



ANNUAL REPORT 2013



[www.plenitude.com.my](http://www.plenitude.com.my)

**Plenitude** BERHAD  
(531086-T)

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# Corporate Information

## BOARD OF DIRECTORS

**Chua Elsie**

*Executive Chairman*

**Tan Kak Teck**

*Independent Non-Executive Director*

**Tan Yew Ngee**

*Independent Non-Executive Director*

**Ir. Teo Boon Keng**

*Independent Non-Executive Director*

**Rashidah Binti Abdullah**

*Independent Non-Executive Director*

**Tsang Chee Wah**

*Non-Independent Non-Executive Director*

## COMPANY SECRETARY

**Wong Keo Rou**

*(MAICSA 7021435)*

## AUDIT COMMITTEE

**Tan Kak Teck**

*Chairman*

**Ir. Teo Boon Keng**

*Member*

**Tsang Chee Wah**

*Member*

## REMUNERATION COMMITTEE

**Ir. Teo Boon Keng**

*Chairman*

**Tan Kak Teck**

*Member*

## NOMINATION COMMITTEE

**Tan Kak Teck**

*Chairman*

**Rashidah Binti Abdullah**

*Member*

## REGISTERED OFFICE

2nd Floor, No. 2

Jalan Sri Hartamas 8

Sri Hartamas

50480 Kuala Lumpur

Wilayah Persekutuan(KL)

Tel : +603-6201 0051

Fax : +603-6201 0071

## WEBSITE ADDRESS

[www.plenitude.com.my](http://www.plenitude.com.my)

## SHARE REGISTRAR

ShareWorks Sdn Bhd

No. 2-1, Jalan Sri Hartamas 8

Sri Hartamas

50480 Kuala Lumpur

Tel : +603-6201 1120

Fax : +603-6201 3121

## AUDITORS

Baker Tilly Monteiro Heng

(AF 0117)

Baker Tilly MH Tower

Level 10, Tower 1, Avenue 5

Bangsar South City

59200 Kuala Lumpur

## PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad

RHB Bank Berhad

## STOCK EXCHANGE LISTING

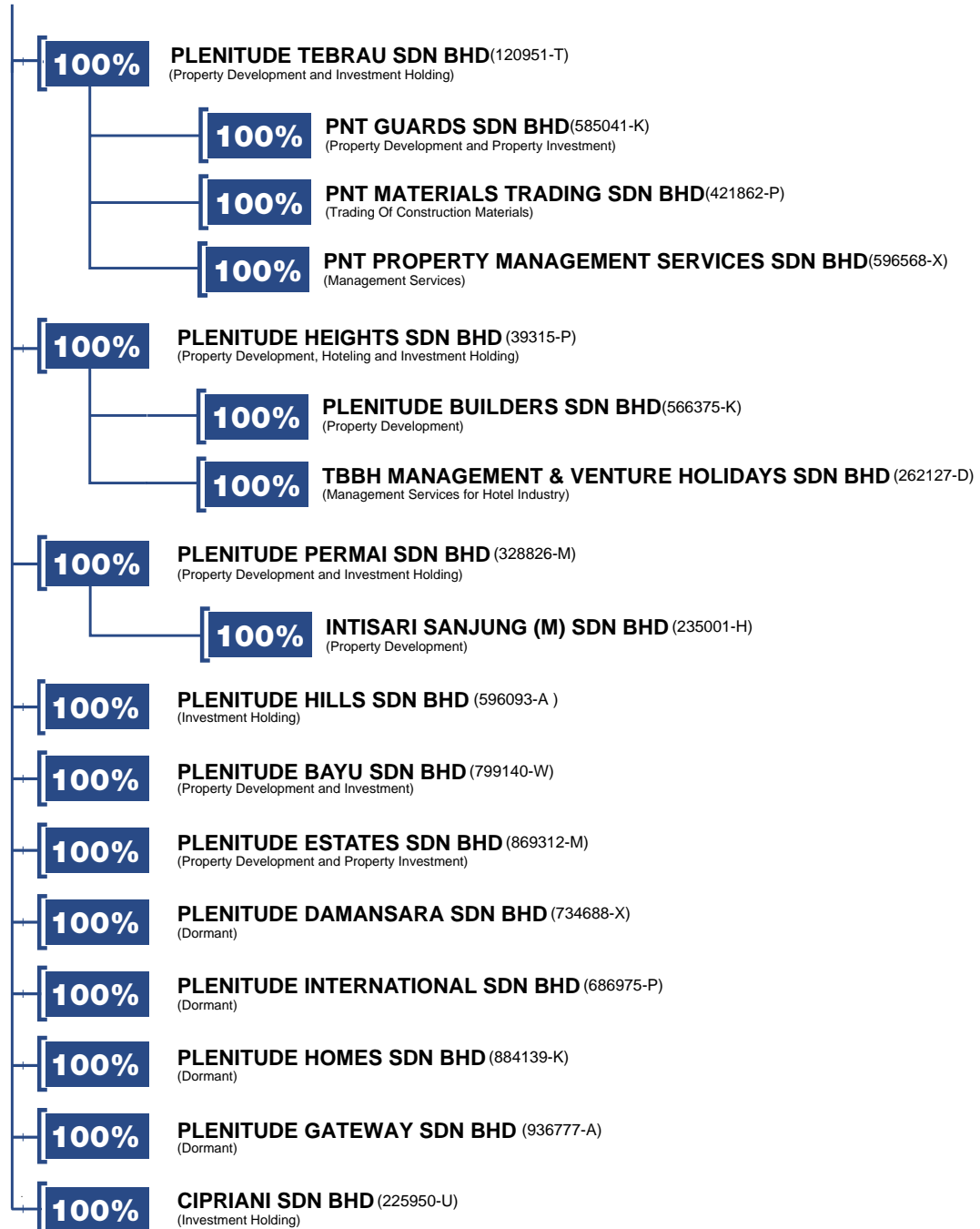
Main Market of Bursa Malaysia Securities Berhad

Sector : Property

Stock Code : 5075

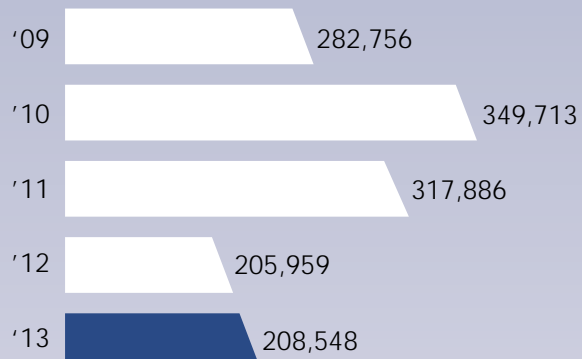
(Listed since 18 November 2003)

# Corporate Structure

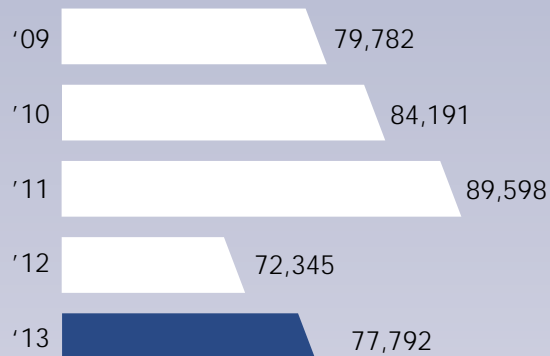


# Financial Highlights

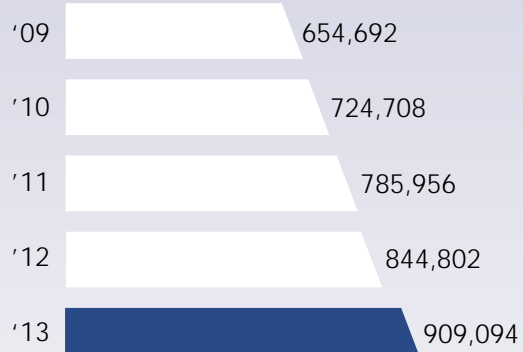
Revenue (RM'000)



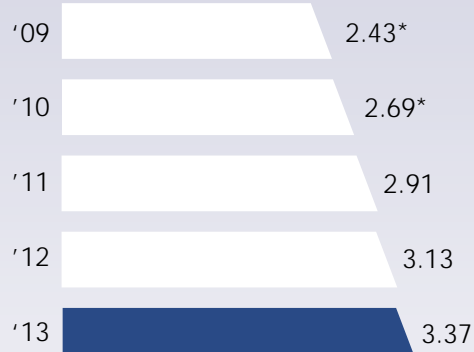
Net Profit for the Financial Year (RM'000)



Shareholders' Equity (RM'000)



Net Assets per Share (RM)



## Financial Highlights

Financial Year Ended 30 June	2009	2010	2011	2012	2013
Revenue (RM'000)	282,756	349,713	317,886	205,959	208,548
Profit Before Tax (RM'000)	109,259	113,550	121,842	97,629	102,203
Net Profit for the Financial Year (RM'000)	79,782	84,191	89,598	72,345	77,792
Total Assets (RM'000)	825,165	879,669	951,390	999,050	1,045,398
Cash and Cash Equivalents (RM'000)	246,248	325,054	334,819	355,435	389,446
Total Borrowings (RM'000)	5,343	1,239	-	-	-
Issued and Paid Up Capital (RM'000)	135,000	135,000	270,000	270,000	270,000
Shareholders' Equity (RM'000)	654,692	724,708	785,956	844,802	909,094
Basic Earnings per Share (sen)	29.55*	31.18*	33.18	26.79	28.81
Net Assets per Share (RM)	2.43*	2.69*	2.91	3.13	3.37
Gross Dividend per Share (sen)	7.0*	7.5*	8.0	5.0	6.0
Net Dividend per Share (sen)	5.3*	7.5*	8.0	5.0	6.0

\* The Basic Earnings per Share, Net Assets per Share, Gross Dividend per Share and Net Dividend per Share have been restated to reflect the 1-for-1 Bonus Issue which was completed in the financial year ended 30 June 2011.



# Board of Directors' and Chief Executive Officer's Profiles



**Tan Kak Teck**  
Independent Non-Executive Director

**Ir. Teo Boon Keng**  
Independent Non-Executive Director

**Tan Yew Ngee**  
Independent Non-Executive Director

**Chua Elsie**  
Executive Chairman

# Board of Directors' and Chief Executive Officer's Profiles

## Directors

### Chua Elsie

**Executive Chairman**

*Aged 55, Malaysian*

Madam Chua Elsie was appointed to the Board on 2 September 2002. She is the Executive Chairman of Plenitude Berhad and also the Chairman of the Executive/Management Committee. She actively oversees the entire operations of Plenitude Berhad group of companies ("Group") and is also responsible for the formulation and implementation of the Group's business policies and strategies. She is a Director of Iktanbina Sdn Bhd, a substantial shareholder of Plenitude Berhad.

### Tan Yew Ngee

**Independent Non-Executive Director**

*Aged 57, Malaysian*

Mr. Tan Yew Ngee was appointed to the Board on 1 November 2010. He was Chairman of the Audit Committee up to 19 September 2013. He is a Chartered Accountant with the Malaysian Institute of Accountants and a fellow member of the Association of Certified and Chartered Accountants.

Mr. Tan has more than thirty years working experience in accounting and finance. He served as Executive Director cum Group General Manager (Finance) at Kuok Oils & Grains Pte. Ltd., (Singapore) from 2000 to 2005.

### Tan Kak Teck

**Independent Non-Executive Director**

*Aged 54, Malaysian*

Mr. Tan Kak Teck was appointed to the Board on 15 July 2003. He is Chairman of the Audit Committee effective from 19 September 2013, Chairman of the Nomination Committee and a member of the Remuneration Committee. Mr. Tan is a Chartered Accountant with the Malaysian Institute of Accountants and a fellow member of the Association of Chartered Certified Accountants. He began his auditing career in 1983 and is currently a partner of an audit firm in Kuala Lumpur.

### Ir. Teo Boon Keng

**Independent Non-Executive Director**

*Aged 59, Malaysian*

Ir. Teo Boon Keng was appointed to the Board on 2 July 2012. He is Chairman of the Remuneration Committee and a member of the Audit Committee. Mr. Teo is a registered Professional Engineer with the Board of Engineers Malaysia and a member of the Institution of Engineers Malaysia.

Ir. Teo began his professional career with Ministry of Works (JKR) Malaysia. He has been a consulting civil and structural engineer and development consultant for over 30 years.

Since 2007, Ir. Teo Boon Keng was appointed Chief Development Consultant for Tubatse Municipality, Province of Limpopo, South Africa.

### Rashidah Binti Abdullah

**Independent Non-Executive Director**

*Aged 60, Malaysian*

Puan Rashidah Abdullah was appointed to the Board on 18 September 2013. She is a member of the Nomination Committee.

Puan Rashidah has a Bachelor of Science from the University of Malaya. She was an editor in Dewan Bahasa Dan Pustaka from 1978 until her retirement in 1989. Since then, she has been actively involved in her own business ventures.

### Tsang Chee Wah

**Non-independent Non-Executive Director**

*Aged 60, Malaysian*

Mr. Tsang Chee Wah was appointed to the Board on 18 September 2013. He is a member of the Audit Committee. He has a Bachelor of Science (Hons) degree from Newcastle upon Tyne University, United Kingdom. He is a qualified professional Chartered Engineer with several institutions.

Mr. Tsang Chee Wah has more than 30 years working experience in the construction industry primarily as a consultant in United Kingdom, Singapore, Brunei and Malaysia. Over the years he has gained invaluable experience in project management, master plan studies, civil and structural engineering consultancy work in different countries.



# Board of Directors' and Chief Executive Officer's Profiles

## Chief Executive Officer

### Tan Seng Chye

*Aged 51, Malaysian*

Mr. Tan Seng Chye was appointed Chief Executive Officer ("CEO") of Plenitude Berhad on 20 March 2013. He started his career in Messrs Price Waterhouse (currently known as Messrs PricewaterhouseCoopers) in 1982. He was admitted as a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants in 1987. Mr. Tan has held senior management positions in various public-listed companies both locally and overseas throughout his 31 years of working experience. He does not hold any shares in the Company or its subsidiary companies.

## Other Information

### a. Family Relationship

None of the Directors and the CEO have any family relationship with any Director and/or Major Shareholder of Plenitude Berhad.

### b. Conflict of Interest

None of the Directors and the CEO have any conflict of interests with Plenitude Berhad.

### c. Conviction for Offences

None of the Directors and the CEO have been convicted for any offence within the past 10 years other than traffic offences.

### d. Directorship of other Public Companies

None of the Directors and the CEO hold any other directorships in public companies.

### e. Attendance for Board Meetings for the financial year ended 30 June 2013

The Directors' attendance for the Board Meetings for the financial year ended 30 June 2013 is presented on page 25 of the Annual Report.

## Calendar 2012

### July

- Executive Committee Meeting

### August

- Executive Committee Meeting
- Audit Committee Meeting
- Board of Directors' Meeting
- Announcement of the consolidated results of the Group for the fourth quarter ended 30 June 2012

### September

- Executive Committee Meeting
- Audit Committee Meeting
- Board of Directors' Meeting
- Nomination Committee Meeting
- Remuneration Committee Meeting

### October

- Executive Committee Meeting
- Announcement of the Final Single Tier Dividend of 5% (5 sen per share) for the financial year ended 30 June 2012
- Announcement of Notice of the Twelfth Annual General Meeting of Plenitude Berhad
- Announcement of Final Dividend Entitlement (Notice of Book Closure)

### November

- Executive Committee Meeting
- Audit Committee Meeting
- Board of Directors' Meeting
- Announcement of the consolidated results of the Group for the first quarter ended 30 September 2012
- Announcement of the outcome of resolutions passed at the Twelfth Annual General Meeting of Plenitude Berhad held on 5 November 2012

### December

- Executive Committee Meeting

## Calendar 2013

### January

- Executive Committee Meeting

### February

- Executive Committee Meeting
- Audit Committee Meeting
- Board of Directors' Meeting
- Announcement of the consolidated results of the Group for the second quarter ended 31 December 2012

### March

- Monthly Management Meeting
- Announcement of the Proposed Disposal of fifteen (15) parcels of freehold land at Jalan Batai Barat, Kuala Lumpur

### April

- Monthly Management Meeting
- Announcement of signing of Four Points by Sheraton to debut in Penang

### May

- Monthly Management Meeting
- Audit Committee Meeting
- Board of Directors' Meeting
- Announcement of the consolidated results of the Group for the third quarter ended 31 March 2013
- Announcement of the completion of the disposal of fifteen (15) parcels of freehold land at Jalan Batai Barat, Kuala Lumpur

### June

- Monthly Management Meeting

## Chairman's Statement

Dear Shareholders,

On behalf of your Board of Directors, I am pleased to present the Annual Report and Financial Statements of Plenitude Berhad for the financial year ended 30 June 2013.

The Group achieved a commendable profit before tax of **RM102 million** compared to **RM98 million** on the back of revenue of **RM209 million** compared to **RM206 million** respectively for the previous financial year.





## Financial Results

For the current financial year, the Group achieved a commendable profit before tax of RM102 million compared to RM98 million, on the back of revenue of RM209 million compared to RM206 million respectively for the previous financial year. This was largely attributable to the improved sales of properties in Phase 9D, 9E and 9F of our Plenitude Tebrau Sdn Bhd's properties which are in advanced stages of completion, the launch of Phase 6A by Plenitude Permai Sdn Bhd and the disposal of the Batai Land.



Shareholders' equity stood at RM909 million; net assets per share was RM3.37 and the Group's earnings per share was 28.8 sen for the financial year under review compared to RM845 million, RM3.13 and 26.8 sen respectively for the previous financial year.

Whilst encouraged by the financial performance for the year ended 30 June 2013, Plenitude will continue with its prudent and effective cost management regime, maintain zero gearing, increase its net cash position and sustain a healthy balance sheet.

## Performance Review

Our broad range of attractive quality products and the regional spread of our development projects in the Central, Northern and Southern Corridors of Peninsular Malaysia continued to register good sales and maintained steady flow of business throughout the year under review.

For the year under review, in March 2013 the Group's Plenitude Permai Sdn Bhd launched Phase 6A which comprised a total of 105 units of super-linked houses of which 60 units are 2-storey and 45 units are 3-storey with a Gross Development Value ("GDV") of RM117 million with a take-up rate of approximately 30% and without a show unit. Once the show unit is completed during the later part of this year, we expect the project to register higher sales and contribute substantially to the next financial year's performance especially due to its advanced stage of completion by then.

We have much to look forward to in the next financial year 2014 as the Group plans to launch new projects throughout our footprints: Plenitude Permai Sdn Bhd's Phase 3E comprising of 87 units of 2 and 3-storey houses; Plenitude Tebrau Sdn Bhd's Phase 12A comprising 94 units of 3-storey semi-detached houses and Stage 1 of

# Chairman's Statement



Phase11D called P11 comprising of 480 units of serviced apartments and a commercial annex; Plenitude Heights Sdn Bhd's Bukit Bintang, a township development Phase 1A comprising 121 units of double-storey terrace houses and Phase 1B comprising of 48 units of semi-detached houses, together with its Bukit Bintang Sales Gallery and lake park; and Plenitude Bayu Sdn Bhd's Ferringhi Bay Condominium comprising 149 units of condominiums with the estimated GDV totalling RM753 million.

## Dividend

Based on our performance, the Group is recommending a first and final Single Tier Dividend of 6% (6 sen per share) for the financial year ended 30 June 2013 subject to shareholders' approval at the forthcoming Annual General Meeting of the Company. For the record, Plenitude has been consistent with dividend payments for every financial year since its listing in 2003.

## Outlook and future prospects

Malaysia recorded a 5.6% Gross Domestic Product ("GDP") growth in 2012 and the Government expects GDP to steadily grow between 4.5%-5.5% in 2013. The local economy is expected to be resilient and well supported by domestic consumption and private investments. The various sizeable government expenditure pertaining to the launches of various projects as part of the Economic Transformation Programme such as the Klang Valley Mass Rapid Transit ("MRT"), Tun Razak Exchange, West Coast Expressway, KL-Singapore High Speed Rail Bullet Train and the Gemas-Johor Baru Electrified Double-Tracking Project ("EDTP") are expected to act as impetus to the Malaysian economy moving forward.

While Plenitude expects its core property development business to continue its proven and steady growth momentum, we remain cautiously optimistic and expect the market conditions to be challenging for the coming financial year ending 30 June 2014 given the softening global and regional economies.

Nevertheless, residential properties located in strategic locations in Penang, the Klang Valley and the Iskandar Corridor are expected to experience healthy demand. The Group will continue to monitor the market situation so that the timing and quantity of its future launches are as best as possible matched to demand and meet the ever changing customers' preferences in terms of product, price and design concept.



# Chairman's Statement



## Acknowledgement

On behalf of the Board of Directors, I take this opportunity to welcome Puan Rashidah binti Abdullah as Independent Non-Executive Director and Mr. Tsang Chee Wah as Non-Independent Non-Executive Director.

The Board extends its appreciation to En. Zukarnine Shah Bin Zainal Abidin, one of the longest serving directors who has resigned to pursue his own interests and Mr. Tan Yew Ngee who is retiring at the Thirteenth Annual General Meeting. Both these Directors have made invaluable contributions to the Company throughout their tenures and I wish them success.

I would like to express my sincere appreciation to our valued shareholders for their continuous support. I also take this opportunity to thank all our loyal customers and business partners for their confidence and support.

I also extend my gratitude for the assistance and support from the authorities, business associates and bankers. Most importantly, I also thank the senior management team for their contributions as well as leadership which enabled us to remain cohesive, resilient, prudent, dedicated and committed to take the Group to greater heights. I especially thank the staff for their dedication, commitment and loyalty.

I also applaud my fellow Board members for their continued guidance and service and who would no doubt continue to support me as we jointly look forward to another year of growth and profit.

**CHUA ELSIE**

Executive Chairman

# Corporate Social Responsibility

Plenitude Berhad (“Plenitude”) subscribes to the principles of a socially responsible corporate citizenship. We identify the socio-economically sustainable initiatives and translate these into actual contributions of our organisation that underpin our commitment to conduct our business in an ethical, responsible and sustainable manner so as to achieve the set goals of our company which are in alignment with the aspirations of all our stakeholders - the purchasers, the local communities wherein our project developments are situated, the local government authorities, the regulators, the suppliers, the consultants, the public at large, our staff and our shareholders.

Plenitude’s axis of corporate social responsibility philosophy and initiatives are based on the three core values of employees and community welfare, environmental protection and preservation, and shareholders value creation.

We endeavor to comply with all applicable laws, regulations and rules, and conduct our business in accordance with established best practices. Environmental, ethical and social responsibility issues and standards are taken into consideration in making our business decisions. We aim to be a responsible employer and subscribe to continuous education at the workplace so as to equip our employees with the necessary tools and skills to effectively support the organisation. We are also committed to the society, contributing in meaningful ways and aspire to make a difference to their lives.



## HUMAN CAPITAL DEVELOPMENT

Plenitude believes that a sustainable organisation requires not only skilled but driven, motivated and loyal employees. We give equal emphasis to the professional and personal development of our employees so as to ensure that they are equipped to continuously contribute towards the growth and development of the organisation which operates in a fast-changing world of how businesses are done. Thus we actively provide opportunities for our employees to develop and realise their true potential and strength through formal and informal training whether through participation in both internally and externally continuing education programmes. We are also committed to affording, developing and retaining a talent pool that can be nurtured into the Group’s future leaders.

# Corporate Social Responsibility

Additionally, a competitive reward system, rewards for loyal employees, social welfare activities that include both the employees and their immediate families are implemented with the aim of fostering better interactions, understandings and team spirit amongst the enlarged Plenitude family.

At Plenitude, we believe in the simple truth that an efficient, effective, knowledgeable and happy workforce forms the core of a successful company.

## ENVIRONMENT

In our continuing commitment to be a responsible developer and achieving sustainable development, Plenitude will continue to integrate and implement environment friendly initiatives in our projects. Among others, sustainable development remains a prime element of our property development projects whereby we strive to provide an environment that is conducive for and contributes to and encourages the wellbeing of our present and future purchasers, healthy lifestyles and communities. The approach starts from our initial planning of a development where aspects of the contour, existing landscape features including water sources and slopes are carefully integrated into the layout, the design of the individual, affordable, self-sufficient dwelling units and on through to the construction and implementation processes that are sensitive to the surroundings and to consequentially minimize degradation and impact to the environment.

Products and materials are chosen for their green and energy efficiency characteristics, apart from incorporating design elements that encourages energy conservation, natural airflows as well as lowering carbon footprints including other user-friendly features. A key initiative is our efforts to incorporate rain-water harvesting and recycling systems into our dwellings. Open spaces and recreational areas are provided to satisfy the needs of the communities within a balanced urban development and land use.

Among the features of our development are:

- Safe, inclusive and self-contained for communities to live, work and play
- Seamless networks of green spaces and corridors for families to interact and play
- Features that are vibrant and attractive for the young and young-at-heart



# Corporate Social Responsibility

During construction, adequate mitigation measures in accordance with local authority requirements are taken to minimise the impact to the surrounding environment as well as being adapted to feature as a key element of the development. Wherever possible, use of innovative technology and processes are incorporated in urban planning, design development and services and maintenance management.

On a project-focused basis, Plenitude Permai Sdn Bhd (Phase 7A) Pangsapuri Prima 7 in the Klang Valley - its development of 448 units of low cost apartment development on a 7.19 acres site would be undertaken as part of Plenitude's social commitment in providing low cost housing to the "rakyat".

In the south, Plenitude Tebrau Sdn Bhd (Phase 11D) P11 located within the Iskandar Development Corridor - would roll out an integrated development consisting of service apartments and retail lots. Within the development site of 7.28 acres, a total of 2.87 acres of space is dedicated to landscaping purposes in addition to a 2.46 acres of facilities such as swimming pool, tennis courts, jogging tracks, children's playground, and gymnasium.

In the north, Plenitude Heights Sdn Bhd's The Areca Tower located within the heart of KOMTAR, Penang encompassing the state's administrative centre - the proposed development on 1.09 acres of land is designed to re-generate vibrancy and life in the city. Comprising 286 SOHOs and 33,000 sq. ft. of retail space, it is an independent and self-sustaining development where living and business converges under one roof. Further, the Lot C Development nestled within the scenic locale of Batu Ferringhi, the proposed development design concept is one with nature. The low rise apartments would be overlooking the beautiful beach along the Malacca Straits where nature and home become one. The construction method would involve minimal earthworks thus preserving much of nature's flora and fauna; and the Bukit Bintang development located along the Eastern Bypass Highway which first phase comprises a low density development where only 344 units of semi-detached and super-link terrace houses would be built within a 2-acres linear park.

Plenitude remains committed to the protection and preservation of our natural heritage for the benefit of the community in situ and our future generations.





## INVESTORS RELATIONS DEVELOPMENT

As part of our continuous efforts and commitment to be the investment of choice in the marketplace, Plenitude constantly and actively engages and responds to our stakeholders - shareholders, analysts, fund managers, customers, suppliers and, government and non-government bodies with a view to fostering better relations and understanding.

We engage with our stakeholders in a number of ways. These include:

- Disseminating regular up-to-date information to investors, shareholders and other parties who are key in the financial stability of the Company's shares.
- Employ a range of media to keep all interested parties informed of financial information.
- Continuously updating corporate information and communication initiatives and information on our products and services utilising all available media.
- Maintain clear, timely and open communication with analysts, business and consumer media and potential investment partners.
- Maintain high standards of corporate governance.
- Monitor and evaluate risks on an on-going basis as part of our commitment to sustainable business.

Plenitude is committed to facilitating shareholders, analysts and fund managers understanding of the Company's strategy, performance and growth potential through timely and open communication.



# Corporate Social Calendar

## Year 2012



01



02



03



04



05



06

## Year 2013

15 SEPTEMBER 2012 • Plenitude Heights Sungai Petani celebrated Malaysia Day with cultural dances and costume competition.

01

18 NOVEMBER 2012 • Plenitude Berhad sponsored a Proton Saga as Grand Prize in conjunction with Allianz Penang Bridge International Marathon 2012.

02

19 – 20 JANUARY 2013 • Plenitude Berhad's Family Day at Lotus Desaru, Johor.

03

18 FEBRUARY 2013 • Plenitude Berhad celebrated Chinese New Year with lion dance performance.

04

23 FEBRUARY 2013 • Plenitude Heights Sungai Petani celebrated Chinese New Year with lion dance and 24 Thundering Drums Performance.

05

12 APRIL 2013 • Plenitude Berhad and Starwood Hotels & Resorts announced the signing of Four Points by Sheraton Penang. The newly renovated 220-room hotel is slated to open in October 2013.

06

# Statement on Corporate Governance

The Board of Directors ("the Board") of Plenitude Berhad is committed to ensure that high standards of corporate governance are practised throughout the Group with the ultimate objective of protecting and enhancing shareholders' value and the financial performance of the Company and of the Group.

The Board is committed to implement the Malaysian Code on Corporate Governance 2012 ("MCCG 2012" or the "Code") wherever applicable in the best interest of the shareholders of the Company.

## 1. Establish Clear Roles and Responsibilities

### 1.1 Clear Functions of the Board and Management

The Board is responsible for oversight and overall management of the Company and the Group, whilst the Management is responsible for the day-to-day operations of the business and effective implementation of Board decisions.

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

To facilitate expeditious decisions, the Board has delegated certain functions to the Management Committee. The Management Committee consists of the Executive Chairman, Chief Executive Officer, Chief Operating Officer and Group Functional Heads. This committee is duly authorised by the Board to approve business, operational and administrative decisions beyond the approved limit granted to operation management, review business strategies and operations and ensure adherence to policies and strategies approved by the Board.

The Chief Executive Officer ("CEO") and Chief Operating Officer ("COO") are not members of the Board.

### 1.2 Board Duties and Responsibilities

The Board has the following six (6) specific responsibilities, which facilitate the discharge of the Board's stewardship responsibilities in the best interest of the Group:-

- Reviewing and adopting a strategic business plan for the Group;
- Overseeing the conduct of the Group's business to evaluate whether the business is being properly managed;
- Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;

# Statement on Corporate Governance

- Succession planning, including appointing, training, fixing of compensation and, where appropriate, replacing senior management;
- Developing and implementing an investor relations programme and shareholders' communications policy for the Group, and
- Reviewing the adequacy and integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The Board is charged with, among others, the development of corporate objectives, the review and approval of corporate plans, annual budgets, acquisitions and disposals of properties of substantial value, major investments and financial decisions, and changes to the management and control structure within the Group including key risk management, treasury, financial and operational policies.

At each quarterly meeting, the Board deliberated and considered the Group's financial results, discussed and reviewed the Group's business plan including financial performance to date against the annual budget and financial plan previously approved by the Board for that year.

## 1.3 Formalised Ethical Standards through Code of Ethics

The Group has in place codes of ethics for Directors and employees to govern the standard of ethics and good conduct. The code of ethics for Directors includes principles relating to their duties, conflict of interest and dealings in securities. For employees, the code of ethics covers all aspects of the Group's business operations, such as confidentiality of information, dealings in securities, conflicts of interest, gifts, gratuities or bribes and dishonest conduct.

## 1.4 Strategies Promoting Sustainability

The Board promotes good corporate governance in the application of sustainability practices throughout the Group. Our management and employees are committed to carry out community outreach programs, environmental, social, governance and sustainability agenda.

The Group practices a system of rewards based on the philosophy of pay for performance. Employees are rewarded for productivity improvements and contribution towards the achievement of the Group's immediate and long-term objectives. The rewards encompass not only compensation and benefits but also performance recognition and professional development and career progression.

# Statement on Corporate Governance

## 1.5 Access to Information and Advice

All scheduled meetings held during the year were preceded by a formal notice issued by the Company Secretary in consultation with the Chairman. The Chairman ensures that all Directors have full and timely access to information, with Board Papers distributed ahead of meetings. The notice for each of the meeting is accompanied by the minutes of preceding Board meeting, together with relevant information and documents for matters on the agenda to enable the Directors to consider and deliberate knowledgeably on issues and facilitate informed decision making.

The Directors have access to all information within the Group in furtherance of their duty. They also have access to the advice and services of the Company Secretary and independent professionals as and when required.

## 1.6 Qualified and Competent Company Secretary

The Board is satisfied with the performance and support rendered by the Company Secretary to the Board in the discharge of its 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 recorded and 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 update the Board timeously.

## 1.7 Board Charter

During the financial year, the Board has not formalised a Board Charter. The Board recognised its importance and will take steps to establish and develop a Board Charter, Whistle Blowing Policy and Investors Relations Policy to comply with the recent changes to the Code and Main Market Listing Requirements ("Main LR"). Once approved, these will be made accessible through the Company's website at [www.plenitude.com.my](http://www.plenitude.com.my).

## 2. Strengthen Composition

### 2.1 Nomination Committee

The Nomination Committee comprises two (2) Independent Non-Executive Directors.

The responsibilities of the Nomination Committee include:-

- Formulating the nomination, selection and succession policies for members of the Board;
- Making recommendations to the Board on new candidates for appointment and the re-appointment/re-election of Directors to the Board;

# Statement on Corporate Governance

- Reviewing the required mix of skills, experience and other qualities of the Board annually;
- Reviewing and recommending to the Board the appointment of members of Board Committees established by the Board annually;
- Establishing a set of performance criteria to evaluate the performance of each member of the Board, and reviewing the performance of the members of the Board, and
- Ensuring the relevant education programmes are provided for new members of the Board, and reviewing the Directors' continuing education programmes.

## 2.2 Develop, Maintain, Review Criteria for Recruitment and Annual Assessment

### a. Recruitment or Appointment of Directors

The Nomination Committee's review of the criteria for the appointment process focused largely on creating a good mix of skills, experience and strengths in areas of relevance to enable the Board to discharge its responsibilities in an effective and competent manner. Other factors considered include the directors' ability to commit sufficient time, their character and level of independence in line with the Main LR of Bursa Malaysia Securities Berhad ("Bursa Securities"), integrity and professionalism. The Nomination Committee also focused on having a balanced mix of age and diversity of gender, race, culture and nationality, to facilitate optimal decision-making by harnessing different insights and perspectives. Based on the review, the Nomination Committee submit to the Board its recommendation of suitable candidates for appointment as Director of the Company, to replace those who tendered his/their resignation(s) or will be retiring at the forth-coming Annual General Meeting ("AGM").

Procedures relating to the appointment and re-election of Directors are contained in the Company's Articles of Association. All Directors shall retire from office at least once every three (3) years but shall be eligible for re-election.

The Articles of Association also provides that a Director who is appointed by the Board in the course of the year shall be subject to re-election at the next AGM to be held following his appointment. Directors over seventy years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

### b. Annual Assessment

The Nomination Committee met once during the financial year ended 30 June 2013 to review the effectiveness of the Board, its Committees and the contribution of each individual Director, including the required mix of skills and core competencies necessary for the Board to discharge its duties effectively.



# Statement on Corporate Governance

## c. Gender Diversity Policy

Currently, one third of the Board or two (2) of the directors are female directors, which the Board is of the view, is in line with Recommendation 2.2 of the MCCG 2012 in relation to gender diversity. Although there is no gender diversity policy at the moment, the Board recognises the contribution that women can bring to the Board and the Group and will strive to maintain the female composition of the Board.

## 2.3 Remuneration Policies

The Remuneration Committee comprises two (2) Independent Non-Executive Directors.

The Remuneration Committee's responsibilities among others include:-

- To review and consider the remuneration of Executive Directors which are in accordance with the skill, experience and expertise they possess and make recommendations to the Board on the remuneration packages of Executive Directors.
- To provide an objective and independent assessment of the benefits granted to the Executive Directors.
- To review the overall remuneration policy for Directors and make recommendation to the Board.

The Remuneration Committee met once during the financial year ended 30 June 2013 to review the remuneration of Directors and senior management of the Group to ensure that rewards commensurate with their experience and individual performance.

Non-executive Directors are provided with Directors' fees and meeting allowances for meetings attended.

The remuneration of the Directors for the financial year under review is as follows:-

	Fees RM	Salaries & Other Emoluments RM	Total RM
Executive Director	-	362,020	362,020
Non-Executive Directors	137,500	31,000	168,500

The number of Directors whose total remuneration falls into the respective bands is as follows:-

Range of Remuneration (RM)	Executive	Non-Executive
50,000 & below	-	5
350,001 - 400,000	1	-

The disclosure of Directors' remuneration is made in accordance with Appendix 9C, item 11 Main LR of Bursa Securities.

# Statement on Corporate Governance

## 3. Reinforce Independence

### 3.1 Annual Assessment of Independence

The Board adopted the concept of independence in tandem with the definition of Independent Director in Section 1.01 of the Main LR of Bursa Securities through the assistance of the Nomination Committee. The Board also carries out an annual assessment to ensure the effectiveness of the independence of its independent directors.

The Board is satisfied with the level of independence demonstrated by all the Non-Executive Directors, and their ability to act in the best interest of the Company.

### 3.2 Tenure of Independent Directors

The Board takes cognisance of the Code's recommendation that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. As at the end of the financial year, save for Mr. Tan Kak Teck, all the Independent Directors have been in service for less than nine (9) years. Nonetheless, the Nomination Committee is satisfied that Mr. Tan Kak Teck has satisfactorily demonstrated his independence from management and free from any business or other relationship which may interfere with the exercise of his independent judgement. The Board considers that his continuing position as independent non-executive director will enable him to be objective and clear in reviewing the Group's business strategies and direction.

### 3.3 Shareholders' Approval for the re-appointment of Non-Executive Director

The Board has reviewed and is satisfied with the professional skills, contributions and independent judgement and advised that Mr. Tan Kak Teck is continuing with his appointment in the Board. Therefore, the Board recommends and supports his retention as Independent Non-Executive Director of the Company which is tabled for shareholders' approval at the forthcoming 13<sup>th</sup> AGM.

### 3.4 Separation of Positions of the Chairman and CEO

The position of Chairman and CEO are held by two different individuals.

The Chairman, who is a non-independent executive director, leads the Board with a keen focus on governance and compliance. The Chairman is primarily responsible for leadership, effective conduct and workings of the Board whilst the CEO has the general responsibility of running the Group on a day-to-day basis, ensuring business excellence and operational efficiency. The CEO is responsible for implementing the policies and decisions of the Board, overseeing the operations as well as coordinating the development and implementation of business and corporate strategies. The CEO is supported by a COO and Group Functional Heads with vast experiences, skills and knowledge of the industry. The Chairman and CEO have distinct and separate roles, with a clear division of responsibilities to ensure a balance of power and authority.

# Statement on Corporate Governance

## 3.5 Composition of the Board

The Board consists of a total of six (6) Directors comprising one (1) Executive Chairman, four (4) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The Board complies with paragraph 15.02 of the Main LR which requires that at least two Directors or one-third of the Board of the Company, whichever is higher, are Independent Directors.

The composition and size of the Board are reviewed from time to time to ensure its appropriateness. Ongoing efforts are also taken to maintain an appropriate gender representation on the Board. The profile of each Director is presented on pages 7 to 8 of this Annual Report.

## 4. Foster Commitment

### 4.1 Time Commitment

Board meetings are held at quarterly intervals with additional meetings held whenever necessary. Five (5) Board meetings were held during the financial year ended 30 June 2013. All Directors fulfilled the requirements of the Articles of Association with respect to the Board meeting attendance.

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities. Details of the attendance of the Directors at the meetings for the financial year are as set out below:-

Director	Attendance
Chua Elsie	5/5
Tan Yew Ngee	5/5
Tan Kak Teck	5/5
Ir. Teo Boon Keng	5/5
Zukarnine Shah bin Zainal Abidin( <i>resigned on 1 July 2013</i> )	5/5
Chan Soo Wah ( <i>retired on 5 November 2012</i> )	2/2
Tsang Chee Wah ( <i>appointed on 18 September 2013</i> )	N/A
Rashidah binti Abdullah ( <i>appointed on 18 September 2013</i> )	N/A

The Directors are required to submit update on their other directorships to the Company Secretary whenever there is a change. To facilitate the Directors in their time planning, an annual meeting calendar is prepared and circulated to the Directors before the beginning of each year.

### 4.2 Training

The Board emphasises the importance of continuing education for its Directors to ensure that they are equipped with the necessary skills and knowledge to meet the challenges of the Board. A budget for Directors' continuing education is therefore provided for each year by the Company.

# Statement on Corporate Governance

Save for Tsang Chee Wah and Rashidah binti Abdullah who were appointed on 18 September 2013, all Directors have successfully completed the Mandatory Accreditation Programme prescribed by Bursa Securities as at the end of the financial year. Tsang Chee Wah and Rashidah binti Abdullah have been scheduled to complete the Mandatory Accreditation Programme within four (4) months from the date of their appointment. The Directors will continue to attend other training courses to equip themselves effectively and discharge their duties as Directors on a continuous basis in compliance with Paragraph 15.08 of Main LR of Bursa Securities.

The Company Secretary keeps a complete record of the training received and attended by the Directors. Seminars, conferences and training programmes attended by Directors during the financial year ended 30 June 2013 include the following:-

No.	Name	Programme
i.	Chua Elsie	• Understanding the Governance Framework for Boardroom Excellence - MCCG 2012 & Amended Listing Requirements
ii.	Tan Yew Ngee	• Fraud Detection and Prevention - A Necessity, Not A Choice
iii.	Tan Kak Teck	• Persidangan Cukai Malaysia 2013
iv.	Ir. Teo Boon Keng	• Mandatory Accreditation Programme • Fundamental of Reading Financial Statements for Non-Financial Professionals • Fraud Detection and Prevention - A Necessity, Not A Choice
v.	Zukarnine Shah bin Zainal Abidin	• Fraud Detection and Prevention - A Necessity, Not A Choice

## 5 Uphold Integrity in Financial Reporting

### 5.1 Compliance with Applicable Financial Reporting Standards

The Board is responsible for ensuring that financial statements prepared for each financial year give a true and fair view of the Group's state of affairs. The Directors took due care and reasonable steps to ensure that the requirements of accounting standards were fully met. Quarterly financial statements were reviewed by the Audit Committee and approved by the Board of Directors prior to their release to Bursa Securities.

### 5.2 Assessment of Suitability and Independence of External Auditors

The Audit Committee undertakes an annual assessment of suitability and independence of the external auditors. Having assessed their performance, the Audit Committee will recommend their re-appointment decision to the Board, upon which the shareholders' approval will be sought at the AGM.

## 6 Recognise and Manage Risks

### 6.1 Sound Framework to Manage Risks

The risk management and internal control system is regularly reviewed by Management and relevant recommendations are made to the Audit Committee and Board for approval. The Company continues to maintain and review its internal control procedures to ensure that its assets and its shareholders' investments are protected.

# Statement on Corporate Governance

## 6.2 Internal Audit Function

The Group's internal audit function was outsourced to a professional audit firm who reports to the Audit Committee.

Details of the Group's internal control system are set out in the Statement on Risk Management and Internal Control of this Annual Report.

## 7 Ensure Timely and High Quality Disclosure

### 7.1 Corporate Disclosure Policy

The Group has in place policies and procedures for compliance with the Main LR. Clear roles and responsibilities of Directors, management and employees are provided together with level of authority, to be accorded to designated person(s), spokespersons and committees in the disclosure of material information. Persons responsible for preparing the disclosure will conduct due diligence and proper verification, as well as coordinate the efficient disclosure of material information to the investing public.

The Group has also put in place an internal control policy on confidentiality to ensure that confidential information is handled properly by Directors, employees and relevant parties to avoid improper use of such information. The Board is mindful that information which is expected to be material must be announced immediately to Bursa Securities.

### 7.2 Leverage on Information Technology for Effective Dissemination of Information

The Group maintains the following website that allows all shareholders and investors access to information about the Group: [www.plenitude.com.my](http://www.plenitude.com.my).

## 8 Strengthen Relationship Between Company and Shareholders

### 8.1 Encourage Shareholder Participation at General Meeting

The Board acknowledges that general meetings are important avenues in engaging with shareholders and they provide a platform for Board dialogue and interaction with shareholders and investors who may seek clarification on the Group's business, performance and prospects. Shareholders are notified of the AGM and provided with a copy of the Company's Annual Report at least twenty-one (21) days before the meeting. At the AGM, shareholders are encouraged to ask questions or seek clarifications on the agenda of the meeting. All Directors are available to respond to questions from shareholders during the meeting. The external auditors are also present to provide professional and independent clarification on issues and concerns raised by the shareholders.

### 8.2 Encourage Poll Voting

At the previous AGM, the resolutions put forth for shareholders' approval were voted by poll as recommended by the Chairman.



# Statement on Corporate Governance

## 8.3 Effective Communication and Proactive Engagement

The Board recognises the importance of effective communication with shareholders and the investment community, and adheres strictly to the disclosure requirements of Bursa Securities.

Quarterly reports on the Group's results and announcements can be accessed from Bursa Securities' website. In addition, the Group's Annual Report contains a review of its financial performance, supported by facts and standards. The AGM is the principal forum for dialogue with shareholders.

Any queries or concerns relating to the Group may be conveyed to the following persons:-

i. **Mr. Tan Seng Chye**  
**Chief Executive Officer**

Tel: 03-6201 0051

Fax: 03-6201 0071

Email: [tan.seng.chye@plenitude.com.my](mailto:tan.seng.chye@plenitude.com.my)

ii. **Ms. Wong Keo Rou**  
**Company Secretary**

Tel: 03-6201 1120

Fax: 03-6201 3121

Email: [sharonwong@shareworks.com.my](mailto:sharonwong@shareworks.com.my)

## COMPLIANCE STATEMENT

The Board considers that the Group has complied substantially with the principles and recommendations as stipulated in the MCCG 2012 throughout the financial year ended 30 June 2013.

## ADDITIONAL COMPLIANCE INFORMATION

### Sanctions and/or Penalties Imposed

There were no sanctions and/or penalties imposed on the Group, directors or management by relevant regulatory bodies, which were material and made public during the financial year ended 30 June 2013.

### Non-Audit Fees

There was a non-audit fee of RM8,200 paid or payable to the External Auditors for reviewing the Statement on Internal Control and Realised & Unrealised Profits or Losses for Plenitude Berhad for the financial year ended 30 June 2013.

### Material Contracts

There was no material contract entered by the Company or its subsidiary companies involving Directors' and major shareholders' interest during the financial year ended 30 June 2013.

This Statement is made in accordance with the resolution of the Board dated 18 September 2013.

# Statement on Risk Management And Internal Control

The Statement on Risk Management and Internal Control is made in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Bhd (“Bursa Securities”), the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers and the Principle 6: Recommendation 6.1 (with Commentary) of the Malaysian Code of Corporate Governance 2012 (“MCCG 2012”).

The Board of Directors (“the Board”) of Plenitude Berhad is committed to maintain a sound, efficient and effective risk management and internal control and is pleased to provide the following statement which outlines the nature and scope of the Group’s risk management and internal control during the financial year under review.

## RISK MANAGEMENT

Risk Management and control framework is embedded into the Group’s management systems in culture, processes and organisational structure. Risk Management is an integral part of the Group’s business objectives and is critical for the Group to achieve continued profitability and sustainable growth in shareholders’ value.

## INTERNAL CONTROL

An internal control system encompasses the Group’s policies, processes, tasks, behavior and other aspects to facilitate an effective and efficient operation. It helps to ensure the quality of internal and external reporting by maintenance of proper record and processes that generate a flow of timely, relevant and reliable information from within and outside the company. It helps to ensure compliance with applicable laws and regulations and also with internal policies with respect to the conduct of business.

## ROLES AND RESPONSIBILITY

### Board’s Role

The Board acknowledges its overall responsibility for the Group’s system of risk management and internal control and for reviewing the adequacy and integrity of the system. The system of internal control covers not only financial but organisational, operational, regulatory and compliance control as well as risk management. The Board recognises that the system is designed to manage, rather than eliminate, the principal business risks that may impede the Group from achieving its business objectives and safeguarding the assets entrusted under the Board’s custody. The system provides reasonable, but not absolute, assurance against the occurrence of any material misstatement or loss.

The Board recognises that the development of a good system of internal controls for the Group is a continuous process. Hence, the Board, through the Audit Committee encourages interactive discussions of audit findings with the Management and establishes additional control measures to manage risks where required.

The Audit Committee, assisted by Internal Auditors, provides independent assurance of the adequacy and reliability of the risk management processes and system of internal controls as well as compliance with risk-related regulatory requirements.

# Statement on Risk Management And Internal Control

## Management's Role

Management Committee is accountable for all risks assumed under its respective areas of responsibility as well as for the execution of appropriate risk management discipline in line with risk management approved by the Board, aided by supporting guidelines, procedures and standards. The Management Committee is also responsible for creating a risk-awareness culture to ensure greater understanding of the importance of risk management and that its principles are embedded in key operational processes and all projects.

The Group consists of several companies, each of which has its own management and internal controls mechanisms. The Operating Management of each business unit bears responsibility for the identification and mitigation of major risks and each maintains the controls and appropriate procedures of its own business environment.

Regular meetings and dialogues between Management Committee and Operating Management are held to manage risk in the Group's activities in alignment with the strategic objectives and regulatory requirements. This risk management system is reviewed periodically to ensure it is relevant and adequate to manage the Group's risks, which continue to evolve along with the changing business environment.

## Internal Audit's Role

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve a company's operation. It helps a company accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance process.

The internal audit function of the Group was outsourced to a professional service firm ("Internal Auditors").

On appointment, the Internal Auditors adopted a risk-based approach in undertaking the internal audits for the Group which involved the establishment of a comprehensive audit plan formulated through a risk assessment process, and included conducting necessary consultation sessions with the senior management and staff in order to identify the relevant risks faced by the Group. Comprehensive audit programs are then developed in order to identify any lapses in the system of internal controls.

The internal audit function independently focuses on the key areas of business risk based on a work programme agreed annually with the Audit Committee, and reports on the systems of financial and operational controls on a regular basis to the Audit Committee. The Internal Auditor advises management on areas for improvement and subsequently reviews the degree to which its recommendations have been implemented. The degree of compliance is reported to the Audit Committee on a regular basis. The Audit Committee in turn reviews the effectiveness of the system of internal controls in operation and reports the results to the Board.

# Statement on Risk Management And Internal Control

## KEY INTERNAL CONTROL PROCESSES

The Group's key internal control processes according to the principles prescribed are as follow:-

### 1. Authority and Responsibility

Authority and responsibility between the Board and Management are defined. The authority level of Management is reviewed periodically to reflect the changes in the business environment in which the Group is operating.

The Board and Management have also established an organisational structure with clearly defined lines of accountability and delegated authority. This includes well-defined responsibilities of Board committees and various management levels, including authorisation levels for all aspects of the Group's business.

### 2. Planning, Monitoring and Reporting

An annual planning and budgetary exercise is undertaken requiring each business unit to prepare business plans and budgets for the forthcoming year, which are deliberated upon and approved by the Board before implementation.

The Head of Finance ensures that adequate processes and controls are in place in the preparation of quarterly financial statements. The Head of Finance also ensures that appropriate accounting policies have been adopted and applied consistently in compliance with requirements of the applicable accounting standards in Malaysia.

The Group's performance is presented to the Board on a quarterly basis. There are also regular updates to the Board and Management on all aspects of the Group's operations to facilitate the monitoring of performance against the Group's corporate strategy, business and regulatory plans.

The monitoring of results against budget is conducted by Management on a monthly basis, with major variances followed up and management actions taken where necessary. Regular and comprehensive information is provided to the Board, covering financial performance and key business indicators.

### 3. Policies and Procedures

Policies and procedures for key business processes are formalised and documented for each of the significant operating units and translated into operational manuals and guidelines. The manuals are reviewed and approved by the Management Committee before they are tabled to the Board for adoption and implementation.

# Statement on Risk Management And Internal Control

## 4. Audits

The Internal Auditors have reviewed the Group's system of internal controls and reported the internal audit activities carried out within the year to the Audit Committee on a quarterly basis.

The Board has ensured that relevant control measures were implemented to address the control weaknesses identified during the course of the internal audits and enhance the integrity of the Group's system of internal controls. This was carried out via consultations with the Internal Auditors and senior management.

## 5. Performance Measurement

- (a) Key Performance Indicators ("KPIs"), are used to track and measure staff performance.
- (b) Yearly employee engagement surveys are conducted to gauge feedback on the effectiveness and efficiency of engagement for continuous improvement.

## 6. Conduct of Staff

- (a) A Code of Ethics is established for all employees, which defines the ethical standards and conduct of work required.
- (b) A Confidentiality Policy is established for the management, control and protection of confidential information used by the Group to avoid leakage and improper use of such information.
- (c) Segregation of duties is practiced whereby conflicting tasks are apportioned between different members of staff to reduce the occurrence of error and fraud.

## 7. Quality Control

Strong emphasis is placed on ensuring that the Group adheres to health, safety and environmental regulations as required by the various authorities.

## 8. Other Key Elements of Internal Control

Other key elements of procedures established by the Board which provide effective internal control include:

- Regular site visits to the operations within the Group by the Executive Chairman, CEO, COO and Functional Heads.



# Statement on Risk Management And Internal Control

- Weekly reporting by Operating Management on information critical to meeting Group's business objectives to ensure matters that require senior management's attention are highlighted for review, deliberation and resolution on a timely basis.
- Adequate insurance coverage and physical safeguards on major assets to ensure the Group's assets are sufficiently covered against any mishap that could result in material losses to the Group. An annual assessment and renewal exercise is undertaken in which Management reviews the coverage based on the current fixed assets inventory and the respective replacement value.

## REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

The External Auditors had reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year ended 30 June 2013 and reported to the Board that nothing had come to their attention that caused them to believe that the Statement on Risk Management and Internal Control was inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and integrity of internal controls of the Group.

Recommended Practice Guide 5, Guidance for Auditors on the Review of Directors' Statement on Internal Controls ("RPG 5") does not require the External Auditors to consider whether the Directors' Statement on Risk Management and Internal Controls covers all risks and controls, or to form an opinion on the effectiveness of the Group's risk and control procedures.

## CONCLUSION

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

The Board is of the view that the Group's system of risk management and internal controls in place for the year under review and up to the date of approval of this Statement, is adequate in safeguarding the Shareholders' investments, the interests of customers, regulators, employees and other stakeholders, and the Group's assets. The Board acknowledges that there is an effective ongoing process for identification, evaluation and management of significant risks in the Group and is committed to continue to review the operations and effectiveness of the Group's internal control including financial, operational, compliance and risk management.

The above statement is made in accordance with the resolution of the Board dated 18 September 2013.

# Audit Committee Report

The Board of Plenitude Berhad is pleased to present the Audit Committee ("the Committee") Report for the financial year ended 30 June 2013.

## 1. MEMBERS

The composition of the Audit Committee is in accordance with the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad ('Bursa Securities'). The Committee comprises:-

Name	Directorship
Tan Kak Teck <i>(Chairman, with effect from 19 September 2013)</i>	Independent Non-Executive Director
Tan Yew Ngee <i>(resigned on 19 September 2013)</i>	Independent Non-Executive Director
Ir. Teo Boon Keng <i>(appointed on 27 August 2013)</i>	Independent Non-Executive Director
Tsang Chee Wah <i>(appointed on 19 September 2013)</i>	Non-Independent Non-Executive Director
Zukarnine Shah Bin Zainal Abidin <i>(appointed on 5 November 2012 and resigned on 1 July 2013)</i>	Independent Non-Executive Director
Chan Soo Wah <i>(retired on 5 November 2012)</i>	Independent Non-Executive Director

Mr Tan Kak Teck, Mr Tan Yew Ngee and Madam Chan Soo Wah are members of the Malaysian Institute of Accountants. In this regard, the Company is in compliance with the requirement of Paragraph 15.09 (1)(c)(i) under the Main Market Listing Requirements of Bursa Securities which requires at least one member of the Committee to be a qualified accountant.

## 2. TERMS OF REFERENCE

The primary objectives of the Committee are to:

- Provide assistance to the Board in fulfilling its fiduciary responsibilities, particularly in the areas relating to the Company and its subsidiaries' accounting and management controls, financial reporting and business ethics policies;
- Provide greater emphasis on the audit function by serving as the focal point for communication between the External Auditors, Internal Auditors and the Management and providing a forum for discussion that is independent of the management; and
- Undertake such additional duties as may be appropriate and necessary to assist the Board.

## Composition of the Committee

The Committee shall consist of at least three (3) Board members, a majority of whom shall be independent Directors. All members of the Committee must be Non-Executive Directors. Alternate Directors will not be appointed to the Committee. In order to form a quorum in respect of a meeting of the Committee, the majority of members present must be independent Directors.

The Chairman shall be an independent Non-Executive Director elected by the members of the Committee. The Chairman will, in consultation with the other members of the Committee, be responsible for calling meetings of the Committee, establishing its agenda and supervising the conduct thereof.

The Board will review the composition of the Committee, as well as the performance and effectiveness of each member of the Committee annually, to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

At least one member of the Committee:-

- a) must be a member of the Malaysian Institute of Accountants ("MIA"); or
- b) if he is not a member of the MIA, he must have at least three years working experience and:
  - (i) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967; or
  - (ii) he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act, 1967; or
- c) fulfill such other requirements as prescribed or approved by Bursa Securities.

In the event a member of the Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board of Directors shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum of the three (3) members.

## Authority

The Audit Committee is authorised by the Board to:-

- 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 Company;
- d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;

# Audit Committee Report

- e) be able to obtain independent professional or other advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary; and
- f) be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

## Functions and Duties

The functions and duties of the Committee are as follows:-

- a) To review:-
  - with the External Auditors, the audit plan;
  - with the External Auditors, their evaluation of the systems of internal controls;
  - with the External Auditors, their audit report on the financial statements;
  - the assistance given by the Company's Officers to the External Auditors and Internal Auditors;
  - the consolidated financial statements of the Company; and
  - any related party transactions and conflict situations that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity.
- b) To review the quarterly and year end financial statements of the Company and the Group, prior to the approval of the Board, focusing particularly on:-
  - any changes in accounting policies and practices;
  - significant and unusual events;
  - significant adjustments arising from the audit;
  - the going concern assumption; and
  - compliance with accounting standards and other legal requirements.
- c) To discuss with External Auditors, before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
- d) To discuss problems and reservations arising from the interim and final audits, any matter the External Auditors wish to discuss (in the absence of the management where necessary);
- e) To review the Internal and External Auditors' management letter and management's response thereto;
- f) To consider the appointment of the Internal and External Auditors, the audit fee and any question of resignation and dismissal;
- g) To propose best practices on disclosure of financial results and annual reports of the Company in line with the principles set out in the Malaysian Code of Corporate Governance, other applicable laws, rules, directives and guidelines;

# Audit Committee Report

- h) To propose that the management has in place an adequate system of risk management to safeguard the Company's assets;
- i) To perform the following in relation to the internal audit function:-
  - review the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
  - review the internal audit programme, processes, the findings of the internal audit or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function; and
  - review any appraisal or assessment of the performance of members of the internal audit function.
- j) To review any related party transaction and conflict of interest situation that may arise within the Company or the Group;
- k) To consider and examine any other matter as defined by the Board.

## 3. MEETINGS

Five Committee meetings were held during the financial year ended 30 June 2013.

The details of the attendance of the meetings by the Committee members are as follows:-

Name	Attendance
Tan Kak Teck (Chairman, with effect from 19 September 2013)	5/5
Tan Yew Ngee (resigned on 19 September 2013)	5/5
Zukarnine Shah Bin Zainal Abidin (appointed on 5 November 2012 and resigned on 1 July 2013)	3/3
Chan Soo Wah (retired on 5 November 2012)	2/2
Ir. Teo Boon Keng (appointed on 27 August 2013)	N/A
Tsang Chee Wah (appointed on 19 September 2013)	N/A



# Audit Committee Report

## Attendance at Meetings

The Executive Director and representatives of the senior management, the Internal Auditors and the External Auditors shall normally be invited to attend meetings of the Committee as and when necessary.

However, the Committee shall meet with the External Auditors without executive board members present at least twice a year.

The Committee may also invite other Directors and employees to attend any of its meetings to assist in resolving and clarifying matters raised.

## Frequency of Meetings

The Committee shall meet at least four times a year. The Chairman shall also convene a meeting of the Committee if requested to do so by any member, the management or the internal or external auditors to consider any matter within the scope and responsibilities of the Committee.

## Quorum

A quorum shall consist of a majority of Independent Non-Executive Directors and shall not be less than two.

## Secretary to Audit Committee

The Company Secretary shall be the secretary of the Committee.

## 4. SUMMARY OF ACTIVITIES OF THE COMMITTEE

The Committee reports regularly to the Board on the activities carried out by the Committee in the discharge of its duties and responsibilities as set out in the term of reference.

The major activities undertaken during the financial year ended 30 June 2013 are as follows:

- a) Reviewed the appointment of internal and external auditors and their independence and effectiveness;
- b) Considered and recommended to the Board for approval the audit fees payable to the internal and external auditors taking into account the independence, objectivity and effectiveness of the services provided;
- c) Reviewed the internal audit plan and scope of work;

- d) Reviewed the internal audit reports, which highlighted audit issues, recommendations and management's response and discussed with management on the appropriate remedial actions taken to improve the system of internal controls identified by the internal auditors;
- e) Recommended to the Board, improvements in internal control procedures and risk management;
- f) Reviewed the external auditors audit plans, scope of work and results of the annual audit of the Group;
- g) Reviewed the proposals for non audit services rendered by the external auditors;
- h) Reviewed the quarterly unaudited financial results announcements before recommending them for the Board's approval;
- i) Reviewed the annual report and the audited financial statements of the Company prior to submission to the Board for its consideration and approval, and
- j) Reviewed the related party transactions entered into by the Group and conflict of interest situation that may arise.

## 5. INTERNAL AUDIT FUNCTION

During the financial year ended 30 June 2013, the internal audit function was outsourced to a professional service firm who reports to the Audit Committee.

The Internal Auditors' role is to assist the Board and Audit Committee in providing independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control system.

The internal audits were carried out in accordance with the internal audit plan approved by the Audit Committee. The results of the internal audit reviews and the recommendations for improvement were presented to the Audit Committee at its meetings.

The total cost incurred for the internal audit function for the financial year under review was approximately RM42,280.

# Statement on Directors' Responsibility

The Directors are required by the Companies Act 1965 (the Act) to prepare financial statements for each financial year which have been made out in accordance with applicable Financial Reporting Standards in Malaysia, the provisions of the Act and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year, and of the results and cash flows of the Group and the Company for the financial year.

In preparing the financial statements, the Directors have:-

- Adopted appropriate accounting policies and applied them consistently;
- Made judgements and estimates that are reasonable and prudent; and
- Prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose with reasonable accuracy the financial position of the Group and the Company which enable them to ensure that the financial statements comply with the Act and the applicable approved accounting standards in Malaysia.

The Directors have general responsibility for taking such steps as are reasonably available to them to safeguard the assets of the Group.



# Financial Statements

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# Directors' Report

The directors of **PLENITUDE BERHAD** have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2013.

## PRINCIPAL ACTIVITIES

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

The principal activities of its subsidiary companies are stated in Note 15 to the financial statements.

There have been no significant changes in the nature of these principal activities of the Company and its subsidiary companies during the financial year.

## RESULTS

The results of operations of the Group and of the Company for the financial year are as follows:

	Group RM	Company RM
Net profit for the financial year	77,792,450	40,216,546
Attributable to:		
Owners of the Company	77,792,450	40,216,546

## DIVIDENDS

A final 5 sen single-tier dividend of RM13,500,000 proposed in respect of ordinary shares in the previous financial year and dealt with in the previous directors' report was paid by the Company during the financial year.

The directors have proposed a final single-tier dividend of 6 sen on 270,000,000 ordinary shares, amounting to RM16,200,000 in respect of current financial year. This dividend is subject to approval of the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the financial statements. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 June 2014.

## RESERVES AND PROVISIONS

All material transfers to and from reserves and provisions during the financial year have been disclosed in the financial statements.



## ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company did not issue any new shares or debentures.

## SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As of the end of the financial year, there were no unissued shares of the Company under options.

## OTHER STATUTORY INFORMATION

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:

- (a) 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 have satisfied themselves that there are no known bad debts to be written off and that no allowance for doubtful debts are necessary; and
- (b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.

At the date of this report, the directors are not aware of any circumstances:

- (a) which would require the writing off of bad debts or the setting up of an allowance for doubtful debts in the financial statements of the Group and of the Company; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets and liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

# Directors' Report

## OTHER STATUTORY INFORMATION (Continued)

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, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the directors, 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 and of the Company for the succeeding financial year.

## DIRECTORS

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

Chua Elsie  
Tan Yew Ngee  
Tan Kak Teck  
Ir. Teo Boon Keng  
Rashidah Binti Abdullah (*appointed on 18 September 2013*)  
Tsang Chee Wah (*appointed on 18 September 2013*)  
Zukarnine Shah Bin Zainal Abidin (*resigned on 1 July 2013*)  
Chan Soo Wah (*retired on 5 November 2012*)

In accordance with Article 86 of the Company's Articles of Association, Tan Yew Ngee retires at the forthcoming Annual General Meeting. Tan Yew Ngee has given his notification that he does not wish to seek re-election at the forthcoming Annual General Meeting. Accordingly Tan Yew Ngee will retire and cease as a director of the Company at the conclusion of the forthcoming Annual General Meeting.

In accordance with Article 93 of the Company's Articles of Association, Rashidah Binti Abdullah and Tsang Chee Wah who were appointed after the financial year shall retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-election.

## DIRECTORS' INTERESTS

According to the register of directors' shareholdings kept by the Company under Section 134 of the Companies Act, 1965, the interests of those directors who held office at the end of the financial year in shares in the Company and its related corporations during the financial year ended 30 June 2013 are as follows:

	Number of ordinary shares of RM1 each			
	At 1.7.2012	Bought	Sold	At 30.6.2013
<hr/>				
The Company:				
Deemed Interest				
Chua Elsie*	104,000	-	-	104,000

\* Shares held directly by spouse and children. In accordance with Section 134(12)(c) of the Companies Act, 1965, the interests of the spouse/children in the shares of the Company shall be treated as the interests of the director.

None of the other directors in office at the end of the financial year held shares or had beneficial interest in the shares of the Company during or at the beginning and end of the financial year. Under the Company's Articles of Association, the directors are not required to hold shares in the Company.

None of the directors in office at the end of the financial year held shares or had beneficial interest in the shares of the related companies during or at the beginning and end of the financial year.

## DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors shown in the financial statements) by reason of a contract made by the Company or subsidiary company with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL YEAR

There were no material events subsequent to the end of the financial year.

# Directors' Report

## AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng, have expressed their willingness to continue in office.

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

**CHUA ELSIE**

**TAN YEW NGEE**

Kuala Lumpur

Date: 18 September 2013

# Statements of Comprehensive Income

For The Financial Year Ended 30 June 2013

		Group		Company	
	Note	2013	2012	2013	2012
		RM	RM	RM	RM
Revenue	4	208,547,873	205,958,803	34,932,000	26,432,000
Cost of sales	5	(94,296,375)	(99,950,791)	-	-
Gross profit		114,251,498	106,008,012	34,932,000	26,432,000
Investment revenue	6	11,990,539	11,890,527	9,434,150	9,666,500
Other income		5,374,339	4,948,255	6,434,974	5,881,991
Finance costs	7	(59,209)	(87,541)	-	-
Other expenses		(29,354,660)	(25,130,719)	(6,040,844)	(4,090,012)
Profit before taxation	8	102,202,507	97,628,534	44,760,280	37,890,479
Taxation	9	(24,410,057)	(25,283,193)	(4,543,734)	(3,359,276)
Net profit for the financial year		77,792,450	72,345,341	40,216,546	34,531,203
Other comprehensive income for the financial year		-	-	-	-
Total comprehensive income for the financial year		77,792,450	72,345,341	40,216,546	34,531,203
Profit attributable to:					
Owners of the Company		77,792,450	72,345,341	40,216,546	34,531,203
Total comprehensive income attributable to:					
Owners of the Company		77,792,450	72,345,341	40,216,546	34,531,203
Earnings per ordinary share attributable to Owners of the Company (sen)					
- Basic	10	28.81	26.79		
- Diluted	10	28.81	26.79		

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



# Statements of Financial Position

As at 30 June 2013

		Group		Company	
	Note	2013	2012	2013	2012
		RM	RM	RM	RM
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	11	30,111,532	20,128,288	153,520	208,055
Land held for future development	12	221,024,618	250,568,752	-	-
Property development projects					
- non-current portion	13	156,053,763	142,890,360	-	-
Investment properties	14	46,860,640	47,108,863	-	-
Investment in subsidiary companies	15	-	-	265,409,226	262,410,226
Other investment	16	85,000	85,000	85,000	85,000
Goodwill on consolidation	17	5,637,653	5,637,653	-	-
Deferred tax assets	18	22,734,096	27,542,971	-	-
<b>Total Non-Current Assets</b>		<b>482,507,302</b>	<b>493,961,887</b>	<b>265,647,746</b>	<b>262,703,281</b>
<b>Current Assets</b>					
Property development projects					
- current portion	13	92,467,751	71,070,884	-	-
Inventories	19	20,981,564	20,994,596	-	-
Trade and other receivables	20	50,893,391	41,615,814	48,030	1,307,845
Accrued billings		3,584,018	795,321	-	-
Amount owing by subsidiary companies	15	-	-	166,227,495	161,423,013
Tax recoverable		5,517,710	3,748,948	-	-
Investment securities - held for trading	21	-	11,428,000	-	11,428,000
Fixed income trust fund	22	129,481,936	125,431,422	129,481,936	125,431,422
Fixed deposits with licensed banks	22	180,961,929	110,047,662	180,961,929	110,047,662
Cash and bank balances	22	79,002,405	119,955,508	2,358,928	5,228,139
<b>Total Current Assets</b>		<b>562,890,704</b>	<b>505,088,155</b>	<b>479,078,318</b>	<b>414,866,081</b>
<b>TOTAL ASSETS</b>		<b>1,045,398,006</b>	<b>999,050,042</b>	<b>744,726,064</b>	<b>677,569,362</b>

# Statements of Financial Position

As At 30 June 2013 (Continued)

		Group		Company	
	Note	2013	2012	2013	2012
		RM	RM	RM	RM
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and Reserves</b>					
Share capital	23	270,000,000	270,000,000	270,000,000	270,000,000
Retained earnings	24	639,094,274	574,801,824	311,239,662	284,523,116
<b>TOTAL EQUITY</b>		<b>909,094,274</b>	<b>844,801,824</b>	<b>581,239,662</b>	<b>554,523,116</b>
<b>Non-Current Liabilities</b>					
Deferred tax liabilities	18	5,513,644	5,513,644	-	-
<b>Current Liabilities</b>					
Trade and other payables	25	116,387,500	142,080,264	1,088,324	896,608
Advance billings		10,193,920	3,208,089	-	-
Amount owing to subsidiary companies	15	-	-	161,611,717	121,871,237
Tax liabilities		4,208,668	3,446,221	786,361	278,401
<b>Total Current Liabilities</b>		<b>130,790,088</b>	<b>148,734,574</b>	<b>163,486,402</b>	<b>123,046,246</b>
<b>TOTAL LIABILITIES</b>		<b>136,303,732</b>	<b>154,248,218</b>	<b>163,486,402</b>	<b>123,046,246</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,045,398,006</b>	<b>999,050,042</b>	<b>744,726,064</b>	<b>677,569,362</b>

# Statements of Changes In Equity

For The Financial Year Ended 30 June 2013

	Note	Share capital RM	Retained earnings RM	Total RM
<b>Group</b>				
At 1 July 2011		270,000,000	515,956,483	785,956,483
Total comprehensive income for the financial year		-	72,345,341	72,345,341
<b><u>Transactions with owners:</u></b>				
Dividends for the financial year ended 30 June 2011				
- final dividend	27	-	(13,500,000)	(13,500,000)
Total transactions with owners		-	(13,500,000)	(13,500,000)
At 30 June 2012		270,000,000	574,801,824	844,801,824
Total comprehensive income for the financial year		-	77,792,450	77,792,450
<b><u>Transactions with owners:</u></b>				
Dividends for the financial year ended 30 June 2012				
- final dividend	27	-	(13,500,000)	(13,500,000)
Total transactions with owners		-	(13,500,000)	(13,500,000)
At 30 June 2013		270,000,000	639,094,274	909,094,274

# Statements of Changes In Equity

For The Financial Year Ended 30 June 2013 (Continued)

	Note	Share capital RM	Retained earnings RM	Total RM
<b>Company</b>				
At 1 July 2011		270,000,000	263,491,913	533,491,913
Total comprehensive income for the financial year		-	34,531,203	34,531,203
<b><u>Transactions with owners:</u></b>				
Dividends for the financial year ended 30 June 2011				
- final dividend	27	-	(13,500,000)	(13,500,000)
Total transactions with owners		-	(13,500,000)	(13,500,000)
At 30 June 2012		270,000,000	284,523,116	554,523,116
Total comprehensive income for the financial year		-	40,216,546	40,216,546
<b><u>Transactions with owners:</u></b>				
Dividends for the financial year ended 30 June 2012				
- final dividend	27	-	(13,500,000)	(13,500,000)
Total transactions with owners		-	(13,500,000)	(13,500,000)
At 30 June 2013		270,000,000	311,239,662	581,239,662

# Statements of Cash Flows

For The Financial Year Ended 30 June 2013

	Note	Group		Company	
		2013	2012	2013	2012
		RM	RM	RM	RM
<b>Cash Flows From Operating Activities</b>					
Profit before taxation		102,202,507	97,628,534	44,760,280	37,890,479
Adjustments for:					
Depreciation of property, plant and equipment		1,143,267	1,280,206	120,342	129,676
Depreciation of investment properties		236,248	1,037,579	-	-
Interest expense		59,209	87,541	-	-
Property, plant and equipment written off		280	4,795	-	-
Interest income		(5,886,615)	(7,077,575)	(10,387,137)	(9,642,195)
Gain on disposal of property, plant and equipment		(197)	(9,001)	(1)	-
Net realised gain on short term investment		(939,272)	-	(939,272)	-
Unrealised gain on short term investment		-	(1,377,000)	-	(1,377,000)
Dividend income		(4,542,714)	(4,529,295)	(34,542,714)	(26,029,295)
Profit/(Loss) Before Working Capital Changes		92,272,713	87,045,784	(988,502)	971,665
Decrease/(Increase) in:					
Land held for future development		29,544,134	(34,443,408)	-	-
Investment properties		11,975	(2,714,875)	-	-
Property development projects		(34,560,270)	8,267,267	-	-
Inventories		13,032	(19,139,051)	-	-
Trade and other receivables		(9,277,577)	(3,390,767)	1,259,815	(1,246,702)
Accrued billings		(2,788,697)	26,555,541	-	-
Amount owing by subsidiary companies		-	-	(4,804,482)	3,566,884
		75,215,310	62,180,491	(4,533,169)	3,291,847

# Statements of Cash Flows

For The Financial Year Ended 30 June 2013 (Continued)

	Note	Group		Company	
		2013 RM	2012 RM	2013 RM	2012 RM
Increase/(Decrease) in:					
Trade and other payables		(25,692,764)	(4,955,950)	191,716	(90,987)
Advance billings		6,985,831	(2,585,297)	-	-
Amount owing to subsidiary companies		-	-	39,740,480	2,205,637
Net Cash From Operations		56,508,377	54,639,244	35,399,027	5,406,497
Interest income received		1,601,142	3,103,901	6,434,973	5,881,990
Income tax refund		207,117	236,061	-	-
Income tax paid		(20,814,614)	(31,943,549)	(4,035,774)	(3,604,891)
Net Cash From Operating Activities		37,502,022	26,035,657	37,798,226	7,683,596
<b>Cash Flows From Investing Activities</b>					
Interest income received		4,285,473	3,973,674	3,952,164	3,760,205
Proceeds from disposal of property, plant and equipment		200	9,001	2	-
Purchase of property, plant and equipment		(11,126,794)	(344,745)	(65,808)	(54,636)
Proceeds from sale of investment securities		12,367,272	-	12,367,272	-
Dividend income received		4,542,714	4,529,295	34,542,714	26,029,295
Acquisition of a subsidiary company	15	-	-	-	(2)
Subscription of additional shares issued by a subsidiary company	15	-	-	(2,999,000)	-
Net Cash From Investing Activities		10,068,865	8,167,225	47,797,344	29,734,862



# Statements of Cash Flows

For The Financial Year Ended 30 June 2013 (*Continued*)

		Group		Company	
	Note	2013	2012	2013	2012
		RM	RM	RM	RM
<b>Cash Flows From Financing Activities</b>					
Dividends paid	27	(13,500,000)	(13,500,000)	(13,500,000)	(13,500,000)
Interest paid		(59,209)	(87,541)	-	-
Net Cash Used In Financing					
Activities		(13,559,209)	(13,587,541)	(13,500,000)	(13,500,000)
<b>Net Increase in Cash and</b>					
<b>Cash Equivalents</b>		34,011,678	20,615,341	72,095,570	23,918,458
<b>Cash and Cash Equivalents</b>					
<b>at Beginning of the Financial Year</b>		355,434,592	334,819,251	240,707,223	216,788,765
<b>Cash and Cash Equivalents</b>					
<b>at End of the Financial Year</b>		389,446,270	355,434,592	312,802,793	240,707,223

## Analysis of Cash and Cash Equivalents:

Fixed income trust fund	22	129,481,936	125,431,422	129,481,936	125,431,422
Fixed deposits with					
licensed banks	22	180,961,929	110,047,662	180,961,929	110,047,662
Cash and bank balances	22	79,002,405	119,955,508	2,358,928	5,228,139
		389,446,270	355,434,592	312,802,793	240,707,223

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

# Notes to the Financial Statements

## 1. GENERAL INFORMATION

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

The Company's principal activities are investment holding and the provision of management services. The principal activities of its subsidiary companies are stated in Note 15 to the financial statements.

There have been no significant changes in the nature of the principal activities of the Company and its subsidiary companies during the financial year.

The registered office and the principal place of business of the Company is located at 2nd Floor, No. 2, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL), Malaysia.

The financial statements are expressed in Ringgit Malaysia ("RM").

The financial statements of the Group and of the Company were authorised for issuance by the Board of Directors in accordance with a resolution of the directors on 18 September 2013.

## 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 the Financial Reporting Standards ("FRSs") and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost basis, except as disclosed in the significant accounting policies in Note 2.4.

The preparation of financial statements in conformity with FRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reported period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

# Notes to the Financial Statements

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs")

#### (a) Adoption of Revised FRS, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int

The Group and the Company had adopted the following revised FRS, amendments/improvements to FRSs, new IC Int and amendments to IC Int that are mandatory for the current financial year:

##### Revised FRS

FRS 124	Related Party Disclosures
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##### Amendments/Improvements to FRSs

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements
FRS 112	Income Taxes

##### New IC Int

IC Int 19	Extinguishing Financial Liabilities with Equity Instruments
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##### Amendments to IC Int

IC Int 14	FRS 119-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
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The adoption of the above revised FRS, amendments/improvements to FRSs, new IC Int and amendments to IC Int do not have any effect on the financial statements of the Group and of the Company except for those as discussed below:

#### ***Revised FRS 124 Related Party Disclosures***

The revised FRS 124 simplifies and clarifies the definition of related party and eliminates inconsistencies from the definition. The Revised FRS 124 expands the definition of a related party and would treat two entities as related to each other whenever a person (or a close member of that person's family) or a third party has control or joint control over the entity, or has significant influence over the entity. The revised standard also introduced a partial exemption from disclosures for government-related entities. Prior to this, no disclosure of transactions is required in financial statements of state-controlled entities of transactions with other state-controlled entities. The additional disclosures are intended to draw attention to users that such related party transactions have occurred and to give an indication of their extent. It requires disclosure of related party transactions between government-related entities only if the transactions are individually or collectively significant.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs")(Continued)

#### (a) Adoption of Revised FRS, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int (Continued)

##### ***Amendments to FRS 7 Financial Instruments: Disclosures***

These amendments to FRS 7 requires disclosures for all transferred financial assets that are not derecognised and for any continuing involvement in a transferred asset, existing at the reporting date, irrespective of when the related transfer transaction occurred. The additional disclosures will help users of financial statements to evaluate the risk of exposures relating to transfer of financial assets and the effect of those risks on an entity's financial position.

##### ***Amendments to FRS 112 Income Taxes***

This amendment to FRS 112 addresses the measurement approach for deferred tax assets and liabilities in respect of investment properties which are measured at fair value. The amendment introduces a rebuttable presumption that the investment property is recovered entirely through sale. In such cases, deferred tax assets or liabilities are provided at tax rates applicable when recovering the property entirely through sale. If this presumption is rebutted, deferred tax assets or liabilities are provided based on tax rates applicable when consuming substantially the economic benefits embodied in the property over a period of time.

##### ***New IC Int 19 Extinguishing Financial Liabilities with Equity Instruments***

This Interpretation addresses the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor to extinguish all or part of the financial liability. It does not address the accounting by the creditor.

IC Int 19 will standardise practice among debtors applying FRSs to a debt for equity swap. This interpretation clarifies that the equity instruments issued shall be measured at their fair value. If the fair value cannot be reliably measured, the equity instruments shall be measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability (or part of a financial liability) extinguished, and the consideration paid, shall be recognised in profit or loss. When only part of the financial liability is extinguished and if part of the consideration paid does relate to a modification of the terms of the remaining part of the liability, the entity shall allocate the consideration paid between the part of the liability extinguished and the part of the liability that remains outstanding. A substantial modification of the terms of an existing financial liability or a part of it shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

# Notes to the Financial Statements

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs")(Continued)

#### (a) Adoption of Revised FRS, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int (Continued)

##### *Amendments to IC Int 14 FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

The amendments to IC Int 14 apply in the limited circumstances when an entity is subject to minimum funding requirement and makes an early payment of contributions to cover those requirements. The amendments permit the entity to treat the benefit of such early payment as an asset.

#### (b) New and Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int that are issued, not yet effective and have not been early adopted

The Group and the Company have not adopted the following new and revised FRSs, amendments/improvements to FRSs, new IC Int and amendments to IC Int that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:

		Effective for financial periods beginning on or after
<u>New FRSs</u>		
FRS 9	Financial Instruments	1 January 2015
FRS 10	Consolidated Financial Statements	1 January 2013
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosure of Interests in Other Entities	1 January 2013
FRS 13	Fair Value Measurement	1 January 2013
<u>Revised FRSs</u>		
FRS 119	Employee Benefits	1 January 2013
FRS 127	Separate Financial Statements	1 January 2013
FRS 128	Investments in Associates and Joint Ventures	1 January 2013

# Notes to the Financial Statements

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (Continued)

#### (b) New and Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int that are issued, not yet effective and have not been early adopted (Continued)

		Effective for financial periods beginning on or after
<u>Amendments/Improvements to FRSs</u>		
FRS 1	First-time Adoption of Financial Reporting Standards	1 January 2013
FRS 7	Financial Instruments: Disclosures	1 January 2013
FRS 10	Consolidated Financial Statements	1 January 2013 and 1 January 2014
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosure of Interests in Other Entities	1 January 2013 and 1 January 2014
FRS 101	Presentation of Financial Statements	1 January 2013
FRS 116	Property, Plant and Equipment	1 January 2013
FRS 127	Separate Financial Statements	1 January 2014
FRS 132	Financial Instruments: Presentation	1 January 2013 and 1 January 2014
FRS 134	Interim Financial Reporting	1 January 2013
FRS 136	Impairments of Assets	1 January 2014
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2014

A brief discussion on the above significant new and revised FRSs, amendments/improvements to FRSs, new IC Int and amendments to IC Int are summarised below. Due to the complexity of these new standards, the financial effects of their adoption are currently still being assessed by the Group and the Company.

#### **FRS 9 Financial Instruments**

FRS 9 specifies how an entity should classify and measure financial assets and financial liabilities.

This standard requires all financial assets to be classified based on how an entity manages its financial assets (its business model) and the contractual cash flow characteristics of the financial asset. Financial assets are to be initially measured at fair value. Subsequent to initial recognition, depending on the business model under which these assets are acquired, they will be measured at either fair value or at amortised cost.



# Notes to the Financial Statements

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (Continued)

- (b) New and Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int that are issued, not yet effective and have not been early adopted (Continued)

#### *FRS 9 Financial Instruments (Continued)*

In respect of the financial liabilities, the requirements are generally similar to the former FRS 139. However, this standard requires that for financial liabilities designated as at fair value through profit or loss, changes in fair value attributable to the credit risk of that liability are to be presented in other comprehensive income, whereas the remaining amount of the change in fair value will be presented in the profit or loss.

#### *FRS 10 Consolidated Financial Statements and FRS 127 Separate Financial Statements (Revised)*

FRS 10 replaces the consolidation part of the former FRS 127 Consolidated and Separate Financial Statements. The revised FRS 127 will deal only with accounting for investment in subsidiaries, joint ventures and associates in the separate financial statements of an investor and require the entity to account for such investments either at cost, or in accordance with FRS 9.

FRS 10 brings about convergence between FRS 127 and IC Int 12 Consolidation-Special Purpose Entities, which interprets the requirements of FRS 10 in relation to special purpose entities. FRS 10 introduces a new single control model to identify a parent-subsidiary relationship by specifying that "an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee". It provides guidance on situations when control is difficult to assess such as those involving potential voting rights, or in circumstances involving agency relationships, or where the investor has control over specific assets of the entity, or where the investee entity is designed in such a manner where voting rights are not the dominant factor in determining control.

#### *FRS 11 Joint Arrangements*

FRS 11 supersedes the former FRS 131 Interests in Joint Ventures. Under FRS 11, an entity accounts for its interest in a jointly controlled entity based on the type of joint arrangement, as determined based on an assessment of its rights and obligations arising from the arrangement. There are two types of joint arrangement namely joint venture or joint operation as specified in this new standard. A joint venture recognises its interest in the joint venture as an investment and account for its using the equity method. The proportionate consolidation method is disallowed in such joint arrangement. A joint operator accounts for the assets, liabilities, revenue and expenses related to its interest directly.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (Continued)

#### (b) New and Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int that are issued, not yet effective and have not been early adopted (Continued)

##### *FRS 12 Disclosures of Interests in Other Entities*

FRS 12 is a single disclosure standard for interests in subsidiary companies, joint ventures, associated companies and unconsolidated structured entities. The disclosure requirements in this FRS are aimed at providing standardised and comparable information that enable users of financial statements to evaluate the nature of, and risks associated with, the entity's interests in other entities, and the effects of those interests on its financial position, financial performance and cash flows.

##### *FRS 13 Fair Value Measurement*

FRS 13 defines fair value and sets out a framework for measuring fair value, and the disclosure requirements about fair value. This standard is intended to address the inconsistencies in the requirements for measuring fair value across different accounting standards. As defined in this standard, fair value is 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.

##### *FRS 128 Investments in Associates and Joint Ventures (Revised)*

This revised FRS 128 incorporates the requirements for accounting for joint ventures into the same accounting standard as that for accounting for investments in associated companies, as the equity method was applicable for both investments in joint ventures and associated companies. However, the revised FRS 128 exempts the investor from applying equity accounting where the investment in the associated company or joint venture is held indirectly via venture capital organisations or mutual funds and similar entities. In such cases, the entity shall measure the investment at fair value through profit or loss, in accordance with FRS 9.

##### *Amendments to FRS 10, FRS 12 and FRS 127 Investment Entities*

These amendments introduce an exception to consolidation for investment entities. Investment entities are entities whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. The amendments require investment entities to measure particular subsidiaries at fair value through profit or loss in accordance with FRS 139 Financial Instruments: Recognition and Measurement instead of consolidating them. In addition, the amendments also introduce new disclosure requirements related to investment entities in FRS 12 Disclosure of Interest in Other Entities and FRS 127 Separate Financial Statements.

# Notes to the Financial Statements

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 New and Revised FRSS, Amendments/Improvements to FRSS, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (Continued)

#### (c) MASB Approved Accounting Standards, MFRSs

In conjunction with the planned convergence of FRSS with International Financial Reporting Standards as issued by the International Accounting Standards Board on 1 January 2012, the MASB had on 19 November 2011 issue a new MASB approved accounting standards, MFRSs ("MFRSs Framework") for application in the annual periods beginning on or after 1 January 2012.

The MFRSs Framework is mandatory for adoption by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 Agriculture and/or IC Int 15 Agreements for the Construction of Real Estate ("Transitioning Entities"). The Transitioning Entities are given an option to defer adoption of the MFRSs framework to financial periods beginning on or after 1 January 2015. Transitioning Entities also includes those entities that consolidate or equity account or proportionately consolidate another entity that has chosen to continue to apply the FRSS framework for annual periods beginning on or after 1 January 2012.

Accordingly, the Group and the Company which are Transitioning Entities have chosen to defer the adoption of the MFRSs framework to financial year beginning on 1 July 2015. The Group and the Company will prepare their first MFRSs financial statements using the MFRSs framework for the financial year ending 30 June 2016.

As at 30 June 2013, all FRSS issued under the existing FRSS framework are equivalent to the MFRSs issued under MFRSs framework except for differences in relation to the transitional provisions, the adoption of MFRS 141 Agriculture and IC Int 15 Agreements for the Construction of Real Estate as well as differences in effective dates contained in certain of the existing FRSS. As such, other than those as discussed below, the main effects arising from the transition to the MFRSs Framework has been discussed in Note 2.2(b). The effect is based on the Group's and the Company's best estimates at the reporting date. The financial effect may change or additional effects may be identified, prior to the completion of the Group's and the Company's first MFRSs based financial statements.

#### **Application of MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards ("MFRS 1")**

MFRS 1 requires comparative information to be restated as if the requirements of MFRSs effective for annual periods beginning on or after 1 January 2015 have always been applied, except when MFRS 1 allows certain elective exemptions from such full retrospective application or prohibits retrospective application of some aspects of MFRSs. The Group and the Company are currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. As at the date of authorisation of issue of the financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adoption of MFRS 1 cannot be determined and estimated reliably until the process is completed.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 New and Revised FRSS, Amendments/Improvements to FRSS, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (Continued)

#### (c) MASB Approved Accounting Standards, MFRSs (Continued)

##### MFRS 141 Agriculture

MFRS 141 requires a biological asset shall be measured on initial recognition and at the end of each reporting period at its fair value less costs to sell, except where the fair value cannot be measured reliably. MFRS 141 also requires agricultural produce harvested from an entity's biological assets shall be measured at its fair value less costs to sell at the point of harvest. Gains or losses arising on initial recognition of a biological asset and the agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset shall be included in the profit or loss for the period in which it arises. The standard is not relevant to the Group based on the Group's nature of operating activities.

##### IC Int 15 Agreements for the Construction of Real Estate

IC Int 15 establishes that the developer will have to evaluate whether control and significant risks and rewards of the ownership of work in progress, can be transferred to the buyer as construction progresses before revenue can be recognised. The Group is currently assessing the impact of the adoption of this Interpretation.

### 2.3 Significant Changes in Accounting Policies

As disclosed in Note 2.2(a) to the financial statements, the directors expect that the adoption of the Amendments/Improvements to FRSS, New IC Int and Amendment to IC Int will have no material impact on the financial statements of the Group and of the Company.

### 2.4 Significant Accounting Policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

#### (a) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of returns and trade discounts after eliminating sales within the Group.

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group and the Company and the amount of the revenue can be measured reliably.

#### (i) Gross dividend income from subsidiary companies

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

# Notes to the Financial Statements

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.4 Significant Accounting Policies (Continued)

#### (a) Revenue Recognition (Continued)

##### (ii) Management fees

Management fees are recognised on an accrual basis.

##### (iii) Property development

Income and cost of property development project are recognised in profit or loss using the percentage of completion method in respect of sales where agreement has been finalised by the end of the financial year. The percentage of completion is determined based on cost incurred for work performed to date over the total estimated cost of the property development project.

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

##### (iv) Hotel operations

Hotel revenue is recognised upon room occupancy while sales of goods and services are recognised upon delivery of products and when the risks and rewards of ownership have passed and when services are rendered, net of service tax.

#### (b) Employee Benefits

##### (i) Short Term Employee Benefits

Wages, salaries, bonuses and social security contributions are recognised as expenses in the financial year in which the associated services are rendered by employees of the Group and of the Company.

##### (ii) Defined Contribution Plans

The Group and the Company contribute to the Employees Provident Fund ("EPF"), the national defined contribution plan. The contributions are charged to profit or loss in the period to which they relate. Once the contributions have been paid, the Group and the Company have no further payment obligations.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.4 Significant Accounting Policies (Continued)

#### (c) Taxation

Income tax for the financial year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax is provided for, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in the profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

The carrying amount of deferred tax assets, if any, is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

# Notes to the Financial Statements

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.4 Significant Accounting Policies (Continued)

#### (d) Foreign Currencies

##### (i) Functional and Presentation Currency

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

##### (ii) Transactions and Balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiary companies and are recorded on initial recognition in the functional currencies at exchange rates approximately those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising in monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is transferred to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation on non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

##### (e) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary companies mentioned in Note 15 to the financial statements made up to 30 June 2013.

The financial statements of the parent and its subsidiary companies are all drawn up to the same reporting date.



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.4 Significant Accounting Policies (Continued)

#### (e) Basis of Consolidation (Continued)

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted or against Group reserves.

Intra-group transactions and balances, and resulting unrealised gains are eliminated on consolidation. Unrealised losses resulting from intra-group transactions are also eliminated on consolidation to the extent of the cost of the asset that can be recovered. The extent of the costs that cannot be recovered is treated as write down or impairment losses as appropriate. Where necessary, adjustments are made to the financial statements of the subsidiary companies to ensure consistency with the accounting policies adopted by the Group.

#### ***Acquisition on or after 1 January 2011***

For acquisitions on or after 1 January 2011, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed

When the excess is negative, a bargain purchase is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

#### ***Acquisition before 1 January 2011***

Goodwill arising on acquisition represents the excess of cost of business combination over the Group's share of the net fair values of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is stated at cost less impairment loss, if any.

# Notes to the Financial Statements

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.4 Significant Accounting Policies (Continued)

#### (e) Basis of Consolidation (Continued)

##### *Acquisition before 1 January 2011 (Continued)*

Goodwill is not amortised but is reviewed for impairment, annually or more frequently for impairment in value and is written down where it is considered necessary. Gain or losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

#### (f) Property, Plant and Equipment

All property, plant and equipment are initially stated at cost less accumulated depreciation and impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.4(m) to the financial statements.

Cost includes expenditure that is directly attributable to the acquisition of the asset. When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The cost of replacing part of an item of property, plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group and the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised to profit or loss. All other repairs and maintenance are charged to profit or loss as incurred.

Freehold land of hotel property is not depreciated.

Depreciation of property, plant and equipment is computed on a straight-line method based on their estimated useful lives.

The annual rates used are as follows:

Buildings	10%
Hotel building	2%
Office equipment and computers	10% - 40%
Furniture and fittings	15% - 33 ⅓%
Renovations	20%
Operating supplies and equipment	12%
Motor vehicles	20%

# Notes to the Financial Statements

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.4 Significant Accounting Policies (Continued)

#### (f) Property, Plant and Equipment (Continued)

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting date. The effects of any revisions of the residual values and useful lives are included in profit or loss for the financial year in which the changes arise.

At each reporting date, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. The policy for the recognition and measurement of impairment loss is in accordance with Note 2.4(m) to the financial statements.

Fully depreciated assets are retained in the accounts until the assets are no longer in use.

All items 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 arising on derecognition of the asset is included in profit or loss in the financial year the asset is derecognised.

#### (g) Investment in Subsidiary Companies

Subsidiary companies are those corporations in which the Group has the power to exercise control over the financial and operating policies so as to obtain benefits from their activities, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiary companies are stated at costs less impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.4(m) to the financial statements. On disposal of such investments, the difference between the net disposal proceeds and their carrying amount is recognised as a gain or loss on disposal in profit or loss.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss.

# Notes to the Financial Statements

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.4 Significant Accounting Policies (Continued)

#### (h) Property Development Activities

##### (i) Land Held for Future Development

Land held for future development consists of development costs on which no significant 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 as non-current assets and is stated at cost less impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.4(m) to the financial statements.

Land held for future development will be reclassified to property development project when significant development work has been undertaken and is expected to be completed within the normal operating cycle of two to three years.

##### (ii) Property Development Projects

Property development project consists of the cost of land and related development expenditure incurred less cost recognised in profit or loss and allowances for foreseeable loss (if any).

Cost comprises the cost of land and all related costs incurred on activities necessary to prepare the land for its intended use. Where the Group had previously recorded the land at a revalued amount, it continues to retain this amount as its surrogate cost as followed by FRS 201 Property Development Activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised on profit or loss by using the percentage of completion method. The stage of completion is determined by the proportion of property development costs incurred for the work performed up to the reporting date over the estimated total property development costs to completion. Under this method, profits are recognised as the property development activity progresses.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue and expenses are 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.

# Notes to the Financial Statements

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.4 Significant Accounting Policies (Continued)

#### (h) Property Development Activities (Continued)

##### (ii) Property Development Projects (Continued)

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

Property development costs not recognised as an expense is recognised as an asset, which is measured at the lower of cost and net realisable value. Upon the completion of development, the unsold completed development properties are transferred to inventories.

Interest costs incurred on the development of property development project are capitalised and included as part of development expenditure.

The excess of revenue recognised in profit or loss over billings to purchasers is classified as accrued billings and the excess of billings to purchasers over revenue recognised in profit or loss is classified as advance billings.

The Group considers as current assets that portion of property development project on which significant development work has been done and is expected to be completed within the normal operating cycle of two to three years.

#### (i) Investment Properties

Investment properties are investment in land and buildings that are held for long term rental yields and/or for capital appreciation.

Investment in freehold land is stated at cost and is not depreciated as it has indefinite life. Other investment properties are stated at cost less accumulated depreciation and impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.4(m) to the financial statements.

Other investment properties are depreciated on a straight line basis to write off the cost of the assets to their residual values over their estimated useful lives at an annual rate of 2% (2012: 10%).

The revision in the depreciation rate was effected so as to more realistically reflect the estimated economics lives of the investment building. The effect of this change in the accounting estimates is disclosed in Note 14 to the financial statements.

On the disposal of the investment properties, or when it is permanently withdrawn from use and no economic benefits are expected from its disposal, it shall be derecognised (eliminated) from the statement of financial position. The difference between the net proceeds and the carrying amount is recognised in profit or loss in the period of the retirement or disposal.

# Notes to the Financial Statements

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.4 Significant Accounting Policies (Continued)

#### (j) Other Investment

Other investment, which consists of investment in golf club membership, is stated at cost less impairment loss (if any). The policy for the recognition and measurement of impairment loss is in accordance with Note 2.4(m) to the financial statements.

#### (k) Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of completed houses and shop lots is determined on the specific identification method. The cost of food and beverages is determined on a first-in-first-out basis and includes the original purchase cost plus cost incurred in bringing the inventories to its present location. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale and all other estimated costs to completion.

#### (l) 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.

On initial recognition, financial assets are measured at fair value, plus transaction costs for financial assets and not at 'fair value through profit or loss'.

Effective interest method is a method of calculating the amortised cost of financial assets and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimate future cash receipts through the expected life of the financial assets or a shorter period to the net carrying amount of the financial assets.

After initial recognition, financial assets are classified into one of four categories: financial assets at 'fair value through profit or loss', 'held-to-maturity' investments, 'loans and receivables' and 'available-for-sale' financial assets.

#### (i) Financial Assets at Fair Value Through Profit or Loss

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

# Notes to the Financial Statements

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.4 Significant Accounting Policies (Continued)

#### (I) Financial Assets (Continued)

##### (ii) 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.

##### (iii) 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.

##### (iv) 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.

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



# Notes to the Financial Statements

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.4 Significant Accounting Policies (Continued)

#### (l) Financial Assets (Continued)

##### (iv) Available-for-Sale Financial Assets (Continued)

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

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 assets 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 and derecognised on the trade date i.e. the date that the Group and the Company commit to purchase or sell the asset.

#### (m) Impairment

##### (i) Impairment of Financial Assets

All financial assets (except for financial assets categorised as fair value through profit or loss, investment in subsidiaries and associates) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

An impairment loss in respect of loans and receivables and held-to-maturity investments is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of available-for-sale financial assets is recognised in the profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in the other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity and recognised to profit or loss.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.4 Significant Accounting Policies (Continued)

#### (m) Impairment (Continued)

##### (i) Impairment of Financial Assets (Continued)

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and 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.

Impairment losses recognised in profit or loss for an investment in an equity instrument is not reversed through the profit or loss.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in the profit or loss.

##### (ii) Impairment of Non-Financial Assets

The carrying amounts of non-financial assets (except for inventories, assets arising from construction contract, deferred tax asset, assets arising from employee benefits, investment property that is measured at fair value and non-current assets (or disposal groups) classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment.

If any such indication exists, then the asset's recoverable amount is estimated. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash generation units ("CGU") that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

# Notes to the Financial Statements

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.4 Significant Accounting Policies (Continued)

#### (m) Impairment (Continued)

##### (ii) Impairment of Non-Financial Assets (Continued)

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGU are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit groups of units on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

#### (n) Cash and Cash Equivalents

The Group and the Company adopt the indirect method in the preparation statements of cash flows.

Cash and cash equivalents comprise cash at banks and on hand, deposits in banks and other financial institutions that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

#### (o) Equity Instruments

Ordinary shares are recorded at the nominal value and the consideration in excess of nominal value of shares issued, if any, is accounted for as share premium. Both ordinary shares and share premium are classified as equity.

Dividends on ordinary shares are recognised as liabilities when proposed or declared before the financial year end. A dividend proposed or declared after the financial year end, but before the financial statements are authorised for issue, is not recognised as a liability at the financial year end.

Cost incurred directly attributable to the issuance of the shares are accounted for as a deduction from share premium, if any, otherwise it is charged to profit or loss. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

# Notes to the Financial Statements

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.4 Significant Accounting Policies (Continued)

#### (p) 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 statements 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.

#### (i) 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 resulted gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

#### (ii) 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 has an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss 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.

# Notes to the Financial Statements

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.4 Significant Accounting Policies (Continued)

#### (q) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

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

#### (r) Provisions for Liabilities

Provision for liabilities are recognised when the Group has a present obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where 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. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

#### (s) Earnings per Ordinary Share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding adjusted for own shares held for the effects of all dilutive potential ordinary shares, which comprise convertible notes, bonus issue and share options granted to employees.

# Notes to the Financial Statements

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.4 Significant Accounting Policies (Continued)

#### (t) 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 events not wholly within the control of the Group.

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

#### (u) Operating Segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the management of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

## 3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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 adjustments to the carrying amount of the asset or liability affected in the future.

### 3.1 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:

#### Classification of Financial Assets

The Group has classified its investment in securities as held for trading investments. In applying the accounting policy, the Group assesses its nature and the intention at each reporting date. Should the circumstances change in the future, the classification of this financial asset may no longer be appropriate.

# Notes to the Financial Statements

## 3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

### 3.2 Key Source of Estimation Uncertainty

#### (a) Revenue Recognition on Property Development Projects

The Group recognises property development projects in the profit or loss by using the percentage of completion method, which is the standard for similar industries.

The percentage of completion is determined by the proportion that property development and contract costs incurred for work performed to date bear to the estimated total property development and contract costs. Estimated losses are recognised in full when determined. Property development projects and expenses estimates are reviewed and revised periodically as work progresses and as variation orders are approved.

Significant judgement is required in determining the percentage of completion, the extent of the property development projects incurred, the estimated total property development and contract revenue and costs as well as the recoverability of the project undertaken. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists. If the Group is unable to make reasonably dependable estimates, the Group would not recognise any profit before a contract is completed, but would recognise a loss as soon as the loss becomes evident.

Adjustments based on the percentage of completion method are reflected in property development and contract revenue in the reporting period. To the extent that these adjustments result in a reduction or elimination of previously reported property development and contract revenue and costs, the Group recognises a charge or credit against current earnings and amounts in prior periods, if any, are not restated.

Note 2.4(a)(iii) to the financial statements describes the Group's policy to recognise revenue from sales of properties using the percentage of completion method. Property development revenue is recognised in respect of all development units that have been sold.

#### (b) Taxation

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the course of business. Where the final tax outcome of these matters are different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination are made.

## 3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

### 3.2 Key Source of Estimation Uncertainty (Continued)

#### (c) Deferred Tax Assets

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

#### (d) Depreciation and Useful Lives of Property, Plant and Equipment and Investment Properties

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment and investment properties are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

During the financial year, the Group conducted an operational efficiency review on its building and revised the estimated useful lives of building as disclosed in Note 2.4(i) to the financial statements.

#### (e) Provision for Cost to Completion

The provision for cost to completion represents development costs identified to be incurred for completed projects. Judgement is required in determining and estimating the amount of provision to be made. The Group evaluates the amount of provision required based on past track records and experience.

#### (f) Allowances for Impairment – Trade and Other Receivables

The Group makes allowances for impairment based on an assessment of the recoverability of receivables. Allowances for impairment are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analysed historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment of receivables. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.



# Notes to the Financial Statements

## 3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

### 3.2 Key Source of Estimation Uncertainty (Continued)

#### (g) Allowance for Inventories

Reviews are made periodically by management on slow moving, damaged and obsolete inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

#### (h) Impairment of Goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash generating units ("CGU") to which goodwill is allocated. Estimating a value in use amount requires management to make an estimation 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. The carrying amount of goodwill as at 30 June 2013 was RM5,637,653 (2012: RM5,637,653) as disclosed in Note 17 to the financial statements.

#### (i) Impairment of Investment in Subsidiary Companies and Recoverability of Amount Owing by Subsidiary Companies

The Group tests investment in subsidiary companies for impairment annually in accordance with its accounting policy. More regular reviews are performed if events indicate that this is necessary. The assessment of the net tangible assets of the subsidiary companies affects the result of the impairment test. Costs of investments in subsidiary companies which have ceased operations were impaired up to net assets of the subsidiary companies. The impairment made on investment in subsidiary companies entails an impairment of receivables to be made to the amount owing by these subsidiary companies.

# Notes to the Financial Statements

## 4. REVENUE

Analysis of revenue of the Group and of the Company is as follows:

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Property development	208,521,582	197,181,719	-	-
Hotel operations	26,291	8,731,969	-	-
Gross dividend income from subsidiary companies (Note 30)	-	-	30,000,000	21,500,000
Management fees and others (Note 30)	-	45,115	4,932,000	4,932,000
	208,547,873	205,958,803	34,932,000	26,432,000

## 5. COST OF SALES

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Property development costs (Note 13)	94,294,603	98,299,534	-	-
Cost of inventories sold	-	357,069	-	-
Other costs	1,772	1,294,188	-	-
	94,296,375	99,950,791	-	-

# Notes to the Financial Statements

## 6. INVESTMENT REVENUE

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Lease rental income (Note 14)	2,223,080	2,010,558	-	-
Net realised gain from sale of investment securities	939,272	-	939,272	-
Unrealised gain from investment securities	-	1,377,000	-	1,377,000
Interest income from fixed deposits	4,285,473	3,973,674	3,952,164	3,760,205
Dividend income from fixed income trust fund	4,050,514	3,919,345	4,050,514	3,919,345
Dividend income from investment securities	492,200	609,950	492,200	609,950
	11,990,539	11,890,527	9,434,150	9,666,500

## 7. FINANCE COSTS

	Group	
	2013	2012
	RM	RM
Interest expense and commitment fees on:		
Bank overdrafts	59,209	87,541

# Notes to the Financial Statements

## 8. PROFIT BEFORE TAXATION

Profit before taxation is stated after crediting/(charging):

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Interest income from Housing Development Accounts	1,432,064	1,757,169	-	-
Late interest income from customers	169,078	1,346,732	-	-
Rental income	1,903,992	835,974	-	-
Gain on disposal of property, plant and equipment	197	9,001	1	-
Interest on unsecured advances to subsidiary companies (Note 30)	-	-	6,434,973	5,881,990
Auditors' remuneration:				
Statutory				
Current year	(108,750)	(103,100)	(28,000)	(27,000)
Non-statutory	(8,200)	(7,700)	(8,200)	(7,700)
Employee benefits expense	(14,633,953)	(11,945,980)	(4,059,984)	(2,363,863)
Directors' remuneration:				
Fees	(140,500)	(153,000)	(137,500)	(150,000)
Contribution to EPF	(38,400)	(38,400)	(38,400)	(38,400)
Other emoluments	(354,620)	(421,120)	(354,620)	(421,120)
Depreciation of property, plant and equipment (Note 11)	(1,143,267)	(1,280,206)	(120,342)	(129,676)
Depreciation of investment properties (Note 14)	(236,248)	(1,037,579)	-	-
Rental of:				
Premises	(398,400)	(398,400)	(158,400)	(158,400)
Equipment	(27,848)	(35,028)	(6,360)	(6,360)
Property, plant and equipment written off	(280)	(4,795)	-	-

Employee benefits expense includes salaries, contribution to EPF and other staff related expenses. Contribution to EPF during the financial year by the Group and the Company amounted to RM1,469,929 and RM424,900 (2012: RM1,106,960 and RM248,817) respectively.

The estimated monetary value of benefits-in-kind received by the directors other than in cash from the Group and the Company amounted to RM17,500 and RM15,000 (2012: RM22,500 and RM20,000) respectively.

# Notes to the Financial Statements

## 9. TAXATION

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Estimated Malaysian tax payable:				
Current	19,643,758	26,865,488	4,536,362	3,378,401
Prior years	(42,576)	(25,988)	7,372	(19,125)
	19,601,182	26,839,500	4,543,734	3,359,276
Deferred tax (Note 18):				
Current	4,660,210	(1,394,253)	-	-
Prior years	148,665	(162,054)	-	-
	4,808,875	(1,556,307)	-	-
	24,410,057	25,283,193	4,543,734	3,359,276

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

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Profit before taxation	102,202,507	97,628,534	44,760,280	37,890,479
Tax at the applicable tax rate of 25%	25,550,627	24,407,134	11,190,070	9,472,620
Tax effects of:				
Expenses that are not deductible in determining taxable profit	3,152,389	2,454,474	1,892,895	677,511
Income not subject to tax	(4,395,798)	(1,385,086)	(8,543,541)	(6,760,086)
Deferred tax assets not recognised	(3,250)	(5,287)	(3,062)	(11,644)
(Over)/under provision in prior years in respect of current tax	(42,576)	(25,988)	7,372	(19,125)
Under/(over) provision in prior years in respect of deferred tax	148,665	(162,054)	-	-
	24,410,057	25,283,193	4,543,734	3,359,276

# Notes to the Financial Statements

## 10. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated by dividing the Group's net profit attributable to owners of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2013	2012
Net profit attributable to Owners of the Company (RM)	77,792,450	72,345,341
Weighted average number of ordinary shares in issue	270,000,000	270,000,000
Basic earnings per share (sen)	28.81	26.79

The basic and diluted earnings per ordinary share are equal as the Group has no dilutive potential ordinary share(s).

# Notes to the Financial Statements

## 11. PROPERTY, PLANT AND EQUIPMENT

Group	Hotel land and building RM	Building RM	Office equipment and computers RM	Furniture and fittings RM	Renovations RM	Operating supplies and equipment RM	Motor vehicles RM	Total RM
<b>2013</b>								
<b>Cost</b>								
At 1 July 2012	19,154,032	1,071,326	1,844,734	445,584	4,676,253	985,154	1,363,335	29,540,418
Additions	-	-	144,988	4,747	10,977,058	-	1	11,126,794
Disposals	-	-	(9,330)	(11,193)	-	-	-	(20,523)
Written off	-	-	(45,118)	(29,633)	-	-	-	(74,751)
At 30 June 2013	19,154,032	1,071,326	1,935,274	409,505	15,653,311	985,154	1,363,336	40,571,938
<b>Accumulated Depreciation</b>								
At 1 July 2012	1,465,698	633,285	1,551,582	382,203	3,670,774	633,791	1,074,797	9,412,130
Charge for the financial year	133,245	71,035	142,540	13,249	540,677	85,425	157,096	1,143,267
Disposals	-	-	(9,327)	(11,193)	-	-	-	(20,520)
Written off	-	-	(16,900)	(27,938)	(29,633)	-	-	(74,471)
At 30 June 2013	1,598,943	704,320	1,667,895	356,321	4,181,818	719,216	1,231,893	10,460,406
<b>Carrying Amount</b>								
At 30 June 2013	17,555,089	367,006	267,379	53,184	11,471,493	265,938	131,443	30,111,532

## 11. PROPERTY, PLANT AND EQUIPMENT (Continued)

Group	Hotel land and building RM	Building RM	Office equipment and computers RM	Furniture and fittings RM	Renovations RM	Operating supplies and equipment RM	Motor vehicles RM	Total RM
2012								
<b>Cost</b>								
At 1 July 2011	19,154,032	1,071,326	1,818,442	433,181	4,467,758	966,806	1,436,771	29,348,316
Additions	-	-	91,628	21,654	213,115	18,348	-	344,745
Disposals	-	-	-	-	-	-	(73,436)	(73,436)
Written off	-	-	(65,336)	(9,251)	(4,620)	-	-	(79,207)
At 30 June 2012	19,154,032	1,071,326	1,844,734	445,584	4,676,253	985,154	1,363,335	29,540,418
<b>Accumulated Depreciation</b>								
At 1 July 2011	1,332,453	559,244	1,484,937	368,271	3,069,717	547,958	917,192	8,279,772
Charge for the financial year	133,245	74,041	131,459	22,990	601,597	85,833	231,041	1,280,206
Disposals	-	-	-	-	-	-	(73,436)	(73,436)
Written off	-	-	(64,814)	(9,058)	(540)	-	-	(74,412)
At 30 June 2012	1,465,698	633,285	1,551,582	382,203	3,670,774	633,791	1,074,797	9,412,130
<b>Carrying Amount</b>								
At 30 June 2012	17,688,334	438,041	293,152	63,381	1,005,479	351,363	288,538	20,128,288



# Notes to the Financial Statements

## 11. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Office equipment and computers RM	Furniture and fittings RM	Renovations RM	Motor vehicles RM	Total RM
<b>Company</b>					
<b>2013</b>					
<b>Cost</b>					
At 1 July 2012	351,962	11,330	199,726	344,894	907,912
Additions	64,674	1,134	-	-	65,808
Disposals	(15,543)	-	-	-	(15,543)
Written off	(8,278)	-	-	-	(8,278)
At 30 June 2013	392,815	12,464	199,726	344,894	949,899
<b>Accumulated Depreciation</b>					
At 1 July 2012	222,971	6,570	168,024	302,292	699,857
Charge for the financial year	60,334	1,594	15,815	42,599	120,342
Disposals	(15,542)	-	-	-	(15,542)
Written off	(8,278)	-	-	-	(8,278)
At 30 June 2013	259,485	8,164	183,839	344,891	796,379
<b>Carrying Amount</b>					
At 30 June 2013	133,330	4,300	15,887	3	153,520

# Notes to the Financial Statements

## 11. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Office equipment and computers RM	Furniture and fittings RM	Renovations RM	Motor vehicles RM	Total RM
<b>Company</b>					
<b>2012</b>					
<b>Cost</b>					
At 1 July 2011	333,218	8,755	186,526	344,894	873,393
Additions	37,963	3,473	13,200	-	54,636
Written off	(19,219)	(898)	-	-	(20,117)
At 30 June 2012	351,962	11,330	199,726	344,894	907,912
<b>Accumulated Depreciation</b>					
At 1 July 2011	195,831	6,360	148,199	239,908	590,298
Charge for the financial year	46,359	1,108	19,825	62,384	129,676
Written off	(19,219)	(898)	-	-	(20,117)
At 30 June 2012	222,971	6,570	168,024	302,292	699,857
<b>Carrying Amount</b>					
At 30 June 2012	128,991	4,760	31,702	42,602	208,055

# Notes to the Financial Statements

## 12. LAND HELD FOR FUTURE DEVELOPMENT

Land held for future development consists of:

	Freehold land at cost RM	Freehold land at revaluation RM	Long term leasehold land at cost RM	Development expenditure RM	Total RM
<b>Group</b>					
At 1 July 2011	151,248,368	35,189,487	23,823,789	5,863,700	216,125,344
Additions	15,752,010	-	17,853,940	837,458	34,443,408
At 30 June 2012	167,000,378	35,189,487	41,677,729	6,701,158	250,568,752
Additions	-	-	-	6,510,216	6,510,216
Transfer to property development projects (Note 13)	(35,293,627)	-	-	(760,723)	(36,054,350)
At 30 June 2013	131,706,751	35,189,487	41,677,729	12,450,651	221,024,618

The freehold land at revaluation held by a subsidiary company was revalued in 1997 based on valuations carried out by an independent professional valuer using the open market value of existing use basis.

# Notes to the Financial Statements

## 13. PROPERTY DEVELOPMENT PROJECTS

	2013 RM	Group 2012 RM
At 1 July		
Freehold land, at cost	135,458,551	135,659,244
Freehold land, at valuation	6,290,069	6,290,069
Development expenditure	825,180,860	747,034,647
	966,929,480	888,983,960
Add:		
Transfer from land held for future development (Note 12):		
Freehold land, at cost	35,293,627	-
Development expenditure, at cost	760,723	-
	36,054,350	-
Cost incurred during the financial year:		
Development expenditure	92,800,523	109,565,020
	128,854,873	109,565,020
Less:		
Reversal of completed projects:		
Freehold land, at cost	83,902,177	-
Development expenditure	165,241,920	12,086,747
	249,144,097	12,086,747
Transfer to inventories:		
Freehold land, at cost	-	200,693
Development expenditure	-	19,332,060
	-	19,532,753
	(249,144,097)	(31,619,500)
	846,640,256	966,929,480
Less: Cost recognised to date		
Previous years	752,968,236	666,755,449
Current year (Note 5)	94,294,603	98,299,534
Reversal of completed projects	(249,144,097)	(12,086,747)
	(598,118,742)	(752,968,236)
	248,521,514	213,961,244
Less: Non-current portion	(156,053,763)	(142,890,360)
Current portion	92,467,751	71,070,884

The freehold land at revaluation held by a subsidiary company was revalued in 1997 based on valuations carried out by an independent professional valuer using the open market value of existing use basis.

# Notes to the Financial Statements

## 14. INVESTMENT PROPERTIES

	Freehold land RM	Buildings RM	Total RM
<b>Group 2013</b>			
<b>Cost</b>			
At 1 July 2012	36,516,193	12,253,777	48,769,970
Additions	-	11,800	11,800
Reversal	-	(23,775)	(23,775)
At 30 June 2013	36,516,193	12,241,802	48,757,995
<b>Accumulated Depreciation</b>			
At 1 July 2012	-	1,661,107	1,661,107
Charge for the financial year	-	236,248	236,248
At 30 June 2013	-	1,897,355	1,897,355
<b>Carrying Amount</b>			
At 30 June 2013	36,516,193	10,344,447	46,860,640
<b>Group 2012</b>			
<b>Cost</b>			
At 1 July 2011	36,516,193	9,538,902	46,055,095
Additions	-	2,714,875	2,714,875
At 30 June 2012	36,516,193	12,253,777	48,769,970
<b>Accumulated Depreciation</b>			
At 1 July 2011	-	623,528	623,528
Charge for the financial year	-	1,037,579	1,037,579
At 30 June 2012	-	1,661,107	1,661,107
<b>Carrying Amount</b>			
At 30 June 2012	36,516,193	10,592,670	47,108,863
<b>Fair Value</b>			
At 30 June 2013	121,600,000	18,906,150	140,506,150
At 30 June 2012	53,644,000	13,806,559	67,450,559

# Notes to the Financial Statements

## 14. INVESTMENT PROPERTIES (Continued)

During the financial year, the depreciation rate of the investment building has been revised to 2% per annum (2012: 10% per annum) to better reflect the estimated economics useful lives of the assets. The effect of this change in accounting estimates is a decrease in depreciation charge for the year and correspondingly an increase in profit before tax of the Group amounting to RM944,992.

Fair value represents market value of the investment properties based on valuations undertaken by independent professional valuers using the open market value of existing use basis.

The rental income earned by the Group from its investment properties amounted to RM2,223,080 (2012: RM2,010,558). Direct operating expenses pertaining to the investment properties during the financial year amounted to RM478,913 (2012: RM398,980).

## 15. INVESTMENT IN SUBSIDIARY COMPANIES

	2013 RM	Company 2012 RM
Unquoted shares, at cost	265,409,226	262,410,226

(a) Details of the subsidiary companies, all of which are incorporated in Malaysia, are as follows:

	Effective Percentage of Ownership		Principal Activities
	2013 %	2012 %	
Subsidiary Companies			
Plenitude Tebrau Sdn Bhd	100	100	Property development and investment holding
Plenitude Permai Sdn Bhd	100	100	Property development and investment holding
Plenitude Heights Sdn Bhd	100	100	Property development, hoteling and investment holding
Plenitude Hills Sdn Bhd	100	100	Investment holding
Plenitude Bayu Sdn Bhd	100	100	Property development and investment
Plenitude Estates Sdn Bhd	100	100	Property development and property investment
Plenitude Damansara Sdn Bhd	100	100	Property development, yet to commence operations

# Notes to the Financial Statements

## 15. INVESTMENT IN SUBSIDIARY COMPANIES (Continued)

(a) Details of the subsidiary companies, all of which are incorporated in Malaysia, are as follows (Continued):

	Effective Percentage of Ownership		Principal Activities
	2013 %	2012 %	
Subsidiary Companies			
Plenitude International Sdn Bhd	100	100	Property development and property investment, yet to commence operations
Plenitude Homes Sdn Bhd	100	100	Property development and property investment, yet to commence operations
Cipriani Sdn Bhd	100	100	Investment holding
Plenitude Gateway Sdn Bhd	100	100	General trading, land and property investment and investment holding, yet to commence operations
Indirect Subsidiary Companies			
Held through Plenitude Tebrau Sdn Bhd			
PNT Materials Trading Sdn Bhd	100	100	Trading of construction materials
PNT Guards Sdn Bhd	100	100	Property development and property investment
PNT Property Management Services Sdn Bhd	100	100	Provision of management services
Held through Plenitude Heights Sdn Bhd			
Plenitude Builders Sdn Bhd	100	100	Property development and project management
TBBH Management & Venture Holidays Sdn Bhd	100	100	Provision of management services for hotel industry and travel operations

# Notes to the Financial Statements

## 15. INVESTMENT IN SUBSIDIARY COMPANIES (Continued)

(a) Details of the subsidiary companies, all of which are incorporated in Malaysia, are as follows (Continued):

	Effective Percentage of Ownership		Principal Activities
	2013	2012	
	%	%	
Indirect Subsidiary Companies			
Held through Plenitude Permai Sdn Bhd			
Intisari Sanjung (M) Sdn Bhd	100	100	Property development, yet to commence operations

Amount owing by subsidiary companies, which arose mainly from management fees and expenses paid on behalf, are interest free and repayable on demand except for unsecured advances which bear interest at rates of 4.00% (2012: 4.00%) per annum.

Amount owing to subsidiary companies, which arose mainly from unsecured advances, are interest-free and repayable on demand.

(b) Additional subscription in equity interest of a subsidiary company and acquisition of a subsidiary company

### 2013

On 10 June 2013, the Company increased its equity interest in Plenitude Estates Sdn Bhd from RM1,000 to RM3 million.

### 2012

On 21 November 2011, the Company acquired 2 ordinary shares of RM1 each representing the entire interest in Plenitude Gateway Sdn Bhd for a total cash consideration of RM2 from unrelated parties.

## 16. OTHER INVESTMENT

	Group and Company	
	2013 RM	2012 RM
Investment in golf club membership	85,000	85,000



# Notes to the Financial Statements

## 17. GOODWILL ON CONSOLIDATION

	2013 RM	Group 2012 RM
At 1 July/30 June	5,637,653	5,637,653

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating unit ("CGU") that is expected to benefit from that business combination.

The carrying amount of goodwill had been allocated to investment holding segment as independent CGU.

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The recoverable amount of the CGU is determined from value in use calculation. The key assumptions for the value in use calculation are those regarding the discount rate, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rate using pre-tax rate that reflect current market assessments of the time value of money and the risks specific to the CGU. The growth rates and changes in selling prices and direct costs are based on expectations of future changes in the market.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by management for next five years and extrapolates cash flows for the next five years based on estimated growth rates ranging from 5% to more than 100% (2012: 5% to more than 100%). A discount rate factor of 8% has been applied in arriving at the present value of future cash flows.

## 18. DEFERRED TAX ASSETS/(LIABILITIES)

- (a) Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The amounts of deferred tax assets and liabilities, after appropriate offsetting, are included in the statements of financial position, as follows:

	2013 RM	Group 2012 RM
(i) <b>Deferred tax assets</b>		
At 1 July	27,542,971	25,986,664
Recognised in profit or loss (Note 9)	(4,808,875)	1,556,307
At 30 June	22,734,096	27,542,971

# Notes to the Financial Statements

## 18. DEFERRED TAX ASSETS/(LIABILITIES) (Continued)

	2013 RM	Group 2012 RM
(ii) <b>Deferred tax liabilities</b>		
At 1 July/30 June	(5,513,644)	(5,513,644)

Presented after appropriate offsetting as follows:

Deferred tax assets	22,734,096	27,542,971
Deferred tax liabilities	(5,513,644)	(5,513,644)
At 30 June	17,220,452	22,029,327

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

### Deferred tax assets

	Property development projects RM	Investment property RM	Others RM	Total RM
<b>2013</b>				
At 1 July 2012	20,534,337	3,544,217	3,659,267	27,737,821
Recognised in profit or loss	(4,358,474)	-	(496,622)	(4,855,096)
At 30 June 2013	16,175,863	3,544,217	3,162,645	22,882,725
<b>2012</b>				
At 1 July 2011	19,177,952	3,544,217	3,561,480	26,283,649
Recognised in profit or loss	1,356,385	-	97,787	1,454,172
At 30 June 2012	20,534,337	3,544,217	3,659,267	27,737,821

# Notes to the Financial Statements

## 18. DEFERRED TAX ASSETS/(LIABILITIES) (Continued)

### Deferred tax liabilities

	Property, plant and equipment RM	Land held for future development RM	Total RM
<b>2013</b>			
At 1 July 2012	194,850	5,513,644	5,708,494
Recognised in profit or loss	(46,221)	-	(46,221)
At 30 June 2013	148,629	5,513,644	5,662,273
<b>2012</b>			
At 1 July 2011	296,985	5,513,644	5,810,629
Recognised in profit or loss	(102,135)	-	(102,135)
At 30 June 2012	194,850	5,513,644	5,708,494

- (c) As mentioned in Note 2 to the financial statements, the tax effects of deductible temporary differences, unused tax losses and unused tax credits which would give rise to deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. As of 30 June 2013, the estimated amount of deferred tax assets calculated at the applicable tax rate, which is not recognised in the financial statements due to uncertainty of its realisation is as follows:

	Group Deferred Tax Asset	
	2013 RM	2012 RM
Tax effects of unused tax losses	1,485,259	1,485,259

The unused tax losses, which are subject to the agreement by the tax authorities, are available for offset against future chargeable income.

# Notes to the Financial Statements

## 19. INVENTORIES

	2013 RM	Group 2012 RM
At cost:		
Completed houses and shop lots	20,941,667	20,941,667
Food and beverages	39,897	52,929
	20,981,564	20,994,596

## 20. TRADE AND OTHER RECEIVABLES

	2013 RM	Group 2012 RM	2013 RM	Company 2012 RM
<b>Trade</b>				
Trade receivables	44,163,148	34,623,723	-	-
Less : Allowance for impairment	-	-	-	-
	44,163,148	34,623,723	-	-
<b>Non-Trade</b>				
Other receivables	2,273,365	1,987,747	-	1,270,815
Refundable deposits	2,726,951	2,087,606	38,030	30,350
Prepaid expenses	1,729,927	2,916,738	10,000	6,680
Less : Allowance for impairment	-	-	-	-
	6,730,243	6,992,091	48,030	1,307,845
<b>Total trade and other receivables</b>	50,893,391	41,615,814	48,030	1,307,845

# Notes to the Financial Statements

## 20. TRADE AND OTHER RECEIVABLES (Continued)

### Trade receivables

Trade receivables comprise amounts receivable for the sales of goods and progress billings to customers. Trade receivables are non-interest bearing and normal credit terms offered by the Group is 21 days (2012: 21 days). Other credit terms are assessed and approved on a case by case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The carrying amounts of trade and other receivables approximate their fair values.

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2013 RM	2012 RM
Neither past due nor impaired	29,564,096	30,496,919
Past due but not impaired		
Past due 1 to 30 days	9,457,783	1,507,289
Past due 31 to 60 days	3,301,455	555,509
Past due 61 to 90 days	961,644	872,607
Past due 91 to 120 days	231,604	17,012
Past due over 120 days	646,566	1,174,387
	14,599,052	4,126,804
Less: Allowance for impairment	-	-
	44,163,148	34,623,723

### 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.

### Receivables that are past due but not impaired

Included in the Group's trade receivables are receivables with carrying value of RM14.6 million (2012: RM4.1 million) which are past due but not impaired at the end of the financial year. The Group has not made any allowances for impairment for these receivables since there has not been a significant change in the credit quality of these receivables and the amounts owing are still considered as being recoverable.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivables from the date the credit was initially granted up to the reporting date. The Group has policies in place to ensure that credit is extended only to customers with acceptable credit history and/or payment track records. Allowances for impairment are made on specific trade receivables when there is objective evidence that the Group will not be able to collect the amounts due.

# Notes to the Financial Statements

## 21. INVESTMENT SECURITIES – HELD FOR TRADING

	Group and Company	
	2013	2012
	RM	RM
<b>Financial assets at fair value through profit or loss:</b>		
Held for trading		
Quoted securities in Malaysia		
- Equity instruments	-	11,428,000
<b>Total investment securities</b>	-	11,428,000

## 22. SHORT TERM DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Fixed income trust fund	129,481,936	125,431,422	129,481,936	125,431,422
Fixed deposits with				
licensed banks	180,961,929	110,047,662	180,961,929	110,047,662
Cash and bank balances	79,002,405	119,955,508	2,358,928	5,228,139
	389,446,270	355,434,592	312,802,793	240,707,223

Included in cash and bank balances of the Group is an amount of RM68,013,686 (2012: RM93,401,946) deposited into Housing Development Accounts in accordance with Section 7(A) of the Housing Developers (Control and Licensing) Act, 1966. These accounts, which consist of monies received from purchasers and interest credited thereon, are for the payment of property development expenditure incurred. The surplus monies, if any, will be released to the Group upon the completion of the property development project and after all property development expenditure has been fully settled.

The effective interest rates per annum of deposits with licensed banks and fixed income trust fund are as follows:

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Fixed deposits with				
licensed banks	2.55% to 3.20%	2.55% to 3.30%	2.55% to 3.20%	2.55% to 3.30%
Fixed income trust fund	3.36% to 3.44%	3.25% to 3.65%	3.36% to 3.44%	3.25% to 3.65%

# Notes to the Financial Statements

## 22. SHORT TERM DEPOSITS, CASH AND BANK BALANCES (Continued)

The maturities and repricing of deposits with licensed banks and fixed income trust fund at the end of the financial year are as follows:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Within one year:				
Fixed income trust fund	129,481,936	125,431,422	129,481,936	125,431,422
Fixed deposits with licensed banks	180,961,929	110,047,662	180,961,929	110,047,662
	310,443,865	235,479,084	310,443,865	235,479,084

## 23. SHARE CAPITAL

	Group and Company			
	Number of shares		Nominal Value	
	2013 Units	2012 Units	2013 RM	2012 RM
Ordinary shares of RM1 each				
Authorised:				
At 1 July/30 June	500,000,000	500,000,000	500,000,000	500,000,000
Issued and fully paid:				
At 1 July/30 June	270,000,000	270,000,000	270,000,000	270,000,000

## 24. RETAINED EARNINGS

Under the single tier system which come into effect from the year of assessment 2008, companies are not required to have tax credits under Section 108 of the Income Tax, 1967 for dividend payment purposes. Under this system, all the Company's retained earnings are distributable by way of dividend and tax on the Company's profit is the final tax and dividend distributed to shareholders will be exempted from tax.

The Company has elected for the irrevocable option under the Finance Act 2007 to disregard the Section 108 balance. The Company will be able to distribute dividends out of its entire retained earnings as at 30 June 2013 under the single tier system.

# Notes to the Financial Statements

## 25. TRADE AND OTHER PAYABLES

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
<b>Trade</b>				
Trade payables	17,061,528	16,447,695	-	-
Retention monies	16,398,125	17,117,873	-	-
	33,459,653	33,565,568	-	-
<b>Non-Trade</b>				
Other payables	10,076,613	9,928,808	19,484	9,000
Accrued expenses	10,672,082	17,356,841	1,068,840	887,608
Provision for cost to completion	62,179,152	81,229,047	-	-
	82,927,847	108,514,696	1,088,324	896,608
<b>Total trade and other payables</b>	<b>116,387,500</b>	<b>142,080,264</b>	<b>1,088,324</b>	<b>896,608</b>

### Trade Payables

Trade payables comprise amounts outstanding for construction and ongoing costs. Trade payables are non-interest bearing and the normal credit period granted to the Group for construction costs range from 30 to 60 days (2012: 30 to 60 days).

### Provision for Cost to Completion

The provision for cost to completion represents development costs identified to be incurred for completed projects. The movements in the provision for cost to completion are as follows:

	Group	
	2013 RM	2012 RM
At 1 July	81,229,047	75,803,512
Charge to profit or loss	2,998,401	32,307,007
Utilised/write back to profit or loss	(22,048,296)	(26,881,472)
At 30 June	62,179,152	81,229,047



# Notes to the Financial Statements

## 26. BANK OVERDRAFTS AND OTHER CREDIT FACILITIES

The subsidiary companies have bank overdrafts and bank guarantee facilities of RM14.3 million (2012: RM14.3 million) obtained from a local bank. These facilities are secured by corporate guarantees issued by the Company and negative pledge on assets of the respective subsidiary companies.

The bank overdrafts facilities bear interest at rates of 6.60% (2012: 6.60%) per annum.

## 27. DIVIDENDS

Dividends recognised by the Company are as follows:

	2013 RM	Company 2012 RM
Recognised during the financial year:		
Dividends on ordinary shares:		
Final single-tier dividend (2012: 5 sen; 2011: 5 sen)	13,500,000	13,500,000

The directors have proposed a final single-tier dividend of 6 sen on 270,000,000 ordinary shares, amounting to RM16,200,000 in respect of current financial year. This dividend is subject to approval of the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the financial statements. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 June 2014.

## 28. CONTINGENT LIABILITIES

### Corporate Guarantee

	2013 RM	Company 2012 RM
Unsecured:		
Corporate guarantee given to a bank for credit facilities granted to subsidiary companies	14,278,000	14,278,000

# Notes to the Financial Statements

## 29. SEGMENT INFORMATION

The Group prepared the following segment information in accordance with FRS 8 Operating Segments and on the basis of internal reports on the Group's strategic business units which are regularly reviewed by the management in order to allocate resources to the segments and to assess their performances.

For management purposes, the Group is organised into the following operating divisions:

- Property development
- Hotel operations
- Others

Information on the Group's operations by geographical segments has not been presented as the Group operated principally in Malaysia.

	Property development RM	Hotel operations RM	Investment holding and others RM	Eliminations RM	Total RM
<b>Group 2013</b>					
<b>Revenue</b>					
External customers	208,521,582	26,291	-	-	208,547,873
Inter-segment sales	-	-	6,753,343	(6,753,343)	-
Dividend income	-	-	30,000,000	(30,000,000)	-
<b>Total revenue</b>	<b>208,521,582</b>	<b>26,291</b>	<b>36,753,343</b>	<b>(36,753,343)</b>	<b>208,547,873</b>
<b>Results</b>					
Operating profit	82,874,173	(2,297,946)	36,298,374	(26,603,424)	90,271,177
Investment revenue					11,990,539
Finance costs					(59,209)
Profit before taxation					102,202,507
Taxation					(24,410,057)
Net profit attributable to Owners of the Company					77,792,450

# Notes to the Financial Statements

## 29. SEGMENT INFORMATION (Continued)

	Property development RM	Hotel operations RM	Investment holding and others RM	Eliminations RM	Total RM
<b>Group 2013</b>					
<b>Consolidated Statements of Financial Position</b>					
Segment assets	743,572,486	29,555,252	900,968,868	(662,588,059)	1,011,508,547
Goodwill on consolidation	-	-	5,637,653	-	5,637,653
Unallocated assets					<u>28,251,806</u>
					<u>1,045,398,006</u>
Segment liabilities	282,788,050	29,202,418	169,393,009	(354,802,057)	126,581,420
Unallocated liabilities					<u>9,722,312</u>
					<u>136,303,732</u>
<b>Other Information</b>					
Capital expenditure	88,042	10,972,944	65,808	-	11,126,794
Depreciation					
- Property, plant and equipment	301,607	700,727	140,933	-	1,143,267
- Investment properties	220,662	-	15,586	-	<u>236,248</u>
<b>Group 2012</b>					
<b>Revenue</b>					
External customers	197,181,719	8,731,969	45,115	-	205,958,803
Inter-segment sales	-	-	5,610,577	(5,610,577)	-
Dividend income	-	-	21,500,000	(21,500,000)	-
Total revenue	<u>197,181,719</u>	<u>8,731,969</u>	<u>27,155,692</u>	<u>(27,110,577)</u>	<u>205,958,803</u>
<b>Results</b>					
Operating profit	82,257,922	1,637,772	29,333,594	(27,403,740)	85,825,548
Investment revenue					11,890,527
Finance costs					<u>(87,541)</u>
Profit before taxation					<u>97,628,534</u>
Taxation					<u>(25,283,193)</u>
Net profit attributable to Owners of the Company					<u>72,345,341</u>

# Notes to the Financial Statements

## 29. SEGMENT INFORMATION (Continued)

	Property development RM	Hotel operations RM	Investment holding and others RM	Eliminations RM	Total RM
<b>Group 2012</b>					
<b>Consolidated Statements of Financial Position</b>					
Segment assets	719,236,629	20,856,148	838,554,107	(616,526,414)	962,120,470
Goodwill on consolidation	-	-	5,637,653	-	5,637,653
Unallocated assets					31,291,919
					<u>999,050,042</u>
Segment liabilities	300,611,689	17,180,140	129,788,886	(302,292,362)	145,288,353
Unallocated liabilities					8,959,865
					<u>154,248,218</u>
<b>Other Information</b>					
Capital expenditure	52,585	237,524	54,636	-	344,745
Depreciation					
- Property, plant and equipment	316,148	758,475	205,583	-	1,280,206
- Investment properties	1,037,579	-	-	-	<u>1,037,579</u>

# Notes to the Financial Statements

## 30. SIGNIFICANT RELATED PARTY DISCLOSURES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influences over the other party in making financial and operational decisions, or if one other party controls both.

- (a) Significant transactions undertaken on agreed terms and prices by the Company with its subsidiary companies during the financial year are as follows:

	Company	
	2013 RM	2012 RM
Dividend income received (Note 4)	30,000,000	21,500,000
Interest on unsecured advances to subsidiary companies (Note 8)	6,434,973	5,881,990
Management fees received (Note 4)	4,932,000	4,932,000

- (b) Key management personnel compensation

The compensation of key management personnel during the financial year are as follows:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Short-term employee benefits	3,538,507	3,358,002	2,402,429	1,679,083
Contributions to EPF	416,772	366,805	287,500	196,335
	3,955,279	3,724,807	2,689,929	1,875,418

The estimated monetary value of benefit-in-kind received by the key management personnel other than in cash from the Group and the Company amounted to RM23,092 and RM20,592 (2012: RM22,500 and RM20,000) respectively.

Included in the above compensation of key management personnel are directors' remuneration as disclosed in Note 8 to the financial statements.

# Notes to the Financial Statements

## 31. FINANCIAL INSTRUMENTS

### (a) Classification of Financial Instruments

The following table analyses the financial assets and liabilities of the Group and the Company in the statements of financial position as at 30 June 2013 by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

	Loans and receivables RM	Fair value through profit or loss RM	Financial liabilities at amortised cost RM	Total RM
<b>Group 2013</b>				
<b>Financial Assets</b>				
Trade and other receivables	50,893,391	-	-	50,893,391
Fixed income trust fund	129,481,936	-	-	129,481,936
Fixed deposits with licensed banks	180,961,929	-	-	180,961,929
Cash and bank balances	79,002,405	-	-	79,002,405
<b>Total Financial Assets</b>	<b>440,339,661</b>	<b>-</b>	<b>-</b>	<b>440,339,661</b>
<b>Financial Liabilities</b>				
Trade and other payables	-	-	116,387,500	116,387,500
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>116,387,500</b>	<b>116,387,500</b>
<b>2012</b>				
<b>Financial Assets</b>				
Trade and other receivables	41,615,814	-	-	41,615,814
Investment securities - held for trading	-	11,428,000	-	11,428,000
Fixed income trust fund	125,431,422	-	-	125,431,422
Fixed deposits with licensed banks	110,047,662	-	-	110,047,662
Cash and bank balances	119,955,508	-	-	119,955,508
<b>Total Financial Assets</b>	<b>397,050,406</b>	<b>11,428,000</b>	<b>-</b>	<b>408,478,406</b>
<b>Financial Liabilities</b>				
Trade and other payables	-	-	142,080,264	142,080,264
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>142,080,264</b>	<b>142,080,264</b>

# Notes to the Financial Statements

## 31. FINANCIAL INSTRUMENTS (Continued)

### (a) Classification of Financial Instruments (Continued)

	Loans and receivables RM	Fair value through profit or loss RM	Financial liabilities at amortised cost RM	Total RM
<b>Company</b>				
<b>2013</b>				
<b>Financial Assets</b>				
Trade and other receivables	48,030	-	-	48,030
Amount owing by subsidiary companies	166,227,495	-	-	166,227,495
Fixed income trust fund	129,481,936	-	-	129,481,936
Fixed deposits with licensed banks	180,961,929	-	-	180,961,929
Cash and bank balances	2,358,928	-	-	2,358,928
<b>Total Financial Assets</b>	<b>479,078,318</b>	<b>-</b>	<b>-</b>	<b>479,078,318</b>
<b>Financial Liabilities</b>				
Trade and other payables	-	-	1,088,324	1,088,324
Amount owing to subsidiary companies	-	-	161,611,717	161,611,717
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>162,700,041</b>	<b>162,700,041</b>
<b>2012</b>				
<b>Financial Assets</b>				
Trade and other receivables	1,307,845	-	-	1,307,845
Amount owing by subsidiary companies	161,423,013	-	-	161,423,013
Investment securities - held for trading	-	11,428,000	-	11,428,000
Fixed income trust fund	125,431,422	-	-	125,431,422
Fixed deposits with licensed banks	110,047,662	-	-	110,047,662
Cash and bank balances	5,228,139	-	-	5,228,139
<b>Total Financial Assets</b>	<b>403,438,081</b>	<b>11,428,000</b>	<b>-</b>	<b>414,866,081</b>
<b>Financial Liabilities</b>				
Trade and other payables	-	-	896,608	896,608
Amount owing to subsidiary companies	-	-	121,871,237	121,871,237
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>122,767,845</b>	<b>122,767,845</b>

## 31. FINANCIAL INSTRUMENTS (Continued)

### (b) Financial Risk Management Objectives and Policies

The operations of the Group and of the Company are subject to a variety of financial risks, including credit risk, liquidity risk, interest rate risk and market price risk. The Group and the Company have formulated a financial risk management framework whose principal objective is to minimise the Group's and the Company's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group and of the Company.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

#### (i) Credit Risk

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

Trade and other receivables may give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. It is the Group's and the Company's policy to monitor the financial standing of these receivables on an ongoing basis to ensure that the Group and the Company are exposed to minimal credit risk. For deposits with banks and other financial institutions, the Group and the Company minimise credit risk by dealing with various counter parties with good reputation and high credit ratings only.

#### Exposure to credit risk

As at end of financial year, the Group and the Company have no significant concentration of credit risk. The maximum exposure to credit risk for the Group and the Company are represented by the carrying amount of each financial asset.



# Notes to the Financial Statements

## 31. FINANCIAL INSTRUMENTS (Continued)

### (b) Financial Risk Management Objectives and Policies (Continued)

#### (i) Credit Risk (Continued)

##### **Financial assets that are neither past due nor impaired**

Receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company.

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 20 to the financial statements.

Deposits with banks and other financial institutions are placed with reputable financial institutions with high credit ratings and no history of default.

##### **Financial assets that are either past due or impaired**

Information regarding financial assets that are past due or impaired is disclosed in Note 20 to the financial statements.

##### **Inter-company balances**

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position. There is no indication that the unsecured loans and advances to the subsidiaries are not recoverable.

##### **Financial guarantees**

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

#### (ii) Liquidity Risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

# Notes to the Financial Statements

## 31. FINANCIAL INSTRUMENTS (Continued)

### (b) Financial Risk Management Objectives and Policies (Continued)

#### (ii) Liquidity Risk (Continued)

##### Maturity analysis

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

	Note	Within 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
<b>Group</b>					
<b>2013</b>					
<b>Financial Liabilities</b>					
Trade and other payables	25	116,387,500	-	-	116,387,500
		116,387,500	-	-	116,387,500
<b>2012</b>					
<b>Financial Liabilities</b>					
Trade and other payables	25	142,080,264	-	-	142,080,264
		142,080,264	-	-	142,080,264
<b>Company</b>					
<b>2013</b>					
<b>Financial Liabilities</b>					
Trade and other payables	25	1,088,324	-	-	1,088,324
Amount owing to subsidiary companies		161,611,717	-	-	161,611,717
		162,700,041	-	-	162,700,041
<b>2012</b>					
<b>Financial Liabilities</b>					
Trade and other payables	25	896,608	-	-	896,608
Amount owing to subsidiary companies		121,871,237	-	-	121,871,237
		122,767,845	-	-	122,767,845

# Notes to the Financial Statements

## 31. FINANCIAL INSTRUMENTS (Continued)

### (b) Financial Risk Management Objectives and Policies (Continued)

#### (iii) Interest Rate Risk

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

The Group and the Company are exposed to interest rate risk through the deposits in banks and other financial institutions. The Group's and the Company's interest bearing deposits are mainly short term in nature and have been mostly placed in fixed deposits. The Group and the Company have no interest bearing debt as at the reporting date.

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the reporting date were:

	Note	2013 Weighted average effective interest rate %	RM	2012 Weighted average effective interest rate %	RM
<b>Floating Rate</b>					
<b>Group</b>					
<b>Financial Assets</b>					
Fixed income trust fund	22	3.39%	129,481,936	3.43%	125,431,422
Fixed deposits with licensed banks	22	3.11%	180,961,929	3.10%	110,047,662
			310,443,865		235,479,084
<b>Company</b>					
<b>Financial Assets</b>					
Fixed income trust fund	22	3.39%	129,481,936	3.43%	125,431,422
Fixed deposits with licensed banks	22	3.11%	180,961,929	3.10%	110,047,662
			310,443,865		235,479,084

# Notes to the Financial Statements

## 31. FINANCIAL INSTRUMENTS (Continued)

### (b) Financial Risk Management Objectives and Policies (Continued)

#### (iii) Interest Rate Risk (Continued)

##### Sensitivity analysis for interest rate risk

A change of 25 basis point in interest rates at the reporting date would result in the profit or loss before tax to be higher/(lower) by the amounts shown below. The analysis assumes that all other variables remain constant.

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
<u>25 basis points increase</u>				
Floating rate financial assets	776,110	588,698	776,110	588,698
<u>25 basis points decrease</u>				
Floating rate financial assets	(776,110)	(588,698)	(776,110)	(588,698)

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#### (iv) Market Price Risk

Market price 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 prices (other than interest or exchange rates).

The Group and the Company are exposed to equity price risk arising from its investment in quoted equity instruments. The quoted equity instruments in Malaysia are listed on Bursa Securities. These instruments are classified as held for trading financial assets.

##### Sensitivity analysis for equity price risk

This analysis assumes that all other variables remain constant and the Group's equity investments moved in correlation with FTSE Bursa Malaysia KLCI (FBM KLCI). At the reporting date, the exposure to quoted equity instruments in Malaysia at fair value was RM Nil (2012: RM11,428,000).

# Notes to the Financial Statements

## 31. FINANCIAL INSTRUMENTS (Continued)

### (b) Financial Risk Management Objectives and Policies (Continued)

#### (iv) Market Price Risk (Continued)

##### Sensitivity analysis for equity price risk (Continued)

A change of 5 percent in FBM KLCI at the reporting date would result in the profit or loss before tax to be higher/(lower) by the amounts shown below.

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
<u>5% strengthening in FBM KLCI</u>				
Held for trading financial assets	-	571,400	-	571,400
<u>5% weakening in FBM KLCI</u>				
Held for trading financial assets	-	(571,400)	-	(571,400)

### (c) Fair Value

#### (i) Financial instruments that are not carried at fair value and whose carrying amounts are reasonably approximated to fair value:

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

	Note	Group		Company	
		2013 RM	2012 RM	2013 RM	2012 RM
<b>Financial Assets</b>					
Trade and other receivables	20	50,893,391	41,615,814	48,030	1,307,845
Amount owing by subsidiary companies		-	-	166,227,495	161,423,013
Fixed income trust fund	22	129,481,936	125,431,422	129,481,936	125,431,422
Fixed deposits with licensed banks	22	180,961,929	110,047,662	180,961,929	110,047,662
Cash and bank balances	22	79,002,405	119,955,508	2,358,928	5,228,139
		440,339,661	397,050,406	479,078,318	403,438,081

# Notes to the Financial Statements

## 31. FINANCIAL INSTRUMENTS (Continued)

### (c) Fair Value (Continued)

- (i) Financial instruments that are not carried at fair value and whose carrying amounts are reasonably approximated to fair value (continued):

	Note	Group		Company	
		2013 RM	2012 RM	2013 RM	2012 RM
<b>Financial Liabilities</b>					
Trade and other payables	25	116,387,500	142,080,264	1,088,324	896,608
Amount owing to subsidiary companies		-	-	161,611,717	121,871,237
		116,387,500	142,080,264	162,700,041	122,767,845

The carrying amount of these financial assets and liabilities is reasonable approximations of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amount of the financial liabilities is reasonable approximations of fair values due to the insignificant impact of discounting.

### (d) Fair Value Hierarchy

The following are classes of financial instruments that are carried at fair value, by valuation method. The different levels have been defined as follows:

- (i) Level 1 - Unadjusted quoted prices in active market for identical financial instruments.
- (ii) Level 2 - Inputs other than quoted prices included within Level 1 that are observable either directly or indirectly.
- (iii) Level 3 - Inputs that are not based on observable market data

	Note	Group and Company Level 1	
		2013 RM	2012 RM
<b>Financial Assets</b>			
Investment in securities:			
- Held for trading investments	21	-	11,428,000

# Notes to the Financial Statements

## 32. CAPITAL MANAGEMENT

The Group's primary objective when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristic of the underlying assets. To maintain and or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or reduce borrowings.

There were no changes made on the capital management objectives, policies and processes of the Group during the financial year.

The Group monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by total capital plus net debt. Net debt is calculated as total interest bearing financial liabilities less cash and cash equivalents. Total capital refers to equity attributable to the owners of the Company.

	2013 RM	Group 2012 RM
Borrowings	-	-
Less: Short term deposits, cash and bank balances	(389,446,270)	(355,434,592)
Sub-total	(389,446,270)	(355,434,592)
Net debt	-	-
Equity attributable to the Owners of the Company, representing total capital	909,094,274	844,801,824
Total capital and net debt	909,094,274	844,801,824
Gearing ratio	-	-

The Group is also required to comply with the disclosure and necessary capital requirements as prescribed in the Main Market Listing Requirements of Bursa Securities.

## Supplementary Information

on the Disclosure of Realised and Unrealised Profits or Losses

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

On 20 December 2010, Bursa Securities further issued guidance on the disclosure and the format required.

Pursuant to the directive, the amounts of realised and unrealised profits or losses included in the retained profits of the Group and the Company as at 30 June 2013 are as follows:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Total retained earnings of the Company and its subsidiaries:				
- Realised	684,052,974	630,503,544	311,239,662	281,025,116
- Unrealised	(44,958,700)	(55,701,720)	-	3,498,000
Total Group retained earnings as per consolidated financial statements	639,094,274	574,801,824	311,239,662	284,523,116

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

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



## Statement By Directors

We, **CHUA ELSIE** and **TAN YEW NGEE**, being two of the directors of **PLENITUDE BERHAD**, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 47 to 120 are properly drawn up in accordance with the Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2013 and of the results and cash flows of the Group and of the Company for the financial year then ended.

The supplementary information set out on page 121 has been compiled in accordance with 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 Requirements, issued by the Malaysian Institute of Accountants.

Signed on behalf of the board in accordance with a resolution of the directors,

**CHUA ELSIE**

**TAN YEW NGEE**

Kuala Lumpur

Date: 18 September 2013

# Statutory Declaration

I, **LEE SOOK LEE**, being the officer primarily responsible for the financial management of **PLENITUDE BERHAD**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 47 to 120 and the supplementary information set out on page 121 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.

**LEE SOOK LEE**

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 18 September 2013.

Before me,

**ARSHAD ABDULLAH**  
W550  
Commissioner for Oaths

# Independent Auditor's Report

To The Members Of Plenitude Berhad  
(Incorporated in Malaysia)

## Report on the Financial Statements

We have audited the financial statements of **PLENITUDE BERHAD**, which comprise the statements of financial position as at 30 June 2013 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 financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 47 to 120.

### *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 the Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

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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 controls relevant to the Company'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 Company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

# Independent Auditor's Report

To The Members Of Plenitude Berhad  
(Incorporated in Malaysia)

## *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 2013 and of their financial performance and cash flows for the financial year then ended in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

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

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

- (a) In our opinion, the accounting and other records and the registers required by the Companies Act, 1965 in Malaysia to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.
- (b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (c) Our audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comments made under Section 174(3) of the Companies Act, 1965 in Malaysia.

## **Other Reporting Responsibilities**

The supplementary information set out on Page 121 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with 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 ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

# Independent Auditor's Report

To The Members Of Plenitude Berhad  
(Incorporated in Malaysia)

## 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 contents of this report.

Baker Tilly Monteiro Heng  
No. AF 0117  
Chartered Accountants

M. J. Monteiro  
No. 828/05/14 (J/PH)  
Chartered Accountant

# List of Properties

held as at 30 June 2013

No.	Land Title / Location	Existing use / Description	Balance to be developed (acres)	Tenure	Approx. age of buildings (years)	Net book value as of 30/06/2013 RM	Date of Acquisition/ Revaluation
1	Geran 189449 - 189455, Lot 27295 - 27301 Geran 189457 - 189484, Lot 27302 - 27329 PT 30619, H.S.(D) 16676 PT 36840, H.S.(D) 20254 PT 36841, H.S.(D) 20255 PT 36843, H.S.(D) 20257 PT 42788, H.S.(D) 29439 PT 42787, H.S.(D) 29438 Geran 188519, Lot 26979 Mukim of Dengkil, District of Sepang Selangor Darul Ehsan	Land held for mixed development	137.89	Freehold	-	17,179,910	24/03/1999
2	PT 32818 - 33146, H.S.(D) 24048 - 24374 Mukim of Dengkil, District of Sepang Selangor Darul Ehsan	Land held for mixed development	32.08	Leasehold (expiring in 2101)	-	24,732,761	05/06/2009
3	PT 39768 H.S.(D)28144 Mukim of Dengkil, District of Sepang Selangor Darul Ehsan	Land together with office building	0.07	Freehold	9	367,006	30/09/2008
4	PTD 114142-114145, H.S.(D) 368378-368381 PTD 114153-114155, H.S.(D) 368389-368391 PTD 114528-114969, H.S.(D) 427430-427661 PTD 147707-147800, H.S.(D) 457041-457134 PTD 158191, H.S.(D) 489370 PTD 158176, H.S.(D) 489360 PTD 158069, H.S.(D) 489259 Mukim Tebrau, Johor Bahru Johor Darul Takzim	Land held for mixed development	260.92	Freehold	-	31,016,712	25/10/2000
5	PTD 162997, H.S.(D) 385544 PTD 162999, H.S.(D) 385546 PTD 128471, H.S.(D) 385547 PTD 128371, H.S.(D) 385447 Mukim Tebrau, Johor Bahru Johor Darul Takzim	Land held for mixed development	7.38	Freehold	-	741,560	25/10/2000
6	PTD 93547-93548, H.S.(D) 329862-329863 PTD 147338, H.S.(D) 453149 PTD 158193, H.S.(D) 489372 PTD 158181, H.S.(D) 489361 Mukim Tebrau, Johor Bahru Johor Darul Takzim	Land held for commercial development	19.42	Freehold	-	2,927,124	25/10/2000
7	PTD 140212, H.S.(D) 439286 Mukim Tebrau, Johor Bahru Johor Darul Takzim	Land held for investment properties	10.90	Freehold	-	1,657,074	25/10/2000

# List of Properties

held as at 30 June 2013

No.	Land Title / Location	Existing use / Description	Balance to be developed (acres)	Tenure	Approx. age of buildings (years)	Net book value as of 30/06/2013 RM	Date of Acquisition/ Revaluation
8	PTD 93426, H.S.(D) 329743 MukimTebrau, Johor Bahru Johor Darul Takzim	Land together with office building	0.82	Freehold	15	111,394	25/10/2000
9	Geran 96630 Lot 15 Geran 102260 Lot 1585 PTD 31036 H.S.(D) 19885 PTD 31038 H.S.(D) 19887 PTD 31039 H.S.(D) 19888 Mukim and District of Kota Tinggi Johor Darul Takzim	Land held for mixed development	255.72	Freehold	-	34,859,119	25/02/2004
10	Geran 35108, Lot 28 and Geran 35126, Lot 213 Seksyen 2 Bandar Batu Feringgi Daerah Timor Laut, Pulau Pinang	Land held for residential development	0.84	Freehold	-	2,108,396	10/07/2006
11	H.S.(D) 16809, Lot 1365 Geran 49405 - 49407, Lot 494 - 496 Geran 49408 - 49414, Lot 508 - 514 Geran 107001, Lot 836 GM 338, Lot 936 GM 346, Lot 959 GM 351, Lot 964 GM 352, Lot 986 GM 354 - 355, Lot 1057 - 1058 GM 458 - 460, Lot 1090 - 1092 GM 468, Lot 1102 H.S.(M) 406 - 407, Lot 1231 - 1232 GM 146, Lot 622 GM 154, Lot 709 Mukim 17, Batu Ferringgi, Daerah Timor Laut, Pulau Pinang, and Geran 84387, Lot 904 Seksyen 2 Bandar Batu Feringgi Pulau Pinang	Land held for mixed development	40.77	Freehold	-	52,216,280	10/05/2010
12	H.S.(M) 494 - 495, Lot 1368 - 1369 Geran Mukim 116 - 117, Lot 555 - 556 Mukim 17, Tempat Batu Feringghi, Daerah Timor Laut, Pulau Pinang	Land held for mixed development	1.91	Freehold	-	2,612,567	28/09/2010
13	Geran No. 116119 -116124, Lot No. 1038-1043 Seksyen 2, Bandar Batu Ferringhi Daerah Timor Laut, Pulau Pinang	Land held for commercial development	0.58	Freehold	-	3,285,821	10/07/2006

# List of Properties

held as at 30 June 2013

No.	Land Title / Location	Existing use / Description	Balance to be developed (acres)	Tenure	Approx. age of buildings (years)	Net book value as of 30/06/2013 RM	Date of Acquisition/ Revaluation
14	Lot 140, Geran Mukim 201 Lot 141, Geran Mukim 318 Lot 808, Geran Mukim 492 Lot 693 - 696, Geran Mukim 452 - 455 Lot 697, Geran Mukim 174 Lot 699, Geran Mukim 175 Lot 1218 - 1219, Geran Mukim 1050 - 1051 Lot 1177 - 1181, Geran 45105 - 45109 Lot 1193 - 1195, Geran 45110 - 45112 Mukim 6, Daerah Barat Daya Pulau Pinang, and Lot 532, Geran Mukim 214 Tempat Pondok Upeh, Mukim 6 Daerah Barat Daya, Pulau Pinang	Land held for mixed development	52.63	Freehold	-	41,591,148	27/09/2010
15	Geran No. 125424, Lot 3407 Seksyen 1 Bandar Tanjung Tokong Daerah Timor Laut, Pulau Pinang	Land held for commercial development	1.13	Freehold	-	13,541,389	10/07/2006
16	PN 2327, Lot 387 Seksyen 17 Bandar George Town, Daerah Timor Laut, Pulau Pinang.	Land held for mixed development	0.58	Leasehold (expiring in Aug'2083)	-	17,895,156	03/02/2012
17	Geran 38944, Lot 201 Geran 38945 . Lot 202 Geran 38946, Lot 204 Seksyen 17, Bandar George Town, Daerah Timor Laut, Pulau Pinang.	Land held for commercial development	0.51	Freehold	-	15,788,404	03/02/2012
18	Geran 27386, Lot 1287 Geran 28209, Lot 625 Geran 66418, Lot 4089 Geran 66420, Lot 4091 Geran 66421, Lot 4092 Geran 66422, Lot 4090 Bandar Tanjong Bungah Daerah Timur Laut, Pulau Pinang	Land together with hotel building	1.64	Freehold	31	17,555,089	24/08/2001
19	PT 15190 H.S.(D) 7329/95 Mukim of Sungai Pasir District of Kuala Muda Kedah Darul Aman, and PT 15191 H.S.(D) 69090, Bandar Sungai Mukim of Sungai Petani District of Kuala Muda Kedah Darul Aman	Land held for commercial development	8.08	Freehold	-	6,226,046	19/02/2009



# List of Properties

held as at 30 June 2013

No.	Land Title / Location	Existing use / Description	Balance to be developed (acres)	Tenure	Approx. age of buildings (years)	Net book value as of 30/06/2013 RM	Date of Acquisition/ Revaluation
20	PT 14554-14561, 14574-14607 PT 14621-14658, 14688-14705 PT 14722-14732, 14744-14752 PT 14768-14789, 14833-15189 PT 15192-15195, 15198-15200 PT 15233-15234, 15677-15680 PT 16521-16527, 16594-16607 PT 16661-16674, 16682-16691 PT 16736-16755, 21027-21077 PT 21103-21232, 21412-21506 PT 22411-22450, 22724-23061 PT 23226-23354, 23355-23357 PT 23359-23365, 23369 Mukim of Sungai Pasir District of Kuala Muda Kedah Darul Aman	Land held for mixed development	769.01	Freehold	-	36,763,133	10/11/2000
21	PT 23537 H.S.(D) 256/94 Bandar of Sungai Petani District of Kuala Muda Kedah Darul Aman	Land held for mixed development	6.43	Freehold	-	9,657,733	10/11/2000
22	A-G-01, A-G-02, B-G-01, B-G-02, B-G-03 B-13-06, C-G-01, C-G-02, C-G-03, C-13-06 D-G-01, D-G-02, D-G-03, D-13-06 Changkat View Condominium No 18, Jalan Dutamas Raya 51200 Kuala Lumpur, Wilayah Persekutuan KL	Apartment held for rental income	-	Freehold	5	1,554,099	30/04/2010
23	G-0-1, G-0-2, G-0-4, 1-1, 1-2, 1-3, 1-4 2-1, 2-2, 2-4 Ampangpuri Condominium Jalan Nipah, Off Jalan Ampang 54000 Kuala Lumpur, Wilayah Persekutuan KL	Apartment held for rental income	-	Freehold	22	8,790,348	16/11/2010 & 01/02/2011

# Analysis of Shareholdings

as at 5 September 2013

## SHARE CAPITAL

Authorised Share Capital	:	RM500,000,000 divided into 500,000,000 ordinary shares of RM1.00 each
Issued and Fully Paid-up Capital	:	RM270,000,000 divided into 270,000,000 ordinary shares of RM1.00 each
Class of Shares	:	Ordinary shares of RM1.00 each
Voting Rights	:	One (1) vote per ordinary share

## SHAREHOLDINGS DISTRIBUTION SCHEDULE (AS PER THE RECORD OF DEPOSITORS)

No. of Shareholders	Size of Shareholdings	No. of Shares Held	% of Shares
56	Less than 100 shares	266	*
284	100 to 1,000 shares	219,220	0.08
2,013	1,001 to 10,000 shares	9,351,879	3.46
579	10,001 to 100,000 shares	17,542,725	6.50
80	100,001 to less than 5 % of issued shares	46,282,266	17.14
3	5% and above of the issued shares	196,603,644	72.82
<b>3,015</b>	<b>TOTAL</b>	<b>270,000,000</b>	<b>100.00</b>

Note \* : Less than 0.01%

# Analysis of Shareholdings

as at 5 September 2013

## LIST OF 30 LARGEST SECURITIES ACCOUNT HOLDERS (AS PER THE RECORD OF DEPOSITORS)

Name	No. of Shares Held	Percentage (%)
1. Ikatanbina Sdn Bhd	122,824,726	45.49
2. Fields Equity Management Ltd	52,881,780	19.59
3. En Primeurs Sdn Bhd	20,897,138	7.74
4. Bus Info Plus Sdn Bhd	13,464,188	4.99
5. Yayasan Haji Zainuddin	4,000,000	1.48
6. AIBB Nominees (Tempatan) Sdn Bhd <i>Yayasan Pok Rafeah</i>	4,000,000	1.48
7. Amsec Nominees (Tempatan) Sdn Bhd <i>Pledged securities account - Amlslamic Bank Berhad for Ang Beng Poh</i>	2,900,000	1.07
8. Citigroup Nominees (Asing) Sdn Bhd <i>GSCO for Truffle Hound Global Value LLC</i>	2,671,900	0.99
9. Lim Khuan Eng	1,364,700	0.51
10. Teo Tin Lun	1,097,100	0.41
11. Goh Thong Beng	974,000	0.36
12. Yeo Khee Huat	904,200	0.33
13. Ng Swee Sim	646,800	0.24
14. Gan Peoy Hong	511,700	0.19
15. Key Pin Holdings Sdn Bhd	510,000	0.19
16. Teo Swee Hiang @ Tian Sok Boi	437,000	0.16
17. Ng Kim Neo	430,000	0.16
18. Cimsec Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Lim Chen Yik</i>	343,000	0.13
19. Teoh Ah Bah @ Teow Eng Nam	335,000	0.12
20. Asian Selatan (M) Sdn Bhd	324,000	0.12
21. Chan Shee Bing @ Chan Chee Wing	310,200	0.11
22. Toh Kam Choy	310,000	0.11
23. Tan Kien Leng	310,000	0.11
24. Chan Shao Tsiu	309,600	0.11
25. Public Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Lee Khai Boon</i>	305,000	0.11
26. Shim Nyuk Min	300,000	0.11
27. Tan Kien Ann	300,000	0.11
28. HLB Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Lee Mooy Keaw</i>	300,000	0.11
29. Public Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Fauna Ong Suan Cheng</i>	290,000	0.11
30. Public Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Ong Kuang Lai</i>	258,600	0.10
<b>TOTAL</b>	<b>234,510,632</b>	<b>86.84</b>

# Analysis of Shareholdings

as at 5 September 2013

## SUBSTANTIAL SHAREHOLDERS (AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS)

Name of Shareholders	Direct	No. of Shares Held		%
		%	Indirect	
1. Ikatambina Sdn Bhd	122,824,726	45.49	-	-
2. Fields Equity Management Ltd	52,881,780	19.59	-	-
3. En Primeurs Sdn Bhd	20,897,138	7.74	-	-

## DIRECTORS' SHAREHOLDINGS (AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS)

Name of Directors	Direct	No. of Shares Held		%
		%	Indirect	
1. Chua Elsie	-	-	104,000	0.04 <sup>1</sup>
2. Tan Kak Teck	-	-	-	-
3. Tan Yew Ngee	-	-	-	-
4. Ir. Teo Boon Keng	-	-	-	-

Note <sup>1</sup> : Deemed interested by virtue of the shares held by her spouse and children.

# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** the Thirteenth (13th) Annual General Meeting of **PLENITUDE BERHAD** will be held at Nomad 1, The Nomad Sucasa, 222, Jalan Ampang, 50450 Kuala Lumpur on **Thursday, 31 October 2013 at 10.00 a.m.** for the following purposes:-

## AGENDA

### AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 June 2013 and the Reports of the Directors and Auditors thereon. (Ordinary Resolution 1)
2. To declare a Final Single Tier Dividend of 6 sen per share for the year ended 30 June 2013 as recommended by the Directors. (Ordinary Resolution 2)
3. To approve the sum of RM137,500 for payment as Directors' fees in respect of the financial year ended 30 June 2013. (Ordinary Resolution 3)
4. To approve the sum of up to RM144,000 for payment as Directors' fees in respect of the financial year ending 30 June 2014. (Ordinary Resolution 4)
5. To re-elect Mr Tan Yew Ngee who retires by rotation pursuant to Article 86 of the Company's Articles of Association. (Ordinary Resolution 5)
6. To re-elect Puan Rashidah Binti Abdullah who retires pursuant to Article 93 of the Company's Articles of Association. (Ordinary Resolution 6)
7. To re-elect Mr Tsang Chee Wah who retires pursuant to Article 93 of the Company's Articles of Association. (Ordinary Resolution 7)
8. To re-appoint Messrs Baker Tilly Monteiro Heng as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. (Ordinary Resolution 8)

# Notice of Annual General Meeting

## AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolution:

9. **Proposed Retention of Independent Director**

(Ordinary Resolution 9)

To retain Mr Tan Kak Teck as Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2012.

10. To transact any other business for which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

## NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

**NOTICE IS ALSO HEREBY GIVEN THAT** subject to the approval of the shareholders at the forthcoming 13th Annual General Meeting, a Final Single Tier Dividend of 6 sen per share will be paid on 15 November 2013 to the shareholders whose names appear in the Record of Depositors at the close of business on 7 November 2013.

A depositor shall qualify for entitlement only in respect of:-

- a) shares transferred to the Depositor's Securities Account before 4.00 p.m. on 7 November 2013 in respect of transfers; and
- b) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board  
**PLENITUDE BERHAD**

**WONG KEO ROU (MAICSA 7021435)**  
Company Secretary

Kuala Lumpur  
9 October 2013

# Notice of Annual General Meeting

## **Director to Retire at the 13th Annual General Meeting**

Pursuant to the Company's Articles of Association, Mr Tan Yew Ngee will be retiring under Article 86 and he has given his notification that he does not wish to seek re-election at the 13th Annual General Meeting.

### **Notes:-**

1. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a General Meeting of the Company shall have the same rights as the member to speak at the General Meeting.
2. Where a Member is an Exempt Authorised Nominee which holds ordinary shares in the Company for 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.
3. Where a Member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. If the appointor is a corporation, this form must be executed under its common seal or under the hand of an attorney duly authorised.
6. To be valid, this form, duly completed must be deposited at the registered office of the Company not less than forty eight (48) hours before the time for holding the meeting or any adjournment thereof. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting.
7. In respect of deposited securities, only members whose names appear on the Record of Depositors on 24 October 2013, shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

### **Explanatory Notes on Special Business:-**

#### **Ordinary Resolution 9 - Proposed Retention of Independent Director**

Mr. Tan Kak Teck was appointed as an Independent Non-Executive Director of the Company on 15 July 2003 and has served more than nine (9) years. However, he has met the independence guidelines as set out in Chapter 1 of Bursa Malaysia Securities Berhad Main Market Listing Requirements. Therefore, the Board of Directors considers him to be independent and believes that he should be retained as an Independent Non-Executive Director.





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**The Company Secretary**  
**PLENITUDE BERHAD (531086-T)**  
2<sup>nd</sup> Floor, No. 2, Jalan Sri Hartamas 8,  
Sri Hartamas, 50480 Kuala Lumpur  
Wilayah Persekutuan (KL)

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**Plenitude Berhad**<sup>(531086-T)</sup>

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