SELANGOR PROPERTIES BERHAD
(5199 - X)
(Incorporated in Malaysia)

Directors' Report and Audited Financial Statements
31 October 2014

5199 - X

Selangor Properties Berhad
(Incorporated in Malaysia)

Contents	**Page**

Selangor Properties Berhad
(Incorporated in Malaysia)

Directors' report

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 October 2014.

Principal activities

The principal activities of the Company are property investment and the provision of related services and investment holding.

The principal activities of the subsidiaries are described in Note 7 to the financial statements.

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

Results

	Group RM'000	Company RM'000
Profit for the year	196,895	191,607
Profit attributable to:		
Owners of the parent	198,053	-
Minority interests	(1,158)	-
	196,895	-

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

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, other than the fair value gain arising from investment properties of RM 31,516,000 and gain on disposal of subsidiaries of RM132,672,000 as disclosed in Notes 5, 26 and 31 to the financial statements.

Dividends

The amount of dividends paid by the Company since 31 October 2013 were as follows:

	RM'000
In respect of the financial year ended 31 October 2013 as reported in the Directors' report of that year:	
a) First and final dividend of 10 sen single tier exempt dividend	34,362
b) Special dividend of 20 sen single tier exempt dividend	68,723
	103,085

on 343,616,761 ordinary shares, approved on 24 April 2014 and paid on 15 May 2014.

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 October 2014, of 12.0 sen single tier exempt dividend per ordinary share amounting to RM41,234,011 on 343,616,761 ordinary shares, will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend of RM41,234,011. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 October 2015.

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:

Puan Sri Datin Chook Yew Chong Wen
Wen Chiu Chi
Michael Lim Hee Kiang
Dato' Zaibedah binti Ahmad
Ong Liang Win

Directors' benefits

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

Directors' benefits (cont'd.)

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments or fees received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company and its related corporations as shown in Notes 26, 27, 28 and 35 to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except as disclosed in Note 35 to the financial statements.

Directors' interests

According to the Register of Directors' Shareholdings, the interests of Directors in office at the end of the financial year in shares in the Company, its ultimate holding company, Kayin (M) Sdn. Bhd. and its holding company, Kayin Holdings Sdn. Berhad during the financial year were as follows:

	Number of ordinary shares of RM1 each			
	1 November 2013	Bought	Sold	31 October 2014
The Company				
Puan Sri Datin Chook Yew Chong Wen (indirect)	234,447,236	-	-	234,447,236
Wen Chiu Chi (direct)	71,247	-	-	71,247
Michael Lim Hee Kiang (direct)	1,000	-	-	1,000
Ultimate holding company Kayin (M) Sdn. Bhd.				
Puan Sri Datin Chook Yew Chong Wen (indirect)	2,000	-	-	2,000
Holding company Kayin Holdings Sdn. Berhad				
Puan Sri Datin Chook Yew Chong Wen (indirect)	20,220,000	-	-	20,220,000

Puan Sri Datin Chook Yew Chong Wen and Wen Chiu Chi by virtue of their interests in shares in the Company are also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

Directors' interests (cont'd.)

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

Other statutory information

(a) Before the statements of financial position and statements of comprehensive income of the Group and of the Company were made out, the Directors took reasonable steps:

   (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that no allowance for doubtful debts was necessary; and

   (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances which would render:

   (i) it necessary to write off any bad debts or to make any allowance for doubtful debts in respect of the financial statements of the Group and of the Company; and

   (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

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

   (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

   (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

Other statutory information (cont'd.)

(f) In the opinion of the Directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Significant and subsequent events

Details of significant and subsequent events are disclosed in Note 39 to the financial statements.

Auditors

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

Signed on behalf of the Board in accordance with a resolution of the Directors dated 26 February 2015.

Puan Sri Datin Chook Yew Chong Wen   Wen Chiu Chi

Selangor Properties Berhad
(Incorporated in Malaysia)

Statement by Directors
Pursuant to Section 169(15) of the Companies Act, 1965

We, Puan Sri Datin Chook Yew Chong Wen and Wen Chiu Chi, being two of the Directors of Selangor Properties Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 11 to 108 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements 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 31 October 2014 and of the financial performance and cash flows of the Group and of the Company for the year then ended.

Other reporting responsibilities

The information set out in Note 44 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 26 February 2015.

Puan Sri Datin Chook Yew Chong Wen

Wen Chiu Chi

5199 - X

Selangor Properties Berhad
(Incorporated in Malaysia)

Statutory declaration
Pursuant to Section 169(16) of the Companies Act, 1965

I, Lee Tart Choong, being the officer primarily responsible for the financial management of Selangor Properties Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 11 to 108 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed Lee Tart Choong at
Kuala Lumpur in the Federal Territory
on 26 February 2015.

Lee Tart Choong

Before me,

Mohd Ibrahim Bin Yaakob (No. W641)
Pesuruhjaya Sumpah
Kuala Lumpur

5199 - X

Independent auditors' report to the members of
Selangor Properties Berhad
(Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of Selangor Properties Berhad, which comprise the statements of financial position as at 31 October 2014 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 11 to 108.

Directors' responsibility for the financial statements

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

Auditors' responsibility

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

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

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

5199 - X

Independent auditors' report to the members of Selangor Properties Berhad (cont'd.) (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 31 October 2014 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International 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 Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 7 to the financial statements, being financial statements that have been included in the consolidated financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

5199 - X

Independent auditors' report to the members of Selangor Properties Berhad (cont'd.)
(Incorporated in Malaysia)

Other reporting responsibilities

The supplementary information set out in Note 44 on page 109 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other matters

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

Ernst & Young
AF: 0039
Chartered Accountants

Brandon Bruce Sta Maria
No. 2937/09/15(J)
Chartered Accountant

Kuala Lumpur, Malaysia
26 February 2015

Selangor Properties Berhad
(Incorporated in Malaysia)

Statements of financial position as at 31 October 2014

		Group		Company	
	Note	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Assets					
Non-current assets					
Property, plant and equipment	3	2,820	204,409	245	28
Land held for property development	4	391,545	433,633	-	-
Investment properties	5	1,138,403	1,032,762	30,468	26,296
Intangible assets	6	-	6,035	-	-
Investments in subsidiaries	7	-	-	942,904	888,829
Financial assets available for sale ("AFS")	8	8,929	250	-	-
Other receivables	11	16,067	17,030	-	-
Deferred tax assets	22	25,396	26,680	-	23
Total non-current assets		1,583,160	1,720,799	973,617	915,176
Current assets					
Inventories	9	56,609	63,118	46,518	41,533
Trade receivables	10	1,257	8,508	125	444
Other receivables	11	12,699	15,133	43,846	75,459
Tax recoverable		3,507	5,669	3,263	4,047
Financial assets at fair value through profit or loss ("FVTPL")	12	343,405	329,589	-	-
Cash and cash equivalents	13	408,999	398,250	63,873	17,749
Short term deposits	14	3,127	547	-	-
		829,603	820,814	157,625	139,232
Non-current assets held for sale	15	50,251	-	-	-
Total current assets		879,854	820,814	157,625	139,232
Total assets		2,463,014	2,541,613	1,131,242	1,054,408

Selangor Properties Berhad
(Incorporated in Malaysia)

Statements of financial position as at 31 October 2014 (cont'd.)

		Group		Company	
	Note	**2014**	**2013**	**2014**	**2013**
		RM'000	**RM'000**	**RM'000**	**RM'000**
Equity and liabilities					
Equity attributable to owners of the parent					
Share capital	16	343,617	343,617	343,617	343,617
Reserves		263,812	266,020	201,754	201,754
Retained earnings	17	1,434,742	1,339,774	522,262	433,740
		2,042,171	1,949,411	1,067,633	979,111
Non controlling interests		-	77,390	-	-
Total equity		2,042,171	2,026,801	1,067,633	979,111
Non-current liabilities					
Borrowings	18	-	267,919	-	-
Deferred tax liabilities	22	104,411	103,869	129	-
Total non-current liabilities		104,411	371,788	129	-
Current liabilities					
Cash flow hedge instrument	19	781	1,232	-	-
Borrowings	18	245,602	50,307	11,026	50,307
Trade payables	20	122	27,000	-	-
Other payables	21	69,324	62,406	52,454	24,990
Tax payable		603	2,079	-	-
Total current liabilities		316,432	143,024	63,480	75,297
Total liabilities		420,843	514,812	63,609	75,297
Total equity and liabilities		2,463,014	2,541,613	1,131,242	1,054,408
Net tangible assets per share		5.94	5.66		

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

Selangor Properties Berhad
(Incorporated in Malaysia)

Statements of comprehensive income
For the year ended 31 October 2014

	Note	Group 2014 RM'000	Group 2013 RM'000 Restated	Company 2014 RM'000	Company 2013 RM'000
Continuing Operations					
Revenue	23	100,985	115,682	13,406	20,951
Cost of sales	24	(9,541)	(13,715)	-	-
Gross profit		91,444	101,967	13,406	20,951
Other income		58,627	54,325	7,275	9,430
Gain from disposal of subsidiaries	31	132,672	-	180,652	-
Gain from disposal of investments	25	2,112	1,638	-	-
Unrealised gain in fair value of financial assets at FVTPL	12	2,174	3,387	-	-
Administration expenses		(8,042)	(6,650)	(3,690)	(2,566)
Other operating expenses		(50,005)	(24,539)	(4,668)	(4,016)
Operating profit	26	228,982	130,128	192,975	23,799
Finance costs	29	(14,033)	(18,439)	(801)	(1,445)
Profit before tax		214,949	111,689	192,174	22,354
Income tax expense	30	(16,369)	(25,574)	(567)	(2,044)
Net profit from continuing operations		198,580	86,115	191,607	20,310
Discontinued Operation					
Loss from discontinued operation, net of tax*	31	(1,685)	16,398	-	-
Net profit for the year		196,895	102,513	191,607	20,310

* The Group has elected to disclose a single amount of post-tax profit or loss of discontinued operation in the statement of comprehensive income, and has analysed that single amount into revenue, expense and pre-tax profit or loss in Note 31.

Selangor Properties Berhad
(Incorporated in Malaysia)

Statements of comprehensive income
For the year ended 31 October 2014 (cont'd.)

	Note	Group 2014 RM'000	Group 2013 RM'000 Restated	Company 2014 RM'000	Company 2013 RM'000
Net profit for the year		196,895	102,513	191,607	20,310
Other comprehensive loss					
Items that may be reclassified to profit or loss in subsequent periods:					
- Foreign currency translation		(2,524)	(3,382)	-	-
- Net gain on cash flow hedge	19	316	1,249	-	-
Other comprehensive loss for the year, net of tax		(2,208)	(2,133)	-	-
Total comprehensive income for the year, net of tax		194,687	100,380	191,607	20,310
Profit attributable to:					
Owners of the parent		198,053	96,568		
Non-controlling interest		(1,158)	5,945		
		196,895	102,513		
Total comprehensive income attributable to:					
Owners of the parent		195,845	94,435		
Non-controlling interest		(1,158)	5,945		
		194,687	100,380		
Earnings per share attributable to owners of the parent (sen per share)					
Basic	33	57.6	28.1		
Diluted	33	57.6	28.1		

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

Selangor Properties Berhad
(Incorporated in Malaysia)

Statements of changes in equity
For the year ended 31 October 2014

	Attributable to owners of the parent									
		Non-distributable					Distributable			
	Share capital RM'000	Share premium reserve RM'000	Capital reserve RM'000 (Note 32)	Foreign currency translation reserve RM'000	Hedging reserve RM'000 (Note 19)	Total reserves RM'000	Retained earnings RM'000 (Note 17)	Total RM'000	Non controlling interests RM'000 (Note 31)	Total equity RM'000
At 1 November 2013	343,617	201,754	70,870	(5,742)	(862)	266,020	1,339,774	1,949,411	77,390	2,026,801
Total comprehensive income	-	-	-	(2,524)	316	(2,208)	198,053	195,845	(1,158)	194,687
	343,617	201,754	70,870	(8,266)	(546)	263,812	1,537,827	2,145,256	76,232	2,221,488
Transaction with owners										
Disposal of subsidiaries (Note 31)	-	-	-	-	-	-	-	-	(76,232)	(76,232)
Dividends on ordinary shares (Note 34)	-	-	-	-	-	-	(103,085)	(103,085)	-	(103,085)
At 31 October 2014	343,617	201,754	70,870	(8,266)	(546)	263,812	1,434,742	2,042,171	-	2,042,171

Selangor Properties Berhad
(Incorporated in Malaysia)

Statement of changes in equity
For the year ended 31 October 2014 (cont'd.)

	Attributable to owners of the parent									
		Non-distributable					Distributable			
	Share capital RM'000	Share premium reserve RM'000	Capital reserve RM'000 (Note 32)	Foreign currency translation reserve RM'000	Hedging reserve RM'000 (Note 19)	Total reserves RM'000	Retained earnings RM'000 (Note 17)	Total RM'000	Non Controlling Interests RM'000 (Note 31)	Total equity RM'000
At 1 November 2012	343,617	201,754	70,870	(2,360)	(2,111)	268,153	1,275,850	1,887,620	72,489	1,960,109
Total comprehensive income	-	-	-	(3,382)	1,249	(2,133)	96,568	94,435	5,945	100,380
	343,617	201,754	70,870	(5,742)	(862)	266,020	1,372,418	1,982,055	78,434	2,060,489
Transaction with owners										
Dividends on ordinary shares (Note 34)	-	-	-	-	-	-	(32,644)	(32,644)	(1,044)	(33,688)
At 31 October 2013	343,617	201,754	70,870	(5,742)	(862)	266,020	1,339,774	1,949,411	77,390	2,026,801

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

Selangor Properties Berhad
(Incorporated in Malaysia)

Statements of changes in equity
For the year ended 31 October 2014 (cont'd)

	Non-distributable		Distributable	
	Share capital RM'000	Share premium reserve RM'000	Retained earnings RM'000 (Note 17)	Total RM'000
At 1 November 2013	343,617	201,754	433,740	979,111
Total comprehensive income for the year	-	-	191,607	191,607
Dividends (Note 34)	-	-	(103,085)	(103,085)
At 31 October 2014	343,617	201,754	522,262	1,067,633
At 1 November 2012	343,617	201,754	446,074	991,445
Total comprehensive income for the year	-	-	20,310	20,310
Dividends (Note 34)	-	-	(32,644)	(32,644)
At 31 October 2013	343,617	201,754	433,740	979,111

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

5199 - X

Selangor Properties Berhad
(Incorporated in Malaysia)

Statements of cash flows
For the year ended 31 October 2014

	Note	Group 2014 RM'000	Group 2013 RM'000 Restated	Company 2014 RM'000	Company 2013 RM'000
Cash flows from operating activities					
Profit before tax					
- From continuing operations		214,949	111,689	192,174	22,354
- From discontinued operations*	31	(1,702)	21,439	-	-
		213,247	133,128	192,174	22,354
Adjustments for:					
Unrealised foreign exchange losses		117	3,244	-	-
Interest expense		14,033	18,432	801	1,438
Depreciation		488	9,831	36	24
Amortisation of intangible assets		-	978	-	-
Property, plant & equipment written off		-	35	-	-
Dividend income from subsidiaries		-	-	(13,100)	(20,609)
Net reversal for impairment of receivables		-	(38)	-	-
Gain on return on capital in subsidiaries		-	(5,387)	-	(5,387)
Gain on disposal of property, plant and equipment		(32)	(24)	-	(5)
Gain on disposal of FVTPL financial assets		(2,112)	(1,638)	-	-
Unrealised changes in fair values of FVTPL financial assets		(2,174)	3,387	-	-
Dividend income from shares quoted outside Malaysia		(6,478)	(3,148)	-	-
Interest income		(6,934)	(11,086)	(3,631)	(2,762)
Gain on fair value changes of investment properties		(31,516)	(59,940)	(3,044)	(676)
Gain on disposal of subsidiaries		(132,672)	-	(180,652)	-
Operating profit/(loss) before working capital changes		45,967	87,774	(7,416)	(5,623)
(Increase)/decrease in receivables		(14,276)	16,635	(10,128)	1,148
Decrease in inventories		11,184	13,258	-	-
Increase in development properties		(13,174)	(3,559)	(4,985)	(1,567)
Increase/(decrease) in payables		44,016	7,466	27,464	(67)
Net cash generated from operations		73,717	121,574	4,935	(6,109)
Interest received		6,918	1,379	-	-
Taxes (paid)/refunded, net		(5,985)	(11,909)	369	(600)
Net cash generated from/(used in) operating activities		74,650	111,044	5,304	(6,709)

Selangor Properties Berhad
(Incorporated in Malaysia)

Statements of cash flows
For the year ended 31 October 2014 (cont'd.)

	Note	Group 2014 RM'000	Group 2013 RM'000 Restated	Company 2014 RM'000	Company 2013 RM'000
Cash flows from investing activities					
Additions of investment properties		(28,113)	(250)	(1,128)	-
Purchase of FVTPL financial assets		(53,232)	(273,206)	-	-
Proceeds from disposal of FVTPL financial assets		63,993	235,477	-	-
Purchase of property, plant and equipment		(1,286)	(33,363)	(253)	-
Purchase of intangible assets		-	(216)	-	-
Purchase of AFS financial assets		(8,688)	(250)	-	-
Proceeds from disposal of property, plant and equipment		80	5	-	5
Disposal of discontinued operation, net of cash disposed off *	31	154,681	-	183,276	-
Proceeds from return of capital in subsidiaries		-	-	-	20,750
Payment for acquisition of property		-	(18,000)	-	-
Interest received		-	-	2,092	109
Dividends received, net		-	-	-	7,117
Dividends received from shares quoted outside Malaysia	34	6,478	3,148	-	-
Net cash generated from/(used in) investing activities		133,913	(86,655)	183,987	27,981
Cash flows from financing activities					
(Repayment of)/proceeds from borrowings, net		(64,088)	(13,251)	(39,281)	24,250
Dividends paid		(103,085)	(32,644)	(103,085)	(32,644)
Dividends paid by subsidiaries to non-controlling interest		-	(1,044)	-	-
Interest paid		(17,378)	(20,193)	(801)	(1,419)
Changes in fixed deposits with maturity of more than 3 months	14	(2,580)	(547)	-	-
Net cash used in financing activities		(187,131)	(67,679)	(143,167)	(9,813)

Selangor Properties Berhad
(Incorporated in Malaysia)

Statements of cash flows
For the year ended 31 October 2014 (cont'd.)

	Note	Group 2014 RM'000	Group 2013 RM'000 Restated	Company 2014 RM'000	Company 2013 RM'000
Net increase/(decrease) in cash and cash equivalents		21,432	(43,290)	46,124	11,459
Effects of exchange rate changes		(10,683)	(13,691)	-	-
Cash and cash equivalents at beginning of year		398,250	455,231	17,749	6,290
Cash and cash equivalents at end of year	13	408,999	398,250	63,873	17,749

* The Group has elected to present a statement of cash flows that analyses all cash flows in total - i.e. including both continuing and discontinued operation; amounts related to discontinued operation are disclosed in Note 31.

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

Notes to the financial statements - 31 October 2014

1. Corporate information

The principal activities of the Company are property investment and the provision of related services and investment holding. The principal activities of the subsidiaries are described in Note 7. There have been no significant changes in the nature of these activities during the financial year. Subsequent events involving subsidiaries of the Company are disclosed in Note 39.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The principal place of business of the Company is located at Level 2, Block D, Kompleks Pejabat Damansara, Jalan Dungun, Damansara Heights, 50490 Kuala Lumpur.

The holding and ultimate holding companies of the Company are Kayin Holdings Sdn. Berhad and Kayin (M) Sdn Bhd respectively, both companies are incorporated in Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 26 February 2015.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company comply with the provisions of Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements have been prepared on a historical cost basis unless otherwise disclosed in the respective accounting policies note.

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

2. Significant accounting policies (cont'd.)

2.2 Changes in accounting policies (cont'd.)

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

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

Effective for annual periods beginning on or after 1 January 2013

MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits
MFRS 127	Separate Financial Statements
MFRS 128	Investment in Associates and Joint Ventures
IC Interpretation 20	Stripping costs in the Production Phase of a Surface Mine*
Amendments to MFRS 1	Government Loans*
Amendments to MFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities
Amendments to MFRSs	'Improvements to FRSs (2012)'
Amendments to MFRS 10, MFRS 11 and MFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosures of Interests in Other Entities: Transition Guidance
Amendments to MFRS 101	Presentation of Financial Statement (Improvements to FRSs (2012))
Amendments to MFRS 116	Property, Plant and Equipment (Improvements to FRSs (2012))
Amendments to MFRS 132	Financial Instruments: Presentation (Improvements to FRSs (2012))
Amendments to MFRS 134	Interim Financial Reporting (Improvements to FRSs (2012))
Amendments to IC Interpretation 2	Member's shares in Co-operative Entities and Similar Instruments (Improvements to FRSs (2012))

** not applicable*

2. Significant accounting policies (cont'd.)

2.2 Changes in accounting policies (cont'd.)

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group and the Company except for those discussed below:

MFRS 10 Consolidated financial statements

MFRS 10 replaces the portion of MFRS 127 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. MFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by MFRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in MFRS 127.

The application of MFRS 10 affected the accounting for the Group's equity interest in HELP International Corporation Berhad ("HIC") and its subsidiaries ("HIC Group"), which were previously treated as subsidiaries of the Group. The Group has on 6 January 2014 disposed its entire equity interest in HIC. Accordingly, HIC Group ceased to be subsidiaries of the Group.

MFRS 11 Joint Arrangements

MFRS 11 replaces MFRS 131 Interests in Joint Ventures and IC Interpretation 113 Jointly-controlled Entities – Non-monetary Contributions by Venturers.

The classification of joint arrangements under MFRS 11 is determined based on the rights and obligations of the parties to the joint arrangements by considering the structure, the legal form, the contractual terms agreed by the parties to the arrangement and when relevant, other facts and circumstances. Under MFRS 11, joint arrangements are classified as either joint operations or joint ventures.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

MFRS 11 removes the option to account for jointly controlled entities (“JCE”) using proportionate consolidation. Instead, JCE that meet the definition of a joint venture must be accounted for using the equity method.

As the Group has previously opted for proportionate consolidation of its JCE, the application of MFRS 11 did not affect the Group's accounting policy of using proportionate consolidation method for the Group’s joint operation.

2. Significant accounting policies (cont'd.)

2.2 Changes in accounting policies (cont'd.)

MFRS 12 Disclosure of Interests in Other Entities

MFRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance. As a result of the guidance in MFRS 12, the Group disclosed the proportion of ownership interest in other entities as shown in Notes 7 and 36.

MFRS 13 Fair Value Measurement

MFRS 13 establishes a single source of guidance under MFRS for all fair value measurements. MFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under MFRS when fair value is required or permitted. MFRS 13 defines fair value as an exit price. As a result of the guidance in MFRS 13, the Group re-assessed its policies for measuring fair values, in particular, its valuation inputs such as non-performance risk for fair value measurement of liabilities. MFRS 13 also requires additional disclosures.

Application of MFRS 13 has not materially impacted the fair value measurements of the Group. Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined. Fair value hierarchy is provided in Note 40.

2.3 Standards and interpretations issued but not yet effective

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

Effective for annual periods beginning on or after 1 January 2014

Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10, MFRS 12 and MFRS 127	Investment Entities
MFRS 136	Recoverable Amount Disclosures for Non-Financial Assets (Amendments to FRS 136)
MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting (Amendments to FRS 139)
IC Interpretation 21	Levies

2. Significant accounting policies (cont'd.)

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

Effective for annual periods beginning on or after 1 July 2014

Amendment to MFRS 119	Defined Benefit Plans: Employee Contributions
Amendment to MFRSs	Annual Improvements to FRSs 2010 - 2012 Cycle
Amendment to MFRSs	Annual Improvements to FRSs 2011 - 2013 Cycle

Effective for annual periods beginning on or after 1 January 2016

MFRS 14	Regulatory Deferral Accounts
Amendment to MFRSs	Annual Improvements to FRSs 2012 - 2014 Cycle
Amendments to	
MFRS 11	Accounting for Acquisitions of Interests in Joint Operations
MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
MFRS 116 and MFRS 141	Agriculture: Bearer Plants*
MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
MFRS 127	Equity Method in Separate Financial Statements
MFRS 101	Disclosure Initiatives
MFRS 10, MFRS 12, and MFRS 128	Investment Entities: Applying the Consolidation Exception

Effective for annual financial periods beginning on or after 1 January 2017

MFRS 15	Revenue from Contracts with Customers

Effective for annual financial periods beginning on or after 1 January 2018

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009)
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)
MFRS 9	Financial Instruments (Hedge accounting and amendments to MFRS 9, MFRS 7 and MFRS 139

* *not applicable*

2. Significant accounting policies (cont'd.)

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

The Directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application, except as disclosed below:

MFRS 9: Financial Instruments

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of MFRS 9 will have an effect on the classification and measurement of the Group’s financial assets, but no impact on the classification and measurement of the Group’s financial liabilities.

Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting

These amendments provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measure of hedge effectiveness. Retrospective application is required.

These amendments have no impact on the Group as the Group does not have any derivatives that are subject to novation.

2. Significant accounting policies (cont'd.)

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

MFRS 15: Revenue from Contracts with Customers

MFRS 15 replaces the guidance in MFRS 111 C*onstruction Contracts* , MFRS 118 *Revenue* , IC Interpretation 13 *Customer Loyalty Programmes* , IC Interpretation 15 *Agreements for Construction of Real Estate* , IC Interpretation 18 *Transfers of Assets from Customers* and IC Interpretation 131 *Revenue - Barter Transactions Involving Advertising Services* . Upon adoption of MFRS 15, it is expected that the timing of revenue recognition might be different as compared with the current practices.

The adoption of MFRS 15 may result in changes in accounting policies relating to revenue of the Group. The Group is currently assessing the financial impacts of adopting MFRS 15.

2.4 Summary of significant accounting policies

(a) Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

(b) Basis of consolidation

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

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

The Company controls an investee if and only if the Company has all the following:

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

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(b) Basis of consolidation (cont'd.)

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

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

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

Acquisitions of subsidiaries are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in other comprehensive income. The cost of a business combination is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the business combination. Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statement of financial position. The accounting policy for goodwill is set out in Note 2.4(e)(i). Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition. When the Group acquires a business, embedded derivatives separated from the host contract by the acquiree are reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(c) Transactions with non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in profit or loss of the Group and within equity in the consolidated statements of financial position, separately from parent shareholders' equity. Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners. On acquisition of non-controlling interests, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

(d) Investments in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group as a joint operator recognises in relation to its interest in a joint operation:

(i) its assets, including its share of any assets held jointly;
(ii) its liabilities, including its share of any liabilities incurred jointly;
(iii) its revenue from the sale of its share of the output arising from the joint operation
(iv) its share of the revenue from the sale of the output by the joint operation; and
(v) its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the MFRSs applicable to the particular assets, liabilities, revenues and expenses.

Profits and losses resulting from transactions between the Group and its joint operation are recognised in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the joint operation.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(e) Intangible assets

(i) Goodwill

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

(ii) Computer software

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The useful life of computer software is assessed to be finite. Computer software is amortised on a straight-line basis over 3 years. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(e) Intangible assets (cont'd.)

(ii) Computer software (cont'd.)

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(f) Property, plant and equipment and depreciation

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

Subsequent to recognition, plant and equipment and furniture and fixtures are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Land and building which were first revalued in 1980 have not been revalued since the first revaluation. The Directors have not adopted a policy of regular revaluations of such assets and no later valuation has been recorded. As permitted under the transitional provisions of IAS 16 (Revised): Property, Plant and Equipment, these assets continue to be stated at their 1980 valuation less accumulated depreciation. The revaluation surplus was credited to the revaluation reserve included within equity. Upon disposal or retirement of the asset, any revaluation reserve relating to the particular asset is transferred directly to retained earnings.

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation on assets under construction will commence when the assets are ready for their intended use. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(f) Property, plant and equipment and depreciation (cont'd.)

Building	2%
Plant and equipment	7.5% - 33.3%
Office, computer and teaching equipment	20% - 50%
Renovation, furniture, fittings, motor vehicles and library books	10% - 33.3%

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

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

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

(g) Investment properties

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

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

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(g) Investment properties (cont'd.)

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

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.4(f) up to the date of change in use.

(h) Land held for property development

Land held for development consists of land or such portions thereof on which no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at the lower of cost and net realisable value consistent with the accounting policy for inventories as stated in note 2.4(i).

Cost includes acquisition cost of land and attributable development expenditure. Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Development expenditure includes the cost incurred for development of main infrastructure works.

Land held for development is reclassified as properties under development at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle. Properties under development is, in turn, reclassified as developed properties held for sale upon completion of the development activities.

Properties under development and developed properties held for sale are recognised as inventories in current assets. The accounting policy is described separately in Note 2.4(i).

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost of developed properties held for sale and properties under development consists of costs associated with the acquisition of land, all costs that are directly attributable to development activities, appropriate proportions of common costs attributable to developing the properties, and interest expenses incurred during the period of active development.

Cost of material stores and spares consists of the invoiced value from suppliers and import duty charges and is determined on a weighted average basis.

(j) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset’s recoverable amount.

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

In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

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

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(j) Impairment of non-financial assets (cont'd.)

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

(k) Financial assets

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

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

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

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

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

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(k) Financial assets (cont'd.)

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

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

(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. The Group’s and the Company's loans and receivables include trade receivables, other receivables and cash and bank balances.

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) Available-for-sale financial assets

Available-for-sale are financial assets that are designated as available for sale or are not classified in any of the other financial assets' 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 asset 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 an available-for-sale equity instrument are recognised in profit or loss when the Group and the Company's right to receive payment is established.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(k) Financial assets (cont'd.)

(iii) Available-for-sale financial assets (cont'd.)

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

(l) Impairment of financial assets

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

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

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

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

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(l) Impairment of financial assets (cont'd.)

(i) Trade and other receivables and other financial assets carried at amortised cost (cont'd.)

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

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

(ii) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

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

(m) Cash and cash equivalents

For the purposes of the statements of cash flows, cash and cash equivalents include cash on hand and at bank, deposits with financial institutions with original remaining maturities of less than 3 months and placements with cash management trusts which have an insignificant risk of changes in value. The placements with cash management trusts are viewed as an alternative to short term placements with licensed financial institutions.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(n) 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 MFRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as other financial liabilities.

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

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 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.

(o) Share capital

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

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

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(p) Income tax

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

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

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

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(p) Income tax (cont'd.)

(ii) Deferred tax (cont'd.)

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

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

(q) Leases

(i) As lessee

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

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(q) Leases (cont'd.)

(ii) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.4(u)(ii).

(r) Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

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

(s) Foreign currencies

(i) Functional and presentation currency

The individual 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 consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company’s functional currency.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(s) Foreign currencies (cont'd.)

(ii) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating 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 as 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 on 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 reclassified from equity 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 of 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.

(iii) Foreign operations

The assets and liabilities of foreign operations are translated into Ringgit Malaysia at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(s) Foreign currencies (cont'd.)

(iii) Foreign operations (cont'd.)

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

The principal exchange rates used for every unit of foreign currency ruling at the reporting date are as follows:

	2014 RM	2013 RM
1 Singapore Dollar	2.57	2.55
1 United States Dollar	3.28	3.16
1 Australian Dollar	2.90	3.00
1 Euro	4.14	4.33
100 Japanese Yen	3.00	3.21

(t) Borrowing costs

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

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(u) Revenue recognition

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

(i) Sale of properties

Revenue from sale of properties is recognised in the profit or loss when the significant risks and rewards of ownership of the properties have been transferred to the buyer.

(ii) Rental income

Rental income from investment property is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(iii) Tuition and education fees

Tuition fees are recognised on an accrual basis whereas enrolment, registration, resource and other fees are recognised on a receipt basis.

(iv) Dividend income

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

(v) Interest income

Interest income is recognised on an accrual basis, except to the extent where there are significant uncertainties regarding recovery of the amount, in which case it is recognised upon receipt.

(vi) Investment income

The difference between net disposal proceeds from disposal of other investments and the carrying amount of the investments is recognised in profit or loss.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(v) Cash flow hedge

For the purpose of hedge accounting, hedging relationship is classified as cash flow hedge, when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Cash flow hedges which meet the strict criteria for hedge accounting are accounted for as follows:

- The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income into cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss as other operating expenses.

- Amounts recognised in other comprehensive income previously are reclassified from equity to profit or loss when the hedged transaction affects profit or loss, such as when the hedged interest income or interest expense is recognised or when a forecast sale occurs. Where the hedged item is a non-financial asset or a non-financial liability, the amounts recognised previously in other comprehensive income are removed and included in the initial carrying amount of the non-financial asset or liability. The Group has elected not to apply basis adjustments to hedges of forecast transactions that result in the recognition of a non-financial asset or a non-financial liability.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(v) Cash flow hedge (cont'd.)

- If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in other comprehensive income remain in equity until the forecast transaction or firm commitment affects profit or loss.

The Group uses interest rate swap contracts as hedges of its exposure to interest rate risk in forecasted transactions and firm commitments.

(w) Segment reporting

The Group is organised into operating segments based on geographical areas in which the Group operates. For Malaysian operations, the business is managed by the respective segment managers responsible for the performance of its three core businesses, being:-

1. property investment;
2. property development; and
3. education. (The education segment was disposed of in the current financial year as disclosed in Note 39.)

For overseas operations, the two operating segments are other investment holding and Australian operations.

The segment managers report directly to the Management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 43, including the factors used to identify the reportable segments and the measurement basis of segment information.

(x) Fair value measurements

The Group measures financial instruments, such as, derivatives, and non-financial assets such as investment properties, at fair value at each reporting date. Also, fair values of financial instruments are disclosed in Note 40.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(x) Fair value measurements (cont'd.)

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(x) Fair value measurements (cont'd.)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(y) Non-current assets held for sale

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The criteria for held for sale is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the sale will be withdrawn.

Management must be committed to the sale expected within one year from the date of the classification. Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

A disposal group qualifies as discontinued operation if it is:

- A component of the Group that is a CGU or a group of CGUs;
- Classified as held for sale or distribution or already disposed in such a way; or
- A major line of business or major geographical area.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(z) Discontinued operation

A component of the Group is classified as a “discontinued operation” when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated major line of business or geographical area of operations. A component is deemed to be held for sale if its carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

Upon classification as held for sale, non-current assets and disposal groups are not depreciated and are measured at the lower of carrying amount and fair value less costs to sell. Any differences are recognised in profit or loss.

2.5 Significant accounting judgements and estimates

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

(a) 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 between investment properties and property, plant and equipment

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

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. Judgement is made to determine the apportionment of value between investment property and property, plant and equipment.

2. Significant accounting policies (cont'd.)

2.5 Significant accounting judgements and estimates (cont'd.)

(b) Key sources of estimation uncertainty

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

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and unutilised investment tax allowances to the extent that it is probable that taxable profit will be available against which the tax losses and allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying value of recognised and unrecognised tax losses and allowances of the Group and of the Company are as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Recognised tax losses and allowances	14,532	77,044	-	40
Unrecognised tax losses and allowances	30,268	78,049	2,059	2,059

Investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in the statement of comprehensive income. The investment properties of the Group are held to earn rental income or for capital appreciation or both. Fair value is determined by the Directors with reference to market evidence of transaction prices for similar properties, and valuations performed by registered independent valuers. The fair value is determined primarily using the comparison method of valuation, which entails comparing recorded transactions of similar properties in the vicinity and/or the investment method of valuation, which entails the capitalisation of the net income of the property.

3. Property, plant and equipment

	Long term freehold/ leasehold land and building* RM'000	Plant and equipment RM'000	Office, computer and teaching equipment RM'000	Renovation, furniture, fittings, motor vehicles and library books RM'000	Assets under construction RM'000	Total RM'000
Group						
At 31 October 2014						
Cost						
At 1.11.2013	154,895	49,363	40,400	62,711	35,019	342,388
Additions	-	-	149	726	685	1,560
Disposals	-	-	-	(192)	-	(192)
Disposal of subsidiaries (Note 31)	(154,895)	(5,334)	(39,243)	(55,862)	(35,019)	(290,353)
At 31.10.2014	-	44,029	1,306	7,383	685	53,403
Accumulated depreciation						
At 1.11.2013	10,998	48,437	33,210	45,334	-	137,979
Charge for the year (Note 26)	-	172	22	294	-	488
Disposals	-	-	-	(144)	-	(144)
Disposal of subsidiaries (Note 31)	(10,998)	(5,334)	(32,056)	(39,352)	-	(87,740)
At 31.10.2014	-	43,275	1,176	6,132	-	50,583
Net carrying amount	-	754	130	1,251	685	2,820

3. Property, plant and equipment (cont'd.)

	Long term freehold/ leasehold land and building* RM'000	Plant and equipment RM'000	Office, computer and teaching equipment RM'000	Renovation, furniture, fittings, motor vehicles and library books RM'000	Assets under construction RM'000	Total RM'000
Group						
At 31 October 2013						
Cost						
At 1.11.2012	154,895	48,965	36,481	57,993	11,414	309,748
Additions	-	398	3,945	1,924	27,096	33,363
Disposals	-	-	-	(134)	-	(134)
Write off	-	-	(26)	-	(20)	(46)
Reclassified to library books	-	-	-	2,928	(2,928)	-
Reclassified to intangible assets (Note 6)	-	-	-	-	(543)	(543)
At 31.10.2013	154,895	49,363	40,400	62,711	35,019	342,388
Accumulated depreciation						
At 1.11.2012	9,209	48,263	27,753	43,052	-	128,277
Charge for the year (Note 26)	1,789	174	5,468	2,400	-	9,831
Disposals	-	-	-	(118)	-	(118)
Write off	-	-	(11)	-	-	(11)
At 31.10.2013	10,998	48,437	33,210	45,334	-	137,979
Net carrying amount	143,897	926	7,190	17,377	35,019	204,409

3. Property, plant and equipment (cont'd.)

* Land and building of the Group:

	Long term freehold land RM'000	Long term leasehold land RM'000	Building RM'000	Total RM'000
Group				
At 31 October 2014				
Cost				
At 1.11.2013	67,141	23,201	64,553	154,895
Disposal of a subsidiary	(67,141)	(23,201)	(64,553)	(154,895)
At 31.10.2014	-	-	-	-
Accumulated depreciation				
At 1.11.2013	-	820	10,178	10,998
Disposal of a subsidiary	-	(820)	(10,178)	(10,998)
At 31.10.2014	-	-	-	-
Net carrying amount	-	-	-	-
At 31 October 2013				
Cost				
At 1.11.2012/31.10.2013	67,141	23,201	64,553	154,895
Accumulated depreciation				
At 1.11.2012	-	585	8,624	9,209
Charge for the year	-	235	1,554	1,789
At 31.10.2013	-	820	10,178	10,998
Net carrying amount	67,141	22,381	54,375	143,897

3. Property, plant and equipment (cont'd.)

	Plant and equipment RM'000	Furniture, fittings and computers RM'000	Motor vehicles RM'000	Total RM'000
Company				
At 31 October 2014				
Cost				
At 1.11.2013	1,967	1,416	341	3,724
Addition	-	-	253	253
At 31.10.2014	1,967	1,416	594	3,977
Accumulated depreciation				
At 1.11.2013	1,957	1,398	341	3,696
Charge for the year (Note 26)	-	11	25	36
At 31.10.2014	1,957	1,409	366	3,732
Net carrying amount	10	7	228	245
At 31 October 2013				
Cost				
At 1.11.2012	1,967	1,416	395	3,778
Disposal	-	-	(54)	(54)
At 31.10.2013	1,967	1,416	341	3,724
Accumulated depreciation				
At 1.11.2012	1,944	1,387	395	3,726
Charge for the year (Note 24)	13	11	-	24
Disposal	-	-	(54)	(54)
At 31.10.2013	1,957	1,398	341	3,696
Net carrying amount	10	18	-	28

4. Land held for property development

	Freehold land RM'000	Long term leasehold land RM'000	Development expenditure RM'000	Total RM'000
Group				
Cost				
At 31 October 2014:				
At 1.11.2013	338,308	13,873	81,452	433,633
Additions	-	-	8,163	8,163
Reclasified to non-current assets held for sale (Note 15)	(46,283)	-	(3,968)	(50,251)
Carrying amount at 31.10.2014	292,025	13,873	85,647	391,545
At 31 October 2013:				
At 1.11.2012	338,308	13,873	80,029	432,210
Additions	-	-	1,423	1,423
Carrying amount at 31.10.2013	338,308	13,873	81,452	433,633

5. Investment properties

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
At beginning of the financial year	1,032,762	998,502	26,296	25,620
Fair value adjustment (Note 26)	31,516	59,940	3,044	676
Additions	27,912	459	1,128	-
Asset work-in-progress	201	-	-	-
Foreign exchange differences	46,012	(26,139)	-	-
At end of the financial year	1,138,403	1,032,762	30,468	26,296

Investment properties of the Group with carrying value of RM822,080,000 (2013: RM844,329,000) are pledged to financial institutions for a revolving credit and foreign currency term loan granted as referred to in Note 18.

5. Investment properties (cont'd.)

Investment properties were revalued by VPC Alliance (KL) Sdn Bhd, a registered member of the Board of International Property Consultants, Valuers & Estate Agents. Valuations were made on 31 October 2014 based on open market values of the subject property, free from all encumbrances and with vacant possession.

Description of the valuation techniques used and the key inputs on valuations of investment properties are described below:

Properties	Valuation technique	Significant observable inputs
Investment properties	Comparison Method of Valuation	Selling price per square foot ("psf") of comparable investment properties sold adjusted for location, quality and finishes of the building, design and size of the building, title conditions, market trends and time factor.
	Investment Method of Valuation	Capitalisation of the net income of the investment properties i.e. the gross market rental less current maintenance expenses and outgoings.

6. Intangible assets

	Goodwill RM'000	Software RM'000	Total RM'000
Group			
31 October 2014			
Cost			
At 1.11.2013	4,324	6,918	11,242
Disposal of subsidiaries (Note 31)	(4,324)	(6,918)	(11,242)
At 31.10.2014	-	-	-
Accumulated amortisation and impairment			
At 1.11.2013	77	5,130	5,207
Disposal of subsidiaries (Note 31)	(77)	(5,130)	(5,207)
At 31.10.2014	-	-	-
Net carrying amount	-	-	-
31 October 2013			
Cost			
At 1.11.2012	4,324	6,157	10,481
Additions	-	218	218
Reclassified from property, plant and equipment (Note 3)	-	543	543
At 31.10.2013	4,324	6,918	11,242
Accumulated amortisation and impairment			
At 1.11.2012	77	4,152	4,229
Amortisation (Note 26)	-	978	978
At 31.10.2013	77	5,130	5,207
Net carrying amount	4,247	1,788	6,035

6. Intangible assets (cont'd.)

Impairment test for goodwill

In previous years, goodwill was allocated to the education segment of the Group that operates in Malaysia and which was listed on the Main Market of Bursa Malaysia Securities Berhad up to 17 February 2014 when it was delisted. The recoverable amount of the CGU was based on fair value less costs to sell and was determined based on the market value of the shares held by the Group.

The Company has disposed of its entire interest in the said education segment, held via HELP International Corporation Berhad and its subsidiaries ("HIC Group") on 6 January 2014, recognising a gain on disposal for the Group of RM132,672,000 as further disclosed in Notes 7, 26, 31 and 39.

7. Investments in subsidiaries

	Company	
	2014 RM'000	2013 RM'000
Quoted shares at cost		
At beginning of the financial year	2,624	2,624
Disposal of subsidiaries (Note 31)	(2,624)	-
At end of the financial year	-	2,624
Unquoted shares at cost		
At beginning of the financial year	886,205	901,568
Additions	56,699	-
Return on capital	-	(15,363)
At end of the financial year	942,904	886,205
Total Investment in subsidiaries	942,904	888,829
Market value of quoted shares	-	128,221

7. Investments in subsidiaries (cont'd.)

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2014 %	2013 %
Held by the Company:				
Bungsar Hill Holdings Sdn. Bhd.	Malaysia	Property investment and investment holding	100	100
Chong Chook Yew Sdn. Berhad	Malaysia	Property investment and investment holding	100	100
Friendly Target Sdn. Bhd.	Malaysia	Investment holding	100	100
Keruan Jaya Sdn. Bhd.	Malaysia	Property development	100	100
Sabaran (Malaysia) Sdn. Bhd.	Malaysia	Property development	100	100
Sagu Mestika Sdn. Bhd.	Malaysia	Investment holding	100	100
T.K. Wen & Company Sdn. Berhad	Malaysia	Property investment	100	100
Wenworth Hotel (K.L.) Sdn. Bhd.	Malaysia	Property investment	100	100
Wenworth Hotel Sdn. Bhd.	Malaysia	Dormant	100	100
Yondbe Corporation Sdn. Bhd.	Malaysia	Advertising, interviewing and recruiting of new employees	100	100

7. Investments in subsidiaries (cont'd.)

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2014 %	2013 %
Held through subsidiaries:				
Affluent Achievers Sdn. Bhd.	Malaysia	Property development	100	100
Damansara Developments Sdn. Berhad	Malaysia	Property investment	100	100
Editry Sdn. Bhd.	Malaysia	Dormant	59	59
Jupiter Midas Sdn. Bhd.	Malaysia	Under member's voluntary liquidation	100	100
Oriland Sdn. Bhd.	Malaysia	Property investment	100	100
Orisix Sdn. Bhd.	Malaysia	Property investment	100	100
Oriseven Sdn. Bhd.	Malaysia	Property investment	100	100
Orieight Sdn. Bhd.	Malaysia	Property investment	100	100
Orinine Sdn. Bhd.	Malaysia	Property investment	100	100
Pillargraf Sdn. Bhd.	Malaysia	Property development	100	100
Puncak Madu Sdn. Bhd.	Malaysia	Property development	100	100
Pusat Bandar Damansara Sdn. Bhd.	Malaysia	Property investment	100	100
Selayang Mulia Sdn. Bhd.	Malaysia	Property development	100	100
Allied Provincial Investments Inc.	The British Virgin Islands	Investment holding	100	100

7. Investments in subsidiaries (cont'd.)

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2014 %	2013 %
Held through subsidiaries (cont'd.):				
Allied Provincial Invest Ltd.	The British Virgin Islands	Investment holding	100	100
SPB International Holdings Ltd.	The British Virgin Islands	Investment holding	100	100
SPB (Australia) Pty. Ltd.*	Australia	Investment holding	100	100
SPB Development Pty. Ltd.*	Australia	Investment holding	100	100
SPB Investments (Australia) Pty. Ltd.*	Australia	Investment holding	100	100
Subsidiaries disposed on 6 January 2014^^				
HELP International Corporation Berhad ("HIC") ^^	Malaysia	Investment holding	-	51
ELM Institute of Higher Education Pty. Ltd.^ ^^	Australia	Providing higher education and training programmes and for related education delivery services	-	51
HELP Academy Sdn. Bhd. ^^	Malaysia	Providing higher learning courses, educational and other learning facilities through its own centre and in twinning with other educational institutions	-	51
HELP College of Arts and Technology Sdn. Bhd.** ^^	Malaysia	Carrying on business of a commercial college for higher education	-	51

7. Investments in subsidiaries (cont'd.)

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2014 %	2013 %
Subsidiaries disposed on 6 January 2014^^ (cont'd.)				
HELP Education Services Sdn. Bhd.** ^^	Malaysia	Providing educational services and activities at primary, secondary, pre-university and matriculation levels	-	51
HELP Executive Advanced Training Sdn. Bhd. ^^	Malaysia	Providing professional and executive education and training	-	51
HELP M&E Sdn. Bhd. ^^	Malaysia	Providing pre-university courses/services and distribution for education products and services	-	51
HELP Training Centre Sdn. Bhd. ^^	Malaysia	Providing educational and other learning facilities through its own centre and in twinning with other educational institutions and provisions of hostel services	-	51
HELP University Sdn. Bhd. ^^	Malaysia	Providing university focused education for a wide range of pre-university undergraduate and post graduate degree programmes	-	51

* Audited by affiliates of Ernst & Young.

** Audited by a firm of chartered accountants other than Ernst & Young

^ The subsidiary company has not commenced operations as at 31 October 2013.

^^ The Company had on 6 January 2014 disposed of its entire equity interest in HELP International Corporation Berhad ("HIC") and its subsidiaries ("HIC Group") comprising 72,441,222 ordinary shares which represented 51% of the issued and paid-up share capital of HIC for a cash consideration of RM183,276,292. Accordingly, the HIC Group ceased to be subsidiaries of the Group.

8. Financial assets available for sale

	Group	
	2014	2013
	RM'000	RM'000
Investment in unquoted shares outside Malaysia, at cost	8,929	250

During the year, the Group purchased 3,000,000 of AUD1.00 ordinary shares in Qube Piara Waters Limited (interest of 11.7%) amounting to AUD3,000,000 or RM8,688,000 equivalent.

9. Inventories

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
At cost:				
Developed properties held for sale	7,961	14,109	-	-
Properties under development	16,118	13,703	16,118	11,133
Land under development	30,400	32,132	30,400	30,400
	54,479	59,944	46,518	41,533
At net realisable value:				
Developed properties held for sale	2,130	3,174	-	-
	56,609	63,118	46,518	41,533

Cost of inventories recognised as an expense during the financial year amounted to RM9,541,000 (2013: RM13,715,000).

10. Trade receivables

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Trade receivables	1,257	2,374	125	444
Fees receivable	-	6,343	-	-
	1,257	8,717	125	444
Less: Allowance for impairment	-	(209)	-	-
Trade receivables, net	1,257	8,508	125	444

10. Trade receivables (cont'd.)

The Group's normal trade credit term ranges from 1 to 60 days (2013: 1 to 60 days). Other credit terms are assessed and approved on a case-by-case basis.

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

Ageing analysis of trade receivables

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

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Neither past due nor impaired	395	6,735	33	375
1 to 30 days past due but not impaired	264	700	29	42
31 to 60 days past due but not impaired	76	435	20	6
61 to 90 days past due but not impaired	16	166	15	-
91 to 120 days past due but not impaired	17	34	7	-
More than 91 days past due not impaired	489	438	21	21
	862	1,773	92	69
Impaired	-	209	-	-
	1,257	8,717	125	444

Receivables that are neither past due nor impaired

Receivables that are neither past due nor impaired are creditworthy debtors with good payment records.

Receivables that are past due but not impaired

The Group's trade receivables that are past due but not impaired are unsecured.

10. Trade receivables (cont'd.)

Receivables that are impaired

The trade receivables of the Group that are individually impaired at the reporting date and the movement of the allowance accounts are as follows:

	2014 RM'000	2013 RM'000
Trade receivables	-	209
Less: Allowance for impairment losses	-	(209)
	-	-
Movement in allowance accounts:		
At 1 November	209	465
Reversal of allowance for impairment (Note 26)	-	(256)
Disposal of subsidiaries	(209)	-
At 31 October	-	209

There is no impairment loss arising from receivables that have been collectively assessed for impairment.

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

11. Other receivables

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Current				
Due from subsidiaries	-	-	43,519	75,102
Deposits	1,884	4,968	194	194
Prepayments	531	5,160	-	-
Sundry receivables	10,284	7,769	133	163
	12,699	17,897	43,846	75,459
Less: Allowance for impairment	-	(2,764)	-	-
	12,699	15,133	43,846	75,459
Non-current				
Sundry receivable	16,067	17,030	-	-

11. Other receivables (cont'd.)

The amounts due from subsidiaries are unsecured, repayable on demand and non-interest bearing, except for:

- amounts due from subsidiaries of RM23,211 and RM2,607,824 (2013: RM47,371,611 and RM1,847,976) that bear fixed rate interest of 3.25% and 4.00% (2013: 3.25% and 4.00%) per annum respectively.

- amount due from a subsidiary of RM35,845,994 (2013: RM23,893,217) that bears interest of 3% (2013: 4.12% to 4.16%) per annum.

Current sundry receivables of the Group includes the retention sum amounting to RM9,000,000 (being 2% of the sale price of land held for property development amounting to RM450,000,000) held by the solicitor and which has been apportioned based on size of land area (square meters) owned by the affected subsidiaries respectively, as disclosed in Notes 15 and 39.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors other than as discussed below:

- Non-current sundry receivable of the Group in the current and previous financial years relates to a mezzanine loan advanced to a third party for a development project of AUD5,548,166 (2013: AUD5,678,532) or RM16,067,488 (2013: RM17,029,917) equivalent. The receivable is neither past due nor impaired.

<u>Ageing analysis of sundry receivables</u>

The ageing analysis of the Group and Company's current other receivables (excluding deposits, prepayments and retention sum) is as follows:

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Neither past due nor impaired	1,152	4,412	43,519	75,102
1 to 30 days past due but not impaired	-	21	-	-
31 to 60 days past due but not impaired	-	5	-	-
61 to 90 days past due but not impaired	-	-	-	-
91 to 120 days past due but not impaired	132	404	-	-
More than 121 days past due not impaired	-	163	133	163
	132	593	133	163
Impaired	-	2,764	-	-
	1,284	7,769	43,652	75,265

11. Other receivables (cont'd.)

Receivables that are neither past due nor impaired

Other receivables (excluding deposits, prepayments and retention sum) that are neither past due nor impaired are creditworthy debtors with good payment records.

Receivables that are past due but not impaired

The Group's other receivables (excluding deposits, prepayments and retention sum) that are past due but not impaired are unsecured.

Receivables that are impaired

The other receivables (excluding deposits and prepayments) of the Group that are individually impaired at the reporting date and the movement of the allowance accounts are as follows:

	2014 RM'000	2013 RM'000
Other receivables	-	2,764
Less: Allowance for impairment losses	-	(2,764)
	-	-
Movement in allowance accounts:		
At beginning of the financial year	2,764	2,546
Reversal of allowance for impairment (Note 26)	(2,546)	218
Disposal of subsidiaries	(218)	-
At end of the financial year	-	2,764

There is no impairment loss arising from receivables that have been collectively assessed for impairment.

Other receivables (excluding deposits and prepayments) that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

12. Financial assets at fair value through profit or loss

	Group 2014 RM'000	Group 2013 RM'000
Investments outside Malaysia, at fair value		
Equity funds and real estate funds	16,668	16,279
Hedge funds	2,115	1,979
Fixed income investments/funds	237,384	230,227
Other unquoted investment funds	87,238	81,104
	343,405	329,589

	Group 2014 RM'000	Group 2013 RM'000
Net gain on financial assets at FVTPL comprised:		
Realised gain on disposals (Note 25)	2,112	1,638
Unrealised changes in fair value (Note 26)	2,174	3,387
	4,286	5,025

13. Cash and cash equivalents

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Cash on hand and at banks	160,218	125,916	404	477
Deposits (maturity < 3 months) with:				
- local licensed banks	5,062	-	-	-
- foreign licensed banks	175,661	254,515	-	-
Placements with cash management trusts	68,058	17,819	63,469	17,272
	408,999	398,250	63,873	17,749

Included in cash at banks of the Group is an amount of RM1,233,059 (2013: RM617,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 which is restricted from use in other operations.

Deposits with licensed financial institutions have maturity period of on average one day (2013: one day) and bear interest of 0.37% (2013: 0.37%) per annum.

Placement with cash management trusts are short term money market funds which generates monthly interest income. The fund has no maturity period and can be withdrawn at any time.

Cash and cash equivalents are placed with reputable financial institutions with sound ratings.

14. Short term deposits

	Group 2014 RM'000	Group 2013 RM'000
Short term deposits:		
- foreign licensed banks	567	547
- other financial institutions	2,560	-
	3,127	547

Short term deposits have maturity periods of one year or less and bear interests of 0.14% to 3.25% (2013: 3.10%) per annum.

15. Non-current assets held for sale

	Group 2014 RM'000	Group 2013 RM'000
Carrying value of assets held for sale previously classified under land held for property development (Note 4)	50,251	-

The Company has entered into a sale and purchase agreement ("SPA") with a third-party, on 30 September 2014 to dispose of a parcel of land and the transaction is expected to be completed during the financial year 2015 upon the fulfillment of certain conditions precedent in the agreement.

16. Share capital

	Number of ordinary shares of RM1 each 2014 '000	2013 '000	Amount 2014 RM'000	2013 RM'000
At the beginning/end of year				
Authorised	1,000,000	1,000,000	1,000,000	1,000,000
Issued and fully paid	343,617	343,617	343,617	343,617

17. Retained earnings

The Company may distribute dividends out of its entire retained earnings under the single tier system.

18. Borrowings, secured

	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Short term				
Revolving credits	11,026	50,307	11,026	50,307
Foreign currency term loan	234,576	-	-	-
	245,602	50,307	11,026	50,307
Long term				
Revolving credits	-	25,000	-	-
Foreign currency term loan	-	242,919	-	-
	-	267,919	-	-
Total borrowings				
Revolving credits	11,026	75,307	11,026	50,307
Foreign currency term loan	234,576	242,919	-	-
	245,602	318,226	11,026	50,307
Maturity of borrowings:				
Within one year	245,602	50,307	11,026	50,307
More than 1 year but not more than 2 years	-	267,919	-	-
	245,602	318,226	11,026	50,307

The weighted average effective interest rates (% per annum) of borrowings at the reporting date were as follows:

	Group 2014	Group 2013	Company 2014	Company 2013
Revolving credits	4.08	4.15	4.08	4.16
Foreign currency term loan	3.74	5.72	-	-

Revolving credits of the Company

The revolving credits of the Company bear interest of 3.84% to 4.31% (2013: 4.12% to 4.20%) per annum and are secured by a negative pledge over the Company's assets both present and future in the form and substance acceptable to the financial institutions.

18. Borrowings, secured (cont'd.)

Revolving credit of a subsidiary

The revolving credit of Oriland Sdn. Bhd. ("Oriland"), a wholly owned subsidiary of the Group, bore interest of 4.14% to 4.15% (2013: 4.12% to 4.16%) per annum during the year and was secured by:

(a) A first legal charge over investment properties of the subsidiary as disclosed in Note 5;

(b) A letter of negative pledge from Oriland;

(c) Letter of comfort from the Company; and

(d) A deposit of a 'Third Party' Lien Holder's Caveat over the investment property of Oriland; in the name of Bungsar Hill Holdings Sdn. Bhd. ("BHH"), as BHH is the registered owner of the investment property. BHH is a wholly owned subsidiary of the Company.

During the financial year, Oriland repaid all outstanding amounts under the facility and the securities for the facility will be discharged in due course.

Foreign currency term loan of a subsidiary

Since 28 February 2012, this loan has been refinanced into three years term loan provided by foreign financial institutions, and will mature on 28 February 2015. This facility bears interest of 2.7% to 4.78% (2013: 5.58% to 6.61%) and were secured by investment properties of the Group (Note 5).

19. Hedging activity and hedging reserve

(a) Hedging activity - interest rate swap

	Group 2014			Group 2013		
	Nominal amount RM'000	Fair value RM'000	Fair value gain RM'000	Nominal amount RM'000	Fair value RM'000	Fair value gain RM'000
Cash flow hedge	144,800	(781)	316	149,950	(1,232)	1,249

19. Hedging activity and hedging reserve (cont'd.)

(a) Hedging activity (cont'd.)

At 31 October 2014, the Group had an interest rate swap agreement in place with a nominal amount of AUD50,000,000 (approximately RM144,800,000) (2013: AUD50,000,000, approximately RM149,950,000) whereby the Group pays interest rates of 3.11% - 4.25% (2013: 4.25% - 4.6%) per annum and receives a variable rate equal to the average bank bill swap bid rate ("BBSY") per annum on the notional amount.

The interest rate swap is being used to hedge the exposure to changes in cash flow of its floating rate secured term loan amounting to AUD81,000,000 approximately RM234,576,000 (2013: AUD81,000,000, approximately RM242,919,000) as disclosed in Note 18. The management considers the interest rate swap as an effective hedging instrument as the secured loan and the swap have identical critical terms.

The increase in fair value of the interest rate swap of RM315,727 (2013: RM1,248,571) has been recognised in other comprehensive income as net gain on cash flow hedge to reflect the movement in hedging reserve amounting to RM546,872 (2013: RM862,599). The amounts retained in other comprehensive income for the year ended 31 October 2014 will mature on 27 February 2015, i.e. similar to the maturity date of the foreign currency term loan of a subsidiary, and will affect the profit or loss in financial year 2015.

(b) Hedging reserve

The cash flow hedge reserve represents the effective portion of the cash flow hedge relationships incurred as at the reporting date.

20. Trade payables

	Group	
	2014	**2013**
	RM'000	**RM'000**
Trade payables	122	74
Fees received in advance	-	26,926
	122	27,000

The normal trade credit terms granted to the Group range from 1 to 60 days (2013: 1 to 60 days).

21. Other payables

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Current				
Due to subsidiaries	-	-	49,734	22,276
Other non-financial liabilities	-	183	-	-
Subsidy for low cost project	1,470	1,470	-	-
Provisions	3,437	5,620	-	-
Refundable deposits	807	7,330	373	-
Tenants' deposits	9,710	10,568	1,902	2,280
10% deposit on sale of land	45,000	-	-	-
Accruals	5,102	14,704	445	434
Sundry payables	3,798	22,531	-	-
	69,324	62,406	52,454	24,990

Accruals and sundry payables are unsecured, non-interest bearing and normally settled on an average term of two months (2013: average term of two months).

The amount due to subsidiaries is unsecured, non-interest bearing and repayable on demand.

The 10% earnest deposit on sale of land was received pursuant to the SPA entered into with a third-party, as disclosed in Notes 15 and 39.

22. Deferred taxation

	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
At beginning of the financial year	77,189	60,009	(23)	(57)
Recognised in profit or loss (Note 30)	9,695	18,760	152	34
Disposal of subsidiaries (Note 31)	(6,351)	-	-	-
Exchange differences	(1,518)	(1,580)	-	-
At end of the financial year	79,015	77,189	129	(23)

Presented after appropriate offsetting as follows:

	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Deferred tax assets	(25,396)	(26,680)	(67)	(67)
Deferred tax liabilities	104,411	103,869	196	44
At 31 October	79,015	77,189	129	(23)

The components and movements of deferred tax liabilities and assets during the financial year are as follows:

Deferred tax liabilities of the Group:

	Property development RM'000	Property, plant and equipment RM'000	Business combination RM'000	Investment properties RM'000	Total RM'000
At 1.11.2013	-	9,085	7,586	87,198	103,869
Recognised in profit or loss	1,103	(946)	-	11,442	11,599
Disposal of subsidiaries	-	(8,000)	-	(867)	(8,867)
Exchange differences	-	-	-	(2,190)	(2,190)
At 31.10.2014	1,103	139	7,586	95,583	104,411

22. Deferred taxation (cont'd.)

Deferred tax liabilities of the Group (cont'd.):

	Property development RM'000	Property, plant and equipment RM'000	Business combination RM'000	Investment properties RM'000	Total RM'000
At 1.11.2012	-	8,255	7,601	74,507	90,363
Recognised in profit or loss	-	830	(15)	14,493	15,308
Exchange differences	-	-	-	(1,802)	(1,802)
At 31.10.2013	-	9,085	7,586	87,198	103,869

Deferred tax assets of the Group:

	Property development costs RM'000	Unused tax losses and unabsorbed capital allowances RM'000	Others RM'000	Total RM'000
At 1.11.2013	(7,308)	(19,261)	(111)	(26,680)
Recognised in profit or loss	7,308	(8,249)	(963)	(1,904)
Disposal of subsidiaries	-	2,423	93	2,516
Exchange differences	-	510	162	672
At 31.10.2014	-	(24,577)	(819)	(25,396)
At 1.11.2012	(7,340)	(22,914)	(100)	(30,354)
Recognised in profit or loss	32	3,653	(11)	3,674
At 31.10.2013	(7,308)	(19,261)	(111)	(26,680)

22. Deferred taxation (cont'd.)

Deferred tax (assets)/liability of the Company:

	Investment property RM'000	Provision RM'000	Unused tax losses and unabsorbed capital allowances RM'000	Property, plant and equipment RM'000	Total RM'000
At 1.11.2013	34	(57)	(10)	10	(23)
Recognised in profit or loss	152	-	-	-	152
At 31.10.2014	186	(57)	(10)	10	129
At 1.11.2012	-	(57)	(10)	10	(57)
Recognised in profit or loss	34	-	-	-	34
At 31.10.2013	34	(57)	(10)	10	(23)

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

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Unused tax losses	19,164	53,077	-	-
Unabsorbed capital allowances	3,436	17,304	2,059	2,059
Unutilised investment tax allowances	7,668	7,668	-	-
	30,268	78,049	2,059	2,059

The unused tax losses of the Group amounting to RM19,164,000 (2013: RM53,077,000) are available indefinitely for offsetting against future taxable profits of the respective entities within the Group, subject to no substantial change in shareholdings of those entities under the Income Tax Act, 1967 and guidelines issued by the tax authority.

Deferred tax assets of the Group have not been recognised in respect of unutilised investment tax allowances amounting to RM7,668,000 (2013: RM7,668,000). This incentive is in respect of Wenworth Hotel (K.L.) Sdn. Bhd.'s business as a hotelier which has temporarily ceased in year of assessment 2001 and may not be used to offset taxable profits arising from other businesses.

Deferred tax assets of the Group and of the Company have not been recognised in respect of unabsorbed capital allowances amounting to RM1,370,000 (2013: RM1,370,000) as they arose from the leasing business and may not be used to offset taxable profits arising from other businesses.

22. Deferred taxation (cont'd.)

The balance of the unabsorbed capital allowances of the Group and of the Company amounting to RM2,066,000 (2013: RM15,934,000) and RM689,000 (2013: RM689,000) respectively are available for offsetting against future taxable profits subject to no substantial change in shareholdings under the Income Tax Act, 1967 and guidelines issued by the tax authority.

23. Revenue

	Group		Company	
	2014 RM'000	2013 RM'000 Restated	2014 RM'000	2013 RM'000
Rental income	80,306	89,664	306	342
Interest income from deposits	4,582	6,785	-	-
Proceeds from sale of development properties	9,619	16,085	-	-
Dividend income				
- shares quoted outside Malaysia	6,478	3,148	-	-
- subsidiaries	-	-	13,100	20,609
	100,985	115,682	13,406	20,951

24. Cost of sales

Cost of sales relates to cost of inventories sold amounting to RM9,541,000 (2013: RM13,715,000) (Note 9).

25. Gain from disposal of investments

Gain from disposal of investments of the Group relate to realised gain on disposal of FVTPL financial assets as also disclosed in Note 12.

26. Operating profit

The following amounts have been charged/(credited) in arriving at the operating profit:

	Group		Company	
	2014 RM'000	2013 RM'000 Restated	2014 RM'000	2013 RM'000
Staff costs (Note 27)	7,582	5,807	4,606	3,992
Non-executive Directors' remuneration (Note 28)	218	167	218	167
Auditors' remuneration - parent auditors				
- current year	179	168	47	114
- other services current year	35	6	35	45
- other services underprovision prior year	52	-		
Auditors' remuneration - affiliates of parent auditors	-	35	-	-
Amortisation of intangible assets (Note 6)	-	-	-	-
Depreciation (Note 3)	488	903	36	24
Net reversal for impairment of				
- trade receivables (Note 10)	-	(256)	-	-
- other receivables (Note 11)	(2,546)	-	-	-
Unrealised changes in fair value of FVTPL financial assets (Note 12)	2,174	(3,387)	-	-
Foreign exchange loss, net				
- Unrealised	(117)	(3,244)	-	-
Interest income from				
- third parties	(6,934)	(11,086)	(2,092)	(109)
- subsidiaries	-	-	(1,539)	(2,653)
Gain on return of capital	-	-	-	(5,387)
Fair value gain of investment properties (Note 5)	(31,516)	(59,940)	(3,044)	(676)
Direct operating expenses of investment properties that are revenue generating during the year	15,344	22,661	882	462
Gain on disposal of property, plant & equipment	(32)	(24)	-	(5)
Gain on disposal of subsidiaries (Note 31)	(132,672)	-	(180,652)	-

27. Staff costs

	Group 2014 RM'000	Group 2013 RM'000 Restated	Company 2014 RM'000	Company 2013 RM'000
Wages and salaries	6,304	5,084	3,594	3,472
Employees Provident Fund	1,226	633	970	457
Social security costs	24	22	14	14
Other staff related expenses	28	68	28	49
	7,582	5,807	4,606	3,992

Included in staff costs of the Group and of the Company are executive Directors' remuneration amounting to RM2,020,000 (2013: RM1,696,000) and RM1,578,000 (2013: RM1,234,000) respectively as further disclosed in Note 28.

28. Directors' remuneration

The details of remuneration receivable by Directors of the Company and its subsidiaries during the year are as follows:

	Group 2014 RM'000	Group 2013 RM'000 Restated	Company 2014 RM'000	Company 2013 RM'000
Executive Directors' remuneration:				
Fees	454	474	12	12
Other emoluments	1,566	1,222	1,566	1,222
	2,020	1,696	1,578	1,234
Non-executive Directors' remuneration (Note 26):				
Fees	176	125	176	125
Other emoluments	42	42	42	42
	218	167	218	167
Total Directors' remuneration	2,238	1,863	1,796	1,401
Estimated money value of benefits-in-kind	5	5	5	5
Total Directors' remuneration including benefits-in-kind	2,243	1,868	1,801	1,406

28. Directors' remuneration (cont'd.)

The details of remuneration receivable by Directors of the Company during the year are as follows:

	Group		Company	
	2014 RM'000	2013 RM'000 Restated	2014 RM'000	2013 RM'000
Executive:				
Salaries and other emoluments	1,066	875	1,066	875
Fees	454	474	12	12
Bonus	239	143	239	143
Employees Provident Fund	261	204	261	204
Estimated money value of benefit-in-kind	5	5	5	5
	2,025	1,701	1,583	1,239
Non-executive:				
Fees	176	125	176	125
Other emoluments	42	42	42	42
	2,243	1,868	1,801	1,406

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

	Number of Directors	
	2014	2013
Executive Directors:		
Below RM50,000	1	1
RM1,700,001 - RM1,750,000	-	1
RM2,050,001 - RM2,100,000	1	-
Non-executive Directors:		
RM50,001 - RM100,000	3	3

29. Finance costs

	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Interest expense on bank borrowings	14,033	18,439	801	1,445

30. Income tax expense

	Group 2014 RM'000	Group 2013 RM'000 Restated	Company 2014 RM'000	Company 2013 RM'000
Malaysian income tax:				
Tax expense for the year	6,856	7,100	449	2,037
Over provided in prior years	(182)	(286)	(34)	(27)
	6,674	6,814	415	2,010
Deferred tax:				
Relating to origination and reversal of temporary differences	9,596	18,760	152	-
Under provided in prior years	99	-	-	34
	9,695	18,760	152	34
	16,369	25,574	567	2,044

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2013: 25%) of the estimated assessable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. Foreign income tax for subsidiaries incorporated in Australia is calculated at the Australian statutory tax rate of 30% (2013: 30%). Income derived from subsidiaries incorporated in the British Virgin Islands are not taxable.

30. Income tax expense (cont'd.)

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

	2014 RM'000	2013 RM'000 Restated
Group		
Profit before tax	214,949	111,689
Tax at Malaysian statutory tax rate of 25% (2013: 25%)	53,737	27,922
Effects of different tax rates in other countries	58	1,433
Effect of reintroduction of RPGT (5%)	37	-
Effect of income not subject to tax	(50,470)	(5,282)
Effect of expenses not deductible for tax purposes	13,522	3,041
Utilisation of previously unrecognised tax losses	(803)	(2,072)
Deferred tax assets not recognised in respect of unused tax losses and unabsorbed capital allowance	371	818
Under provision of deferred tax in prior years	99	-
Over provision of tax expense in prior years	(182)	(286)
Tax expense for the year	16,369	25,574
Company		
Profit before tax	192,174	22,354
Tax at Malaysian statutory tax rate of 25% (2013: 25%)	48,044	5,588
Effect of reintroduction of RPGT (5%)	(609)	-
Effect of income not subject to tax	(48,529)	(4,323)
Effect of expenses not deductible for tax purposes	1,689	775
Deferred tax assets not recognised in respect of unused tax losses and unabsorbed capital allowance	6	(3)
Under provision of deferred tax in prior years	-	34
Over provision of tax expense in prior years	(34)	(27)
Tax expense for the year	567	2,044

The Groups' tax savings during the year arising from utilisation of previously unrecognised tax losses amounted to RM803,000 (2013: RM2,072,000).

31. Discontinued operation

On 6 January 2014, the Company completed the sale of its entire shareholding in HIC and its subsidiaries. Accordingly, HIC and its subsidiaries ceased to be subsidiaries of the Group.

In previous year, the assets and operations relating to the education segment were not classified as assets held-for-sale or as a discontinued operation. The comparative consolidated statement of comprehensive income has been restated to segregate the discontinued operation from continuing operations.

(a) Results of discontinued operation

	Note	2014 RM'000	2013 RM'000
Revenue		16,864	123,815
Other operating income		1,630	5,346
Staff costs		(11,491)	(59,842)
Depreciation		(1,751)	(9,966)
Operating expenses		(6,954)	(37,914)
Results from operating activities		(1,702)	21,439
Share of results of jointly controlled entity		(6)	(6)
Taxation		23	(5,035)
Results from operating activities, net of tax		(1,685)	16,398

(b) Effects on Group results

	2014 RM'000	2013 RM'000
Results from operating activities of discontinued operation, net of tax	(1,685)	16,398
Gain on sale of discontinued operation	132,672	-
Effect on Group net profit for the year	130,987	16,398
Basic (loss)/earnings per share	(0.2)	3.0
Diluted (loss)/earnings per share	(0.2)	3.0
(Loss)/profit attributable to:		
Owners of the parent	(527)	10,453
Non-controlling interest	(1,158)	5,945
	(1,685)	16,398

The loss from the discontinued operation of RM1.68 million (2013: profit of RM16.4 million) is attributable entirely to the owners of HIC. Of the profit from continuing operations of RM198.6 million (2013: RM102.5 million), an amount of RM198.6 million (2013: is RM86.1 million) is attributable to the owners of the Company.

31. Discontinued operation (cont'd.)

(b) Cash flows generated from discontinued operation

	Note	2014 RM'000	2013 RM'000
Net cash used in operating activities		(2,529)	22,306
Net cash generated from investing activities	31(c)	154,681	-
Net cash flow for the period		152,152	22,306

(c) Effect of disposal on the financial position of the Group

	Note	2014 RM'000
Property, plant and equipment		142,360
Intangible assets		5,019
Investment in joint venture		3,142
Trade receivables		6,711
Other receivables		10,717
Tax recoverable		2,012
Cash and bank balances		10,150
Deposits with a licensed bank		18,445
Fees received in advance		(17,758)
Other payables		(48,163)
Tax payable		(291)
Deferred tax liabilities		(6,352)
Identifiable net assets		125,992
Goodwill on consolidation		844
Non-controlling interests		(76,232)
Identifiable net assets disposed		50,604
Total disposal proceeds		(183,276)
Gain on disposal of subsidiaries	26	(132,672)
Consideration received, satisfied in cash		183,276
Cash and bank balances of subsidiaries disposed		(10,150)
Deposits with a licensed bank of subsidiaries disposed		(18,445)
Net cash inflow from disposal	31(b)	154,681

32. Capital reserve

Capital reserve comprises gain on disposal of properties in prior years and the capitalisation of retained earnings for bonus issue by a subsidiary.

33. Earnings per share

The basic and diluted earnings per share is calculated by dividing profit for the year attributable to ordinary equity holders of the Company by the number of ordinary shares in issue during the financial year.

	Group	
	2014	**2013**
Profit attributable to owners of the parent (RM'000)	198,053	96,568
Number of ordinary shares in issue ('000)	343,617	343,617
Basic earnings per share (sen)	57.6	28.1
Diluted earnings per share (sen)	57.6	28.1

34. Dividends

	Dividend recognised in year	
	2014	**2013**
	RM'000	**RM'000**
Dividend on 343,616,761 ordinary shares		
- in respect of financial year 2013		
● First and final 10.0 sen single tier exempt dividend	34,362	-
● Special 20.0 sen single tier exempt dividend	68,723	-
- in respect of financial year 2012		
● 2% less 25% taxation	-	5,154
● 8.0 sen single tier exempt dividend	-	27,490
	103,085	32,644

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 October 2014, of 12.0 sen single tier exempt dividend per ordinary share amounting to RM41,234,011 on 343,616,761 ordinary shares, will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend of RM41,234,011. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 October 2015.

35. Related party disclosures

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

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Provision of property management services in respect of the Group's properties in Australia, payable to a Director related company, Hawaiian Pty. Ltd.	4,046	4,154	-	-
Interest income from subsidiaries:				
- Selayang Mulia Sdn. Bhd.	-	-	386	1,453
- Oriland Sdn. Bhd.	-	-	1,065	1,130
- Puncak Madu Sdn. Bhd.	-	-	88	71

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Building management fees from a subsidiary, Oriland Sdn. Bhd.	-	-	600	600
Dividend income from subsidiaries	-	-	13,100	20,609

Information regarding related party balances as at end of the financial year are disclosed in Note 11 and Note 21.

The Directors are of the opinion that the transactions above, except for the dividend income from subsidiaries, have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

35. Related party disclosures (cont'd.)

(b) Compensation of key management personnel

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

	Group		Company	
	2014 RM'000	2013 RM'000 Restated	2014 RM'000	2013 RM'000
Executive Directors and Key Management Personnel				
Short-term employee benefits	2,375	2,597	1,987	2,135
Employees Provident Fund	402	489	402	489
Benefits-in-kind	5	5	5	5
	2,782	3,091	2,394	2,629
Non-executive Directors				
Directors Fees	218	167	218	167
	3,000	3,258	2,612	2,796

36. Interest in joint operation arrangements

The Group, via its Australian subsidiaries and HIC (which was a subsidiary up to 5 January 2014), has interests in the following joint operation arrangements as at the following reporting dates:

	Interest	
	2014	**2013**
Joint operation arrangements:		
In Malaysia (Held through HIC)		
Symphony Haven Sdn. Bhd.	-	50%
Outside Malaysia (Held through Australian subsidiaries)		
Claremont Quarter and Claremont Residences	50%	50%

The proportionate share of assets and liabilities of the above joint operation arrangements which are included in the Group's financial statements are as follows:

	Group	
	2014	**2013**
	RM'000	**RM'000**
		Restated
Assets		
Non-current assets		
Investment property	485,080	487,338
	485,080	487,338
Current assets		
Cash and bank balances	300	430
Other receivables	740	972
Inventory	3,624	14,101
	4,664	15,503
Share of assets employed in joint operation arrangements	489,744	502,841
Liabilities		
Current liabilities		
Other payables	2,245	3,102
Non-current liabilities		
Deferred tax liabilities	63,631	59,506
Share of liabilities in joint operation arrangements	65,876	62,608

36. Interest in joint operation arrangements (cont'd.)

The proportionate share of income and expenses of the joint operation arrangements included in the Group's statement of comprehensive income are as follows:

	Group	
	2014 RM'000	2013 RM'000 Restated
Income	53,749	78,834
Expenses	(14,513)	(28,171)
Profit before tax	39,236	50,663

37. Capital commitments

	Group	
	2014 RM'000	2013 RM'000
Approved and contracted for:		
Development expenditure	20,844	-
Investment properties	2,546	-
Property, plant and equipment	274	17,334
	23,664	17,334
Approved but not contracted for:		
Property, plant and equipment	-	587

38. Operating lease arrangements

(a) The Group as lessee

In prior year, the Group via HIC, entered into operating lease agreements for the use of buildings. The leases have a remaining lease term of 1 to 19 years. The contracts include fixed rentals for an average of 3 years. The sale of the Group's equity interests in HIC was completed in January 2014.

The Group via HIC, also leases various equipment under cancellable operating lease agreements. The Group is required to give 1 to 6 months notice for the termination of those agreements.

38. Operating lease arrangements (cont'd.)

(a) The Group as lessee (cont'd.)

The future aggregate minimum lease payments under non-cancellable operating leases contracted for as at the balance sheet date but not recognised as liabilities are as follows:

	Group 2014 RM'000	Group 2013 RM'000
Future minimum rental payments:		
Not later than 1 year	-	11,166
Later than 1 year and not later than 5 years	-	38,381
Later than 5 years	-	89,771
	-	139,318

(b) The Group as lessor

The Group has entered into rental lease agreements on its portfolio of investment properties. These leases have remaining lease terms of between 1 and 19 years. Certain contracts include a clause to enable revision of rental charge based on prevailing market conditions upon renewal. All lease contracts entered into are for fixed amounts.

The future minimum lease payments receivable under non-cancellable operating leases contracted for as at the balance sheet date but not recognised as receivables, are as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Not later than 1 year	84,889	99,079	44	98
Later than 1 year and not later than 5 years	139,629	167,511	6	-
Later than 5 years	92,778	106,441	-	-
	317,296	373,031	50	98

Investment property rental income recognised in profit or loss during the financial year is disclosed in Note 23.

39. Significant and subsequent events

Significant events:

Disposal of subsidiaries

On 6 January 2014, the Company disposed of its entire interest in HIC and its subsidiaries as further disclosed in Notes 7 and 31.

SPA for sale of land

On 30 September 2014, certain subsidiaries of the Group entered into a sale and purchase agreement with a third party to sell a parcel of land. The details are further disclosed in Notes 4 and 15.

Legal claim

Subsequent to the financial year end, the High Court awarded Bungsar Hill Holdings Sdn Bhd, the Company a wholly-owned subsidiary of the Group a sum of RM4,203,456 in respect of a claim against a third party for interests and costs related to the late payment for the land acquired by the third party in prior years. The third party has since filed an appeal to the Court of Appeal against the High Court’s decision and the outcome is pending.

Subsequent event:

On 7 January 2015, Pusat Bandar Damansara Sdn Bhd, a wholly owned subsidiary of the Group completed the disposal of 6 units of offices at Pusat Bandar Damansara for a cash consideration of RM5,800,000 to a third party pursuant to a sale and purchase agreement entered on 15 April 2014.

40. Fair value of assets and liabilities

The carrying amounts of assets and liabilities of the Group and of the Company that are classified as current are reasonable approximations of fair values due to their short-term nature. The long term borrowings of the Group is a floating rate instrument that are re-priced to market interest rates on or near the reporting date. The non-current portion of other payable in previous years and other receivables of the Group are reasonable approximations of fair values due to the insignificant impact of discounting.

40. Fair value of assets and liabilities (cont'd.)

Determination of fair value

(i) Unquoted equity investments

The unquoted equity investments are carried at cost because fair value cannot be measured reliably. These investments represent ordinary shares in companies outside Malaysia that are not quoted on any market and do not have any comparable industry peer that is listed. The variability in the range of reasonable fair value estimates derived from valuation techniques may be significant.

(ii) Unquoted investment funds outside Malaysia

The fair value of unquoted investment funds is determined by reference to information received by the fund managers from the general partner which, in most cases, is quarterly plus any interim capital calls and less any distribution made to date since the last valuation received from such source.

(iii) Non-current sundry receivables

The fair value of non-current sundry receivables are estimated by discounting the expected future cash flows using the current interest rates for liabilities/assets with similar risk profiles.

(iv) Cash flow hedge instrument

Interest rate swap contracts are valued using a swap model with market observable inputs. The model incorporates various inputs including the credit quality of counterparties and interest rate curves.

(v) Investment properties

The fair values of the investment properties are based on valuations by independent professional qualified valuers. Valuations for the properties were based on comparison method by comparing recorded transactions of similar properties adjusted for location, quality and finishes of the building, design and size of the building, title conditions, market trends and time factor.

40. Fair value of assets and liabilities (cont'd.)

Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – Inputs, other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – Inputs for the asset or liability that are not based on observable market data such as prices based on internal models or other valuation methods.

The information on financial instruments carried at fair value below is presented on a gross basis, that is, before netting by counterparties:

	Fair value measurement at end of the reporting period using:			
2014	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**
Financial assets at FVTPL	332,533	-	10,872	343,405
Investment properties	-	1,138,403	-	1,138,403
Non-current sundry receivables	-	16,067	-	16,067
Financial liability:				
Hedging - interest rate swap	-	781	-	781
	332,533	1,155,251	10,872	1,498,656

40. Fair value of assets and liabilities (cont'd.)

Fair value hierarchy (cont'd.)

2013	Fair value measurement at end of the reporting period using: Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets at FVTPL	295,649	-	33,940	329,589
Investment properties	-	1,032,762	-	1,032,762
Non-current sundry receivables	-	17,030	-	17,030
Financial liability:				
Hedging - interest rate swap	-	1,232	-	1,232
	295,649	1,051,024	33,940	1,380,613

There were no transfers between Level 1 and Level 2 of the fair value hierarchy.

Level 3 fair value hierarchy

The reconciliation from beginning to ending balances for financial assets classified under level 3 of the fair value hierarchy are as follows:

	Fair value measurement at end of the reporting date using level 3: RM'000
2014	
At 1.11.2013	33,940
Total fair value loss in profit or loss	(23,563)
Addition	495
At 31.10.2014	10,872
2013	
At 1.11.2012	32,752
Total fair value loss in profit or loss	(1,087)
Addition	2,275
At 31.10.2013	33,940

The Fair Value assets under Level 3 of the hierarchy were derived from third-party pricing information, without adjustments. There were no transfers in or out of the Level 3 hierarchy.

40. Fair value of assets and liabilities (cont'd.)

Level 3 fair value hierarchy (cont'd.)

It is not expected that a reasonably possible change in unobservable inputs will result in the fair value of the assets carried under Level 3 of the fair value hierarchy to change significantly.

41. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Financial Officer. The audit committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial years, the Group’s policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group applies hedge accounting.

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 counterparty default on its obligations. The Group’s exposure to credit risk arises primarily from trade and sundry receivables while the Company's exposure to credit arises primarily from trade and sundry receivables and amount due from subsidiaries. For other financial assets (including investment securities, cash and cash equivalents and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties and reputable financial institutions.

The Group’s objective is to seek continued revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis.

The Group does not have any significant exposure to any individual customer nor does it have any major concentration of credit risk related to any financial instrument other than those described in Note 11.

41. Financial risk management objectives and policies (cont'd.)

(ii) Liquidity risk

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

The Group actively manages operating cash flows so as to ensure that all funding needs are met. As part of overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet working capital requirements.

Analysis of financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the Group’s and of the Company’s liabilities at 31 October 2014 based on contractual undiscounted repayment obligations:

	Group			Company
	On demand or within one year RM'000	One to five years RM'000	Total RM'000	On demand or within one year RM'000
Financial liabilities:				
31 October 2014				
Trade payables	122	-	122	-
Accruals and sundry payables	8,900	-	8,900	445
Amount due to subsidiaries	-	-	-	49,734
Borrowings	245,602	-	245,602	11,026
Derivatives, settled net	781	-	781	-
Total undiscounted financial liabilities	255,405	-	255,405	61,205
31 October 2013				
Trade payables	27,000	-	27,000	-
Accruals and sundry payables	37,235	-	37,235	434
Amount due to subsidiaries	-	-	-	22,276
Borrowings	50,307	267,919	318,226	50,307
Derivatives, settled net	-	1,232	1,232	-
Total undiscounted financial liabilities	114,542	269,151	383,693	73,017

41. Financial risk management objectives and policies (cont'd.)

(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’s and the Company’s exposure to interest rate risk arises primarily from floating rate borrowings in Malaysia. The Group hedges its floating rate foreign currency term loan with interest rate swap.

The Group’s policy is to manage interest cost using a mix of fixed and floating rate debts. At the reporting date, after taking into account the effect of an interest rate swap, approximately 96% (2013: 76%) of the Group’s borrowings are at fixed rates of interest.

Sensitivity analysis of interest rate risk

At the reporting date, if interest rates had been 75 basis points higher (2013: 75 basis points higher), with all other variables held constant, the Group’s and the Company's profit net of tax and equity would have been lower by RM1,382,000 (2013: RM1,790,000) and RM62,000 (2013: RM283,000) respectively, arising mainly as a result of higher interest expense on floating rate borrowings in Malaysia. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment in Malaysia.

(iv) Foreign currency risk

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

The Group does not have any significant financial liabilities denominated in foreign currencies as at the reporting date. The Group's exposure to foreign currency risk mainly arises from its financial assets which are denominated in Singapore Dollar ("SGD"), United States Dollar ("USD"), Australian Dollar ("AUD"), Euro and Japanese "Yen". The following table indicates the currencies to which the Group had significant exposure at the reporting date.

41. Financial risk management objectives and policies (cont'd.)

(iv) Foreign currency risk (cont'd.)

	RM'000					
	SGD	USD	AUD	Euro	Yen	Total
31 October 2014						
Financial assets at FVTPL	173,341	161,985	-	7,811	268	343,405
Trade receivables	-	232	-	-	-	232
Non-current other receivables	-	-	16,067	-	-	16,067
Cash and cash equivalents	215,409	103,078	384	1,436	1,440	321,747
	388,750	265,295	16,451	9,247	1,708	681,451

	RM'000					
	SGD	USD	AUD	Euro	Yen	Total
31 October 2013						
Financial assets at FVTPL	174,870	147,473	-	6,962	283	329,588
Non-current other receivables	-	-	17,030	-	-	17,030
Cash and cash equivalents	284,827	35,277	5,971	879	1,921	328,875
	459,697	182,750	23,001	7,841	2,204	675,493

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group’s profit net of tax and equity to a reasonably possible change in the SGD, USD, AUD, Euro and Yen exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

31 October 2014		**Increase RM'000**
SGD	strengthen 1%	3,888
USD	strengthen 1%	2,653
AUD	strengthen 2%	329
Euro	strengthen 3%	277
Japanese Yen	strengthen 2%	34

41. Financial risk management objectives and policies (cont'd.)

(iv) Foreign currency risk (cont'd.)

31 October 2013		Increase RM'000
SGD	strengthen 2%	9,194
USD	strengthen 3%	5,483
AUD	strengthen 4%	918
Euro	strengthen 4%	314
Japanese Yen	strengthen 7%	154

Weakening of the above foreign currency rates will result in an equal but opposite effect on the profit net of tax and equity of the Group.

(v) Market price risk

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

The Group is exposed to market price risk arising from its investments in unquoted investment funds. These instruments are classified as held for trading.

<u>Sensitivity analysis for price risk</u>

At the reporting date, if the market price had been 5% higher/lower (2013: 5% higher/lower), with all other variables held constant, the Group’s profit net of tax and equity would have been RM17,170,250 (2013: RM6,096,000) higher/lower, arising as a result of higher/lower fair value gains on financial assets at FVTPL.

42. Capital Management

The primary objective of the Group’s capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. To achieve this, the Company takes into consideration the sufficiency of funds for operations, risk management and development.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made to the capital management objectives, policies or processes during the years ended 31 October 2014 and 31 October 2013.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, borrowings, trade and other payables, less cash and cash equivalents. Capital includes equity attributable to the owners of the parent.

42. Capital Management (cont'd.)

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Borrowings	245,602	318,226	11,026	50,307
Trade payables	122	27,000	-	-
Other payables	69,324	62,406	52,454	24,990
Less: Cash and cash equivalents	(408,999)	(398,250)	(63,873)	(17,749)
Net (cash)/debt	(93,951)	9,382	(393)	57,548
Equity attributable to the owners of the parent, representing total capital	2,042,171	2,026,801	1,067,633	979,111
Capital and net debt	1,948,220	2,036,183	1,067,240	1,036,659
Gearing ratio	-4.8%	0.5%	0.0%	5.6%

43. Segmental reporting

The Group is organised into operating segments based on geographical areas in which the Group operates. For Malaysian operations, the business is managed by the respective segment managers responsible for the performance of its three core businesses, being:

1. property investment;
2. property development; and
3. education. (The education segment was disposed of in the current financial year as disclosed in Note 39.)

For overseas operations, the two operating segments are other investment holding and the Australian operations.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss. Group income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm’s length basis in a manner similar to transactions with third parties.

43. Segmental reporting (cont'd.)

At 31 October 2014

	In Malaysia			Outside Malaysia				
	Property investment RM'000	Property development RM'000	Education (Discontinued) RM'000	Other investment holding RM'000	Australian operations RM'000	Adjustments RM'000	Notes	Consolidated RM'000
Revenue								
External sales	44,638	1,260	-	11,060	44,027	-		100,985
Inter-segment sales	672	-	-	-	-	(672)	A	-
Total revenue	45,310	1,260	-	11,060	44,027	(672)		100,985
Results								
Interest income	2,336	-	-	4,582	16	-		6,934
Fair value gains on investment properties	26,944	-	-	-	4,572	-		31,516
Depreciation and amortisation	392	96	-			-		488
Unrealised foreign exchange (loss)/gain	-	-	-	(6,252)	6,369	-		117
Segment profit/(loss)	185,147	(1,410)	-	26,462	5,042	(292)	B	214,949

43. Segmental reporting (cont'd.)

At 31 October 2014 (cont'd.)

	In Malaysia			Outside Malaysia				
	Property investment RM'000	Property development RM'000	Education (Discontinued) RM'000	Other investment holding RM'000	Australian operations RM'000	Adjustments RM'000	Notes	Consolidated RM'000
Assets								
Additions to non-current assets:								
Property, plant and equipment	2,431	389	-	-	-	-		2,820
Intangible assets	-	-	-	-	-	-		-
Land held for property development	-	391,545	-	-	-	-		391,545
Segment assets	726,982	511,754	-	665,112	545,155	14,011	C	2,463,014
Segment liabilities	73,866	16,194	-	16	240,355	90,412	D	420,843

43. Segmental reporting (cont'd.)

At 31 October 2013

	In Malaysia			Outside Malaysia				
	Property investment RM'000	Property development RM'000	Education (Discontinued) RM'000 Restated	Other investment holding RM'000	Australian operations RM'000	Adjustments RM'000	Notes	Consolidated RM'000 Restated
Revenue								
External sales	40,886	4,761	-	9,928	60,107	-		115,682
Inter-segment sales	3,948	-	-	2,406	-	(6,354)	A	-
Total revenue	44,834	4,761	-	12,334	60,107	(6,354)		115,682
Results								
Interest income	3,959	278	-	6,776	73	-		11,086
Fair value gains on investment properties	41,208	-	-	-	18,732	-		59,940
Depreciation and amortisation	762	141	-	-	-	-		903
Unrealised foreign exchange (loss)/gain	-	-	-	(7,021)	10,265	-		3,244
Segment profit/(loss)	63,967	(1,335)	-	28,775	20,417	(135)	B	111,689

43. Segmental reporting (cont'd.)

At 31 October 2013 (cont'd.)

	In Malaysia			Outside Malaysia				
	Property investment RM'000	**Property development RM'000**	**Education (Discontinued) RM'000**	**Other investment holding RM'000**	**Australian operations RM'000**	**Adjustments RM'000**	**Notes**	**Consolidated RM'000**
Assets								
Additions to non-current assets:								
Property, plant and equipment	902	195	32,266	-	-	-		33,363
Intangible assets	-	-	218	-	-	-		218
Land held for property development	655	768	-	-	-	-		1,423
Segment assets	616,089	440,547	262,506	654,595	562,510	5,366	C	2,541,613
Segment liabilities	39,699	56,585	64,288	18	248,273	105,949	D	514,812

43. Segmental reporting (cont'd.)

Results	Results from continuing operations RM'000	Results from discontinued operations RM'000	Total RM'000
2014			
Property investment	185,674	-	185,674
Property development	(856)	-	(856)
Education	-	(1,702)	(1,702)
Other investment holding	26,462	-	26,462
Australian operations	17,994	-	17,994
Inter-segment elimination	(292)	-	(292)
	228,982	(1,702)	227,280
Finance costs	(14,033)	-	(14,033)
Profit/(loss) before tax	214,949	(1,702)	213,247
Income tax expense for continuing operations	(16,369)	-	(16,369)
Discontinued operations:			
Income tax expense	-	23	23
Share of results of jointly controlled entity	-	(6)	(6)
Profit/(loss) for the year	198,580	(1,685)	196,895

2013	Results from continuing operations RM'000 Restated	Results from discontinued operations RM'000 Restated	Total RM'000 Restated
Property investment	74,640	-	74,640
Property development	(1,552)	-	(1,552)
Education	-	21,439	21,439
Other investment holding	33,445	-	33,445
Australian operations	23,730	-	23,730
Inter-segment elimination	(135)	-	(135)
	130,128	21,439	151,567
Finance costs	(18,439)	-	(18,439)
Profit before tax	111,689	21,439	133,128
Income tax expense for continuing operations	(25,574)	-	(25,574)
Discontinued operations:			
Income tax expense	-	(5,035)	(5,035)
Share of results of jointly controlled entity	-	(6)	(6)
Profit for the year	86,115	16,398	102,513

43. Segmental reporting (cont'd.)

A Inter-segment sales are eliminated on consolidation.

B The following items are deducted from segment profit to arrive at 'Profit before tax' presented in the consolidated statement of comprehensive income:

	2014 RM'000	2013 RM'000
Profit from inter-segment sales	(292)	(135)

C The following items are (deducted from)/added to segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2014 RM'000	2013 RM'000
Unallocated corporate assets	8	(26,983)
Deferred tax assets	10,496	26,680
Tax recoverable	3,507	5,669
	14,011	5,366

D The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2014 RM'000	2013 RM'000
Unallocated corporate liabilities	7	1
Deferred tax liabilities	89,511	103,869
Tax payable	894	2,079
	90,412	105,949

43. Segmental reporting (cont'd.)

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2014 RM'000	2013 RM'000 Restated	2014 RM'000	2013 RM'000 Restated
Malaysia	45,898	55,575	1,056,286	1,216,181
Australia	55,087	60,107	526,874	504,618
	100,985	115,682	1,583,160	1,720,799

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position:

	2014 RM'000	2013 RM'000 Restated
Property, plant and equipment	2,820	204,409
Land held for property development	391,545	433,633
Investment properties	1,138,403	1,032,762
Intangible assets	-	6,035
Other investment	8,929	250
Other receivables	16,067	17,030
Deferred tax assets	25,396	26,680
	1,583,160	1,720,799

44. Supplementary information
- breakdown of retained earnings into realised and unrealised components

The breakdown of the retained earnings of the Group and of the Company as at 31 October 2014 into realised and unrealised components is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Total retained earnings of the Group and Company				
- Realised	1,860,884	1,735,150	478,853	390,331
- Unrealised	407,931	391,918	43,409	43,409
	2,268,815	2,127,068	522,262	433,740
Less: Consolidation adjustments	(834,073)	(787,294)	-	-
Retained earnings as per financial statements	1,434,742	1,339,774	522,262	433,740