



MKLAND Holdings Berhad 40970 H

No 19 Jalan PJU 8/5H, Perdana Business Centre

Bandar Damansara Perdana, 47820 Petaling Jaya

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Our 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.

Our Vision

TO BE A RELIABLE ORGANISATION THAT DELIVERS QUALITY PRODUCTS AND SERVICES ON TIMELY BASIS AND WITHIN COST.





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CORPORATE INFORMATION

BOARD OF DIRECTORS

PN. HJH FELINA BINTI TAN SRI DATUK (DR.) HJ. MUSTAPHA KAMAL
Acting Chairman / Executive Director
(Re-designated w.e.f 16 February 2015)

MR. HONG HEE LEONG
Senior Independent Non-Executive Director

YBHG. TAN SRI DATUK (DR.) HJ. MUSTAPHA KAMAL BIN HJ. ABU BAKAR
Non-Independent Non-Executive Director
(Re-designated w.e.f 16 February 2015)

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

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

PN. HJH FARAH MAHAMI BINTI TAN SRI DATUK (DR.) HJ. MUSTAPHA KAMAL
(Alternate Director to Tan Sri Datuk (Dr.) Hj. Mustapha Kamal Bin Hj. Abu Bakar)
(Appointed w.e.f 16 February 2015)

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
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia.
Tel : 03 – 2783 9299
Fax : 03 – 2783 9222
Email : is.enquiry@my.tricorglobal.com

AUDITORS

ERNST & YOUNG
Chartered Accountants

PRINCIPAL BANKERS

AMBANK BERHAD
CIMB BANK BERHAD
PUBLIC BANK BERHAD
BANK KERJASAMA RAKYAT MALAYSIA BERHAD
BANK MUAMALAT MALAYSIA BERHAD
AMFUNDS MANAGEMENT BERHAD

LISTING

BURSA MALAYSIA SECURITIES BERHAD
MAIN MARKET

5-YEAR FINANCIAL HIGHLIGHTS

RM'000	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	1.7.2014 to 30.6.2015
Revenue	418,856	428,530	468,239	488,747	488,316
Profit before tax	32,172	38,129	63,767	71,448	73,029
Net profit after tax	18,960	24,205	40,345	65,698	53,963
Total assets	1,950,139	1,976,245	1,948,117	1,980,913	1,933,957
Net assets	1,055,657	1,079,862	1,102,139	1,146,757	1,164,582
Shareholders' fund	1,055,657	1,079,862	1,102,139	1,146,757	1,164,582
Total number of shares ('000)	1,204,590	1,204,590	1,204,590	1,204,590	1,204,590
Group's earnings/(loss) per share (sen)	2	2	3.3	5.5	4.5
Net assets per share (sen)	88	90	91	95	96

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.
 PUJAJAN 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





1. **PN. HJH FELINA BINTI TAN SRI DATUK (DR.) HJ. MUSTAPHA KAMAL**
Acting Chairman / Executive Director
2. **MR. HONG HEE LEONG**
Senior Independent Non-Executive Director
3. **YBHG. TAN SRI DATUK (DR.) HJ. MUSTAPHA KAMAL BIN HJ. ABU BAKAR**
Non-Independent Non-Executive Director
4. **YBHG. DATUK KASI A/L K.L. PALANIAPPAN**
Non-Independent Non-Executive Director
5. **MS. ANITA CHEW CHENG IM**
Independent Non-Executive Director
6. **PN. HJH JULIANA HEATHER BINTI ISMAIL**
Independent Non-Executive Director
7. **YBHG. 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)
8. **PN. HJH FARAH MAHAMI BINTI TAN SRI DATUK (DR.) HJ. MUSTAPHA KAMAL**
(Alternate Director to Tan Sri Datuk (Dr.) Hj. Mustapha Kamal Bin Hj. Abu Bakar)

PROFILE OF THE BOARD OF DIRECTORS

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

Pn. Hjh Felina, age 44, Malaysian, was re-designated as Acting Chairman on 16 February 2015 in addition of her being 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.



MR. HONG HEE LEONG

Senior Independent Non-Executive Director

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

Mr. Hong Hee Leong, age 58, 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, Genting Plantation Berhad (formerly known as 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. TAN SRI DATUK (DR.) HJ. MUSTAPHA KAMAL BIN HJ. ABU BAKAR

Non-Independent Non-Executive Director

- *Remuneration Committee*

Tan Sri Datuk (Dr.) Hj. Mustapha Kamal, age 66, 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 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 interests 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.

YBHG. DATUK KASI A/L K.L. PALANIAPPAN

Non-Independent Non-Executive Director
- *Audit Committee*

Datuk P. Kasi, age 57, 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 Chartered 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 Designers.

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 has also been 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

Independent Non-Executive Director
- *Audit Committee*
- *Nomination Committee*

Ms. Anita Chew Cheng Im, age 48, Malaysian, was appointed to the Board of M K Land Holdings Berhad on 19 February 2009 as Independent Non-Executive Director.

Ms. Anita graduated from Monash University, Australia with a Bachelor of Economics degree, majoring in Accounting.

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 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 also sits on the Board of Notion Vtec Berhad and Nirvana Asia Ltd.

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.

PN. HJH JULIANA HEATHER BINTI ISMAIL

Independent Non-Executive Director
- *Nomination Committee*
- *Remuneration Committee*

Pn. Hjh Juliana Heather Ismail, age 57, Malaysian, was appointed to the Board of M K Land Holdings Berhad on 21 December 2009 as Independent Non-Executive Director.

Pn. Hjh Juliana 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 until 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. Hjh Juliana 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.

YBHG. 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 39, Malaysian, was appointed as alternate director to Pn. Hjh Felina Binti Tan Sri Datuk (Dr.) Hj. 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.

PN. HJH FARAH MAHAMI BINTI TAN SRI DATUK (DR.) HJ. MUSTAPHA KAMAL

(Alternate Director to Tan Sri Datuk (Dr.) Hj. Mustapha Kamal Bin Hj. Abu Bakar)

Pn. Hjh Farah Mahami, age 33, Malaysian, was appointed as alternate director to Tan Sri Datuk (Dr.) Hj. Mustapha Kamal Bin Hj. Abu Bakar on 10 February 2015 and had completed the Mandatory Accreditation Programme.

Pn. Hjh Farah Mahami holds a Masters Degree, majoring in Human Resource Management from Curtin University, Western Australia.

Pn. Hjh Farah Mahami was appointed as Assistant General Manager of the Leisure & Hospitality Division, M K Land Group in 2003. In 2004, she joined Educate to Learn Sdn Bhd (e2L) as the Executive Director and subsequently as Chief Executive of Kolej Pendidikan Awal Kanak-kanak. 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.

Pn. Hjh Farah Mahami 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 55, 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 M K Land Holdings Berhad for the past 15 years and held the position of Chief Operating Officer 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. Lau does not hold any directorship in other public companies. He has no conviction for offences within the past ten years.



GROUP MANAGEMENT

MR. LAU SHU CHUAN

Group Chief Executive Officer

TN. HJ. ZULKIPLI SIDIN

Group Senior General Manager (Operations)

TN. HJ. KAMARULZAMAN ABU BAKAR

Group Senior General Manager

DR. HJ. ZULKIFLI MOHD ISA

Senior General Manager

MR. CHARLES DUNCAN

Senior General Manager (Technical)

MR. MICHAEL YAP KIM KEAT

Financial Controller

PN. SALMAH AWANG

Chief Executive (Lake View College)

TN. HJ. SHAHAIRI AZIZ

General Manager (Land & Planning Division)

EN. MUSTAFA KAMAL HAWARI

General Manager (Classic)

MR. WILLIAM CHEN SHIN YOONG

General Manager (Group Sales & Marketing)

EN. MUZAFFAR MUDARIS MAHMUD

General Manager (Group Planning & Design)

PN. NORIDA ABU KASSIM

General Manager

EN. HOLIL DAHALAN

General Manager

EN. ROHAIZAT ABDUL JALIL

Head (Group Human Resources)

MR. HAU WEE SIN

Group Internal Auditor

EN. MOHAMAD MUKHRIZ MOHAMAD ROSLAN

Head (Group Resorts, Operations)

CHAIRMAN'S STATEMENT



PN. HJH FELINA BINTI TAN SRI DATUK
(DR.) HJ. MUSTAPHA KAMAL
Acting Chairman

IN THE NAME OF ALLAH, THE MOST COMPASSIONATE AND THE MOST MERCIFUL.
ALL PRAISES ARE FOR THE ALL MIGHTY, THE CHERISHER AND SUSTAINER. SALUTATIONS
BE UPON THE LAST MESSENGER, PROPHET MUHAMMAD (PEACE BE UPON HIM),
HIS FAMILY AND HIS COMPANIONS.

This is my first year as Acting Chairman of M K Land Holding Bhd ('M K Land') and I thank the All Mighty for giving me the will and the mental strength to lead this robust and passionate group of people. Together, we have further propelled M K Land into a household name and brand that is synonymous with Trust, as we will strive to continue to do. YBhg. Tan Sri Datuk (Dr.) Hj. Mustapha Kamal has left a lasting legacy for us, one that I aim to continue with and build upon.

OPERATING ENVIRONMENT

As the global economy faces this slowdown, and amidst a lot of uncertainties, Malaysia has recorded a gross domestic product (GDP) growth of 4.9% in the first half of 2015 compared to the 6% achieved in 2014. This has mainly been attributed to a drop in private consumption.

Businesses faced a challenging time due to weaker consumer sentiments. There are also concerns that the property market is slowing down as well. Moody's Investor Service opined that two main reasons for this are the cooling measures put in place in 2013 by Bank Negara Malaysia and the inception of a 6% Goods and Services Tax (GST) in April this year.

While developers experienced a slower take-up rate on property launches, the prices remained firm, particularly in the Klang Valley.

OPERATING RESULTS

The Group recorded revenues of RM488.3 million resulting in a profit after tax of RM53.9 million for the financial year ended 30 June 2015.

Our property development segment contributed most significantly to the Group and recorded a revenue of RM451.3 million (2014 : RM444.5 million) followed by the leisure and education segments recording revenues of RM35.5 million (2014 : RM42.8 million) and RM1.5 million (2014 : RM1.4 million) respectively.

M K Land Group recorded a profit from operations of RM83.1 million this year.

DIVIDEND

M K Land had declared a single tier interim dividend of 1 sen per share for the financial year ended 30 June 2015 on the 25th of March 2015 and payment was made on the 23rd of April 2015.

The Board of Directors is pleased to recommend a single tier final dividend of 2 sen per share in respect of the financial year ended 30 June 2015 for approval by the shareholders at the forthcoming Annual General Meeting.

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

PROSPECTS

The Government is budgeting a GDP growth of 4% to 5% for 2016.

The fundamentals of the economy remain strong, because the expected growth in population, earning capacity, low unemployment rates and low non-performing loan rates are strong enough to sustain a growing property market in Malaysia.

The Group envisages the property market outlook to remain cautious amid credit tightening rules, the declining value of the Ringgit and an uncertain economic environment, but we shall continue to focus on our core strength in the property segment to enhance shareholder's value.

Owning a house is something that everyone wants and dreams of. However, in these difficult financial times, with the decline of the Ringgit and the increase in the cost of living, it has become harder to be a homeowner. In light of that, M K Land will strive to ease the burdens of the Malaysian community, by offering more affordable homes, particularly in the northern state of Perak.

Our vision has always been to be a reliable organisation that delivers quality products and services on a timely basis, within costs and with quality. As a group, we will always put our best foot forward to strive to maintain this vision. Together, we will continue to move forward with a clear conscience, self-awareness of our actions, independent will as well as to constantly innovate and instill a culture of creativity in all our projects to ensure that we will better serve the organisation, community and the nation as a whole.

APPRECIATION

First and foremost, I would like to thank my beloved father and the Board members for entrusting me the role as the Acting Chairman.

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

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

Finally, to the management and staff, I value your dedication and loyalty.

"TOGETHER WE MAKE IT HAPPEN"

Thank you.

**HJH FELINA BINTI TAN SRI DATUK (DR.) HJ.
MUSTAPHA KAMAL**
ACTING CHAIRMAN

GROUP CHIEF EXECUTIVE OFFICER'S REVIEW



LAU SHU CHUAN
Group Chief Executive Officer

FINANCIAL REVIEW

M K Land Holdings Berhad (“M K Land”) continues to make every effort to build the business for sustainable growth. For the financial year ended 30 June 2015, M K Land was able to record an improved profit before tax of RM73 million although its business was impacted by the challenging operating environment.

The Group revenue of M K Land was maintained at about its previous year’s level. While its gross profit has shown a marginal improvement, there was a reduction in Group profit after tax due to the higher income tax expenses.

M K Land recorded a consolidated revenue of RM488.3 million, of which the property development segment contributed RM451.3 million (or 92%) compared with the preceding year’s RM444.5 million (or 91%).

The remaining revenue contributed by the leisure and education segments amounted to RM35.5 million (or 7.3%) and RM1.5 million (or 0.3%) respectively compared with the preceding year of RM42.8 million (or 8.7%) and RM1.4 million (or 1%).

OPERATION REVIEWS

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.

During the financial year under review, the final two blocks of Metropolitan Square Condominiums in Damansara Perdana were completed in December 2014 with Certificate of Fitness for Occupation (CF), three months earlier than its targeted completion date.

The quality of these two blocks, 253 units in Metropolitan Square Block C and 183 units in Metropolitan Square Block B, was evaluated by the Construction Industry Development Board using the Qlassic Standard.

Following the success of our development in Meru Perdana, we proceeded with Meru Perdana 2. A mixed development located in Ipoh, it is nestled in the new growth centre of Bandar Meru Raya, and close to a new development called 'Mini Putrajaya' where a majority of government offices are located.

In August 2014, we launched 118 units of Lavender (double storey terrace) and this development package has been fully sold. In May 2014, 146 units of Daisy (double storey terrace) were sold out at the launch.

During the financial year under review, we also launched the following properties at Klebang Putra:-

- a. 76 units of Emerald (double storey terrace);
- b. 53 units of Platinum (single storey terrace) and
- c. 86 units of Sapphire (single storey terrace)

We have completed 45 units of Perdana Centrepoint shops, 182 units of Sakura (double storey terrace) and 208 units of Jasmine (double storey terrace).

LEISURE

The Leisure segment revenue moderated to RM35.5 million during the year compared with RM42.8 million achieved last year. The reduction in revenue is mainly due to softer business and consumer sentiment.

Approximately 94% (2014 : 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.

EDUCATION

For the financial year under review, the education segment recorded a revenue of RM1.5 million against the previous year of RM1.4 million.

The increase in revenue is mainly due to the enrolment of students for the additional courses introduced by the re-branded Lake View College.

LOOKING AHEAD

The Malaysian economy is expected to remain on a positive growth trajectory despite the global uncertainties and other local issues. The property sector is anticipated to remain soft but with areas of opportunities, particularly in the affordable homes' sub-segment.

M K Land has improved its performance from 2010 to 2014 and will strive to build on this growth momentum. As M K Land's main property development project is located in Damansara Perdana, a prime location in Klang Valley, there will be continuous demand for our properties. Our Northern projects are also receiving good response and we plan to launch more affordable homes going forward.

We will remain focused on our strategies in the core property development segment to further our growth in the immediate future. We anticipate maintaining 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, bankers, business associates and other stakeholders for their partnership and continuous support.

To our Board of Directors, thank you for your guidance.

LAU SHU CHUAN

Group Chief Executive Officer

M K LAND'S MEMORABLE MOMENTS



The Brand Laureate President's Award @ Majestic Hotel, Kuala Lumpur



Soft Launch of the new Bukit Merah Laketown Resort Banquet Kitchen



M K Land Colourful Merdeka Fun Run 2015



Merdeka 12 Hour MTB Endurance



The Cabaran Toman



Tree Planting Ceremony at Lembah Beriah



Official Launch of The Rafflesia Sales Gallery @ Damansara Perdana



Santai Lion Dance & Yee Sang Ceremony



ChiChi & ChaCha Showcase & New Year's Eve Show



Voluntary Aid at Pulau Banding



Memorandum of Understanding Signing Ceremony - M K Land Holdings Berhad & CIDB Holdings



LIMA '15 Commemorative Night @ Langkawi Lagoon Resort



The Launch of Felina's Ladder & Santai @ Rafflesia, Damansara Perdana

- CORPORATE GOVERNANCE STATEMENT
- AUDIT COMMITTEE REPORT
- STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

CORPORATE GOVERNANCE STATEMENT

The Board of Directors (“Board”) of M K Land Holdings Berhad (“M K Land” or “Company”) recognises the importance of adopting high standards of corporate governance throughout the Company and the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders’ value and the Group’s financial performance.

The Board is committed to implementing the Malaysian Code on Corporate Governance 2012 (“MCCG 2012” or the “Code”) wherever applicable and appropriate in the best interest of the shareholders of the Company.

This corporate governance statement (“Statement”) sets out how the Company has applied the Principles of the Code and observed the Recommendations supporting the Principles. Where a specific Recommendation of the MCCG 2012 has not been observed during the financial year under review, the non-observance, including the reasons thereof and, where appropriate, the alternative practice, if any, is mentioned in this Statement.

PRINCIPLE 1 – ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

1. Clear Functions of the Board and Management

The Board assumes full responsibilities for the overall performance of the Company and its subsidiaries by setting the policies, establishing goals and monitoring the achievement of the goals through strategic action plans and stewardship of the Group’s assets and resources.

The Board, in carrying out its stewardship responsibility, has delegated certain responsibilities to the Audit Committee (“AC”), Nomination Committee (“NC”) and Remuneration Committee (“RC”). All the committees have clearly defined terms of reference. The Chairman of various committees will report to the Board the outcome of the committee meetings. The ultimate responsibility for the final decision on all matters, however, rest with the Board.

The Acting Chairman/Executive Director (“ED”) leads the Board and is responsible for its effective performance. As Acting Chairman/ED, she also oversees the day-to-day operations to ensure the smooth and effective running of the Group.

The Group Chief Executive Officer (“Group CEO”) implements the policies, strategies and decisions adopted by the Board. The head of each division is responsible for supporting the Group CEO and assisting the Group CEO in implementing and running the Group’s day-to-day business.

The Independent Non-Executive Directors are actively involved in the various Board Committees and contribute significantly to areas such as performance monitoring and enhancement of corporate governance and controls. They provide a broader view, independent assessment and opinions on management proposals supported by the Acting Chairman/ED.

2. Board’s Roles and Responsibilities

The Board is led by the Acting Chairman/ED and is supported by experienced Board members with a wide range of expertise who plays an important role in the stewardship of the direction and operations of the Group.

The Board is primarily responsible for the strategic direction and control of the Group. It delegates to and monitors the implementation of these directions by the management.

The responsibilities of the Board include, inter-alia, the following:

- (a) Review and adopt a strategic plan for the Group;
- (b) Oversee the conduct of the Group’s businesses to evaluate whether the businesses are being properly managed;
- (c) Identify principal risks and ensure the implementation of appropriate systems to manage these risks;
- (d) Review the adequacy and the integrity of the Group’s internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- (e) Succession planning, including appointing, training, fixing the compensation of, and where appropriate, replacing key management; and
- (f) Develop and implement a Corporate Disclosure Policy for the Group.

3. Code of Ethics

The Board has formalised a Directors' Code of Ethics, which, sets out the standards of conduct expected from Directors. The Directors' Code of Ethics includes principles relating to Directors' responsibilities.

Moreover, employees of the Company may confidently and anonymously voice their grievances and raise their concerns on any unlawful or unethical incident or any suspected violation of the Code of Conduct in accordance with the Whistle-Blowing Policy administered by the Senior Independent Director.

The Board emphasises good faith in reporting, with assurance to the employees that they will not be at risk of any form of victimisation, retribution or retaliation. Any attempt to retaliate against, victimise or intimidate any whistle-blower is a serious violation and shall be dealt with through serious disciplinary action and procedures.

The Whistle Blowing Policy is posted on M K Land corporate website at www.mkland.com.my.

4. Sustainability of Business

The Board is mindful/aware of the importance of business sustainability and takes into consideration the impact on the environment, social and governance aspect in conducting the Group business. The Group also embraces sustainability in its operations.

The Group's activities on corporate social responsibilities for the financial period under review are disclosed under the "Additional Compliance Information" section of the Annual Report.

5. Access to Information and Advice

The Board has access to information within the Company and the advice and services of the Company Secretary. The Directors may obtain independent professional advice in furtherance of their duties whenever necessary at the Company's expense, subject to approval by the Acting Chairman/ED or the Board and depending on the quantum of the fees involved.

In addition to the quarterly Board reports, the Board makes public releases through Bursa Malaysia Securities Berhad ("Bursa Securities") and is kept informed of various requirements and updates issued by various regulatory authorities.

Board members are provided with updates on operational, financial and corporate issues as well as minutes of meetings of the various Board Committees prior to the meetings to enable Directors to obtain further explanations/clarifications, if necessary, in order to ensure the effectiveness of the proceeding of the meetings.

6. Qualified and Competent Company Secretary

The Company Secretary of the Company is qualified to act as company secretary under Section 139A of the Companies Act 1965.

The Board is satisfied with the performance and support rendered by the Company Secretary to the Board in the discharge of his functions. The Company Secretary ensures that all Board meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are maintained in the statutory register of the Company. The Company Secretary also keeps abreast of the evolving capital market environment, regulatory changes and developments in corporate governance through continuous training and updates the Board timely.

7. Board Charter

The Board adopts the Board Charter to outline the manner in which its constitutional powers and responsibilities exercised and discharged, having regard to principles of good corporate governance, international best practices and applicable laws.

The Board Charter is established to provide guidance and clarity for the Board's roles and responsibilities as well as the powers between the Board and the management, the different committees established by the Board, as well as between the Chairman and Group CEO. The Board Charter can be viewed on our website.

The Board will review the Board Charter from time to time and make necessary amendments to ensure they remain consistent with the Board's objectives, current law and practices. Any updates to the principles and practices set out in this Charter will be made available on the Company's website.

PRINCIPLE 2 – STRENGTHEN COMPOSITION OF THE BOARD

During the financial period under review, the Board consisted of six members comprising an Acting Chairman/ED, two Non-Independent Non-Executive Directors and three Non-Executive Directors. This composition fulfills the requirements as set out the Main Market Listing Requirements of the Bursa Securities (“LR”), which require that one-third of the Board members comprise Independent Non-Executive Directors. The profile of each Director is presented on pages 6 to 9 of the Annual Report. The Directors, with their diverse backgrounds and specialisations, collectively bring with them a wide range of experience and expertise in relevant fields which are vital for the strategy success of the Group.

1. Nomination Committee

The role of the NC is to assist the Board in ensuring that the Board comprises individuals with the requisite skills, knowledge, experience and personal characteristics.

The NC comprises exclusively Non-Executive Directors, who are independent. Currently, the members are as follows:

Mr. Hong Hee Leong (Chairman)
Pn. Hjh Juliana Heather Binti Ismail (Member)
Ms. Anita Chew Cheng Im (Member)

The Chairman of the NC, Mr. Hong Hee Leong, has been identified as the Senior Independent Non-Executive Director of the Board to whom concerns may be conveyed.

2. Develop, maintain and review criteria for recruitment and annual assessment of Directors

Appointment to the Board and Re-election of Directors

The Board delegates to the NC the responsibility of recommending the appointment of any new Director. The NC is responsible to ensure that the procedure for appointing new Directors is transparent and that appointments are made on merit. In evaluating the suitability of candidates for the Board, the NC shall ensure that the candidates possess the necessary background, skills, knowledge, experience and personal characteristics.

The Company’s Articles of Association provides that at least one-third of the Directors be subject to retirement by rotation at each Annual General Meeting (“AGM”) and that all Directors shall retire once every three years, and be eligible to offer themselves for re-election. The Articles of Association also provides that a Director who is appointed during the year shall be subject to re-election at the next AGM following his appointment.

Pursuant to Section 129(6) of the Companies Act, 1965, a Director who is over 70 years shall retire at the AGM of the Company and may offer himself/herself for re-appointment to hold office until the next AGM.

The NC is also responsible for recommending to the Board those Directors who are eligible to stand for re-election/re-appointment.

At the forthcoming AGM, the two Directors who will be retiring by rotation are Ms. Anita Chew Cheng Im and Pn. Hjh Juliana Heather Binti Ismail and they, being eligible have offered themselves for re-election.

Annual Assessment

The NC reviews annually the effectiveness of the Board and Board Committees as well as the performance of the Directors. For the evaluation, Directors and Committee members complete separate evaluation questionnaires regarding the processes of the Board and its Committees, their effectiveness and areas of improvements. These assessments and comments by all Directors are summarised and discussed at the NC meeting, who then reports to the Board at the Board Meeting held thereafter. All assessments and evaluations carried out by the NC in the discharge of its duties are properly documented.

During the meeting held in October 2015, the NC reviewed and assessed the mix of skills, expertise, composition, size and experience of the Board; the performance of the Director; independence of the Independent Directors; effectiveness of the Board and the Board Committees; and also the review of the Directors who are retiring and are eligible for re-appointment.

Boardroom Diversity

The Board acknowledges the importance of gender, age, nationality, ethnicity and socio-economic background diversity and recognises the benefits that it can bring. The Board is of the view that while promoting boardroom diversity is essential, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board should remain a priority.

The Company does not set any specific target for boardroom diversity but has actively worked towards achieving the appropriate boardroom diversity.

Currently, the Board has of three female Directors, namely, Pn. Hjh Felina Binti Tan Sri Datuk (Dr.) Hj. Mustapha Kamal, Ms. Anita Chew Cheng Im and Pn. Hjh Juliana Heather Binti Ismail. The Board is comfortable with its current composition.

3. Remuneration policies and procedures

The RC currently comprises the following members:

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

The primary function of the RC is setting up the policy framework and recommending remuneration packages and other terms of employment of the executive directors Group CEO and Chief Financial Officer (“CFO”) to the Board. The remuneration of Directors is determined at levels which enable the Company to attract and retain Directors with the relevant experience and expertise to effectively manage the business of the Group.

Determining of the remuneration for the Non-Executive Directors is decided by the Board as a whole, with the Director concerned abstaining from deliberations and voting on the decision of his individual remuneration package. The Board recommends the Directors’ fees payable to Non-Executive Directors on a yearly basis to the shareholders for approval at the AGM.

The details of the remuneration of the Directors in the appropriate categories for the financial year ended 30 June 2015 are as follows:

Category	Fee (RM)	Salaries & Other Emoluments (RM)	Total (RM)
Executive Director	–	1,560,030	1,560,030
Non-Executive Director	1,008,000	324,500	1,332,500
Total	1,008,000	1,884,530	2,892,530

Range of Remuneration	Number of Directors		
	Executive Director	Non-Executive Director	Total
RM100,001 to RM150,000	–	4	4
RM850,001 to RM900,000	–	1	1
RM1,550,001 to RM1,600,000	1	–	1
Total	1	5	6

PRINCIPLE 3 – REINFORCE INDEPENDENCE OF THE BOARD

1. Annual Assessment of Independence

The Board recognises the importance of independence and objectivity in its decision-making process. The presence of the Independent Non-Executive Directors is essential in providing unbiased and impartial opinions, advice and judgment to ensure the interests of the Group, shareholders, employees, customers and other communities where the Group conducts its businesses are well represented and taken into account.

The Board, through the NC, assesses the independence of its Independent Non-Executive Directors based on the criteria set out in the LR of Bursa Securities.

The current Independent Directors of the Company namely, Mr. Hong Hee Leong, Pn. Hjh Juliana Heather Binti Ismail and Ms. Anita Chew Cheng Im have fulfilled the criteria of “independence” as prescribed under Chapter 1 of the LR. The Company also fulfils the requirement of at least one-third of its Board members being Independent Non-Executive Directors.

2. Tenure of Independent Directors

Recommendation 3.2 of the MCGG 2012 recommends that the tenure of an Independent Director does not exceed a cumulative term of nine years. Upon completion of the nine years, an Independent Director may continue to serve on the Board subject to the re-designation of the Independent Director to Non-Independent Director.

Recommendation 3.3 of the MCGG 2012 also recommends that the Board justifies and seeks shareholders' approval in the event it retains an Independent Director, who has served for more than nine years.

The Board does not have term limits for its Independent Directors and is of the view that the independence of the Independent Directors should not be determined solely or arbitrarily by their tenure of service. The Board believes that the Independent Directors' continued contribution, especially their invaluable knowledge of the Group and its operations gained through the years, will provide stability and benefits to the Board and the Company as a whole. The calibre, qualification, experience and personal qualities, and more importantly the Director's integrity and objectivity in discharging his responsibilities in the best interest of the Company, predominantly determines the ability of the Director to serve effectively as an Independent Director.

The Board is also confident that the Independent Directors themselves, after having provided all the relevant confirmations on their independence, will be able to determine if they can continue to bring independent and objective judgement on Board deliberations and decision making.

The Independent Director of the Company who has served for a tenure of more than nine years is Mr. Hong Hee Leong. The Board has retained him as an Independent Director', notwithstanding his service tenure of more than nine years, the NC's assessment and recommendation.

Nevertheless, in line with Recommendation 3.3 of the MCGG 2012, the Board will seek the approval of the shareholders of the Company at the forthcoming AGM to support the Board's decision to retain Mr. Hong Hee Leong as an Independent Director based on the following justifications:

- (a) He has fulfilled the criteria under the definition of Independent Director as stated in the LR and will thus be able to function as a check and balance, and bring an element of objectivity to the Board.
- (b) His vast experience in the finance industry, will enhance the Board's diverse set of experience, expertise and independent judgement.
- (c) He has been with the Company for more than nine years and has good knowledge of the Company's business operations and the property development market.
- (d) He has devoted sufficient time and attention to his professional obligations for informed and balanced decision making.
- (e) He has 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.

3. Separation of positions of the Acting Chairman/Executive Director and Group Chief Executive Officer

The roles of the Acting Chairman/ED and Group CEO are separate with distinctive responsibilities to ensure a balance of power and authority. The Acting Chairman/ED is responsible for the leadership and governance of the Board, ensuring its effectiveness, orderly conduct and work whilst the Group CEO is responsible for the day-to-day management of the Group's operations and business as well as the implementation of Board policies and decisions.

The Board is aware of the MCCG 2012, which recommends the appointment of an independent non-executive director as board chairman.

However, the Board is satisfied with the person holding the dual roles of chairman and executive director in view of her experience and knowledge of the businesses of the Group and the amount of time she has spent in fulfilling her responsibilities. Though the independent directors do not form a majority in the Board, their presence is sufficient to provide the necessary checks and balances on the decision-making process of the Board. The significant contributions of the independent directors in the decision-making process are evidenced in their participation as members of the Board's various committees. The Acting Chairman/ED will ensure that procedural rules are followed in the conduct of meetings and that decisions made are formally recorded and adopted.

4. Board Composition and Balances

The Board consists of qualified individuals with various knowledge, skills and expertise, which will enable the Board to discharge its duties and responsibilities effectively. The Board currently has six members comprising the Acting Chairman/ED, two Non-Independent Non-Executive Directors and three Independent Non-Executive Directors. The details of the Board are given on pages 6 to 9 of the Annual Report.

The present composition of the Board is also in compliance with Chapter 15.02 of the LR of at least one-third of its members being independent directors.

PRINCIPLE 4 – FOSTER COMMITMENT OF DIRECTORS

1. Time Commitment

The Board conducts at least four meetings in each financial year. An annual meeting calendar is prepared and circulated to the Directors before the beginning of each year to help the Directors plan their schedule. Additional meetings are held as and when required. Scheduled Board meetings are structured with pre-set agendas. Board and Board Committees papers, prepared by Management provide the relevant facts and analysis for the Directors' information. The meeting agenda, the relevant reports and Board papers are furnished to Directors and Board Committees members before the meeting to allow the Directors sufficient time to read them for effective discussion and decision making at the meetings.

All Board members as well as the Acting Chairman/ED who take on new directorship outside the Group, are required to notify the Acting Chairman/ED.

The Board is satisfied with the level of time commitment given by the Directors in fulfilling their roles and responsibilities. Details of the Board members' attendance at Board's and Board Committees' meetings for the financial year ended 30 June 2015 are as follows:

Director	Board Meeting	AC Meeting	NC Meeting	RC Meeting
Pn. Hjh Felina Binti Tan Sri Datuk (Dr.) Hj. Mustapha Kamal	3 / 5	–	–	–
YBhg. Tan Sri Datuk (Dr.) Hj. Mustapha Kamal Bin Hj. Abu Bakar	5 / 5	–	–	0 / 2*
YBhg Datuk Kasi a/l K.L Palaniappan	5 / 5	5 / 5	–	–
Mr. Hong Hee Leong	5 / 5	5 / 5	3 / 3	2 / 2
Ms. Anita Chew Cheng Im	5 / 5	5 / 5	3 / 3	–
Pn. Hjh Juliana Heather Binti Ismail	5 / 5	–	3 / 3	2 / 2

*Absent from meeting due to medical leave

2. Directors' Training

All Directors have completed the Mandatory Accreditation Programme as required by Bursa Securities.

The Board believes that continuous training for Directors is vital for the Board members to enhance their skills and knowledge and to enable them to discharge their duties effectively. As such, the Directors will continuously attend the necessary training programmes, conferences, seminars and/or forums to keep abreast with the current developments in the various industries as well as the current changes in laws and regulatory requirements.

During the financial year ended 30 June 2015, all Directors attended the in-house "Roles and Responsibilities of Directors Under the Listing Requirements" training on 25 May 2015 conducted by Tricor Knowledge House Sdn. Bhd.

Some of the Directors also attended the following training:

- i. Bursa Malaysia CG Breakfast Series With Director – How to maximise Internal Audit;
- ii. Bursa Malaysia CG Breakfast Series With Director – Bringing the Best out in Boardroom; and
- iii. Board Chairman Series Part 2 – Leadership Excellence from the Chair.

The Board will, continuously evaluate and determine the training needs of its members to assist them in the discharge of their duties as Directors.

PRINCIPLE 5 – UPHOLD INTEGRITY IN FINANCIAL REPORTING

1. Compliance with Applicable Financial Reporting Standards

The Board strives to provide a clear, balanced and meaningful assessment of the Group's financial performance and prospects at the end of the financial year through the annual audited financial statements and quarterly financial reports, as well as corporate announcements on significant developments affecting the Company in accordance with the LR.

The Board is also responsible for ensuring the annual financial statements are prepared in accordance with the provisions of the Companies Act, 1965 and the applicable financial reporting standards in Malaysia.

The Board is assisted by the AC in the discharge of its duties on financial reporting and ensuring that the Group maintains a proper financial reporting process and high quality financial reporting. A full AC Report detailing its composition, terms of reference and a summary of activities during the financial year is set out on pages 27 to 30 of the Annual Report.

2. Statement of Directors' Responsibility in respect of the Financial Statements

The Companies Act 1965 ("the Act") requires the Directors to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the Company and the Group, and the results and cash flows of the Company and the Group for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- state whether applicable financial reporting standards have been followed, subject to any material departures being disclosed and explained in the financial statements;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping accounting records which disclose with reasonable accuracy, at any time, the financial position of the Company and the Group to enable them to ensure that the financial statements comply with the Act and applicable financial reporting standards in Malaysia. The Directors are also responsible for safeguarding the assets of the Group and taking reasonable steps to prevent and detect fraud and other irregularities.

3. Assessment of external auditors

The AC is responsible for the annual assessment of the competency and independence of the external auditors. Having assessed their performance, the AC will recommend their re-appointment to the Board, who will then seek the shareholders' approval at the AGM.

The external auditors are required to declare their independence annually to the AC as specified by the By-Laws issued by the Malaysian Institute of Accountants. The external auditors have provided the declaration in their annual audit plan presented to the AC of the Company.

PRINCIPLE 6 – RECOGNISE AND MANAGE RISK

The Board has established a framework to formulate and review risk management policies and risk strategies. Information on the Group's internal control is presented in the Statement on Risk Management and Internal Control.

The Group's internal audit function is carried out by the Group Internal Audit Department ("GIAD") and external independent firm, which reports its activities, based on the approved annual Internal Audit Plan, directly to the AC.

The appointment, resignation and dismissal of the Head of GIAD is reviewed and approved by the AC. The AC also provides input on the annual performance appraisal of the Head of GIAD. The Head of GIAD has access to the AC, the Board and Management.

PRINCIPLE 7 – ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

The Company has established a corporate disclosure policy to ensure accurate, clear, timely and high quality disclosure of material information. To augment the process of disclosure, the Board has a section on the Company's website, where information on the Company's announcements to the regulators, the salient features of the Board Charter and the Company's Annual Report can be accessed.

PRINCIPLE 8 – STRENGTHEN RELATIONSHIP BETWEEN THE COMPANY AND ITS SHAREHOLDERS

1. Shareholders participation at general meeting

The AGM is the principal forum for dialogue and interaction with shareholders. At the AGM, the Board provides opportunities for shareholders to raise questions pertaining to the business activities of the Group. The Acting Chairman/ED, Group CEO and when necessary, the external auditors, are available to provide explanations on queries raised during the meetings as well as engage with shareholders, invited attendees and members of the press. Shareholders who are unable to attend are allowed to appoint proxies to attend and vote on their behalf. The Notice of AGM is circulated at least 21 days before the date of the meeting to enable shareholders to go through the Annual Report and papers supporting the resolutions proposed.

2. Poll Voting

The Board noted Recommendation 8.2 of the MCCG 2012 states that the board should encourage poll voting. In line with this recommendation at the commencement of the general meeting, the Acting Chairman/ED will inform the shareholders of their rights to demand poll vote.

3. Communication and Engagement with Shareholders and Prospective Investors

The Group recognises the need to inform the shareholders of all significant developments concerning the Group on a timely basis, with strict adherence to the LR. Shareholders and prospective investors are kept informed of all major developments within the Group by way of announcements via the Bursa Link, the Company's Annual Reports, website and other circulars to shareholders with an overview of the Group's financial and operational performance.

ADDITIONAL COMPLIANCE INFORMATION

1. Compliance with the Code

The Board considers that the Group has complied substantially with the principles and recommendations as stipulated in the MCCG 2012 throughout the financial year 2015. The Board will endeavour to improve and enhance the procedures from time to time.

2. Corporate Social Responsibility

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

During the year under review, the Group organised welfare activities such as the Aidilfitri celebration for neighbourhood orphanages, which was attended by our YBhg Tan Sri.

As for the humanitarian aid programme, we sent volunteers to help the flood victims in Grik, Banding Island, and victims of the land slide in Taman Bunga Raya, Selangor.

In line with greening the environment and the healthy living concept promoted by the Government, we have taken the initiative of planting trees in Taiping and Bukit Merah. We also organised the – “M K Land Colorful Fun Run 2015” and “Trial Run @ Tasik Rafflesia” which attracted 1,500 and 500 participants respectively.

In maintaining transparency and accountability, the Group provides timely information to the public 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 our AGM.

3. Workplace Diversity

The Board and Management are committed to embracing diversity at the workplace and providing equal employment opportunities to all employees regardless of their age, gender and ethnicity.

AUDIT COMMITTEE REPORT

The Board of Directors is pleased to present the report of the Audit Committee for the financial year ended 30 June 2015.

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 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.
- 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 2015, 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	Attendance
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 opportunities identified in the internal audit reports, with management;
- xii) Recommended to the Board improvement opportunities 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 2015 was approximately RM675,876.

This Audit Committee Report is made in accordance with the resolution of the Board of Directors dated 22 October 2015.

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 please 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 2015 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 22 October 2015.

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DIRECTORS' REPORT

DIRECTORS' 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 2015.

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 17 and 18 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	53,963	19,102

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 2014 were as follows:

	RM'000
In respect of the financial year ended 30 June 2014:	
Final dividend of 2 sen per share on 1,207,262,000 ordinary shares of RM1 each, less 2,672,000 treasury shares, declared on 14 October 2014 and paid on 31 December 2014.	24,092
In respect of the financial year ended 30 June 2015:	
First 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 25 March 2015 and paid on 23 April 2015.	12,046
	36,138

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 2015, subject to the approval of shareholders at the forthcoming Annual General Meeting of the Company.

DIRECTORS

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

YBhg. 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' Hjh. Fazwinna binti Tan Sri Datuk (Dr). Hj. Mustapha Kamal
 (alternate to Hjh. Felina binti Tan Sri Datuk (Dr). Hj. Mustapha Kamal)
 Hjh Farah Mahami binti Tan Sri Datuk (Dr). Hj. Mustapha Kamal
 (alternate to Tan Sri Datuk (Dr). Hj. Mustapha Kamal bin Hj. Abu Bakar) (appointed on 10 February 2015)

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 10 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 except as disclosed in Note 33.

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 ----->			
	1.7.2014	Acquired	Disposed	30.6.2015
YBhg. 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	205,795,815	–	2,630,000	203,165,815

YBhg. 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.

* Held via MKN Holdings Sdn Bhd.

TREASURY SHARES

As at 30 June 2015, 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 and further relevant details are disclosed in Note 25(b)(ii) to the financial statement.

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 25(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.

OTHER STATUTORY INFORMATION (cont'd.)

(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.

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 22 October 2015.

Hjh. Felina binti Tan Sri Datuk (Dr). Hj. Mustapha Kamal

Hong Hee Leong

STATEMENT BY DIRECTORS

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

We, Hjh. Felina binti Tan Sri Datuk (Dr). Hj. Mustapha Kamal 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 41 to 107 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 2015 and of their financial performance and cash flows for the year then ended.

The information set out in Note 39 on page 108 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 22 October 2015.

Hjh. Felina binti Tan Sri Datuk (Dr). Hj. Mustapha Kamal

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 41 to 108 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 22 October 2015

Lau Shu Chuan

Before me,

INDEPENDENT AUDITORS' 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 2015 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 41 to 108.

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 judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of 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 2015 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 Note 32 to the financial statements which describe the uncertainty related to the outcome of the legal dispute over the applicable tax rate to be applied on the gains arising from the disposal of certain investment properties.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF M K LAND HOLDINGS BERHAD (INCORPORATED IN MALAYSIA) (cont'd.)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries 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 REPORTING RESPONSIBILITIES

The supplementary information set out in Note 39 on page 108 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.

OTHER MATTERS

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

Ernst & Young
AF: 0039
Chartered Accountants

H'ng Boon Keng
No. 3112/08/16(J)
Chartered Accountant

Kuala Lumpur, Malaysia
22 October 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	Note	2015 RM'000	2014 RM'000
Revenue	4	488,316	488,747
Cost of sales	5	(279,463)	(302,817)
Gross profit		208,853	185,930
Other income	6	26,242	33,197
Administrative expenses		(61,422)	(71,214)
Selling and marketing expenses		(21,379)	(26,014)
Other expenses		(69,216)	(35,711)
Operating profit		83,078	86,188
Finance costs	7	(10,049)	(14,740)
Profit before tax	8	73,029	71,448
Income tax expense	11	(19,066)	(5,750)
Profit after tax, representing total comprehensive income for the year		53,963	65,698
Earnings per share attributable to equity holders of the Company			
Basic earnings per share (sen)	12	4.5	5.5

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

		2015	2014
		RM'000	(restated) RM'000
Assets			
Non-current assets			
Property, plant and equipment	14	191,484	192,564
Land held for property development	15(a)	709,115	611,986
Investment properties	16	146,053	147,297
Investment in associate	18	–	–
Other investments	19	–	–
Deferred tax assets	20	3,405	4,090
		1,050,057	955,937
Current assets			
Property development costs	15(b)	180,928	368,907
Inventories	21	158,555	113,860
Trade and other receivables	22	382,222	324,417
Tax recoverable		10,329	10,502
Other financial asset	23	38,879	27,873
Cash and bank balances	24	112,987	179,417
		883,900	1,024,976
Total assets		1,933,957	1,980,913
Equity and liabilities			
Equity attributable to equity holders of the Company			
Share capital	25	1,207,262	1,207,262
Other Reserves	25(b)	7,130	7,130
Merger deficit	25(c)	(73,902)	(91,727)
Retained profits	26	24,092	24,092
Total equity		1,164,582	1,146,757
Non-current liabilities			
Deferred tax liabilities	20	19,082	29,720
Borrowings	27	19,673	76,019
Long term payable	30	64,901	60,973
		103,656	166,712
Current liabilities			
Provision for liabilities	29	126,130	98,084
Tax payable		5,873	5,253
Borrowings	27	56,870	17,048
Trade and other payables	31	476,846	547,059
		665,719	667,444
Total liabilities		769,375	834,156
Total equity and liabilities		1,933,957	1,980,913

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 2015

	Reserves						Total equity RM'000
	Share capital RM'000 (Note 25)	Share premium RM'000 (Note 25(b))	Treasury shares RM'000 (Note 25(b))	Merger deficit RM'000 (Note 25(c))	Retained earnings RM'000 (Note 26)	Total reserves RM'000	
At 1 July 2014	1,207,262	9,034	(1,904)	(91,727)	24,092	(60,505)	1,146,757
Total comprehensive income	-	-	-	-	53,963	53,963	53,963
Dividend on ordinary shares (Note 13)	-	-	-	-	(36,138)	(36,138)	(36,138)
Transfer to merger deficit account	-	-	-	17,825	(17,825)	-	-
At 30 June 2015	1,207,262	9,034	(1,904)	(73,902)	24,092	(42,680)	1,164,582
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 13)	-	-	-	-	(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)	(91,727)	24,092	(60,505)	1,146,757

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	2015 RM'000	2014 (restated) RM'000
Cash flows from operating activities		
Profit before tax	73,029	71,448
Adjustments for:		
Depreciation	8,031	7,418
Gain on disposal of property, plant and equipment	(77)	(9)
Gain on disposal of investment property	(85)	(12,548)
Reversal of impairment on receivables	(11)	(941)
Allowance for impairment of trade receivables	655	140
Allowance for impairment of other receivables	1,441	–
Net fair value gain on investment property	(431)	(7,210)
Provision for liabilities	28,525	19,591
Write-down of inventories	(15,888)	–
Interest expense	10,049	14,740
Interest income	(3,073)	(2,951)
Operating profit before working capital changes	102,165	89,678
Decrease in property development costs and land held for property development	90,884	32,834
(Increase)/Decrease in inventories	(28,807)	3,829
Increase in receivables	(59,890)	(23,518)
(Decrease)/Increase in payables	(54,251)	36,565
Cash generated from operations	50,101	139,389
Utilisation of provision for liabilities	(298)	(1,107)
Reversal of provision for liabilities	(181)	(548)
Interest paid	(10,083)	(14,740)
Interest received	3,073	2,951
Net taxes paid	(28,225)	(20,619)
Net cash generated from operating activities	14,387	105,326
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	533	17
Purchase of property, plant and equipment	(7,408)	(15,909)
Proceeds from disposal of investment property	1,760	83,548
Investment in money market funds	(11,006)	(27,873)
Net cash (used in)/generated from investing activities	(16,121)	39,783
Cash flows from financing activities		
Dividend paid	(48,184)	(18,068)
Drawdown of loans and borrowings	570	8,724
Repayment of loans and borrowings	(16,524)	(64,515)
Net cash used in financing activities	(64,138)	(73,859)
Net (decrease)/increase in cash and cash equivalents	(65,872)	71,250
Cash and cash equivalents at beginning of financial year	173,922	102,672
Cash and cash equivalents at end of financial year (Note 24)	108,050	173,922

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 2015

	Note	2015 RM'000	2014 RM'000
Revenue	4	33,597	35,896
Other income	6	3,426	3,084
Administrative expenses		(15,105)	(16,155)
Other expenses		(958)	(2,228)
Operating profit		20,960	20,597
Finance costs	7	(1,104)	(2,854)
Profit before tax	8	19,856	17,743
Income tax expense	11	(754)	(1,215)
Profit after tax, representing total comprehensive income for the year		19,102	16,528

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

	Note	2015 RM'000	2014 (restated) RM'000
Assets			
Non-current assets			
Property, plant and equipment	14	322	295
Investments in subsidiaries	17	1,923,305	1,923,305
Other investments	19	–	–
Deferred tax assets	20	2,376	3,106
		1,926,003	1,926,706
Current assets			
Other receivables	22	354,359	336,868
Tax recoverable		892	644
Other financial assets	23	14,355	27,736
Cash and bank balances	24	8,498	13,160
		378,104	378,408
Total assets		2,304,107	2,305,114
Equity and liabilities			
Equity attributable to equity holders of the Company			
Share capital	25	1,207,262	1,207,262
Share premium	25(b)	9,034	9,034
Treasury Share	25(b)	(1,904)	(1,904)
Merger reserve		636,856	636,856
Retained profits	26	110,176	127,212
Total equity		1,961,424	1,978,460
Non-current liability			
Borrowings	27	2,439	11,602
Current liabilities			
Borrowings	27	9,160	5,012
Other payables	31	331,084	310,040
		340,244	315,052
Total liabilities		342,683	326,654
Total equity and liabilities		2,304,107	2,305,114

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 2015

	Reserves						Total equity RM'000
	Share capital RM'000 (Note 25)	Share premium RM'000 (Note 25(b))	Merger reserves RM'000	Treasury shares RM'000 (Note 25(b))	Retained earnings RM'000 (Note 26)	Total reserves RM'000	
At 1 July 2014	1,207,262	9,034	636,856	(1,904)	127,212	771,198	1,978,460
Total comprehensive income	-	-	-	-	19,102	19,102	19,102
Dividend on ordinary shares (Note 13)	-	-	-	-	(36,138)	(36,138)	(36,138)
At 30 June 2015	1,207,262	9,034	636,856	(1,904)	110,176	754,162	1,961,424
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 13)	-	-	-	-	(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

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 2015

	2015	2014
	RM'000	(restated) RM'000
Cash flows from operating activities		
Profit before tax	19,856	17,743
Adjustments for:		
Depreciation	149	187
Impairment of amount due from subsidiaries	–	1,559
Interest expense	1,104	2,854
Interest income	(2,171)	(3,084)
Operating profit before working capital changes	18,938	19,259
Decrease in other receivables	696	35,046
Decrease in amount due from subsidiaries	16,741	32,824
Decrease in other payables	(1,838)	(37,176)
Cash generated from operations	34,537	49,953
Interest received	2,171	3,084
Interest paid	(1,104)	(2,854)
Tax paid	(272)	(316)
Net cash generated from operating activities	35,332	49,867
Cash flows from investing activity		
Purchase of property, plant and equipment, representing total net cash used in investing activities	(176)	(117)
Withdrawal of money market funds	13,381	–
Investment in money market funds	–	(27,736)
Net cash generated from/(used in) investing activities	13,205	(27,853)
Cash flows from financing activities		
Dividend paid	(48,184)	(18,068)
Repayment of loans and borrowings	(5,015)	(22,482)
Net cash used in financing activities	(53,199)	(40,550)
Net decrease in cash and cash equivalents	(4,662)	(18,536)
Cash and cash equivalents at beginning of financial year	13,160	31,696
Cash and cash equivalents at end of financial year (Note 24)	8,498	13,160

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

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2015

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 17 and 18 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 22 October 2015.

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 (“FRS”) and the Companies Act, 1965 in Malaysia.

These financial statements also comply with the applicable disclosure provisions of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad (“Bursa Securities”).

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.

As at 1 July 2014, the Group and Company had adopted new amendments and revised FRS (collectively referred as “pronouncements”) that have been issued by the MASB as described in Note 2.2.

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 2014, 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 2014.

Description	Effective for annual period beginning on or after
Amendments to FRS 119: Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to FRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to FRSs 2011 – 2013 Cycle	1 July 2014

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)**2.3 Standards and interpretations issued but not yet effective**

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual period beginning on or after
Annual Improvements to FRSs 2012-2014 Cycle	1 January 2016
Amendments to FRS 116, 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 116, 141: Agriculture: Bearer Plants	1 January 2016
Amendments to FRS 10, 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 127: Equity method in separate financial statements	1 January 2016
Amendments to FRS 101: Disclosure Initiatives	1 January 2016
Amendments to FRS 10, 12, 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
FRS 14: Regulatory Deferral Accounts	1 January 2016
FRS 15: Revenue from Contracts with Customers	1 January 2018
FRS 9: Financial Instruments	1 January 2018

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 ("MFRS").

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 8 September 2015, 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 2018.

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 2019. 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.

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 2015 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 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

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.

An investee is classified as a subsidiary if it is controlled by the Company. The Company controls an investee if and only if the Company has all the following:

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

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

- (i) the size of the Company's holding of voting rights relative to the size and dispersion of holdings of other vote holders;
- (ii) potential voting rights held by the Company, other vote holders or other parties;
- (iii) rights arising from other contractual arrangements; and
- (iv) any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income ("OCI") and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of an investment in an associate or a joint venture.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

2.5 Basis of consolidation (cont'd.)

Business combinations

- (a) Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 139 either in profit or loss or as a change to OCI. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of FRS 139, it is measured in accordance with the appropriate FRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

- (b) Business combinations involving entities under common control are accounted for by applying the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the 'acquired' entity is reflected within equity as merger reserve/deficit. The profit or loss reflect the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities had always been combined since the date the entities had come under common control.

At each reporting date, the Group's retained profits for the current financial year in relation to the entities under common control, after adjusting for proposed/declared dividend as at that date will be transferred to merger deficit.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

2.6 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 profit or loss.

2.7 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)**2.7 Property, plant and equipment (cont'd.)**

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.

When an indication of impairment exists, the carrying amount of the asset is written down immediately to its recoverable value. The policy for the recognition and measurement of impairment is in accordance with Note 2.9.

2.8 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.

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 2.7 up to the date of change in use.

When an indication of impairment exists, the carrying amount of the asset is written down immediately to its recoverable value. The policy for the recognition and measurement of impairment is in accordance with Note 2.9.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

2.9 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.

2.10 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

2.10 Financial assets (cont'd.)

(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.

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 profit or loss as part of other losses or other 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 profit or loss 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.

Loans and receivables of the Group and of the Company comprise of trade and other receivables (other than accrued income and prepayments), due from related companies and cash and bank balances.

(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 profit or loss 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 investments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

2.10 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 profit or loss as part of other losses or other 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.

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 profit or loss.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

2.11 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.

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 profit or loss.

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 profit or loss.

(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.

2.12 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 with a maturity of three months or less.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

2.13 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.

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.

2.14 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

2.15 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.

2.16 Financial liabilities

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

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 profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

2.17 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.18 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 profit or loss as part of other losses or other 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.

2.19 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

2.20 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.

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 2.21(f).

2.21 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 2.13(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

2.21 Revenue (cont'd.)

(d) Sale of goods

Revenue is recognised net of discounts 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

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

(g) Dividend income

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

(h) Management fees

Management fees are recognised when services are rendered.

(i) Education fees

Tuition fees are recognised when services are rendered.

2.22 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

2.22 Income taxes (cont'd.)

(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.

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 recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

2.23 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 37, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.24 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.

2.25 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.

2.26 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.

2.27 Fair value measurements

The fair value of an asset or a liability, except for lease transactions, share-based payments transactions and measurement that has some similarities to fair value but are not fair value such as net realisable value in FRS 102: Inventories and FRS 136: Impairment of assets, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

Financial instruments

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business at the end of reporting date. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models. Where fair value cannot be reliably estimated, assets are carried at cost less impairment losses, if any.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

2.28 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is classified as current when it is:

- (i) expected to be realised or intended to be sold or consumed in normal operating cycle;
- (ii) held primarily for the purpose of trading;
- (iii) expected to be realised within twelve months after the reporting period; or
- (iv) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- (i) it is due to be settled within twelve months after the reporting period; or
- (ii) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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 32.

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

3.1 Critical judgements made in applying accounting policies (cont'd.)

(c) Depreciation of property, plant and machinery

The cost of plant and machinery for use in construction and infrastructure maintenance works is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these property, plant and machinery to be within 2.5 to 99 years. These are common life expectancies applied in the construction industry. Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. However, the management believes that no reasonably possible change in any of the key assumptions that would cause a significant fluctuation in the profits for the year.

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.

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.

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

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

(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 expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(f) Provision for 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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue from property development and related activities	447,197	440,025	–	–
Sale of completed properties	4,115	4,472	–	–
Revenue from resort operations	35,511	42,849	–	–
Educational services	1,493	1,401	–	–
Dividends from a subsidiary	–	–	18,000	18,000
Management fees from subsidiaries	–	–	15,597	17,896
	488,316	488,747	33,597	35,896

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	
	2015 RM'000	2014 RM'000
Property development costs (Note 15(b))	257,236	286,723
Cost of completed properties sold	2,819	3,703

6. OTHER INCOME

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Administrative fees received from subsales	471	805	–	–
Fair value adjustment on investment properties (Note 16)	431	7,210	–	–
Forfeiture income	826	555	–	–
Gain on disposal of property, plant and equipment	77	9	–	–
Gain on disposal of investment properties	85	12,548	–	–
Interest income from deposit in license bank (Note 8)	3,073	2,951	805	466
Interest backcharged to subsidiaries	–	–	1,366	2,618
Miscellaneous income	1,357	4,358	–	–
Rental income (Note 8)	4,077	2,984	–	–
Reversal of allowance for impairment of trade and other receivables	11	941	–	–
Reversal of provision	15,834	836	1,255	–
Total	26,242	33,197	3,426	3,084

7. FINANCE COSTS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Interest expense on borrowings	10,083	15,296	1,104	2,854
Less: Amount capitalised in property development costs (Note 15(b))	(34)	(556)	–	–
	10,049	14,740	1,104	2,854

8. PROFIT BEFORE TAX

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

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Auditors' remuneration				
– Statutory audit	265	287	56	56
– under/(over) provision in prior year	37	(21)	–	–
– others	–	20	–	10
Depreciation (Note 14)	8,031	7,418	149	187
Employee benefits expense (Note 9)	30,891	38,191	9,841	11,095
Net fair value adjustment of investment properties (Note 16)	(431)	(7,210)	–	–
Gain on disposal of investment property	(85)	(12,548)	–	–
Gain on disposal of property, plant and equipment	(77)	(9)	–	–
Impairment of inventories	15,888	–	–	–
Impairment of property, plant and equipment (Note 14)	6,970	–	–	–
Impairment on other receivables	1,441	–	–	1,559
Impairment on trade receivables	655	140	–	–
Interest income (Note 6)				
– from deposits and HDA	(3,073)	(2,951)	(805)	(466)
– charged to subsidiaries	–	–	(1,366)	(2,618)
Non-executive directors' remuneration (Note 10)	1,337	1,464	1,337	1,464
Provision for liabilities (Note 29)	28,525	19,591	–	–
Reversal of impairment on receivables	–	(93)	–	–
Rental expense	1,095	1,155	619	585
Rental income (Note 6)	(4,077)	(2,984)	–	–

9. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Wages and salaries	24,737	29,246	7,491	8,667
Pension costs – Employee Provident Fund (“EPF”)	3,751	3,874	1,107	1,062
Social security costs	324	408	55	56
Other staff benefits	2,079	4,663	1,188	1,310
	30,891	38,191	9,841	11,095

Included in staff costs of the Group and of the Company is the executive director's remuneration amounting to RM1,560,000 (2014: RM1,189,000) as further disclosed in Note 10.

10. DIRECTORS' REMUNERATION

	Group/Company	
	2015	2014
	RM'000	RM'000
Directors of the Company		
Executive:		
Salaries and other emoluments	1,224	920
Pension costs – EPF	231	173
	1,455	1,093
Benefits-in-kind	105	96
	1,560	1,189
Non-Executive:		
Fees and other emoluments	1,008	1,098
Allowances	329	366
	1,337	1,464
Total	2,897	2,653

The details of the remuneration of the directors of the Company are as follows:

	Group/Company	
	2015	2014
	RM'000	RM'000
YBhg. Tan Sri Datuk (Dr). Hj. Mustapha Kamal bin Hj. Abu Bakar (“Tan Sri MK”)	860	1,022
YBhg. Datuk Kasi a/l K. L. Palaniappan (“Datuk P. Kasi”)	107	101
Hong Hee Leong	154	146
Hjh. Felina binti Tan Sri Datuk (Dr). Hj. Mustapha Kamal (“Felina”)	1,560	1,189
Anita Chew Cheng Im	110	101
Juliana Heather binti Ismail	103	96

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of directors	
	2015	2014
	RM'000	RM'000
Executive directors:		
RM1,000,001 – RM1,500,000	–	1
RM1,500,001 – RM2,000,000	1	–
Non-Executive directors:		
RM50,000 – RM100,000	–	1
RM100,001 – RM150,000	3	3
RM150,001 – RM200,000	1	–
RM200,001 – RM1,000,000	1	–
RM1,000,001 – RM1,500,000	–	1

11. INCOME TAX EXPENSEMajor components of income tax expense

The major components of income tax expense for the year ended 30 June 2015 and 2014 are:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Income tax:				
Charge for the year	33,504	21,632	1,011	1,010
(Over)/Under provision in respect of previous years	(4,485)	(1,834)	(987)	422
	29,019	19,798	24	1,432
Deferred tax (Note 20):				
Relating to reversal of temporary differences	(5,014)	(17,833)	(320)	(188)
Relating to reduction in Malaysian income tax rate	(940)	–	86	–
(Over)/Under provision in respect of previous years	(3,999)	3,785	964	(29)
	(9,953)	(14,048)	730	(217)
	19,066	5,750	754	1,215

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

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:

	2015 RM'000	2014 RM'000
Group		
Profit before tax	73,029	71,448
Taxation at Malaysian statutory tax rate of 25% (2014: 25%)	18,257	17,862
Income not subject to tax	(265)	(118)
Effect on opening deferred tax of reduction in Malaysian income tax rate	(940)	–
Deferred tax recognised at different rates	206	–
Expenses not deductible for tax purposes	3,696	767
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	6,627	2,059
Utilisation of previously unrecognised tax losses and unabsorbed capital allowance	(31)	(3,760)
Reversal of deferred tax liability upon disposal of investment property	–	(13,011)
Over provision of income tax expense in prior years	(4,485)	(1,834)
(Over)/Under provision of deferred tax in prior years	(3,999)	3,785
Income tax expense for the year	19,066	5,750

11. INCOME TAX EXPENSE (cont'd.)Reconciliation between tax expense and accounting profit (cont'd.)

	2015 RM'000	2014 RM'000
Company		
Profit before tax	19,856	17,743
Taxation at Malaysian statutory tax rate of 25% (2014: 25%)	4,964	4,436
Effect on opening deferred tax of reduction in Malaysian income tax rate	86	–
Income not subject to tax	(4,695)	(4,613)
Deferred tax recognised at different rates	13	–
Expenses not deductible for tax purposes	409	999
(Over)/Under provision of income tax expense in prior years	(987)	422
Under/(Over) provision of deferred tax in prior years	964	(29)
Income tax expense for the year	754	1,215

12. 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.

	Group	
	2015	2014
Profit attributable to ordinary equity holders of the Company (RM'000)	53,963	65,698
Weighted average number of ordinary shares in issue ('000)	1,204,590	1,204,590
Basic earnings per share (sen)	4.5	5.5

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.

13. DIVIDENDS

	Group/Company Dividends in respect of/ recognised in year	
	2015 RM'000	2014 RM'000
Cash dividends on ordinary shares declared and paid:		
Final dividend for 2014: 2 sen per share on 1,207,262,000 ordinary shares of RM1 each less 2,672,000 treasury shares (2013: Nil)	24,092	–
First interim dividend for 2015: 1 sen per share on 1,207,262,000 ordinary shares of RM1 each less 2,672,000 treasury shares (2014: 1 sen per share on 1,207,262,000 ordinary shares of RM1 each less 2,672,000 treasury shares).	12,046	9,034
Second interim dividend for 2015: Nil (2014: 1 sen per share on 1,207,262,000 ordinary shares of RM1 each less 2,672,000 treasury shares).	–	12,046
	36,138	21,080

At the forthcoming Annual General Meeting of the Company, a single tier final dividend of 2 sen per share amounting to RM24,092,000 (2014: RM24,092,000) in respect of the financial year ended 30 June 2015 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 2016 when approved by shareholders.

14. 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 2015						
Cost						
At 1 July 2014	1,400	33,402	187,605	19,698	54,460	296,565
Additions	–	–	735	712	6,414	7,861
Transfer from land held for development (Note 15(a))	–	5,000	–	–	–	5,000
Transfer from property development cost (Note 15(b))	–	–	1,516	–	–	1,516
Reclassification	–	–	5,083	–	(5,083)	–
Disposals	–	–	(580)	–	(8)	(588)
At 30 June 2015	1,400	38,402	194,359	20,410	55,783	310,354

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

14. 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
At 30 June 2015 (cont'd.)						
Accumulated depreciation						
At 1 July 2014	–	5,119	35,403	18,650	44,829	104,001
Depreciation charge for the year (Note 8)	–	409	5,478	253	1,891	8,031
Impairment loss recognised in profit or loss (Note 8)	–	–	6,970	–	–	6,970
Disposals	–	–	(124)	–	(8)	(132)
At 30 June 2015	–	5,528	47,727	18,903	46,712	118,870
Net carrying amount	1,400	32,874	146,632	1,507	9,071	191,484
At 30 June 2014						
Cost						
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
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	1,400	28,283	152,202	1,048	9,631	192,564

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

14. PROPERTY, PLANT AND EQUIPMENT (cont'd.)

Company	Renovation RM'000	Furniture, fixtures and fittings RM'000	Computers and office equipment RM'000	Motor vehicles RM'000	Total RM'000
At 30 June 2015					
Cost					
At 1 July 2014	707	1,598	988	732	4,025
Additions	–	42	134	–	176
At 30 June 2015	707	1,640	1,122	732	4,201
Accumulated depreciation					
At 1 July 2014	705	1,551	767	707	3,730
Depreciation charge for the year	–	13	113	23	149
At 30 June 2015	705	1,564	880	730	3,879
Net carrying amount					
At 30 June 2015	2	76	242	2	322
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

14. 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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Others	295	279	–	25

- (b) Net carrying amount of the Group's property, plant and equipment pledged for borrowings as referred to in Note 27 are as follows:

	Group	
	2015 RM'000	2014 RM'000
Leasehold land and buildings	15,666	15,933

- (c) Long term leasehold land and buildings were revalued on 30 June 2015, 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.

15 LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

- (a) Land held for property development

	Group	
	2015 RM'000	2014 RM'000
At beginning of the year		
Land cost	309,387	309,387
Development costs	302,599	288,461
	611,986	597,848
Cost incurred during the year:		
Development costs	2,099	209
Transfers from/(to):		
Property development cost (note 15(b))	100,030	13,929
Property, plant and equipment (Note 14)	(5,000)	–
	95,030	13,929
At end of the year	709,115	611,986

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

	Group	
	2015 RM'000	2014 RM'000
At beginning of the year		
Freehold land	26,222	26,222
Leasehold land	116,309	130,238
Development costs	1,598,646	1,378,766
	1,741,177	1,535,226
Costs incurred during the year:		
Development costs	212,019	219,880
	212,019	219,880
Costs recognised in the statement of comprehensive income:		
At beginning of the year	(1,372,270)	(1,085,547)
Recognised during the year (Note 5)	(257,236)	(286,723)
At end of the year	(1,629,506)	(1,372,270)
Transfer:		
To property, plant and equipment (Note 14)	(1,516)	-
To inventories (Note 21)	(41,216)	-
To land held for property development (Note 15(a))	(100,030)	(13,929)
	(142,762)	(13,929)
At end of the year	180,928	368,907

The following properties and their related development expenditure are pledged as security for borrowings granted to the Group as disclosed in Note 27:

	2015 RM'000	2014 RM'000
Land held for property development:		
Freehold land	13,871	13,068
Leasehold land	46,888	68,481
	60,759	81,549
Property development costs:		
Leasehold land	37,119	53,710
	97,878	135,259

15. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (cont'd.)

(b) Property development costs (cont'd.)

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

	2015 RM'000	2014 RM'000
Interest expense capitalised (Note 7)	34	556

16. INVESTMENT PROPERTIES

	Group	
	2015 RM'000	2014 RM'000
At beginning of the year	147,297	211,087
Disposed during the year	(1,675)	(71,000)
Fair value adjustments (Note 8)	431	7,210
At end of the year	146,053	147,297

The following investment properties are held under lease terms:

Long term leasehold land and buildings	146,053	147,297
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Investment properties amounting to RM39,033,000 (2014: RM39,033,000) have been pledged to financial institutions for borrowings as referred to in Note 27.

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

17. INVESTMENTS IN SUBSIDIARIES

	Company	
	2015 RM'000	2014 RM'000
Unquoted shares, at cost	1,924,055	1,924,055
Less: Impairment	(750)	(750)
	1,923,305	1,923,305

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

Name of company	Proportion of ownership interest (%)		Principal activities
	2015	2014	
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
Pujaan Pasifik Sdn. Bhd.	100	100	Operator of hotel
Saujana Triangle Sdn. Bhd.	100	100	Property development, property investment and investment holding

17. INVESTMENTS IN SUBSIDIARIES (cont'd.)

Name of company	Proportion of ownership interest (%)		Principal activities
	2015	2014	
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	Dormant
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.

18. INVESTMENT IN ASSOCIATES

	Group	
	2015 RM'000	2014 RM'000
In Malaysia:		
Unquoted shares, at cost	119	119
Share of losses recognised	(119)	(119)
Represented by share of net assets	–	–

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

Name of company	Country of incorporation	Equity interest held (%)		Principal activities
		2015	2014	
M K Embassy Land Sdn. Bhd.	Malaysia	47.5%	47.5%	Investment holding

18. INVESTMENT IN ASSOCIATES (cont'd.)

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

	Group	
	2015	2014
	RM'000	RM'000
Assets and liabilities		
Total assets	-	2,687
Total liabilities	2,765	2,521
Results		
Revenue	-	-
Loss for the year	(7)	(3)

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 RM1,569,289 (2014: RM1,392,000), of which RM3,396 (2014: RM2,000) was the share of the current year's losses. The Group has no obligation in respect of these losses.

19. OTHER INVESTMENTS

	Group/Company	
	2015	2014
	RM'000	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	-	-

20. DEFERRED TAX

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
At beginning of the year	25,630	39,678	(3,106)	(2,889)
Recognised in the statement of comprehensive income (Note 11)	(9,953)	(14,048)	730	(217)
At end of the year	15,677	25,630	(2,376)	(3,106)
Presented after appropriate offsetting as follows:				
Deferred tax assets	(3,405)	(4,090)	(2,410)	(3,151)
Deferred tax liabilities	19,082	29,720	34	45
	15,677	25,630	(2,376)	(3,106)

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:

	Revaluation of assets RM'000	Excess of capital allowances over book depreciation RM'000	Investment properties RM'000	Total RM'000
At 1 July 2014	14,834	9,262	25,742	49,838
Recognised in the statement of comprehensive income	(7,905)	(1,399)	(1,213)	(10,517)
At 30 June 2015	6,929	7,863	24,529	39,321
At 1 July 2013	15,065	9,788	37,646	62,499
Recognised in the statement of comprehensive income	(231)	(526)	(11,904)	(12,661)
At 30 June 2014	14,834	9,262	25,742	49,838

20. 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 2014	(12,178)	(2,235)	(9,795)	(24,208)
Recognised in the statement of comprehensive income	299	(127)	392	564
At 30 June 2015	(11,879)	(2,362)	(9,403)	(23,644)
At 1 July 2013	(11,520)	(1,506)	(9,795)	(22,821)
Recognised in the statement of comprehensive income	(658)	(729)	-	(1,387)
At 30 June 2014	(12,178)	(2,235)	(9,795)	(24,208)

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

	Group	
	2015 RM'000	2014 RM'000
Unutilised tax losses	47,859	29,657
Unabsorbed capital allowances	3,555	3,117
Other deductible temporary differences	10,237	2,369
	61,651	35,143

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.

20. DEFERRED TAX (cont'd.)

Deferred tax liabilities of the Company:

	Excess of capital allowances over book depreciation RM'000
At 1 July 2014	45
Recognised in the statement of comprehensive income	(11)
At 30 June 2015	34
At 1 July 2013	63
Recognised in the statement of comprehensive income	(18)
At 30 June 2014	45

Deferred tax assets of the Company:

	Accruals RM'000
At 1 July 2014	(3,151)
Recognised in the statement of comprehensive income	741
At 30 June 2015	(2,410)
At 1 July 2013	(2,952)
Recognised in the statement of comprehensive income	(199)
At 30 June 2014	(3,151)

21. INVENTORIES

	Group	
	2015 RM'000	2014 RM'000
Cost:		
Completed properties	90,828	113,027
Transfer from property development cost (Note 15(b))	41,216	-
Food, beverage, supplies and merchandise	891	833
Net realisable value:		
Completed properties	25,620	-
	158,555	113,860

During the year, the amount of inventories recognised as an expense in cost of sales of the Group was RM2,819,000 (2014: RM3,703,000).

22. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current				
Trade receivables				
Third parties	118,565	81,275	–	–
Stakeholders' sum	18,362	14,813	–	–
Accrued billings in respect of property development costs	227,634	213,935	–	–
	364,561	310,023	–	–
Less: Allowance for impairment	(7,696)	(7,052)	–	–
Trade receivables, net	356,865	302,971	–	–
Other receivables				
Advances to contractors	14,430	13,766	–	–
Deposits and prepayments	6,314	7,773	157	103
Due from associate	1,431	1,431	–	–
Due from subsidiaries	–	–	355,737	338,304
Sundry receivables	35,678	29,531	24	20
	57,853	52,501	355,918	338,427
Less: Allowance for impairment	(32,496)	(31,055)	(1,559)	(1,559)
Other receivables, net	25,357	21,446	354,359	336,868
	382,222	324,417	354,359	336,868
Total trade and other receivables	382,222	324,417	354,359	336,868
Add: Cash and bank balances Note 24)	112,987	179,417	8,498	13,160
Less: Prepayments	(281)	–	–	–
Total loans and receivables	494,928	503,834	362,857	350,028

(a) Trade receivables

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 RM6,914,000 (2014: RM7,790,000), which has been fully impaired.

The Group's normal trade credit terms ranges from 14 to 90 days (2014: 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.

22. 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	
	2015	2014
	RM'000	RM'000
Neither past due nor impaired	72,882	18,675
1 to 30 days past due not impaired	7,063	5,571
31 to 60 days past due not impaired	12,489	7,318
Above 60 days past due not impaired	18,435	42,659
Impaired	7,696	7,052
	118,565	81,275

Receivables that are neither past due nor impaired

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

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 RM37,987,000 (2014: RM55,548,000) 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:

	Group	
	2015	2014
	RM'000	RM'000
Trade receivables	118,565	81,275
Less: Allowance for impairment	(7,696)	(7,052)
	110,869	74,223

22. TRADE AND OTHER RECEIVABLES (cont'd.)**(a) Trade receivables** (cont'd.)

The movement in allowance account for receivables are as follows:

	Group	
	2015 RM'000	2014 RM'000
At 1 July	7,052	7,853
Charge for the year	655	140
Reversal of impairment	(11)	(941)
At 30 June	7,696	7,052

(b) Other receivables

	Group	
	2015 RM'000	2014 RM'000
Other receivables	57,853	52,501
Less: Allowance for impairment	(32,496)	(31,055)
	25,357	21,446

The movement in allowance account for receivables are as follows:

	Group	
	2015 RM'000	2014 RM'000
At 1 July	31,055	31,055
Charge for the year	1,441	-
At 30 June	32,496	31,055

22. TRADE AND OTHER RECEIVABLES (cont'd.)
(c) Due from subsidiaries

	Company	
	2015 RM'000	2014 RM'000
The amounts due from subsidiaries are classified as follows:		
Current		
Management fees receivable	15,597	17,896
Non-trade	340,140	320,408
	355,737	338,304

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 27. The term loans and revolving credits are subject to interest from 4.7% to 8.7% (2014: 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.

23. OTHER FINANCIAL ASSET

	Group		Company	
	2015 RM'000	2014 (restated) RM'000	2015 RM'000	2014 (restated) RM'000
Available-for-sale financial assets				
Money market funds and trust funds	38,879	27,873	14,355	27,736

The carrying amounts of the money market funds and trust funds approximate fair values.

24. CASH AND BANK BALANCES

	Group		Company	
	2015 RM'000	2014 (restated) RM'000	2015 RM'000	2014 (restated) RM'000
Cash on hand and at banks	99,236	160,373	252	219
Deposits with licensed banks	13,751	19,044	8,246	12,941
Cash and bank balances	112,987	179,417	8,498	13,160
Less: Deposits with licensed banks more than 3 months	(4,937)	(5,495)	-	-
Cash and cash equivalent	108,050	173,922	8,498	13,160

Included in cash at banks of the Group are amounts of RM69,740,000 (2014: RM57,210,000), the utilisation of which is subject to the Housing Developers (Housing Development Account) (Amendment) Regulations 2002 and the Housing Developers (Project Account) Rules 1995.

24. CASH AND BANK BALANCES (cont'd.)

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

	Group	
	2015 RM'000	2014 RM'000
Amounts maintained pursuant to Section 7A of the Housing Developers (Control and Licensing) Act, 1966 ("HDA")	69,740	57,210
Deposits with licensed banks pledged for bank guarantee facilities	4,994	6,275

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

	Group		Company	
	2015 %	2014 %	2015 %	2014 %
Licensed banks	3.3	3.3	3.4	3.4

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

	Group		Company	
	2015 Days	2014 Days	2015 Days	2014 Days
Licensed banks	32	69	27	82

25. SHARE CAPITAL

	Number of ordinary shares of RM1 each		Amount	
	2015 '000	2014 '000	2015 RM'000	2014 RM'000
Authorised:				
At beginning/end of the year	2,000,000	2,000,000	2,000,000	2,000,000
Issued and fully paid:				
At beginning/end of the year	1,207,262	1,207,262	1,207,262	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.

25. SHARE CAPITAL (cont'd.)

(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.
- (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.

25. SHARE CAPITAL (cont'd.)**(b) Other reserves**

	Share premium RM'000 (Note (i))	Treasury shares RM'000 (Note (ii))	Total reserves RM'000
At 1 July 2014/30 June 2015	9,034	(1,904)	7,130
At 1 July 2013/30 June 2014	9,034	(1,904)	7,130

(i) Share premium

This reserve comprises the premium paid on subscription of shares in the Company over and above the par value of the shares.

(ii) 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 2015, 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.

(c) Merger deficit

	Merger deficit RM'000
At 1 July 2014/30 June 2015	73,902
At 1 July 2013/30 June 2014	91,727

On 26 June 2002, the Group completed the acquisition of certain subsidiaries. The acquisition was satisfied by way of cash payment of RM131,980,000 and the issuance of 819,186,207 new ordinary shares of RM1.00 each in M K Land Shares at an issue price of RM1.45 per Share.

The difference between the fair value of the shares in the Company issued as consideration and the nominal value of the shares acquired has been classified as merger deficit. The merger deficit was subsequently partially set off against retained earnings.

At each reporting date, the merger deficit will be reduced by transferring the Group's retained profits for the immediate preceding financial year in relation to the entities under common control, after adjusting for proposed/declared dividend as at that date, in accordance with the Group's accounting policy disclosed in Note 2.5(b).

26. RETAINED EARNINGS

The Company may distribute dividends out of its entire retained profits as at 30 June 2015 under the single tier system.

27. BORROWINGS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Short term borrowings				
Secured:				
Revolving credits	–	15,906	–	5,000
Term loans	56,855	1,093	9,160	–
Hire purchase payables (Note 28)	15	49	–	12
	56,870	17,048	9,160	5,012
Long term borrowings				
Secured:				
Term loans	19,554	75,886	2,439	11,599
Hire purchase payables (Note 28)	119	133	–	3
	19,673	76,019	2,439	11,602
Total borrowings				
Revolving credits	–	15,906	–	5,000
Term loans	76,409	76,979	11,599	11,599
Hire purchase payables (Note 28)	134	182	–	15
	76,543	93,067	11,599	16,614

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

	Group		Company	
	2015 %	2014 %	2015 %	2014 %
Revolving credits	–	5.4	–	6.3
Term loans	7.9	7.8	8.9	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 14, 15 and 16.

28. HIRE PURCHASE PAYABLES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Minimum lease payments:				
Not later than 1 year	21	59	–	15
Later than 1 year but not later than 2 years	21	21	–	–
Later than 2 years but not later than 5 years	83	82	–	–
Later than 5 years	35	56	–	–
	160	218	–	15
Less: Future finance charges	(26)	(36)	–	–
Present value of finance lease liabilities	134	182	–	15
Present value of hire purchase liabilities:				
Not later than 1 year	15	49	–	12
Later than 1 year but not later than 2 years	15	15	–	3
Later than 2 years but not later than 5 years	70	67	–	–
Later than 5 years	34	51	–	–
	134	182	–	15

Analysed as:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Due within 12 months (Note 27)	15	49	–	12
Due after 12 months (Note 27)	119	133	–	3
	134	182	–	15

The Group has hire purchase contracts for various items of property, plant and equipment (Note 14). The effective interest rate of the hire purchase during the year ranged from 5.6% to 6.4% (2014: 5.6% to 6.4%) per annum.

Other information on financial risks of hire purchase liabilities are disclosed in Note 34.

29. PROVISION FOR LIABILITIES

Group	Guaranteed rental returns RM'000	Marketing incentives RM'000	Liquidated ascertained damages RM'000	Total RM'000
At 30 June 2015				
At beginning of the year	–	2,046	96,038	98,084
Provision during the year (Note 8)	1,445	5	27,075	28,525
Utilisation during the year	(153)	(112)	(33)	(298)
Reversal of provision	–	–	(181)	(181)
At end of the year	1,292	1,939	122,899	126,130
Current	1,292	1,939	122,899	126,130
At 30 June 2014				
At beginning of the year	–	2,304	77,844	80,148
Provision during the year (Note 8)	–	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

(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.

30. 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:

	Total RM'000	Under 1 year RM'000	1-5 years RM'000	Over 5 years RM'000
Group				
Unsecured				
2015				
Land cost payable	64,901	–	–	64,901
2014				
Land cost payable	60,973	–	–	60,973

The long term payable is discounted at the rate of 7% (2014: 7%).

31. TRADE AND OTHER PAYABLES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current				
Trade payables				
Third parties	234,925	226,032	–	–
Retention sums	72,413	66,365	–	–
Advance billings in respect of property development costs	1,727	24,890	–	–
	309,065	317,287	–	–
Other payables				
Due to directors	2,397	2,833	2,392	2,833
Interest payable	–	55	–	–
Sundry payables	37,959	40,042	–	–
Other accruals	20,341	29,016	8,697	9,339
Deposits and amount refundable to purchasers	85,866	122,540	–	–
Dividend payable	–	12,046	–	12,046
Due to subsidiaries	–	–	319,995	285,822
Amounts due to companies in which directors have interests	–	22	–	–
Amount due to a State Government	21,218	23,218	–	–
	167,781	229,772	331,084	310,040
	476,846	547,059	331,084	310,040

31. TRADE AND OTHER PAYABLES (cont'd.)

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Non-current				
Long term payables (Note 30)	64,901	60,973	–	–
	64,901	60,973	–	–
Total trade and other payables	541,747	608,032	331,084	310,040
Add: Loans and borrowings (Note 27)	76,543	93,067	11,599	16,614
Total financial liabilities carried at amortised costs	618,290	701,099	342,683	326,654

(a) Trade payables

The normal trade credit terms granted to the Group ranges from 30 to 90 days (2014: 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.

(c) Amounts due to directors

The amounts due to directors comprise the following:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Due to directors in respect directors' remuneration	2,397	2,833	2,392	2,833

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 33.

(d) Sundry payables

Included in sundry payables are gratuities provided for previous executive directors amounted to RM5,464,800 (2014: RM5,464,800).

32. CONTINGENT LIABILITIES (UNSECURED)**Tax on 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 off 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 RM14.6 million. 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.

On 20 and 21 October 2014, the witnesses gave their evidences in respect of the appeal. The SCIT then fix for the continuance of the hearing on the 12 January 2015.

On 12 January 2015, the hearing continued with the witness giving her evidence in respect of the appeal. On 16 February 2015, MPSB has filed a written submission with the SCIT and subsequently filed a submission in reply to IRB's written submission on 6 July 2015. As at to date, a decision from SCIT is still pending.

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

33. SIGNIFICANT RELATED PARTY TRANSACTIONS

- (a) In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other related party transactions which were carried out on mutually agreed terms and conditions.

	Company	
	2015 RM'000	2014 RM'000
Rental of premises payable to subsidiaries	542	585
Management fees from subsidiaries	(15,597)	(17,896)
Dividend income from subsidiaries	(18,000)	(18,000)

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.

33. SIGNIFICANT RELATED PARTY TRANSACTIONS (cont'd.)

(b) Compensation of key management personnel

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

	Group/Company	
	2015 RM'000	2014 RM'000
Salaries and other emoluments	2,008	1,920
Pension cost – EPF	350	317

Included in the total key management personnel compensation are:

	Group/Company	
	2015 RM'000	2014 RM'000
Directors' remuneration	1,560	1,189

34. 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

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligation. The Group's and the Company's exposure to credit risk arises primarily from trade receivables.

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 RM64,944,000 (2014: RM76,409,000).

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.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd.)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 22. 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 22.

(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 RM'000	Under 1 year RM'000	1-5 years RM'000	Over 5 years RM'000
Group				
2015				
Financial liabilities:				
Trade and other payables	476,846	476,846	–	–
Borrowings	82,999	58,370	16,670	7,959
Long term payables	76,940	–	–	76,940
Total undiscounted financial liabilities	636,785	535,216	16,670	84,899
2014				
Financial liabilities:				
Trade and other payables	547,059	547,059	–	–
Borrowings	103,739	7,723	70,204	25,812
Long term payables	76,940	–	–	76,940
Total undiscounted financial liabilities	727,738	554,782	70,204	102,752

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd.)

(b) Liquidity risk (cont'd.)

	Total RM'000	Under 1 year RM'000	1-5 years RM'000	Over 5 years RM'000
Company				
2015				
Financial liabilities:				
Other payables	331,084	331,084	–	–
Borrowings	12,404	9,938	2,466	–
Total undiscounted financial liabilities	343,488	341,022	2,466	–
2014				
Financial liabilities:				
Other payables	310,040	310,040	–	–
Borrowings	13,423	1,019	12,404	–
Total undiscounted financial liabilities	323,463	311,059	12,404	–

(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 RM19,157 (2014: RM48,829).

35. 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.

Determination of fair values

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

(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.

Fair value hierarchy

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

The different levels have been defined as follows:

- 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)

35. FAIR VALUES (cont'd.)**Fair value hierarchy** (cont'd.)

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:

	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	
Group					
2015					
Financial assets					
Other financial assets	–	38,879	–	38,879	38,879
Financial liabilities					
Revolving credits	–	–	–	–	–
Term loans	76,409	–	–	76,409	76,409
Hire purchase payables	134	–	–	134	134
2014					
Financial assets					
Other financial assets	–	27,873	–	27,873	27,873
Financial liabilities					
Revolving credits	15,906	–	–	15,906	15,906
Term loans	61,276	–	–	61,276	76,979
Hire purchase payables	159	–	–	159	182
Company					
2015					
Financial assets					
Other financial assets	–	14,355	–	14,355	14,355
Financial liabilities					
Revolving credits	–	–	–	–	–
Term loans	11,599	–	–	11,599	11,599
Hire purchase payables	–	–	–	–	–
2014					
Financial assets					
Other financial assets	–	27,736	–	27,736	27,736
Financial liabilities					
Revolving credits	5,000	–	–	5,000	5,000
Term loans	10,497	–	–	10,497	11,599
Hire purchase payables	15	–	–	15	15

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.

35. FAIR VALUES (cont'd.)**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 2015 and 30 June 2014:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets measured at fair value:				
2015				
Investment properties	–	146,053	–	146,053
2014				
Investment properties	–	147,297	–	147,297

36. 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 2015 and 2014.

The Group monitors capital using a gearing ratio, which is total borrowings divided by total equity. The gearing ratio as at 30 June 2015 and 2014 were as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Total Borrowings (Note 27)	76,543	93,067	11,599	16,614
Total Equity	1,164,582	1,146,757	1,961,424	1,978,460
Gearing ratio	7%	8%	1%	1%

37. 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.

37. SEGMENT INFORMATION (cont'd.)

	Property development		Leisure		Investment holding		Education		Elimination		Consolidated	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue												
External	451,312	444,497	35,511	42,849	-	-	1,493	1,401	-	-	488,316	488,747
Inter-segment	-	-	-	-	34,464	36,854	-	-	(34,464)	(36,854)	-	-
Total revenue	451,312	444,497	35,511	42,849	34,464	36,854	1,493	1,401	(34,464)	(36,854)	488,316	488,747
Results												
Interest income	2,864	2,798	8	44	2,172	3,067	1	3	(1,972)	(2,961)	3,073	2,951
Dividend income	-	-	-	18,000	18,000	-	-	(18,000)	-	(18,000)	-	-
Fair value gain on investment properties	431	7,210	-	-	-	-	-	-	-	-	431	7,210
Depreciation and amortisation	7,391	6,414	202	150	149	187	289	400	-	267	8,031	7,418
Share of result of an associate	-	-	-	-	-	-	-	-	-	-	-	-
Segment profit/(loss)	74,271	75,406	(534)	(2,418)	19,968	19,332	(2,367)	(2,596)	(18,309)	(18,276)	73,029	71,448
Assets:												
Addition of non current assets	7,083	15,603	501	359	176	117	101	22	-	-	7,861	16,101
Segment assets	2,692,151	2,656,884	2,543	36,643	2,335,232	2,336,570	5,373	7,330	(3,101,342)	(3,056,514)	1,933,957	1,980,913
Segment liabilities	1,538,282	1,535,965	14,959	51,738	355,130	337,974	1,158	747	(1,140,154)	(1,092,268)	769,375	834,156
Additions to non-current assets consist of the following:												
											Group	
											2015	2014
											RM'000	RM'000
Property, plant and equipment											7,861	16,101

38. RESTATEMENT OF COMPARATIVE INFORMATION

Reconciliation of the statements of financial position of the Group and the Company as at 30 June 2014

		As Previously reported	Adjustment	as restated
Group				
2014				
Assets				
Current assets				
Other financial assets	(a)	–	27,873	27,873
Cash and bank balances	(a)	207,290	(27,873)	179,417
<hr/>				
Company				
2014				
Assets				
Current assets				
Other financial assets	(a)	–	27,736	27,873
Cash and bank balances	(a)	40,896	(27,736)	13,160
<hr/>				

(a) The restatement is in respect of reclassification of money market funds to other financial assets from cash and bank balances.

39. SUPPLEMENTARY INFORMATION ON THE DISCLOSURE OF REALISED AND UNREALISED PROFIT AND LOSS

On 25 March 2010, Bursa Malaysia Securities Berhad (“Bursa Malaysia”) issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Malaysia further issued another directive on the disclosure and prescribed format of presentation.

Pursuant to the directive, the amounts of realised and unrealised profits or losses included in the retained earnings of the Group and of the Company as at 30 June are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Total retained earnings of the Company and its subsidiaries				
– realised	1,009,579	992,904	107,800	124,106
– unrealised	155,951	153,778	2,376	3,106
Less: Consolidation adjustments	1,165,530 (1,141,438)	1,146,682 (1,122,590)	110,176 –	127,212 –
Retained earnings as per financial statements	24,092	24,092	110,176	127,212

The determination of realised and unrealised profits is based on the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirement, issued by Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profit above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purpose.

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 2015 (RM'000)
LOT 70290 (PT 45196), PN 22356 (Formerly 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		30/6/15*	4,900
PT 45157, H.S.(D) 198495 Mukim of Sungai Buloh District of Petaling State of Selangor Darul Ehsan	Land for proposed mixed development.	6.56 acres	Leasehold expiring on 5/3/2103		8/7/99	6,898
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.	95.42 acres	Leasehold expiring on 12/6/2096		8/7/99	52,554
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		30/6/15*	3,000
PT 13777, H.S. (D) 14820, Mukim Serendah, District of Ulu Selangor,State of Selangor Darul Ehsan	Land for proposed mixed development.	64.93 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
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.		30/6/15*	39,033

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 2015 (RM'000)
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.	16	30/6/15*	3,908
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.	18	30/6/15*	76,499
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.	16	30/6/15*	26,821
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.	14.12 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.	2,065.50 acres	Leasehold expiring on 8/1/2096		30/6/03*	90,831
PT 4067- PT 4068 Mukim of Beriah District of Kerian State of Perak Darul Ridzuan	Land for proposed mixed development.	764.72 acres	Leasehold expiring on 8/1/2096		27/6/97	21,605
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		30/6/15*	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	195

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 2015 (RM'000)
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*	57,137
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	15,519
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	13	11/9/02	7,856
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	13	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	13	11/9/02	
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.	37.25 acres	Freehold		8/3/02	9,735
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.	23.98 acres	Leasehold expiring on 16/10/2094		31/8/00*	33,091

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 2015 (RM'000)
PT 203089, H.S. (D) 136260 Mukim of Hulu Kinta District of Kinta State of Perak Darul Ridzuan	Land for proposed mixed development.	28.96 acres	Freehold		1/12/04	10,213
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	24,889
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.	206.16 acres	Leasehold expiring on 16/10/2094		7/10/96, 30/6/97* & 23/6/03	307,514
PT 47373, H.S. (D) 256297 Mukim of Sg. Buloh District of Petaling State of Selangor Darul Ehsan	Land for proposed mixed development.	12.99 acres	Leasehold expiring on 16/10/2094		30/6/15*	90,560
PT 36234, H.S. (D) 112497 Mukim of Sungai Buloh District of Petaling State of Selangor Darul Ehsan	Land for proposed mixed development.	11.76 acres	Leasehold expiring on 5/3/2103		8/7/99	83,080
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	196.19 acres	Leasehold expiring on 26/5/2102 and 15/2/2104 respectively		31/10/00	8,600
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-1 & E-G-1, 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	15	30/6/15*	240

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 2015 (RM'000)
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	15	30/6/15*	3,500
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	15	30/6/15*	4,700
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	15	30/6/14*	-

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 2015 (RM'000)
"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		30/6/15*	1,350
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	15	30/6/15*	3,500
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	15	30/6/15*	3,400
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	15	30/6/15*	3,400

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 2015 (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	15	30/6/15*	25
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	12	30/6/15*	40
Unit D-2-242 Blk D Palmview Service Apartment Bukit Merah Laketown	Studio unit in a 3-storey apartment	314 sq. ft.	Leasehold expiring on 15/8/2093	12	30/6/15*	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	12	30/6/15*	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	12	30/6/15*	40
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	12	30/6/15*	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	12	30/6/15*	40
Unit 205 Langkawi Lagoon Resort Padand Mat Sirat Langkawi	1 bedroom unit service apartment	420 sq. ft.	Leasehold expiring on 16/10/2094	12	30/6/15*	190
Unit 333 Langkawi Lagoon Resort Padand Mat Sirat Langkawi	1 bedroom unit service apartment	400 sq. ft.	Leasehold expiring on 16/10/2094	12	30/6/15*	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	12	30/6/15*	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	12	30/6/15*	40

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 2015 (RM'000)
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	12	30/6/15*	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	12	30/6/15*	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	12	27/4/07	29
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	12	27/4/07	46
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	12	27/4/07	67
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	12	27/4/07	34
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	12	27/4/07	34

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	: 11,016

ANALYSIS BY SIZE OF HOLDINGS AS AT 30 SEPTEMBER 2015

Size of Holdings	No. of Holders	%	No. of Shares	%
1 – 99	216	1.960	3,289	0.000
100 – 1,000	1,365	12.391	1,124,342	0.093
1,001 – 10,000	5,046	45.806	30,070,939	2.496
10,001 – 100,000	3,796	34.458	133,616,258	11.092
100,001 – 60,229,498 (*)	589	5.346	268,272,425	22.270
60,229,499 AND ABOVE (**)	4	0.039	771,502,731	64.046
TOTAL	11,016	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 2015

(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	123,852,109	10.281
3	PB TRUSTEE SERVICES BERHAD EMKAY TRUST	91,561,331	7.601
4	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD PLEGGED SECURITIES ACCOUNT FOR KASI A/L K.L. PALANIAPPAN (MUTIARA KOTAMAS)	76,992,706	6.391
5	LEMBAGA TABUNG HAJI	31,836,900	2.642
6	CITIGROUP NOMINEES (ASING) SDN BHD JP MORGAN CLR CORP FOR THIRD AVENUE REAL ESTATE OPPORTUNITIES FUND LP	12,000,000	0.996
7	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DIMENSIONAL EMERGING MARKETS VALUE FUND	8,958,100	0.743
8	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC	5,362,200	0.445
9	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR OOI PENG CUAN (PBCL-0G0102)	4,400,000	0.365

LIST OF TOP 30 HOLDERS AS AT 30 SEPTEMBER 2015

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

No.	Name	Holdings	%
10	UNG YOKE HONG	4,075,000	0.338
11	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TUNG AH KIONG (E-KLG)	3,651,100	0.303
12	LOO KWONG CHUNG	3,563,000	0.295
13	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KEK LIAN LYE	3,561,000	0.295
14	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR THE BANK OF NEW YORK MELLON (MELLON ACCT)	3,209,100	0.266
15	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DFA EMERGING MARKETS SMALL CAP SERIES	3,206,200	0.266
16	KHO POH SING	2,700,000	0.224
17	SUM SANG	2,645,500	0.219
18	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KASI A/L K.L. PALANIAPPAN	2,320,000	0.192
19	CHANG KENG ONN	2,235,000	0.185
20	YEO EN SENG	2,010,000	0.166
21	SHAMEER SDN BHD	2,000,000	0.166
22	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG SENG GIAP (E-KDA)	1,907,200	0.158
23	MAYBANK NOMINEES (TEMPATAN) SDN BHD CHEE HIAN BOON @ CHEE AH DECK	1,775,200	0.147
24	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEH HOCK CHAI	1,760,000	0.146
25	CIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIEW LI JOON (KUCHING-CL)	1,717,300	0.142
26	MAH SIEW SEONG	1,680,000	0.139
27	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MAH SIEW SEONG	1,672,000	0.138
28	TAY KOO HUI	1,421,000	0.117
29	TEOH KIM HOOI	1,330,000	0.110
30	CHONG SWEE YEAT	1,300,000	0.107

INFORMATION ON DIRECTORS HOLDINGS AS AT 30 SEPTEMBER 2015

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	–	–	–	–
DATO' HJH FAZWINNA BINTI TAN SRI DATUK (DR.) HJ. MUSTAPHA KAMAL (ALTERNATE DIRECTOR TO HJH FELINA BINTI TAN SRI DATUK (DR.) HJ. MUSTAPHA KAMAL)	–	–	–	–
HJH FARAH MAHAMI BINTI TAN SRI DATUK (DR.) HJ. MUSTAPHA KAMAL (ALTERNATE DIRECTOR TO TAN SRI DATUK (DR.) HJ. MUSTAPHA KAMAL BIN HJ. ABU BAKAR)	–	–	–	–

* Deemed interest by virtue of his shareholdings in MKN Holdings Sdn Bhd currently held under PB Trustee Services Berhad of which he is the beneficial owner of the Trust and by virtue of the 9,156,133 shares held under PB Trustee Services Berhad of which the beneficial owner of the Trust is the spouse of TSDMK, Puan Sri Datin Hj 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 HOLDER'S AS AT 30 SEPTEMBER 2015

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. PALANIAPPAN	**203,164,815	16.87	–	–
MKN HOLDINGS SDN BHD	479,096,585	39.77	–	–
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 PB Trustee Services Berhad of which he is the beneficial owner of the Trust and by virtue of the 9,156,133 shares held under PB Trustee Services Berhad of which the beneficial owner of the Trust is the spouse of TSDMK, Puan Sri Datin Hj 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 PB Trustee Services Berhad of which he is the beneficial owner of the Trust.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 36TH ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD AT SAUJANA BALLROOM, THE SAUJANA HOTEL, SAUJANA RESORT, JALAN LAPANGAN TERBANG SULTAN ABDUL AZIZ SHAH, 40150 SHAH ALAM, SELANGOR DARUL EHSAN ON THURSDAY, 26 NOVEMBER 2015 AT 10.00 A.M. FOR THE FOLLOWING PURPOSES:

A G E N D A

Ordinary Business

1. To receive the Statutory Financial Statements for the year ended 30 June 2015 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 2015. Resolution 1
3. To approve the payment of Directors' fees for the financial year ended 30 June 2015. 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 have offered themselves for re-election:
 - (a) Ms. Anita Chew Cheng Im; and Resolution 3
 - (b) Pn. Hjh Juliana Heather Binti Ismail 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

"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." Resolution 6 (Please refer Explanatory Note 2)

7. APPROVAL FOR ISSUANCE OF NEW ORDINARY SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

"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." Resolution 7 (Please refer Explanatory Note 3)

8. **PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

“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.

Resolution 8
(Please refer
Explanatory Note 4)

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 2016 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.”

- 9. 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
3 November 2015

NOTES:

1. For the purpose of determining a member who shall be entitled to attend and vote at the 36th Annual General Meeting, the Company shall be requesting the Record of Depositors as at 20 November 2015. Only a depositor whose name appears on the Record of Depositors as at 20 November 2015 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., 24 November 2015.
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 2015

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) He has fulfilled the criteria under the definition of Independent Director as stated in the LR and will be able to function as a check and balance, and bring an element of objectivity to the Board.
- (b) His vast experience in the finance industry, will enhance the Board's diverse set of experience, expertise and independent judgement.
- (c) He has been with the Company for more than nine years and has good knowledge of the Company's business operations and the property development market.
- (d) He has devoted sufficient time and attention to his professional obligations for informed and balanced decision making.
- (e) He has 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.

3. Explanatory Note for Resolution 7

Section 132D of the Companies Act, 1965

The Ordinary Resolution 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 35th AGM held on 27 November 2014 and which will lapse at the conclusion of the 36th AGM.

The general mandate sought will enable the Directors of the Company to issue and allot shares, including but not limited for 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 costs 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 3 November 2015 attached to the Annual Report 2015.

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FORM OF PROXY

M K LAND HOLDINGS BERHAD (40970-H)

CDS account no. of authorised nominee

I/We (name of shareholder as per NRIC, capital letters) _____

NRIC No. (new) / ID No. / Company No _____ NRIC 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) _____ NRIC No. (old) _____

or failing him/her _____

(name of proxy as per NRIC, capital letters) _____

NRIC No. (new) _____ NRIC 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 36th Annual General Meeting of the Company to be held at Saujana Ballroom, The Saujana Hotel, Saujana Resort, Jalan Lapangan Terbang Sultan Abdul Aziz Shah, 40150 Shah Alam, Selangor Darul Ehsan on Thursday, 26 November 2015 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:

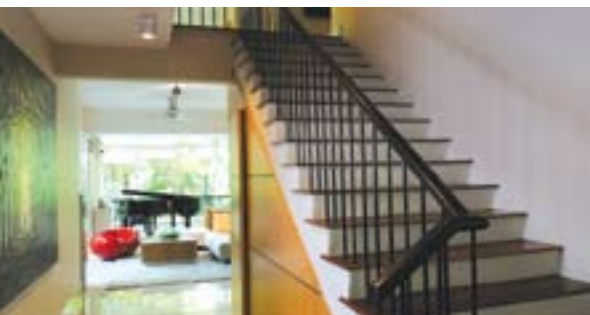
Notes:

- For the purpose of determining a member who shall be entitled to attend and vote at the 36th Annual General Meeting, the Company shall be requesting the Record of Depositors as at 20 November 2015. Only a depositor whose name appears on the Record of Depositors as at 20 November 2015 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., 24 November 2015.
- 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.

STAMP

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



PROPERTY SALES OFFICE

DAMANSARA PERDANA RAFFLESIA SALES GALLERY

No. 1, Jalan 8/12
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47820 Petaling Jaya
Selangor Darul Ehsan
Tel +603 7733 0303
Fax +603 7732 6021

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Taman Klebang Putra, Kilometer 12
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31200 Chemor-Perak
Tel +605 2015 491
Fax +605 2016 791

DAMANSARA DAMAI SALES OFFICE

Jalan PJU 10/2B
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47830 Petaling Jaya
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+6013373 2611

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 KUALA LUMPUR SALES OFFICE

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

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BUKIT MERAH LAKETOWN RESORT

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34400 Semanggol
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Tel +605 890 8888
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LANGKAWI LAGOON RESORT OMBAK VILLA KUALA MELAKA INN

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Tel +604 955 8181
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EDUCATION

LAKE VIEW COLLEGE

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34400 Semanggol
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Fax +605 890 8212