 45182, H.S.(D) 198520, Mukim of Sungai Buloh, District of Petaling, State of Selangor Darul Ehsan	Land for proposed mixed development	8.77 acres	Leasehold expiring on 5/3/2103		8/7/99	
PT 45157, H.S.(D) 198495, Mukim of Sungai Buloh, District of Petaling, State of Selangor Darul Ehsan	Land for proposed mixed development	6.6 acres	Leasehold expiring on 5/3/2103		8/7/99	4,519
Lot No. 3897, No. Hakmilik 27004 Mukim of Ulu Kelang, District of Kuala Lumpur, State of Wilayah Persekutuan	Land for proposed mixed development	55.49 acres	Leasehold expiring on 9/11/2083		31/1/05	51,255
PT 12034 - PT 12041, H.S. (D) 11243 - 11250, Mukim of Serendah, District of Ulu Selangor, State of Selangor Darul Ehsan	Land for proposed mixed development	77.21 acres	Leasehold expiring on 12/6/2096		8/7/99	52,546
PT 12039 (part), H.S.(D) 11248, Mukim of Serendah, District of Ulu Selangor, State of Selangor Darul Ehsan	Land for proposed mixed development	5.51 acres	Leasehold expiring on 12/6/2096		30/6/14*	2,880
PT 13777, H.S. (D) 14820, Mukim Serendah, District of Ulu Selangor, State of Selangor Darul Ehsan	Land for proposed mixed development	73.73 acres	Leasehold expiring on 4/9/2097		5/9/98	19,878
PT 600 - 602 (part), PT 604, PT 605, PT 632, PT 633, PT 635, PT 638, PT 639, PT 640 (part), PT 641, PT 642, PT 3813 - 4264, PT 749 - 1131 & PT 1748 - 1825, Mukim of Gunung Semanggul, District of Kerian, State of Perak Darul Ridzuan	Land for proposed mixed development and resort	599.06 ha	Leasehold land expiring on 15/8/2093, 17/10/2093, 16/6/2094, and 28/4/2096 respectively		23/6/03*	123,954

LIST OF PROPERTIES (cont'd)

Location	Description / Existing Use	Land / Built-Up Area	Tenure	Age of Building (Year)	Date of Acquisition, Date of Valuation*	Net Carrying Amount @ 30 June 2014 (RM'000)
PT 600 (part), PT 602 (part) & PT 604 (part), H.S. (D) KN 1175, H.S. (D) KN 1177 & H.S. (D) KN 1183 respectively, Mukim of Gunung Semanggul, District of Kerian, State of Perak Darul Ridzuan	Land for proposed commercial development	46.7 ha	Leasehold land expiring on 15/8/2093 and 29/6/2096 respectively		30/6/14*	39,033
PT 602 (part) Mukim of Gunung Semanggul, District of Kerian, State of Perak Darul Ridzuan	Ecopark	1.60 ha	Leasehold expiring on 15/8/2093.	15	23/6/13*	10,357
PT1808, PT 1887 (part) & PT 602 (part), Mukim of Gunung Semanggul, District of Kerian, State of Perak Darul Ridzuan	Water Themepark & hotel	5.90 ha	Leasehold expiring on 15/8/2093.	17	23/6/13*	78,387
PT 1887 (part), Mukim of Gunung Semanggul, District of Kerian, State of Perak Darul Ridzuan	Marina Village	2.90 ha	Leasehold expiring on 15/8/2093.	15	23/6/13*	27,526
Lot 2045, CT55847, No. 58-7-1, Fortune Heights, Jalan Cantonment, 10250 Pulau Pinang	Office suite	237 sq. metres	Freehold	18	23/6/13*	530
PT 46227 - 46676, H.S. (D) 233287 - 233985, Mukim of Sg. Buloh, District of Petaling Jaya, State of Selangor Darul Ehsan	Land for proposed mixed development	29.03 acres	Leasehold expiring on 16/10/2094.		31/8/00*	31,614
PT 12199, PT 12200 & PT 12203, HS(D) 07819, 07820, 07821 respectively, Mukim of Dengkil, District of Sepang, State of Selangor Darul Ehsan	Land for proposed mixed development	14.80 acres	Freehold		31/8/00*	12,951
PT 1511 - PT 1520, H.S.(D) KN 1741 - 1750, Mukim of Beriah, District of Kerian, State of Perak Darul Ridzuan	Land for proposed mixed development	2,103.29 acres	Leasehold expiring on 8/1/2096		30/6/03*	90,205
PT 4067- PT 4068, Mukim of Beriah, District of Kerian, State of Perak Darul Ridzuan	Land for proposed mixed development	748.58 acres	Leasehold expiring on 8/1/2096		27/6/97	21,605

Location	Description / Existing Use	Land / Built-Up Area	Tenure	Age of Building (Year)	Date of Acquisition, Date of Valuation*	Net Carrying Amount @ 30 June 2014 (RM'000)
PT 1516 (part), PT 1517(part) & PT 1520(part), H.S. (D) KN 1746, H.S. (D) KN 1747 & H.S (D) KN 1750, PT4067-4068(part) Mukim of Beriah, District of Kerian, State of Perak Darul Ridzuan	Land for proposed for mixed development	41.13 acres	Leasehold expiring on 8/1/2096		30/6/14*	6,140
Lot 6229 - Lot 7071, Mukim of Beriah, District of Kerian, State of Perak Darul Ridzuan	Land for proposed mixed development	5 acres	Freehold		29/1/03	315
Lot PT 379, H.S. (M) 46, Mukim of Padang Mat Sirat, District of Langkawi, State of Kedah Darul Aman	Land for proposed mixed development	55.45 acres	Leasehold expiring on 27/6/2098.		31/10/00*	57,451
Geran Mukim of 1232, Lot 1922 Mukim of Padang Mat Sirat, District of Langkawi, State of Kedah Darul Aman	Proposed shopping complex	2,129 sq. metres	Freehold		2/12/02	15,595
Master Title Geran Mukim of 1231, Lot 1919 Mukim of Padang Mat Sirat, District of Langkawi, State of Kedah Darul Aman	Sub basement area comprising of ballrooms, meeting rooms, kitchen and other facilities within a block of service apartment	1,678 sq. metres	Freehold	12	11/9/02	8,037
Master Title Geran Mukim of 1231, Lot 1919 Mukim of Padang Mat Sirat, District of Langkawi, State of Kedah Darul Aman	Sub basement area comprising of car park facilities within a block of service apartment	2,893 sq. metres	Freehold	12	11/9/02	
Master Title H.S. (M) 9 - 93, PT 249 Mukim of Padang Mat Sirat, District of Langkawi, State of Kedah Darul Aman	Sub basement area comprising of car park facilities within a block of service apartment	2,938 sq. metres	Freehold	12	11/9/02	

LIST OF PROPERTIES (cont'd)

Location	Description / Existing Use	Land / Built-Up Area	Tenure	Age of Building (Year)	Date of Acquisition, Date of Valuation*	Net Carrying Amount @ 30 June 2014 (RM'000)
PT 449, H.S. (D) 264, Mukim of Padang Mat Sirat, District of Langkawi, State of Kedah Darul Aman	Land for proposed mixed development	40,800 sq. metres	Leasehold expiring on 28/4/2090		11/9/02	5,000
PT 181650, PT 80580 & PT 80581, Mukim of Hulu Kinta, District of Kinta, State of Perak Darul Ridzuan	Land for proposed mixed development	62.93 acres	Freehold		8/3/02	9,347
Parcels A - G, PT 44013 (part), H.S. (D) 222397, Mukim of Sg. Buloh, District of Petaling, State of Selangor Darul Ehsan	Land for proposed mixed development	23.59 acres	Leasehold expiring on 16/10/2094		31/8/00*	33,091
PT 203089, H.S. (D) 136260, Mukim of Hulu Kinta, District of Kinta, State of Perak Darul Ridzuan	Land for proposed mixed development	92.006 acres	Freehold		1/12/04	14,925
Parcel D5, held under PT 203091, H.S. (D) 136262, Mukim of Hulu Kinta, District of Kinta, State of Perak Darul Ridzuan	Land for proposed mixed development	98.57 acres	Freehold		27/2/06	19,671
PT 44012 - 44019, H.S. (D) 222396 - 222403, PT 46251 - 46696, H.S. (D) 233311 - 234003, PT 45310 HS (D) 216331, and PT 44594 HS(D) 190972 Mukim of Sg. Buloh, District of Petaling, State of Selangor Darul Ehsan	Land for proposed mixed development	234.84 acres	Leasehold expiring on 16/10/2094		7/10/96, 30/6/97* & 23/6/03	358,163
PT 44015 (part) H.S. (D) 222399, Mukim of Sg. Buloh, District of Petaling, State of Selangor Darul Ehsan.	Land for proposed mixed development	12.61 acres	Leasehold expiring on 16/10/2094		30/6/14*	90,560
PT 11881 - 11886, H.S. (D) 19019 - 19024 and PT 11968 - 11972, H.S. (D) 20991 - 20995, Mukim Kamunting, District of Larut & Matang, State of Perak Darul Ridzuan (Bukit Jana Golf Club and Development Land, Taiping)	Golf course with a clubhouse and land for the development of residential/ commercial buildings	204.81 acres	Leasehold expiring on 26/5/2102 and 15/2/2104 respectively		31/10/00	8,548

Location	Description / Existing Use	Land / Built-Up Area	Tenure	Age of Building (Year)	Date of Acquisition, Date of Valuation*	Net Carrying Amount @ 30 June 2014 (RM'000)
Developer's Parcel Nos. 006 of Blocks 3 and 5, Storey No. Ground Floor, Kenanga Apartments, Taman Bunga Raya Phase 1A, held under Master Title H.S.(D) 11247, Lot P.T. No. 12038 Mukim of Serendah, District of Hulu Selangor, State of Selangor Darul Ehsan (Unit Nos C-G-6 & E-G-6, Blocks C and E respectively, Ground Floor, Kenanga Apartments, Persiaran Bunga Raya, Taman Bunga Raya Phase 1A, Bukit Beruntung, 48300 Rawang, SDE.)	2 units of low-cost shops located on the ground floor of 6-storey walk-up low-cost apartment blocks known as Block C and E.	1,444 sq. ft. each	Leasehold expiring on 12/6/2096	14	30/6/14*	240
Developer's Lot No.2, Block A, Type A3, Phase 1A, Perdana Business Centre, Bandar Damansara Perdana held under Master Title H.S.(D) 100996, Lot P.T. No.31431, Mukim of Sg. Buloh, District of Petaling, State of Selangor Darul Ehsan (No. 17, Block A, Jln PJU 8/5H, Perdana Business Centre, Bandar Damansara Perdana, 47820 Petaling Jaya, SDE.)	A renovated five-storey intermediate shop-office with an attic floor equipped with a passenger lift	1,950 sq. ft.	Leasehold expiring on 16/10/2094	14	30/6/14*	3,100
Developer's Lot No.1, Block A, Type A1, Phase 1A, Perdana Business Centre, Bandar Damansara Perdana held under Master Title H.S.(D) 100996, Lot P.T. No. 31431 Mukim of Sg. Buloh, District of Petaling, State of Selangor Darul Ehsan (No. 19, Block A, Jln PJU 8/5H, Perdana Business Centre, Bandar Damansara Perdana, 47820 Petaling Jaya, SDE.)	A renovated five-storey corner shop-office equipped with a passenger lift	2,520 sq. ft.	Leasehold expiring on 16/10/2094	14	30/6/14*	4,000

LIST OF PROPERTIES (cont'd)

Location	Description / Existing Use	Land / Built-Up Area	Tenure	Age of Building (Year)	Date of Acquisition, Date of Valuation*	Net Carrying Amount @ 30 June 2014 (RM'000)
Developer's Parcel No. 405, Storey No. 3 & Developer's Parcel Nos. 502, 503A & 505, Storey No. 4, all within Block C1, Developer's Parcel No. 203, Storey No. 1, Block C2 and Developer's Parcel Nos. 203A & 205, Storey No. 1, Developer's Parcel Nos. 403, 403A, 405 & 406, Storey No. 3 and Developer's Parcel Nos. 503A & 507, Storey No. 4, all within Block C3, Serendah Golf Resort Phase 3, held under Master Title H.S.(D) 2050, Lot P.T. No. 1391, Mukim of Serendah, District of Hulu Selangor, State of Selangor Darul Ehsan (Block C1, C2 and C3, Vanessa Apartment, Persiaran Meranti Utara, Serendah Golf Resort, 48200 Serendah, SDE.)	13 units of two bedroom apartments	639 sq. ft. each	Leasehold expiring on 31/5/2088	14	30/6/14*	-
"Pejabat" land held under Master Title H.S.(D) 2052, Lot P.T. No. 1393, Mukim of Serendah, District of Hulu Selangor, State of Selangor Darul Ehsan (38th km post along the Rawang/Tanjung Malim trunk road within the Serendah Golf Links Resort, Serendah, SDE.)	A parcel of commercial land identified as "pejabat"	54,181 sq. ft.	Leasehold expiring on 31/5/2088		30/6/14*	1,350
Developer's Unit No 58-7-2, 7th Floor, Wisma Fortune Heights, held under Master Title Geran 55847, Lot No. 2045 (formerly Grant (First Grade) 16805 GT 912, Lot No. 93), Section 4, Town of Georgetown, District of Timur Laut, State of Pulau Pinang (Unit No. 58-7-2, 7th Floor, Wisma Fortune Heights, Jalan Cantonment, 10350 Georgetown, Pulau Pinang)	An office unit located on the 7th floor of a 8-storey office building with a basement car park	2,575 sq. ft.	Freehold	18	30/6/14*	465

Location	Description / Existing Use	Land / Built-Up Area	Tenure	Age of Building (Year)	Date of Acquisition, Date of Valuation*	Net Carrying Amount @ 30 June 2014 (RM'000)
Developer's Lot No.3, Block A, Type A4, Phase 1A, Perdana Business Centre, Bandar Damansara Perdana held under Master Title H.S.(D) 100996, Lot P.T. No. 31431, Mukim of Sg. Buloh, District of Petaling, State of Selangor Darul Ehsan (No. 15, Block A, Jln PJU 8/5H, Perdana Business Centre, Bandar Damansara Perdana, 47820 Petaling Jaya, SDE.)	A renovated five-storey intermediate shop-office with an attic floor equipped with a passenger lift	1,950 sq. ft.	Leasehold expiring on 16/10/2094	14	30/6/14*	3,100
Developer's Lot No.3A, Block A, Type A3, Phase 1A, Perdana Business Centre, Bandar Damansara Perdana held under Master Title H.S.(D) 100996, Lot P.T. No. 31431, Mukim of Sg. Buloh, District of Petaling, State of Selangor Darul Ehsan (No. 11A, Block A, Jln PJU 8/5H, Perdana Business Centre, Bandar Damansara Perdana, 47820 Petaling Jaya, SDE.)	A renovated five-storey intermediate shop-office equipped with a passenger lift.	1,950 sq. ft.	Leasehold expiring on 16/10/2094	14	30/6/14*	3,000
Developer's Lot No.5, Block A, Type A4, Phase 1A, Perdana Business Centre, Bandar Damansara Perdana held under Master Title H.S.(D) 100996, Lot P.T. No. 31431, Mukim of Sg. Buloh, District of Petaling, State of Selangor Darul Ehsan (No. 11, Block A, Jln PJU 8/5H, Perdana Business Centre, Bandar Damansara Perdana, 47820 Petaling Jaya, SDE.)	A five-storey intermediate shop-office equipped with a passenger lift	1,950 sq. ft.	Leasehold expiring on 16/10/2094	14	30/6/14*	3,000

LIST OF PROPERTIES (cont'd)

Location	Description / Existing Use	Land / Built-Up Area	Tenure	Age of Building (Year)	Date of Acquisition, Date of Valuation*	Net Carrying Amount @ 30 June 2014 (RM'000)
Developer's Parcel No. B2-12-12, Storey No. 12, Block B2, Buginvilla Apartments, Taman Bunga Raya Phase 1C held under Master Title H.S.(D) 11250, Lot P.T. No. 12041, Mukim of Serendah, District of Hulu Selangor, State of Selangor Darul Ehsan (Unit No. C-12-3A, 12th Floor, Block C, Buginvilla Apartment, Taman Bunga Raya Phase 1C, Bukit Beruntung, 48300 Rawang, SDE.)	A three-bedroom medium-cost apartment unit	672 sq. ft.	Leasehold expiring on 12/6/2096	14	30/6/14*	20
Developer's Parcel Nos. 001 to 006 of Blocks 1,2,4 & 6, Storey No. Ground Floor, Kenanga Apartments, Taman Bunga Raya Phase 1A held under Master Title H.S.(D) 11247, Lot P.T. No. 12038, Mukim of Serendah, District of Hulu Selangor, State of Selangor Darul Ehsan (Unit Nos. A-G-1, A-G-5 & A-G-6, B-G-1, B-G-5 & B-G-6, D-G-1, D-G-4 & D-G-6 and F-G-1 & F-G-6, Blocks A, B, D and F respectively, Kenanga Apartments, Persiaran Bunga Raya Phase 1A, Bukit Beruntung, 48300 Rawang, SDE.)	11 units of low-cost shops located on the ground floor of 6-storey walk-up low-cost apartment blocks known as Blocks A, B, D and F	(a) Parcel Nos. 001, 003, 004 and 006 for each block (11 units) - 1,444 sq. ft. per unit (b) Parcel No. 005 for each block (2 units) - 722 sq. ft. per unit	Leasehold expiring on 12/6/2096	14	30/6/14*	1,210
Unit 6294 Blk G (G/121) Laketown Service Apartment Bukit Merah Laketown	Studio unit in a 3-storey apartment	310 sq. ft.	Leasehold expiring on 15/8/2093	11	30/6/14*	40
Unit D-2-242 Blk D Laketown Service Apartment Bukit Merah Laketown	Studio unit in a 3-storey apartment	314 sq. ft.	Leasehold expiring on 15/8/2093	11	30/6/14*	40
Unit J-2-222 Blk J Laketown Service Apartment Bukit Merah Laketown	2 bedroom unit in a 3-storey apartment	478 sq. ft.	Leasehold expiring on 15/8/2093	11	30/6/14*	60
Unit F-1-102 Blk F Laketown Service Apartment Bukit Merah Laketown	Studio unit in a 3-storey apartment	302 sq. ft.	Leasehold expiring on 15/8/2093	11	30/6/14*	40

Location	Description / Existing Use	Land / Built-Up Area	Tenure	Age of Building (Year)	Date of Acquisition, Date of Valuation*	Net Carrying Amount @ 30 June 2014 (RM'000)
Unit 5408 Blk C (C/223A) Palmview Service Apartment Bukit Merah Laketown	Studio unit in a 3-storey apartment	319 sq. ft.	Leasehold expiring on 15/8/2093	11	30/6/14*	40
Unit 6247 Blk G (G/013A) Laketown Service Apartment Bukit Merah Laketown	Studio unit in a 3-storey apartment	310 sq. ft.	Leasehold expiring on 15/8/2093	11	30/6/14*	40
Unit 205 Langkawi Lagoon Resort Padang Mat Sirat Langkawi	1 bedroom unit service apartment	420 sq. ft.	Leasehold expiring on 16/10/2094	11	30/6/14*	190
Unit 333 Langkawi Lagoon Resort Padang Mat Sirat Langkawi	1 bedroom unit service apartment	400 sq. ft.	Leasehold expiring on 16/10/2094	11	30/6/14*	180
Unit G-1-132 Blk G Laketown Service Apartment Bukit Merah Laketown	Studio unit in a 3-storey apartment	310 sq. ft.	Leasehold expiring on 15/8/2093	11	30/6/14*	40
Unit 6320 Blk G (G/245) Laketown Service Apartment Bukit Merah Laketown	Studio unit in a 3-storey apartment	310 sq. ft.	Leasehold expiring on 15/8/2093	11	30/6/14*	40
Unit H-1-133 Blk H Laketown Service Apartment Bukit Merah Laketown	Studio unit in a 3-storey apartment	310 sq. ft.	Leasehold expiring on 15/8/2093	11	30/6/14*	40
Unit J-2-245 Blk J Laketown Service Apartment Bukit Merah Laketown	Studio unit in a 3-storey apartment	469 sq. ft.	Leasehold expiring on 15/8/2093	11	30/6/14*	60
Unit 5563 Blk D Palmview Service Apartment Bukit Merah Laketown	Studio unit in a 3-storey apartment	310 sq. ft.	Leasehold expiring on 15/8/2093	11	27/4/07	33
Unit D-1-123A Blk D Palmview Service Apartment Bukit Merah Laketown	Studio unit in a 3-storey apartment	319 sq. ft.	Leasehold expiring on 15/8/2093	11	27/4/07	52
Unit D-0-007 Blk D Palmview Service Apartment Bukit Merah Laketown	Studio unit in a 3-storey apartment	319 sq. ft.	Leasehold expiring on 15/8/2093	11	27/4/07	77
Unit E/206 Blk E Palmview Service Apartment Bukit Merah Laketown	Studio unit in a 3-storey apartment	310 sq. ft.	Leasehold expiring on 15/8/2093	11	27/4/07	38
Unit E-2-218 Blk E Palmview Service Apartment Bukit Merah Laketown	Studio unit in a 3-storey apartment	310 sq. ft.	Leasehold expiring on 15/8/2093	11	27/4/07	38

ANALYSIS OF SHAREHOLDINGS

Authorised share capital	: RM2,000,000,000
Paid-up Share Capital	: RM1,207,261,584 (including 2,671,600 treasury shares held)
Class of Shares	: Ordinary shares of RM1.00 each with equal voting rights
No. of Shareholders	: 11,602

ANALYSIS BY SIZE OF HOLDINGS AS AT 30 SEPTEMBER 2014

Size of Holdings	No. of Holders	%	No. of Shares	%
1 - 99	190	1.637	2,609	0.000
100 - 1,000	1,323	11.403	1,122,494	0.093
1,001 - 10,000	5,380	46.371	32,330,094	2.683
10,001 - 100,000	4,103	35.364	143,360,781	11.901
100,001 - 60,229,498 (*)	602	5.188	284,271,275	23.599
60,229,499 AND ABOVE (**)	4	0.034	743,502,731	61.722
TOTAL	11,602	100.000	1,204,589,984	100.000

Remark : * - LESS THAN 5% OF ISSUED SHARES
 ** - 5% AND ABOVE OF ISSUED SHARES

LIST OF TOP 30 HOLDERS AS AT 30 SEPTEMBER 2014

(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME REGISTERED HOLDER)

No.	Name	Holdings	%
1	MKN HOLDINGS SDN BHD	479,096,585	39.772
2	KASI A/L K L PALANIAPPAN	95,852,109	7.957
3	RHB NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR EMKAY TRUST	91,561,331	7.601
4	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KASI A/L KL PALANIAPPAN (MUTIARA KOTAMAS)	76,992,706	6.391
5	BANK MUAMALAT MALAYSIA BERHAD PLEDGED SECURITIES ACCOUNT FOR KASI A/L K L PALANIAPPAN (ACCOUNT 2)	28,000,000	2.324
6	CITIGROUP NOMINEES (ASING) SDN BHD JP MORGAN CLR CORP FOR THIRD AVENUE REAL ESTATE OPPORTUNITIES FUND LP	17,000,000	1.411
7	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ANG PIANG KOK	10,968,000	0.910
8	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DIMENSIONAL EMERGING MARKETS VALUE FUND	9,948,400	0.825
9	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC	5,068,000	0.420

LIST OF TOP 30 HOLDERS AS AT 30 SEPTEMBER 2014

(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME REGISTERED HOLDER)

No.	Name	Holdings	%
10	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OOI PENG CUAN	3,600,000	0.298
11	LOO KWONG CHUNG	3,563,000	0.295
12	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KEK LIAN LYE	3,561,000	0.295
13	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DFA EMERGING MARKETS SMALL CAP SERIES	3,560,800	0.295
14	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR THE BANK OF NEW YORK MELLON (MELLON ACCT)	3,033,000	0.251
15	KHO POH SING	2,700,000	0.224
16	SUM SANG	2,645,500	0.219
17	LEE YIH LEANG	2,600,000	0.215
18	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM GIM LEONG	2,468,400	0.204
19	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG SENG GIAP (E-KDA)	2,450,000	0.203
20	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KASI A/L K L PALANIAPPAN	2,320,000	0.192
21	SOH TIK SIEW	2,100,000	0.174
22	YEO EN SENG	2,010,000	0.166
23	SHAMEER SDN BHD	2,000,000	0.166
24	MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD (EPF)	1,894,500	0.157
25	MAYBANK NOMINEES (TEMPATAN) SDN BHD CHEE HIAN BOON @ CHEE AH DECK	1,775,200	0.147
26	CIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIEW LI JOON (KUCHING-CL)	1,675,000	0.139
27	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHENG CHAI	1,600,000	0.132
28	MAH SIEW SEONG	1,580,000	0.131
29	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OOI KAH KEAT (E-KDA)	1,521,000	0.126
30	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MAH SIEW SEONG	1,448,000	0.120

ANALYSIS OF SHAREHOLDINGS (cont'd)

INFORMATION ON DIRECTORS HOLDINGS AS AT 30 SEPTEMBER 2014

Name	Direct		Indirect	
	No. of Shares Held	% Held	No. of Shares Held	% Held
TAN SRI DATUK (DR.) HJ MUSTAPHA KAMAL BIN HJ ABU BAKAR	82,405,198	6.84	*488,252,718	40.53
DATUK KASI A/L K.L PALANIAPAN	203,164,815	16.87	–	–
HONG HEE LEONG	–	–	–	–
HJH FELINA BINTI TAN SRI DATUK (DR.) HJ MUSTAPHA KAMAL	–	–	–	–
ANITA CHEW CHENG IM	–	–	–	–
HJH JULIANA HEATHER BINTI ISMAIL	–	–	–	–
HJH FAZWINNA BINTI TAN SRI DATUK (DR.) HJ MUSTAPHA KAMAL (ALTERNATE DIRECTOR TO HJH FELINA BINTI TAN SRI DATUK (DR.) HJ MUSTAPHA KAMAL)	–	–	–	–

- * Deemed interest by virtue of his shareholdings in MKN Holdings Sdn Bhd currently held under OSK Trustees Berhad of which he is the beneficial owner of the Trust and by virtue of the 9,156,133 shares held under OSK Trustees Berhad of which the beneficial owner of the Trust is the spouse of TSDMK, Puan Sri Datin Hjh Wan Nong Bte Hj Wan Ibrahim.
- ** Including 76,992,706 shares held through CIMB Group Nominees (Tempatan) Sdn Bhd, 28,000,000 shares held through Bank Muamalat Malaysia Berhad and 2,320,000 shares held through HLB Nominees (Tempatan) Sdn Bhd

INFORMATION ON SUBSTANTIAL HOLDERS' HOLDINGS AS AT 30 SEPTEMBER 2014

Name	Direct		Indirect	
	No. of Shares Held	% Held	No. of Shares Held	% Held
TAN SRI DATUK (DR.) HJ MUSTAPHA KAMAL BIN HJ ABU BAKAR	82,405,198	6.84	*488,252,718	40.53
DATUK KASI A/L K.L PALANIAPAN	203,164,815	16.87	–	–
MKN HOLDINGS SDN BHD	479,096,585	39.7	–	–
PUAN SRI DATIN HJH WAN NONG BTE HJ WAN IBRAHIM	9,156,133	0.76	***561,501,783	46.61

- * Deemed interest by virtue of his shareholdings in MKN Holdings Sdn Bhd currently held under OSK Trustees Berhad of which he is the beneficial owner of the Trust and by virtue of the 9,156,133 shares held under OSK Trustees Berhad of which the beneficial owner of the Trust is the spouse of TSDMK, Puan Sri Datin Hjh Wan Nong Bte Hj Wan Ibrahim.
- ** Including 76,992,706 shares held through CIMB Group Nominees (Tempatan) Sdn Bhd, 28,000,000 shares held through Bank Muamalat Malaysia Berhad and 2,320,000 shares held through HLB Nominees (Tempatan) Sdn Bhd.
- *** Deemed interest by virtue of the shareholdings of her spouse, TSDMK in M K Land and MKN Holdings Sdn Bhd. Both TSDMK's shareholdings in M K Land and MKN Holdings Sdn Bhd are currently held under OSK Trustees Berhad of which he is the beneficial owner of the Trust.

notice of annual general meeting & form of proxy

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 35th Annual General Meeting of the Company will be held at The Royale Ballroom, The Royale Bintang Damansara Hotel, No. 2, Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan on Thursday, 27 November 2014 at 10.00 a.m. for the following purposes:

AGENDA

Ordinary Business

1. To receive the Statutory Financial Statements for the year ended 30 June 2014 together with the Reports of the Directors and Auditors thereon. **Please refer Explanatory Note 1**
2. To approve the Final Dividend of 2.0 sen per ordinary share of RM1.00 each for the financial year ended 30 June 2014. **Resolution 1**
3. To approve the payment of Directors' fees for the financial year ended 30 June 2014. **Resolution 2**
4. To re-elect the following Directors who retire pursuant to Article 77 of the Company's Articles of Association, and being eligible has offered themselves for re-election:-
 - a. Mr Hong Hee Leong; and **Resolution 3**
 - b. YBhg Datuk Kasi A/L K.L. Palaniappan. **Resolution 4**
5. To re-appoint Messrs Ernst & Young as auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 5**

Special Business

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions:

6. **PROPOSED CONTINUATION IN OFFICE AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR** **Resolution 6 (Please refer Explanatory Note 2)**
 "THAT Mr Hong Hee Leong has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be continued to act as an Independent Non-Executive Director of the Company."
7. **APPROVAL FOR ISSUANCE OF NEW ORDINARY SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965** **Resolution 7 (Please refer Explanatory Note 3)**
 "THAT, subject to the Companies Act 1965, the Articles of Association of the Company and the approvals from Bursa Malaysia Securities Berhad and other relevant government/regulatory authorities, where such approval is necessary, the Directors be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965 to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Board of Directors may, in their absolute discretion deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the issued share capital of the Company for the time being AND THAT the Board of Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad."

8. PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

Resolution 8
(Please refer
Explanatory Note 4)

"THAT, subject to compliance with the Companies Act, 1965 ("Act"), the Memorandum and Articles of Association of the Company, the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, regulations and guidelines and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised to allocate an amount not exceeding the total available retained profits and share premium account of the Company for the purpose of and to purchase such amount of ordinary shares of RM1.00 each in the Company ("Proposed Purchase") as may be determined by the Directors of the Company from time to time through the Bursa Securities as the Directors may deem fit in the interest of the Company provided that the aggregate number of shares purchased and/or retained as treasury shares pursuant to this resolution does not exceed ten percent (10%) of the total issued and paid-up share capital of the Company during the authorised period.

AND THAT, such authority shall commence upon the passing of this resolution until the conclusion of the next annual general meeting of the Company which shall be held no later than 31 December 2015 unless earlier revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

AND THAT, upon completion of the purchase by the Company of its own shares ("M K Land Shares"), the Directors are authorised to retain M K Land Shares as the treasury shares or cancel M K Land Shares or retain part of M K Land Shares so purchased as treasury shares and cancel the remainder. The Directors are further authorised to resell the treasury shares on the Bursa Securities or distribute the treasury shares as dividends to the Company's shareholders or subsequently cancel the treasury shares or any combination of the three.

AND THAT, the Directors be and are hereby empowered to carry out the above immediately upon the passing of this resolution and from the date of the passing of this resolution until:

- (i) the conclusion of the next annual general meeting of the Company, at which time the authority shall lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next annual general meeting after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders in general meeting;

whichever is the earliest but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and to take all steps as are necessary and/or to do all such acts and things as the Directors deem fit and expedient in the interest of the Company to give full effect to the proposed purchase of M K Land Shares with full powers to assent to any condition, modification, revaluation, variation and/or amendment (if any) as may be imposed by the relevant authorities."

NOTICE ON ANNUAL GENERAL MEETING (cont'd)

8. To transact any other business that may be transacted at an annual general meeting of which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

By order of the Board

YEAP KOK LEONG
(MAICSA 0862549)
Secretary

Petaling Jaya
5 November 2014

NOTES:

1. *For the purpose of determining a member who shall be entitled to attend and vote at the 35th Annual General Meeting, the Company shall be requesting the Record of Depositors as at 21 November 2014. Only a depositor whose name appears on the Record of Depositors as at 21 November 2014 shall be entitled to attend and vote at the said meeting as well as for appointment of proxy(ies) to attend and vote on his/her stead.*
2. *A member entitled to attend and vote at this meeting is entitled to appoint a proxy/(proxies or attorney) or authorised representative to attend and vote in its stead.*
3. *A proxy may but need not be a member of the Company and need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies. The provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*
4. *Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
5. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for the multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
6. *Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*
7. *The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company at 19, Jalan PJU 8/5H, Perdana Business Centre, Bandar Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time for holding the meeting i.e. before 10.00 a.m., 25 November 2014.*
8. *If the appointer is a corporation, this form shall be executed under its common seal or under the hand of its officer or attorney duly authorised.*
9. *If this Proxy Form is signed under the hands of an officer duly authorised, it should be accompanied by a statement reading "signed as authorised officer under Authorisation Document which is still in force, no notice of revocation having been received". If this Proxy Form is signed under the attorney duly appointed under a power of attorney, it should be accompanied by a statement reading "signed under Power of Attorney which is still in force, no notice of revocation having been received". A copy of the Authorisation Document or the Power of Attorney, which should be valid in accordance with the laws of the jurisdiction in which it was created and is exercised, should be enclosed in the Proxy Form.*

EXPLANATORY NOTES ON ORDINARY / SPECIAL BUSINESS

1. Explanatory Notes of Agenda 1

To receive the Statutory Financial Statements for the Financial Year Ended 30 June 2014

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

2. Explanatory Note for Resolution 6

Proposed continuation in office as an Independent Non-Executive Director

The Nomination Committee has assessed the independence of Mr Hong Hee Leong, who served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years and recommended him to continue to act as an Independent Non-Executive Director of the Company as he has shown that he:-

- a. Fulfilled the criteria under the definition of an Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, he is able to function as a check and balance, bringing an element of objectivity to the Board;
- b. Possesses vast experience in the finance industry which would enable him to provide the Board with a diverse set of experience, expertise and independent judgement;
- c. Has been with the Company for more than nine (9) years and is familiar with the Company's business operations and the property development market;
- d. Has devoted sufficient time and attention to his professional obligations for informed and balanced decision making; and
- e. Has exercised his due care and diligence during his tenure as Independent Non-Executive Director of the Company and carried out his professional duties in the best interest of the Company and shareholders.

3. Explanatory Note for Resolution 7

Section 132D of the Companies Act, 1965

The Ordinary Resolution under item 7 is proposed to seek for a renewal of general authority pursuant to Section 132D of the Companies Act, 1965, ("the Act") if passed, it will give the Directors of the Company from the date of the above meeting, authority to allot and issue ordinary shares from the unissued capital of the Company for such purposes as the Directors consider would be in the interest of the Company. The authority will, unless revoked or varied by the Company in General Meeting, expire at the next Annual General Meeting ("AGM").

As at the date of this notice, no new shares in the Company were issued pursuant to the general authority to the Directors for issuance of shares pursuant to the Act, at the 34th AGM held on 29 November 2013 and which will lapse at the conclusion of the 35th AGM.

The general mandate sought will enable the Directors of the Company to issue and allot shares, including but not limited to further placing of shares for purpose of funding investment(s), working capital and/or acquisitions, at any time to such persons in their absolute discretion without convening a general meeting as it would be both costly and time-consuming to organise a general meeting.

4. Explanatory Note for Resolution 8

Proposed Share Buy-back

The proposed adoption of Ordinary Resolution 8 above, is to empower the Directors to buy-back and/or hold up to a maximum of 10% of the Company's issued and paid-up share capital at any point of time, by utilising the amount allocated which shall not exceed the total retained profits and/or share premium account of the Company, subject to the Act, Listing Requirements of Bursa Securities, any prevailing laws, orders, requirements, rules, regulations and guidelines issued by the relevant authorities at the time of purchase. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company, or the expiration of period within which the next AGM is required by law to be held, whichever is earlier.

The details relating to Ordinary Resolution 8 are set out in the Share Buy-back Statement dated 5 November 2014 attached to the Annual Report 2014.

FORM OF PROXY

CDS account no. of authorised nominee

I/We (name of shareholder as per NRIC, capital letters) _____
IC No. (new) /ID No. /Company No _____ IC No. (old) _____
of (full address) _____
being a member(s) of abovenamed Company, hereby appoint _____
(name of proxy as per NRIC, in capital letters) _____
IC No. (new) _____ IC No. (old) _____
or failing him/her _____
(name of proxy as per NRIC, capital letters) _____
IC No. (new) _____ IC No. (old) _____

or failing him/her the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the 35th Annual General Meeting of the Company to be held at The Royale Ballroom, The Royale Bintang Damansara Hotel, No. 2, Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan on Thursday, 27 November 2014 at 10.00 a.m. and at any adjournment of such meeting.

With reference to the agenda set forth in the Notice of Meeting, please indicate with an "X" in the space provided below how you wish your votes to be cast on the ordinary resolution specified. If no specific direction as to the voting is given, the Proxy will vote or abstain at his/her discretion.

	RESOLUTIONS	FOR	AGAINST
1.	RESOLUTION 1		
2.	RESOLUTION 2		
3.	RESOLUTION 3		
4.	RESOLUTION 4		
5.	RESOLUTION 5		
6.	RESOLUTION 6		
7.	RESOLUTION 7		
8.	RESOLUTION 8		

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

NO OF SHARES	PERCENTAGE
Proxy 1	%
Proxy 2	%
	100%

Signature of Shareholder(s) or Common Seal

Date :

Notes:

- For the purpose of determining a member who shall be entitled to attend and vote at the 35th Annual General Meeting, the Company shall be requesting the Record of Depositors as at 21 November 2014. Only a depositor whose name appears on the Record of Depositors as at 21 November 2014 shall be entitled to attend and vote at the said meeting as well as for appointment of proxy(ies) to attend and vote on his/her stead.
- A member entitled to attend and vote at this meeting is entitled to appoint a proxy/(proxies or attorney) or authorised representative to attend and vote in its stead.
- A proxy may but need not be a member of the Company and need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies. The provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for the multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company at 19, Jalan PJU 8/5H, Perdana Business Centre, Bandar Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time for holding the meeting i.e. before 10.00 a.m., 25 November 2014.
- If the appointer is a corporation, this form shall be executed under its common seal or under the hand of its officer or attorney duly authorised.
- If this Proxy Form is signed under the hands of an officer duly authorised, it should be accompanied by a statement reading "signed as authorised officer under Authorisation Document which is still in force, no notice of revocation having been received". If this Proxy Form is signed under the attorney duly appointed under a power of attorney, it should be accompanied by a statement reading "signed under Power of Attorney which is still in force, no notice of revocation having been received". A copy of the Authorisation Document or the Power of Attorney, which should be valid in accordance with the laws of the jurisdiction in which it was created and is exercised, should be enclosed in the Proxy Form.

The Company Secretary
M K LAND HOLDINGS BERHAD 40970 H
No. 19 Jalan PJU 8/5H
Perdana Business Centre
Bandar Damansara Perdana
47820 Petaling Jaya
Selangor Darul Ehsan

Stamp

PROPERTY SALES OFFICE

DAMANSARA PERDANA SALES OFFICE

**Damansara Perdana Sales Gallery
@ Central Park,
No. 8, Jalan PJU 8/1,
Bandar Damansara Perdana,
47820 Petaling Jaya,
Selangor Darul Ehsan
Tel +603 7729 1133
Fax +603 7726 0406**

METROPOLITAN SQUARE SALES OFFICE

C108a, Centre Wing,
Metropolitan SQ,
No. 2, Jalan PJU 8/1,
Bandar Damansara Perdana,
47820 Petaling Jaya,
Selangor Darul Ehsan
Tel +603 7722 1000
Fax +603 7722 4464

DAMANSARA DAMAI SALES OFFICE

One Damansara Condominium,
Jalan PJU 10/1, Damansara Damai,
47830 Petaling Jaya,
Selangor Darul Ehsan
Tel +603 6157 1900
Fax +603 6157 1360

MERU PERDANA SALES OFFICE

Taman Meru Perdana,
Jalan Jelapang-Chemor,
31200 Chemor,
Perak Darul Ridzuan
Tel +605 201 7977
Fax +605 201 8977

RESORT SALES OFFICE

HOTELS & RESORTS SALES OFFICE

No. 15-1 & No. 17-1, Jalan PJU 8/5H,
Perdana Business Centre,
Bandar Damansara Perdana,
47820 Petaling Jaya,
Selangor Darul Ehsan
Tel +603 7724 1282/ 7722 5687
Fax +603 7724 1317/ 7722 5634

BUKIT MERAH LAKETOWN RESORT

Jalan Bukit Merah,
34400 Semanggol,
Perak Darul Ridzuan
Tel +605 890 8888
Fax +605 890 8000

LANGKAWI LAGOON RESORT

OMBAK VILLA

KUALA MELAKA INN

Lot 78, Jalan Kuala Muda,
Padang Matsirat,
07100 Langkawi,
Kedah Darul Aman
Tel +604 955 8181
Fax +604 955 8881

TAIPING GOLF & COUNTRY CLUB

Taiping Resort,
Jalan Bukit Jana, P.O. Box 4,
34600 Kamunting,
Perak Darul Ridzuan
Tel +605 883 7500
Fax +605 883 6060

TAIPING GOLF RESORT

Jalan Bukit Jana,
P.O. Box, 434600
Kamunting, Taiping,
Perak Darul Ridzuan
Tel +605 883 6700
Fax +605 883 8700

EDUCATION SALES OFFICE

LAKEVIEW COLLEGE SALES OFFICE

Jalan Bukit Merah,
Bukit Merah Lake Town,
34400 Semanggol,
Perak Darul Ridzuan
Tel +605 890 8070
Fax +605 890 8212

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