ANNUAL REPORT 2013

SELANGOR PROPERTIES BERHAD
(5199-X)

CONTENTS

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifty-Second Annual General Meeting of the Company will be convened and held at Conference Hall, BZ-2, HELP University College, Pusat Bandar Damansara, 50490 Kuala Lumpur on Thursday, 24 April 2014 at 11.00 a.m. to transact the following businesses:-

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 October 2013 together with the Directors' and Auditors' Reports thereon.

   (Please refer to Note 1 of the Explanatory Notes)

2. To declare a final single-tier exempt dividend of 10.0 sen per Ordinary Share of RM1.00 each and a special single-tier exempt dividend of 20.0 sen per Ordinary Share of RM1.00 each for the financial year ended 31 October 2013.

   Ordinary Resolution 1

3. To approve the increase of Directors' Fees to RM176,000.00 for the financial year ended 31 October 2013 and the payment thereof.

   Ordinary Resolution 2

4. To consider and, if thought fit, to pass the following resolutions pursuant to Section 129(6) of the Companies Act, 1965:-

   (i) "That pursuant to Section 129(6) of the Companies Act, 1965, Puan Sri Datin Chook Yew Chong Wen be re-appointed as Director to hold office until the conclusion of the next Annual General Meeting of the Company."

   Ordinary Resolution 3

   (ii) "That pursuant to Section 129(6) of the Companies Act, 1965, Dato' Zaibedah Binti Ahmad be re-appointed as Director to hold office until the conclusion of the next Annual General Meeting of the Company."

   Ordinary Resolution 4

5. To re-elect Mr Ong Liang Win who is retiring under Article 127 of the Company's Articles of Association.

   Ordinary Resolution 5

6. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration.

   Ordinary Resolution 6

As Special Business

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

7. **Authority for Mr Michael Lim Hee Kiang to continue in office as Independent Non-Executive Director**

   "THAT authority be and is hereby given to Mr Michael Lim Hee Kiang who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance with Malaysian Code of Corporate Governance 2012."

   Ordinary Resolution 7

8. **Authority for Dato' Zaibedah Binti Ahmad to continue in office as Independent Non-Executive Director**

   "THAT authority be and is hereby given to Dato' Zaibedah Binti Ahmad who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance with Malaysian Code of Corporate Governance 2012."

   Ordinary Resolution 8

9. **Authority for Mr Ong Liang Win to continue in office as Independent Non-Executive Director**

   "THAT authority be and is hereby given to Mr Ong Liang Win who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance with Malaysian Code of Corporate Governance 2012."

   Ordinary Resolution 9

10. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

    "THAT, the Mandate granted by the shareholders of the Company at the Annual General Meeting ("AGM") held on 24 April 2013 pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, authorising the Company and its subsidiaries ("SPB Group") to enter into the recurrent transactions of a revenue or trading nature as set out in Section 2.4 of the Circular to Shareholders dated 2 April 2014 ("Circular") with the related parties mentioned therein which are necessary for the SPB Group's day-to-day operations, be and is hereby renewed;

AND THAT the scope of such renewed mandate be and is hereby extended to apply to the recurrent transactions likewise of revenue or trading nature as set out in Section 2.4 of the Circular.

THAT the SPB Group be and is hereby authorised to enter into the recurrent transactions with the related parties mentioned therein provided that:-

a) the transactions are in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company; and

b) the disclosure of the aggregate value of the transactions concluded during a financial year will be disclosed in the Annual Report for the said financial year.

THAT authority conferred by such renewed mandate will continue to be in force until:

i) the conclusion of the next AGM of SPB following the forthcoming AGM at which the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature is approved, at which time it will lapse, unless by a resolution(s) passed at the AGM, the authority is again renewed;

ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 143(1) of the Act (but must not extend to such extensions as may be allowed pursuant to Section 143(2) of the Act); or

iii) revoked or varied by a resolution(s) passed by the shareholders in general meeting,

whichever is the earlier.

THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to this resolution."

Ordinary Resolution 10

NOTICE OF DIVIDEND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT, subject to the approval of the shareholders at the Fifty-Second Annual General Meeting of the Company, a final single-tier exempt dividend of 10.0 sen per Ordinary Share of RM1.00 each and a special single-tier exempt dividend of 20.0 sen per Ordinary Share of RM1.00 each for the financial year ended 31 October 2013, will be paid to the shareholders of the Company on 15 May 2014. The entitlement date for the said dividend shall be 29 April 2014.

A depositor shall qualify for entitlement to the dividend only in respect of:

(a) Shares transferred to the depositor's securities account before 4.00 p.m. on 29 April 2014 in respect of transfers, and

(b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA 7009143)
CHOONG LEE WAH (MAICSA 7019418)
Company Secretaries

Selangor Darul Ehsan
Date: 2 April 2014

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two (2) proxies as his/her proxy or proxies to attend and vote in his/her stead. Where a member appoints two (2) proxies, the member shall specify the proportion of the member's shareholding to be represented by each proxy.

2. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

3. A proxy need not be a member of the Company and a member may appoint any person to be his/her proxy without limitation. The provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.

4. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or, if such appointor is a corporation under its common seal, or the hand of its attorney or duly authorised officer or in some other manner approved by the Directors. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Share Registrar's Office of the Company at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding of the meeting or any adjournment thereof.

5. In respect of deposited securities, only members whose names appear on the Record of Depositors on 15 April 2014 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

Explanatory Notes

1. <u>To receive the Audited Financial Statements</u>

   Agenda item no. 1 is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is **not put forward for voting**.

2. <u>Ordinary Resolution 7 on authority for Mr Michael Lim Hee Kiang to continue in office as Independent Non-Executive Director</u>

   The Board of Directors has via the Nomination Committee conducted an annual performance evaluation and assessment of Mr Michael Lim Hee Kiang, who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine years, and recommended him to continue to act as Independent Non-Executive Director of the Company based on the justifications as set out in Appendix I.

3. <u>Ordinary Resolution 8 on authority for Dato' Zaibedah Binti Ahmad to continue in office as Independent Non-Executive Director</u>

   The Board of Directors has via the Nomination Committee conducted an annual performance evaluation and assessment of Dato' Zaibedah Binti Ahmad, who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine years, and recommended her to continue to act as Independent Non-Executive Director of the Company based on the justifications as set out in Appendix I.

4. Ordinary Resolution 9 on authority for Mr Ong Liang Win to continue in office as Independent Non-Executive Director

The Board of Directors has via the Nomination Committee conducted an annual performance evaluation and assessment of Mr Ong Liang Win, who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine years, and recommended him to continue to act as Independent Non-Executive Director of the Company based on the justifications as set out in Appendix I.

5. Ordinary Resolution 10 on Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The Ordinary Resolution 10, if passed, will allow the SPB Group to enter into recurrent related party transactions in the ordinary course of business and the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such recurrent related party transactions occur would not arise. This would reduce substantial administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the SPB Group or adversely affecting the business opportunities available to the SPB Group. The shareholders' mandate is subject to renewal on an annual basis.

CORPORATE INFORMATION

Chairperson	Puan Sri Datin Chook Yew Chong Wen
Managing Director	Mr Wen Chiu Chi
Directors	Mr Michael Lim Hee Kiang (Independent Non-Executive Director) Dato' Zaibedah Binti Ahmad (Independent Non-Executive Director) Mr Ong Liang Win (Independent Non-Executive Director)
Joint Secretaries	Tai Yit Chan (MAICSA 7009143) Choong Lee Wah (MAICSA 7019418)
Registrars	Tricor Investor Services Sdn Bhd Level 17, The Gardens North Tower Mid Valley City, Lingkaran Syed Putra 59200 Kuala Lumpur Tel No : 03-2264 3883 Fax No : 03-2282 1886
Registered Office	Lot 6.05, Level 6, KPMG Tower 8 First Avenue, Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan Tel No : 03-7720 1188 Fax No : 03-7720 1111
Head Office	Level 2, Block D Kompleks Pejabat Damansara Jalan Dungun Damansara Heights 50490 Kuala Lumpur Tel No : 03-2094 1122 Fax no : 03-2095 0150
Principal Bankers	HSBC Bank Malaysia Berhad 2, Leboh Ampang 50100 Kuala Lumpur CIMB Bank Berhad Menara UAB No. 6 Jalan Tun Perak 50050 Kuala Lumpur
Auditors	Ernst & Young Level 23A, Menara Milenium Jalan Damanlela, Pusat Bandar Damansara 50490 Kuala Lumpur Tel No : 03-7495 8000 Fax No : 03-2095 9076
Stock Exchange Listing	Bursa Malaysia Securities Berhad, Main Market Stock Code : 1783
Website	www.selangorproperties.com.my

BOARD OF DIRECTORS

PROFILE OF DIRECTORS

Puan Sri Datin Chook Yew Chong Wen *Non-Independent Executive Director*
Chairperson

Puan Sri Datin Chook Yew Chong Wen, aged 91, is a Malaysian. She graduated from the Columbia University in United States of America with a Master of Arts degree and a Teacher College Professional Diploma in 1949 and 1950 respectively. She is the First Director of the Company and was appointed to the Board on 12 October 1963. She held the position of the Managing Director of the Company from 1963 to 2000. In year 2000, she retired as a Managing Director and assumed the position of the Chairperson of the Company.

Mr Wen Chiu Chi *Non-Independent Executive Director*
Managing Director

Mr Wen Chiu Chi, aged 57, is a Malaysian. He holds a Bachelor of Commerce degree from the University of Western Australia. He was appointed as a director of the Company on 20 April 1979. He held the position of an Executive Director from 1979 to 2000. In year 2000, he assumed the position of the Managing Director of the Company. He is also a member of the Remuneration Committee.

Mr Michael Lim Hee Kiang *Independent Non-Executive Director*

Mr Michael Lim Hee Kiang, aged 65, is a Malaysian. A lawyer by profession, he was an Advocate and Solicitor practising in Messrs Shearn Delamore & Co. He was a senior partner of the firm and had been a partner of the firm for 31 years. Mr Lim is now a Consultant with the law firm Messrs Jeff Leong, Poon & Wong. He holds a LLB (Hons) and LLM with Distinction from Victoria University of Wellington. He was appointed to the Board on 4 March 1993. He is the Chairman of the Remuneration Committee and also serves as a member of the Audit Committee and Nomination Committee. He is also a director of DKSH Holdings (Malaysia) Berhad, Paragon Union Berhad, Seloga Holdings Berhad and Sumatec Resources Berhad.

Dato' Zaibedah Binti Ahmad *Independent Non-Executive Director*

Dato' Zaibedah Binti Ahmad, aged 74, is a Malaysian. She holds a Bachelor of Arts degree from the University of Malaya. She was appointed to the Board on 28 June 2001. She is the Chairperson of Nomination Committee and serves as a member of the Audit Committee and Remuneration Committee. She is a director of Formosa Prosonic Industries Berhad. She had been in the public service for 32 years and had served as an Ambassador of Malaysia in various countries such as Socialist Federative Republic of Yugoslavia (with concurrent accreditation to Romania), Spain and Republic of Turkey (with concurrent accreditation to Azerbaijan and Turkmenistan).

Mr Ong Liang Win *Independent Non-Executive Director*

Mr Ong Liang Win, aged 50, is a Malaysian and is currently the General Manager, Corporate and Commercial of Tien Wah Press Holdings Berhad. He holds an Honours degree in Accountancy from Lancaster University, England and is a qualified accountant with the Institute of Chartered Accountants in England and Wales. He was appointed as a Director on 2 November 2001. He is also the Chairman of the Audit Committee and a member of the Nomination Committee and Remuneration Committee. He has wide experience as an accountant as well as operational experience in property development, construction and manufacturing.

ADDITIONAL INFORMATION ON THE BOARD OF DIRECTORS

Family Relationships with any Director and/or Major Shareholder
Except for Puan Sri Datin Chook Yew Chong Wen who is the mother of Mr Wen Chiu Chi, none of the directors have family relationship with any other directors and/or major shareholders of the Company.

Conflict of Interest
All the directors have no conflict of interest with the Company.

Convictions for Offences (within the past 10 years, other than traffic offences)
None of the directors have any convictions for offences.

Number of Board Meetings attended in the financial year ended 31 October 2013
Please refer to page 18 in the Annual Report for details.

OTHER INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES")

Share Buy-backs
During the financial year, the Company did not enter into any share buy-back transactions.

Options or Convertible Securities
No options or convertible securities were exercised during the financial year.

Depository Receipt Programme
During the financial year, the Company did not sponsor any Depository Receipt Programme.

Imposition of Sanctions and/or Penalties
There were no sanctions and/or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies during the financial year.

Non-Audit Fees
There was an amount of RM91,000 being non-audit fees paid to the external auditors by the Group for the financial year ended 31 October 2013.

Profit Estimate, Forecast or Projection
There were no variances of 10% or more between the results for the financial year and the unaudited results.

Profit Guarantee
During the financial year, there were no profit guarantees given by the Company.

Material Contracts
During the financial year, there were no material contracts entered into by the Group involving directors' and/or major shareholders' interests.

Revaluation Policy
Please refer to Note 2.4(g) of the financial statements at page 61.

Utilisation of Proceeds
The Company did not implement any fund raising exercise during the financial year.

Chairperson's Statement

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present to you the Annual Report and Audited Financial Statements of the Company and the Group for the financial year ended 31 October 2013.

Economic Review

For year 2013, the Malaysian economy grew at a slower pace at 4.7% compared with 5.6% in the previous year.

The growth continued to be fueled by consumption and private investment. For some years now, there was massive injection of cheap liquidity and huge expansion in domestic credit to consumers, particularly for housing mortgages. There is now concern that this trend is not sustainable. The household debt to GDP ratio has risen to 85.1% from 74% three years ago and the public debt has also increased to near the 55% GDP ceiling level.

From the 2014 budget, the government aims to address the issues of rising property prices and public expenditure. The real property gains tax has become more punitive. The tax rate is now increased from 15% to 30% for properties sold within the first three years and from 10% to 20% for properties sold in the fourth year and from 10% to 15% in the fifth year. Public expenditure has also been reduced with the government cutting down on fuel subsidies, removing the sugar subsidies and increasing the electricity tariff from January 2014.

These measures will weigh heavy on the economy and the people. The immediate effects are the rising cost of living and the built-up in inflationary pressure.

For the first three quarters of 2013, the property sector for residential subsector performed positively. Prices were still on the uptrend. But, with the 2014 budget announcement, the pace of growth has slowdown. The office subsector continued to be plagued by oversupply. The oversupply situation has not been decreasing. However, rental rates and market prices generally remained stable in 2013.

Financial Review

For the financial year ended 31 October 2013, the Group recorded a profit after tax of RM102.5 million compared to the previous year of RM75.7 million. The Group net asset value further strengthens from RM1.88 billion to RM1.95 billion.

Dividend

To reward the shareholders, your Directors recommend that a final single-tier exempt dividend of 10.0 sen per ordinary share and a special single-tier exempt dividend of 20.0 sen per ordinary share of RM1.00 each be paid on 15 May 2014.

Operational Review

The Group main businesses are principally property development, property investment and education. The Group businesses are based in Malaysia and Australia.

For the year under review, the balance parcel of Bukit Permata and Selayang Mulia projects and the Jalan Batai condominium project were re-designed to further improve the livability, quality and value of the homes. Part of the Bukit Permata project for detached and semi-detached houses development was submitted for building plan approval. The building plan approval has been obtained this year and the launching is expected to take place this year. The Jalan Batai condominium is a prestigious high end condominium project and its location is unrepeated. This project requires detail planning and execution. It is not expected to launch until early next year.

The property investment sector remained steady and contributed a profit before tax of RM63.97 million. This division achieved an average occupancy rate of 97% vis a vis the market average occupancy rate of about 80%. The total existing supply of office space in the Klang Valley is estimated at 107 million sq ft. Three newly completely buildings that added to the supply last year were Menara LGB at Taman Tun Dr Ismail, 1 Sentrum at Brickfields and Quill 18 at Cyberjaya. Despite the oversupply, rental rates remained stable. However, strong competition to attract tenants is expected to continue in the short term.

HELP International Corporation Berhad's group of companies, the Group's education arm, recorded a profit before tax of RM21.44million for the financial year under review. The overall performance of the education division remained stable. The private international school located within the HELP University's proposed campus at Subang 2 was completed in December 2013. The private international school started its intake this year.

In December 2013, a take-over offer for all the shares of HELP International Corporation Berhad was made by a private equity group known as Better Education Enterprise Sdn Bhd. The offer price made was RM2.53 per share which is more than 26 times HELP's price earnings ratio. The Group accepted the offer and HELP ceases to be the subsidiary of the Group with effect from January 2014.

For the Australia operation, the Group investment in the retail mall of Claremont, Perth continues to do well. It maintains an occupancy rate of 98.5% and achieved an operational profit before tax of RM20.42 million. The capital value of Claremont, Perth has also increased to AUD162.5 million compared with AUD156.2 million in the previous year.

Outlook

With the fiscal tightening and various cooling measures introduced in 2014 budget, the Group believes 2014 will be a challenging year. The economy will still grow but slowing.

The Group will continue to look at various ways in improving its revenue stream. 16 Shops at Jalan Batai will undertake a re-branding exercise to improve the appeal, traffic, facilities and make it more upmarket. Certain advertising space at Menara Milenium will be looked at such as elevator wrap and car park basement advertising.

Part of the balance parcel of Bukit Permata project will also be launched in 2014. Detail planning on Jalan Batai Condominium will proceed so that it will contribute to the income stream in 2015.

In March 2014, the Group accepted an offer from Jendela Mayang Sdn Bhd to purchase a piece of vacant land measuring approximately 25,686 square meter next to Pusat Bandar Damansara held under title Geran 70133, Lot 56495, Mukim Kuala Lumpur for RM450 million. This transaction is not expected to be completed until 2015.

Appreciation

I would like to extend my sincere appreciation to all our financiers, business associates, customers and suppliers for their ongoing support and to our employees for their continued effort and dedication in the performance of their duties.

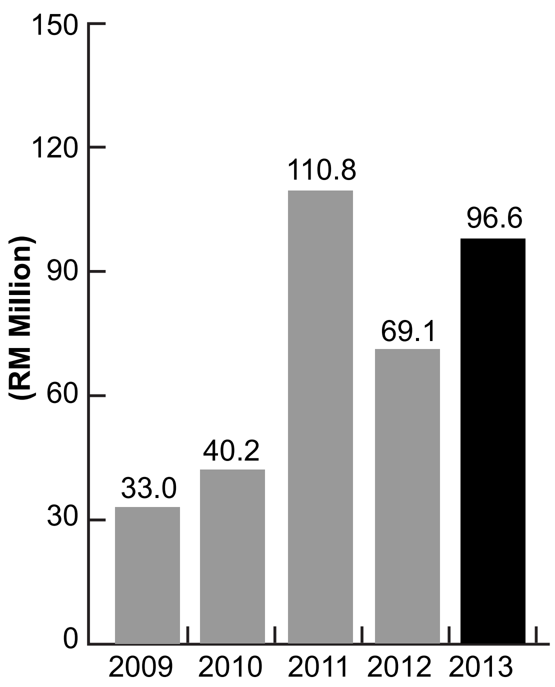
Puan Sri Datin Chook Yew Chong Wen
Chairperson
6 March 2014

GROUP FINANCIAL HIGHLIGHTS

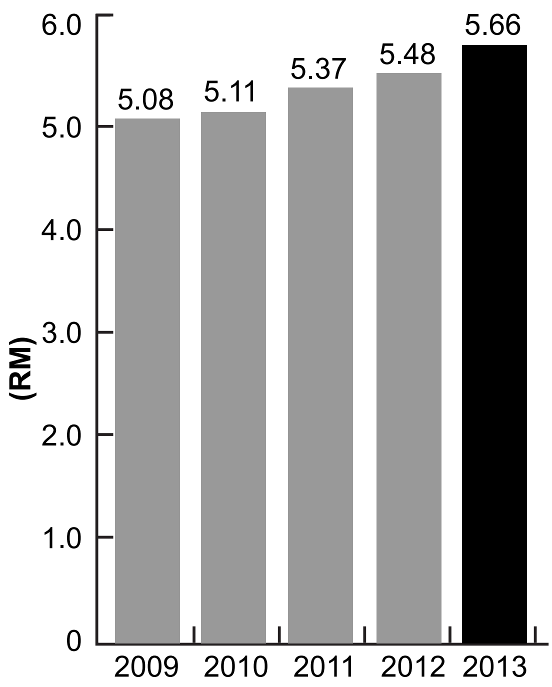
Financial year ended 31 October (RM Million)	2009	2010	2011	2012	2013
Operating Revenue	321.7	203.1	253.5	224.5	239.5
Profit before taxation	61.6	70.4	139.6	122.1	133.1
Taxation	(21.0)	(20.9)	(22.4)	(46.4)	(30.6)
Profit after taxation	40.6	49.5	117.2	75.7	102.5
Minority Interests	(7.6)	(9.3)	(6.4)	(6.6)	(5.9)
Profit attributable to shareholders of the company	33.0	40.2	110.8	69.1	96.6
Dividend	25.8	25.8	25.8	32.6	103.1
Net Tangible Assets	1745.2	1755.1	1844.4	1881.3	1943.4
Financial Ratios					
Earnings per share (sen)	9.6	11.7	32.3	20.1	28.1
Net dividend per share (sen)	7.5	7.5	7.5	9.5	30.0
Net tangible assets per share (RM)	5.08	5.11	5.37	5.48	5.66

* Subject to Shareholders' approval

Profit after taxation and Minority Interests



Net tangible assets per share



CORPORATE GOVERNANCE STATEMENT

The new Malaysian Code on Corporate Governance 2012 ("MCCG 2012") was issued by the Securities Commission in March 2012 and is effective from 31 December 2012. The MCCG 2012 supersedes the Malaysian Code on Corporate Governance 2007. It sets out 8 principles and 26 recommendations on good corporate governance that companies should apply.

In this report, the Board will set out the manner in which it has applied the principles and recommendations and where there are gaps in the Company's observation of any of the Recommendations, they are disclosed herein with explanations.

Composition of the Board

The Board has five members. Three of the five members are independent non-executive directors who are independent of management and free from any relationship which could interfere with their independent judgment.

Puan Sri Datin Chook Yew Chong Wen is the Chairperson of the Board whilst the Managing Director and the Chief Executive Officer is Mr Wen Chiu Chi. The roles of both the Chairperson and the Chief Executive Officer are clearly defined in the Board Charter. The responsibilities of the Chairperson include leading the Board in the oversight of the management whilst the Chief Executive Officer focuses on the business and day-to-day management of the Group.

Dato' Zaibedah Binti Ahmad is the Senior Independent Non-Executive Director of the Company and deals with issues in situation where such issues could be inappropriate for the Chairperson and the Chief Executive Officer to deal with and ensures that all issues are discussed openly in the Board.

The Board members who consist of persons of various professional skills and of various business and commercial experience, enables the Board to provide clear and effective leadership to the Group. The Board considers the number of board members adequate for its effectiveness and the independent non-executive directors fairly represent the interest of public shareholders. There is no individual director or group of directors who dominate the Board's decision making.

Board Responsibilities

The Board retains full and effective control of the Group. Its roles are essentially providing leadership, management oversight, setting strategic direction premised on sustainability and promoting ethical conduct in business dealings.

The Board's responsibilities involve reviewing and adopting a strategic plan for the Group, overseeing the conduct of the Group's businesses to evaluate whether the businesses are properly managed, identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures, succession planning, overseeing the development and implementation of a shareholder communication policy, reviewing the adequacy and the integrity of the management information and internal control system of the Group. Key matters, such as approval for interim and final results, material acquisition and disposal, major capital expenditure, formalizing the budgetary process are reserved for the Board.

The Board is guided by a Board Charter which set out amongst others, the respective roles and responsibilities of the Board, the Chairperson and the Chief Executive Officer. The Board Charter will be reviewed from time to time.

The Board has also formalized the Code of Conduct and Sustainability Policy to establish a corporate culture which engenders ethical conduct that permeates throughout the Group and to ensure the Group's strategies on promoting sustainability. The Code of Conduct includes appropriate communication and feedback channels which facilitate whistleblowing.

The Directors have access to all information within the Company and to the advice and services of the Company Secretary. The Directors are entitled to obtain independent professional advice in the course of discharging their duties at the Company's expense provided that the director concerned has sought the Chairperson/Board's prior consent before incurring such expense.

Board Committees

To assist in the execution of its responsibilities, the Board has established three Board committees, namely, the Audit Committee, the Nomination Committee and the Remuneration Committee. These committees function within their respective clearly defined terms of reference. They have the individual authority to examine and to report on related issues and then make recommendations to the Board. The ultimate responsibility for the final decision on all matters, however, lies with the members of the entire Board.

The Board met five times during the financial year ended 31 October 2013. The attendance of each Director at the Board Meeting held during the financial year ended 31 October 2013 is as follows:-

Name	Number of Meetings Attended by Directors during Their Tenure in Office	%
Puan Sri Datin Chook Yew Chong Wen	5/5	100
Mr Wen Chiu Chi	5/5	100
Dato' Zaibedah Binti Ahmad	5/5	100
Mr Michael Lim Hee Kiang	5/5	100
Mr Ong Liang Win	5/5	100

Each Board member receives the Agenda and the Board's papers prior to each Board Meeting. They are issued in sufficient time to enable the directors to obtain further explanation, where necessary, in order to be briefed properly before the meeting.

The Company Secretary is capable of carrying out their duties to ensure effective functioning of the Board and is suitably qualified and competent. The Company Secretary also ensures that all Board meetings are properly convened and that accurate and proper records of the deliberations, proceedings and resolutions passed are recorded and maintained in the statutory register at the registered office of the Company. The terms of appointment of the Company Secretary permits their removal and appointment of successor to be decided by the Board as a whole.

Nomination Committee

The Nomination Committee comprises of 3 independent non-executive directors. The Chairperson of the Nomination Committee is Dato' Zaibedah Binti Ahmad. The Committee is authorized to recommend to the Board on the appointment of any new executive or non-executive directors and for assessing directors on an ongoing basis.

The Nomination Committee's function, amongst others, is to recommend to the Board, candidates for directorship to be filled. In proposing its recommendation, the Committee will consider and evaluate the candidates' required skills, knowledge, expertise and experience, professionalism and integrity and in the case of candidates for the position of independent non-executive directors, their ability to discharge responsibilities/functions as expected from independent non-executive directors.

To ensure the Board has an appropriate balance of expertise and ability, the Nomination Committee carry out an annual review for assessing the effectiveness of the Board as a whole and the contribution of each individual director, including independent non-executive directors as well as its Managing Director. Meetings of the Nomination Committee are held as and when required, and at least once a year. The Nomination Committee met once during the year which was attended by all its members. In carrying out its recent annual review, the Nomination Committee is satisfied that the size of the Board is optimum and that there is appropriate mix of knowledge, skills, attributes and core competencies in the composition of the Board. All assessments and evaluations carried out by the Nomination Committee in the discharge of all its functions were properly documented.

All directors are subject to retirement by rotation and in ascertaining the number of directors to retire, the Company shall ensure all directors shall retire from office at least once in every 3 years but shall be eligible for re-election.

Under the MCCG 2012, it is recommended that the tenure of independent director should not exceed a cumulative term of nine years and upon completion of the nine years, an independent director may continue to serve on the Board subject to the director's re-designation as non-independent director.

The Board is of the view that the independence of a director is more of a state of mind and action rather than tenure of office. The Board's respective independent directors Dato' Zaibedah Binti Ahmad, Mr Michael Lim Hee Kiang and Mr Ong Liang Win have all served the Company as Independent Directors for a cumulative term of more than nine years. The Board has via the Nomination Committee conducted an annual performance evaluation and assessment on the Independent Directors and is of the opinion that they remain objective and independent in expressing their views. The Board will be seeking the shareholders' approval in the forthcoming Annual General Meeting for Dato' Zaibedah Binti Ahmad, Mr Michael Lim Hee Kiang and Mr Ong Liang Win to continue as independent directors of the Company.

Remuneration Committee

The Remuneration Committee comprises of 3 independent non-executive directors and an executive director. The Chairman of the Remuneration Committee is Mr Michael Lim Hee Kiang. The Remuneration Committee reviews and recommends to the Board the remunerations of the executive directors. The determination of remuneration of non-executive directors is a matter for the Board as a whole.

The respective director will play no part in the decisions concerning his or her own remuneration.

A formal and transparent remuneration policies and procedures to attract and retain directors have been established by the Board.

Except for the Chairperson who chose to only accept a nominal remuneration, the remuneration of executive directors is linked to the performance of the individual director, performance of the Company, performance of the industry and market survey information. The remuneration of non-executive directors is related to the experience and level of responsibilities of the non-executive directors and is benchmarked against the market.

The details of the total remuneration of the Executive Directors and Non-Executive Directors of the Company for financial year ended 31 October 2013 are as follows:-

Range of Aggregate Remuneration	**Executive Directors**	**Non-Executive Directors**
Below 50,000	1	-
RM50,001- RM100,000	-	3
RM1,650,001- RM1,700,000	1	-

Categories of Directors	**Fees RM**	**Salaries & Bonus RM**	**Benefits-in-kind RM**	**Total RM**
Executive Directors	-	1,696,200*	5,000	1,701,200
Non-Executive Directors	125,000	-	-	125,000

*The Salaries and Bonus include the payment of AUD150,000.00 calculated at an exchange rate of AUD1.00 : RM3.08.

The Board has chosen to disclose the remuneration in bands pursuant to the Listing Requirements as separate and detailed disclosure of individual director's remuneration will not add significantly to the understanding and evaluation of the Company's governance.

The Remuneration Committee met one time during the year and was attended by all its members.

Foster Commitment

The Board expects its members to devote sufficient time to carry out their responsibilities. In accordance to the Company's Board Charter, Board members are required to notify the Chairperson before accepting any new directorships and to indicate the time that will be spent on the new appointment.

All Directors received full and appropriate continuous training during the period of compliance. During the financial year 2013, the Directors, individually, have attended seminar(s), conference(s) and/or training(s) to continuous upgrade their skills and to keep abreast with current developments in corporate governance, personal data protection act, risk management and in the general business environment.

Risk Management and Internal Control

The Board has approved a Risk Management Policy to establish a sound framework to manage risks. A Risk Committee has also been set up. The risk framework includes identifying, assessing and monitoring key business risks to safeguard shareholders' investments and the company's assets. It also set out the risk ranking criteria, risk impact, risk map, risk key indicators and risk assessment register.

Together with the risk management framework, the Board also recognizes that internal controls are important for risk management. The Group's internal controls are reviewed from time to time to ensure its adequacy and integrity.

Information on the Group's internal control is presented in the Statement On Risk Management And Internal Control laid out in page 30 to 32.

Financial Reporting

Financial Reporting are made to the shareholders through the quarterly reports to Bursa Securities and the Annual Report. In these reports, the directors have a responsibility to present a fair assessment of the Company's position and prospects. The Board is assisted by the Audit Committee in reviewing the accuracy of its financial results and ensures that the financial statements comply with applicable financial reporting standards.

Relationship with Auditors

The Company's relationship with its external auditors is primarily maintained through the Audit Committee and the Board. The Company has always maintained a close and transparent relationship with its external auditors in seeking professional advice and ensuring compliance with the accounting standards in Malaysia. The Audit Committee has explicit authority to communicate directly with external and internal auditors.

The Audit Committee meets with the external auditors at least twice a year and whenever it deems necessary. In addition, the external auditors are invited to attend the annual general meeting of the Company and are available to answer shareholders' questions on the conduct of the statutory audit and the preparation and content of their audit report.

The external auditors confirm their independence throughout the conduct of the audit engagement with the Group on an annual basis in accordance with the independence criteria as set out in the Companies Act, 1965 and the By-laws of the Malaysian Institute of Accountants.

Corporate Social Responsibility

The Company has always been supportive towards development of culture and education as well as assisting the needy. For the financial year 2013, the Company has made various donations to support the operation of various organizations such as Kassim Chin Humanity Foundation, Persatuan Dialisis Kurnia Petaling Jaya and Women's Aid Organisation.

Through HELP University College group of companies, the Group has also been providing scholarships, study grants and loans to nurture the talent of deserving and needy students.

Shareholders' Communication

The Annual General Meeting ("AGM") is the main forum for dialogue with shareholders. The Annual Report and the Notice of AGM are sent out to shareholders at least 21 days before the date of meeting. The directors are available at the AGM to provide responses to queries and to receive feedbacks from the shareholders during the meeting. The Board encourages participation from shareholders by having question and answer session during the AGM. All resolutions are put to vote on a show of hands unless a request for poll is put forward.

Additionally, a press conference is held immediately after the Annual General Meeting to answer further queries concerning the Company.

During the financial year, enquiries by shareholders are dealt with promptly as practicable. Shareholders are also informed by way of various announcements and press releases. The Company occasionally has discussions with fund managers and analysts. Presentation is based on permissible disclosures.

Statement of Compliance with the Recommendations of MCCG 2012

The Company is committed to achieving high standards of corporate governance and is continuing to ensure that the Recommendations of MCCG 2012 are complied with.

Unless otherwise disclosed, the Board, in general, considers that it has complied with the Recommendations as set out in the MCCG 2012.

6 March 2014

REPORT ON AUDIT COMMITTEE

MEMBERS

Mr Ong Liang Win (Chairman)	Independent Non-Executive Director
Mr Michael Lim Hee Kiang	Independent Non-Executive Director
Dato' Zaibedah Binti Ahmad	Independent Non-Executive Director

TERMS OF REFERENCE

1. Objectives

The objective of the Audit Committee is to assist the Board of Directors in meeting its responsibilities relating to accounting and reporting practices of the Company and its subsidiary companies.

In addition, the Audit Committee shall:-

a) oversee and appraise the quality of the audits conducted both by the Company's internal and external auditors;

b) maintain open lines of communication between the Board of Directors, the internal auditors and the external auditors for the exchange of views and information, as well as to confirm their respective authority and responsibilities; and

c) determine the adequacy of the Group's administrative, operating and accounting controls.

2. Composition

The Audit Committee shall be appointed by the Directors from amongst their members (pursuant to a resolution of the Board of Directors) which fulfill the following requirements:-

a) the Audit Committee must be composed of no fewer than 3 members and all members shall be non-executive directors;

b) a majority of the Audit Committee must be independent directors; and

c) all members of the Audit Committee should be financially literate and at least one member of the Audit Committee:-

i) must be a member of the Malaysian Institute of Accountants;

ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:-

- he must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act, 1967; or

- he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967; or

iii) fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("Bursa Securities");

d) no alternate director shall be appointed as a member of Audit Committee.

The members of the Audit Committee shall elect a chairman from amongst their number who shall be an independent director.

In the event of any vacancy in the Audit Committee resulting in the non-compliance of item 2(a) to (c) above, the vacancy must be filled within 3 months of that event.

The Board of Directors must review the term of office and performance of the Audit Committee and each of its members at least once every 3 years to determine whether the Audit Committee and members have carried out their duties in accordance with the terms of reference.

3. Functions

The functions of the Audit Committee are as follows:-

a) to review the following and to report the same to the Board of Directors:-

i) with the external auditors, the audit plan;

ii) with the external auditors, his evaluation of the system of internal controls;

iii) with the external auditors, his audit report;

iv) the assistance given by the Company's employees to the external auditors; and

v) any related party transaction and conflict of interest situation that may arise within the Company or group including any transaction procedure or course of conduct that raises the questions of management integrity;

b) to consider the appointment of the external auditor, the audit fee and any questions of resignation or dismissal and the letter of resignation from the external auditor, if applicable;

c) to discuss with the external auditor before the audit commences, the nature and scope of the audit and ensure coordination where more than one audit firm is involved;

d) to discuss the contracts for the provision of non-audit services which can be entered into and procedures that must be followed by the external auditors. The contracts relating to the following are not allowed to be entered into:-

i) Management consulting;
ii) Strategic decision;
iii) Internal audit; and
iv) Policy and Standard operating procedures documentation;

e) to review the quarterly and year-end financial statements of the Company, focusing particularly on:-

i) any changes in accounting policies and practices;
ii) significant adjustments arising from the audit;
iii) the going concern assumption;
iv) compliance with accounting standards and other legal requirements;

f) to discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management where necessary);

g) to review the external auditor's management letter and management's response;

h) to review the adequacy of the Group's risk management framework and assess the resources and knowledge of the management and employees involved in the risk management process;

i) to review the Group's risk profile and risk tolerance;

j) to review and monitor the suitability and independence of the external auditor;

k) to do the following in relation to the internal audit function:-

   i) ensure the internal audit function is independent of the activities it audits and the head of internal audit reports directly to the Audit Committee. The head of internal audit will be responsible for the regular review and/or appraisal of the effectiveness of the risk management, internal control and governance processes within the Company;

   ii) review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;

   iii) review the internal audit programme and results of the internal audit process and where necessary, ensure that appropriate action is taken on the recommendations of the internal audit function;

   iv) review any appraisal or assessment of the performance of members of the internal audit function;

   v) approve any appointments or termination of senior staff members of the internal audit function;

   vi) take cognizance of resignations of internal audit staff members (for in-house internal audit function) or the internal audit service provider (for out-sourced internal audit function) and provide the resigning staff member or the internal audit service provider an opportunity to submit his reasons for resigning;

l) to consider any related party transaction that may arise within the Company and group;

m) to consider the major findings of internal investigations and management's response; and

n) to consider other areas as defined by the Board, or as may be prescribed by Bursa Securities or any other relevant authority from time to time.

4. Rights of the Audit Committee

The Audit Committee shall, wherever necessary and reasonable for the Company to perform of its duties, in accordance with a procedure to be determined by the Board of Directors and at the cost of the Company:-

a) have authority to investigate any matter within its term of reference;

b) have the resources which are required to perform its duties;

c) have full and unrestricted access to any information pertaining to the Company;

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

e) be able to obtain independent professional or other advice; and

f) be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of the other directors and employees of the Company, whenever deemed necessary.

The Chairman of the Audit Committee shall engage on a continuous basis with senior management, such as the chairman, the chief executive officer, the financial controller, the head of internal audit and the external auditors in order to be kept informed of matters affecting the Company.

MEETINGS

The Audit Committee shall meet at least 4 times a year and such additional meetings as the Chairman shall decide in order to fulfil its duties. However, at least twice a year the Audit Committee shall meet with the external auditors without the presence of executive Board members.

In addition, the Chairman may call a meeting of the Audit Committee if a request is made by any committee member, the Company’s Chief Executive, or the internal or external auditors.

The Company Secretary or other appropriate senior officer shall act as secretary of the Audit Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to committee members prior to each meeting.

The Secretary shall be responsible for keeping the minutes of meetings of the Audit Committee, and circulating them to committee members and to the other members of the Board of Directors.

A quorum shall consist of a majority of independent directors.

By invitation of the Audit Committee, the Company must ensure that other directors and employees attend any particular audit committee meeting specific to the relevant meeting.

The Audit Committee met five times during the financial year ended 31 October 2013. The attendance of the Audit Committee members for the five meetings is as follows:-

Names	Number of Meetings Attended By the Member during Their Tenure in Office	%
Mr Ong Liang Win (Chairman)	5	100
Mr Michael Lim Hee Kiang	5	100
Dato' Zaibedah Binti Ahmad	5	100

The Managing Director, the Financial Controller, a representative of the Internal Audit and a representative of the External Auditors normally attend the meetings. Other members of the Board and senior management may attend the meetings upon invitation. The Audit Committee also met with the external auditors at least twice a year and internal auditors once a year without executive board members and management's presence.

ACTIVITIES

The activities of the Audit Committee during the financial year ended 31 October 2013 can be summarized as follows:-

a) reviewed the quarterly financial statements and the final audited financial statements before recommending to the Board for approval and release to Bursa Securities;

b) reviewed the Audit Plan Memorandum with the external auditors;

c) reviewed the proposed policies and procedures on Related Party Transactions to ensure compliance with laws and regulations;

d) reviewed the independence, objectivity and effectiveness of the external auditors and the services provided, including non-audit services and corresponding fees;

e) reviewed the annual Internal Control Statement to be published in the Annual Report;

f) considered and reviewed the business processes presented by the internal audit team to assess the effectiveness of the internal control system;

g) discussed and adopted the internal audit plan;

h) examined findings made by internal auditor and management's response; and

i) reviewed the adequacy of the scope, function, competency and resources of the internal audit functions.

INTERNAL AUDIT FUNCTION

The Company outsourced its internal audit function to a third party service provider, which assists the Audit Committee in discharging its duties and responsibilities. The third party service provider acts independently with impartiality, proficiency and due professional care and reports directly to the Audit Committee. The total cost paid by the Group to the third party provider amounts to RM56,000 for financial year 2013.

The summary of the activities of the internal audit function for financial year 2013 include covering the areas regarding compliance with established policies and procedures, collections receiving and recording controls, credit monitoring and reporting and invoicing, debit note and credit note management.

6 March 2014

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

THE BOARD'S RESPONSIBILITIES

The Board of Directors ("Board") of the Group acknowledges its overall responsibility in maintaining a sound system of internal control and risk management practices of the Group and for reviewing the adequacy and integrity of the system periodically to safeguard the interest of the Company's shareholders and the Group's assets.

The system of risk management and internal control is designed to manage rather than to eliminate the risk of failure in achieving the Group's corporate objectives and can only provide reasonable but not absolute assurance against any material misstatement or loss.

The Risk Management Process

The Board has formally endorsed an ongoing risk management and internal control framework which includes the following key elements:

- The guiding principles of the risk management framework;
- The underlying approach to risk management;
- The underlying approach in reviewing and monitoring any significant risk;
- Regular review on the effectiveness of internal control.

The framework is applied continuously throughout the financial year to determine, evaluate and manage the significant risks of the Group. This is further assured by the implementation of an internal control system that has been integrated in the Group's operations and working culture. Therefore, any significant risk arising from factors within the Group and from changes in business environment can be addressed on a timely basis.

The Internal Control Process

The other key features of the Group's internal control system include the following:

- An organisation structure with defined lines of responsibility and appropriate reporting structure including proper approval and authorisation limits for approving capital expenditure and expenses within the Group;
- Internal policies and procedures are documented through a series of manuals for all major operations of the Group;

- Strategic planning and annual budgeting are undertaken for the key business units and consolidated at Group level. Senior management closely monitors the key performance indicators and financial and operating results against budget to identify and where appropriate, to address significant variances;

- The internal auditor will perform regular and systematic review of the internal controls to assess on the effectiveness of the systems of internal control and to highlight significant risks impacting the Group with recommendation for improvement;

- The Audit Committee regularly reviews and scrutinises the audit report by the Internal Audit Department and conducts annual assessment on the adequacy of the Department's scope of work and resources; and

- The Board meets at least quarterly and has set a schedule of matters which is required to be brought to its attention for discussion, thus ensuring that it maintains full and effective supervision over appropriate controls. The Group Managing Director provides explanation to the board papers on pertinent issues. In addition, the Board is kept updated on the Group's activities and its operations on a regular basis.

The outsourced internal audit function of the Group reports directly to the Audit Committee of the Company. The role of the internal auditors is to review the adequacy, integrity and effectiveness of the Group's system of risk management and internal controls to mitigate the risks of the Group including financial, operational and compliance risks.

Monitoring process

The Audit Committee has full and direct access to the internal auditors and receives reports on all internal audits performed. The internal auditor of the Group continues to independently and objectively monitor compliance with regard to policies and procedures, and the effectiveness of the internal controls systems. Significant findings and recommendations for improvement are highlighted to the Management and the Audit Committee, with periodic follow-up of the implementation of action plans. The Management is responsible for ensuring that corrective actions were implemented accordingly.

Based on the reports from the outsourced internal audit function for the financial year ended 31 October 2013, some findings and areas for process or internal control improvements were identified. The Audit Committee and management view such findings seriously, and have been or are currently taking measures to address them. None of these findings have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report.

Conclusion

The system of risk management and internal control comprising the respective framework, management processes, monitoring processes described in this statement are considered appropriate. While the Board acknowledges that the system of risk management and internal control does not eliminate the possibility of collusion or deliberate circumvention of procedures by employees, human errors and/or other unforeseen circumstances that result in poor judgment, it has nonetheless receive assurance from the Group Managing Director and the Financial Controller that the Company's risk management and internal control system is operating adequately and effectively.

The Group continues to take measures to enhance and strengthen the internal control environment.

Review of the Statement by External Auditors

The external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal control.

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

This statement is prepared as required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The directors are required to prepare financial statements which give a true and fair view of the state of affairs of the Group and the Company as at the end of each financial year and of their results and their cash flow for that year then ended.

The directors consider that in preparing the financial statements,

- the Group and the Company have used appropriate accounting policies and are consistently applied;
- reasonable and prudent judgments and estimates were made; and
- all applicable approved accounting standards in Malaysia have been followed.

The directors are responsible for ensuring that the Company maintains accounting records that disclose with reasonable accuracy the financial position of the Group and the Company, and which enable them to ensure that the financial statements comply with the Companies Act, 1965.

The directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

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 2013.

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	102,513	20,310
Profit attributable to:		
Owners of the parent	96,568	20,310
Minority interests	5,945	-
	102,513	20,310

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 as disclosed in Note 5 and 23 to the financial statements.

Dividends

The amount of dividends paid by the Company since 31 October 2012 were as follows:

	RM'000
In respect of the financial year ended 31 October 2012 as reported in the directors' report of that year:	
First and final dividend of	
a) 2% less 25% taxation	5,154
b) 8.0 sen single tier exempt dividend	27,490
	32,644

on 343,616,761 ordinary shares, approved on 24 April 2013 and paid on 15 May 2013.

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 October 2013, of 10.0 sen single tier exempt dividend per ordinary share amounting to RM34,361,676 and a special single tier exempt dividend of 20.0 sen per ordinary share amounting to RM68,723,352 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 total dividends of RM103,085,028. Such dividends, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 October 2014.

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

Director's 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.

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 Note 23, 24 and 25 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 related 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 2012	**Bought**	**Sold**	**31 October 2013**
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
Related 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 (direct)	2,022,000	-	(2,022,000)	-
Puan Sri Datin Chook Yew Chong Wen (indirect)	18,197,946	2,022,054	-	20,220,000

Puan Sri Datin Chook Yew Chong Wen by virtue of her interest in shares in the Company is also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

None of the other directors in office at the end of the financial year had any interest in 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 adequate provision had been made for doubtful debts; 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 the amount of the provision for doubtful debts inadequate to any substantial extent; and

(ii) the values attributed to current assets in the financial statements 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) As the date of this report, there does not exist:

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

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

(f) In the opinion of the directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet its 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 event

The significant event during the financial year is disclosed in Notes 39 to the financial statements.

Subsequent events

Details of subsequent events are disclosed in Note 40 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 27 February 2014.

Puan Sri Datin Chook Yew Chong Wen

Wen Chiu Chi

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 44 to 132 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 October 2013 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 47 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 27 February 2014.

Puan Sri Datin Chook Yew Chong Wen

Wen Chiu Chi

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

I, Lee Boon Kian, 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 44 to 132 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 Boon Kian at
Kuala Lumpur in the Federal Territory
on 27 February 2014

Lee Boon Kian

Before me,

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

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SELANGOR PROPERTIES BERHAD

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 2013 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 44 to 132.

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.

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 2013 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.

Other reporting responsibilities

The supplementary information set out in Note 47 on page 133 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
27 February 2014

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2013

	Note	31 October 2013 RM'000	31 October 2012 RM'000	1 November 2011 RM'000
Assets				
Non-current assets				
Property, plant and equipment	3	204,409	181,471	179,942
Land held for property development	4	433,633	432,210	431,473
Investment properties	5	1,032,762	998,502	982,927
Intangible assets	6	6,035	6,252	4,718
Other receivables	12	17,280	15,805	16,266
Deferred tax assets	19	26,680	30,354	21,101
Total non-current assets		1,720,799	1,664,594	1,636,427
Current assets				
Inventories	10	63,118	75,723	86,351
Trade receivables	11	8,508	6,851	7,359
Other receivables	12	15,133	21,703	19,558
Tax recoverable		5,669	4,752	6,674
Financial assets at fair value through profit or loss ("FVTPL")	8	329,589	270,977	97,076
Available-for-sale ("AFS") financial assets	9	-	-	1,722
Cash and cash equivalents	13	398,797	455,231	600,769
Total current assets		820,814	835,237	819,509
Total assets		2,541,613	2,499,831	2,455,936

	Note	31 October 2013 RM'000	31 October 2012 RM'000	1 November 2011 RM'000
Equity and liabilities				
Equity attributable to owners of the parent				
Share capital	17	343,617	343,617	343,617
Reserves		266,020	268,153	272,913
Retained earnings	18	1,339,774	1,275,850	1,232,576
		1,949,411	1,887,620	1,849,106
Minority interests		77,390	72,489	66,911
Total equity		2,026,801	1,960,109	1,916,017
Non-current liabilities				
Borrowings	14	267,919	318,089	55,000
Deferred tax liabilities	19	103,869	90,363	49,867
Other payable	16	-	9,000	18,000
Total non-current liabilities		371,788	417,452	122,867
Current liabilities				
Cash flow hedge instrument	31	1,232	3,016	48
Borrowings	14	50,307	26,038	327,826
Trade payables	15	27,000	25,373	22,621
Other payables	16	62,406	66,062	64,905
Tax payable		2,079	1,781	1,652
Total current liabilities		143,024	122,270	417,052
Total liabilities		514,812	539,722	539,919
Total equity and liabilities		2,541,613	2,499,831	2,455,936
Net tangible assets per share		5.66	5.48	5.37

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2013

	Note	2013 RM'000	2012 RM'000
Revenue	20	239,497	224,470
Cost of sales	21	(13,715)	(9,352)
Gross profit		225,782	215,118
Other income		59,670	59,308
Gain/(loss) from disposal of investments	22	1,638	(504)
Unrealised changes in fair value of financial assets at FVTPL	8	3,387	2,429
Administration expenses		(76,457)	(65,686)
Other operating expenses		(62,453)	(66,467)
Operating profit	23	151,567	144,198
Finance costs	26	(18,439)	(22,062)
Profit before tax		133,128	122,136
Share of results of joint control entity		(6)	-
Income tax expense	27	(30,609)	(46,470)
Net profit for the year		102,513	75,666
Other comprehensive loss			
Items that may be reclassified to profit or loss in subsequent periods:			
- Foreign currency translation		(3,382)	(2,360)
- Net gain/(loss) on cash flow hedge	31	1,249	(2,063)
- Net loss on fair value changes on AFS financial assets		-	(337)
Other comprehensive loss for the year, net of tax		(2,133)	(4,760)
Total comprehensive income for the year, net of tax		100,380	70,906
Profit attributable to:			
Owners of the parent		96,568	69,045
Non-controlling interest		5,945	6,621
		102,513	75,666
Total comprehensive income attributable to:			
Owners of the parent		94,435	64,285
Non-controlling interest		5,945	6,621
		100,380	70,906
Earnings per share attributable to owners of the parent (sen per share)			
Basic	33	28.1	20.1
Diluted	33	28.1	20.1

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2013

Attributable to owners of the parent

Non-distributable / Distributable

	Share capital RM'000	Share premium reserve RM'000	Revaluation reserve RM'000 (Note 28)	Capital reserve RM'000 (Note 29)	Foreign currency translation reserve RM'000 (Note 30)	Hedging reserve RM'000 (Note 31)	Fair value adjustment reserve RM'000 (Note 32)	Total reserve RM'000	Retained earnings RM'000	Total RM'000	Non Controling Interests RM'000	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
Transactions 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
At 1 November 2011	343,617	201,754	-	70,870	-	(48)	337	272,913	1,232,576	1,849,106	66,911	1,916,017
Total comprehensive income	-	-	-	-	(2,360)	(2,063)	(337)	(4,760)	69,045	64,285	6,621	70,906
	343,617	201,754	-	70,870	(2,360)	(2,111)	-	268,153	1,301,621	1,913,391	73,532	1,986,923
Transactions with owners												
Dividends on ordinary shares (Note 34)	-	-	-	-	-	-	-	-	(25,771)	(25,771)	(1,043)	(26,814)
At 31 October 2012	343,617	201,754	-	70,870	(2,360)	(2,111)	-	268,153	1,275,850	1,887,620	72,489	1,960,109

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2013

	2013 RM'000	2012 RM'000
Cash flows from operating activities		
Profit before tax	133,128	122,136
Adjustments for:		
Depreciation	9,831	9,304
Amortisation of intangible assets	978	558
Gain on disposal of property, plant and equipment	(24)	(35)
Gain on disposal of intangible assets	-	(56)
Property, plant & equipment and intangible assets written off	35	-
Gain on compulsory land acquisition by government	-	(23,379)
Unrealised foreign exchange losses	3,244	5,144
(Gain)/loss on disposal of FVTPL financial assets	(1,638)	831
Unrealised changes in fair values of FVTPL financial assets	3,387	(2,429)
Gain on disposal of Available-for-sale financial asset	-	(327)
Gain on fair value changes of investment properties	(59,940)	(34,393)
Gain on return on capital in a subsidiary	(5,387)	-
Net (reversal)/allowance for impairment of receivables	(38)	127
Dividend income from shares quoted outside Malaysia	(3,148)	(1,132)
Interest income	(11,086)	(9,727)
Interest expense	18,432	22,062
Operating profit before working capital changes	87,774	88,684
Decrease/(increase) in receivables	16,385	(1,459)
Decrease in inventories	13,258	9,864
Increase in payables	7,466	4,565
Increase in development properties	(3,559)	(3,281)
Net cash generated from operations	121,324	98,373
Interest received	1,379	5,513
Taxes paid	(11,909)	(12,410)
Net cash generated from operating activities	110,794	91,476

	2013 RM'000	2012 RM'000
Cash flows from investing activities		
Additions of investment properties	(250)	(4,092)
Purchase of FVTPL financial assets	(273,206)	(193,451)
Proceeds from disposal of Available-for-sale financial assets	-	1,712
Proceeds from disposal of FVTPL financial assets	235,477	28,661
Purchase of property, plant and equipment	(33,363)	(12,041)
Purchase of intangible assets	(216)	(892)
Proceeds from disposal of property, plant and equipment	5	43
Proceeds from disposal of intangible assets	-	56
Proceeds from compulsory land acquisition by government	-	31,272
Payment for acquisition of property	(18,000)	(9,000)
Dividends received from shares quoted outside Malaysia	3,148	1,132
Net cash used in investing activities	(86,405)	(156,600)
Cash flows from financing activities		
Repayment of borrowings, net	(13,251)	(28,677)
Dividends paid	(32,644)	(25,771)
Dividends paid by a subsidiary to non-controlling interest	(1,044)	(1,044)
Interest paid	(20,193)	(21,418)
Net cash used in financing activities	(67,132)	(76,910)
Net decrease in cash and cash equivalents	(42,743)	(142,034)
Effects of exchange rate changes	(13,691)	(3,504)
Cash and cash equivalents at beginning of year	455,231	600,769
Cash and cash equivalents at end of year (Note 13)	398,797	455,231

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

STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2013

	Note	31 October 2013 RM'000	31 October 2012 RM'000	1 November 2011 RM'000
Assets				
Non-current assets				
Property, plant and equipment	3	28	52	73
Investment properties	5	26,296	25,620	25,620
Investments in subsidiaries	7	888,829	904,192	904,192
Deferred tax asset	19	23	57	57
Total non-current assets		915,176	929,921	929,942
Current assets				
Inventories	10	41,533	39,966	39,870
Trade receivables	11	444	228	234
Other receivables	12	75,459	78,972	89,058
Tax recoverable		4,047	3,085	2,216
Cash and bank balances	13	17,749	6,290	6,859
Total current assets		139,232	128,541	138,237
Total assets		1,054,408	1,058,462	1,068,179
Equity and liabilities				
Equity attributable to equity holders of the Company				
Share capital	17	343,617	343,617	343,617
Share premium reserve		201,754	201,754	201,754
Retained earnings	18	433,740	446,074	463,734
Total equity		979,111	991,445	1,009,105
Current liabilities				
Borrowings	14	50,307	26,038	33,076
Other payables	16	24,990	40,979	25,998
Total current liabilities		75,297	67,017	59,074
Total liabilities		75,297	67,017	59,074
Total equity and liabilities		1,054,408	1,058,462	1,068,179

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2013

	Note	2013 RM'000	2012 RM'000
Revenue	20	20,951	13,831
Other income		9,430	2,845
Administration expenses		(4,016)	(3,125)
Other operating expenses		(2,566)	(2,815)
Operating profit	23	23,799	10,736
Finance costs	26	(1,445)	(1,281)
Profit before tax		22,354	9,455
Income tax expense	27	(2,044)	(1,344)
Profit for the year, representing total comprehensive income for the year		20,310	8,111

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2013

	Non-distributable		Distributable	
	Share capital RM'000	Share premium reserve RM'000	Retained earnings RM'000 (Note 18)	Total RM'000
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
At 1 November 2011	343,617	201,754	463,734	1,009,105
Total comprehensive income for the year	-	-	8,111	8,111
Dividends (Note 34)	-	-	(25,771)	(25,771)
At 31 October 2012	343,617	201,754	446,074	991,445

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2013

	2013 RM'000	2012 RM'000
Cash flows from operating activities		
Profit before tax	22,354	9,455
Adjustments for:		
Depreciation	24	50
Gain from disposal of property, plant and equipment	(5)	-
Dividend income from subsidiaries	(20,609)	(13,499)
Fair value adjustment of investment property	(676)	-
Gain on return on capital	(5,387)	-
Interest expense	1,438	1,281
Interest income	(2,762)	(2,245)
Operating loss before working capital changes	(5,623)	(4,958)
Decrease in receivables	1,148	10,092
(Decrease)/increase in payables	(67)	14,942
Increase in development properties	(1,567)	(96)
Cash (used in)/generated from operations	(6,109)	19,980
Taxes paid, net	(600)	(600)
Net cash (used in)/generated from operating activities	(6,709)	19,380
Cash flows from investing activities		
Dividends received, net	7,117	11,887
Interest received	109	2,245
Proceeds from disposal of property, plant and equipment	5	-
Proceeds from return of capital in a subsidiary	20,750	-
Purchase of property, plant and equipment	-	(29)
Net cash generated from investing activities	27,981	14,103
Cash flows from financing activities		
Proceeds from/(repayment of) borrowings, net	24,250	(7,000)
Dividends paid	(32,644)	(25,771)
Interest paid	(1,419)	(1,281)
Net cash used in financing activities	(9,813)	(34,052)
Net increase/(decrease) in cash and cash equivalents	11,459	(569)
Cash and cash equivalents at beginning of year	6,290	6,859
Cash and cash equivalents at end of year (Note 13)	17,749	6,290

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

NOTES TO THE FINANCIAL STATEMENTS
31 OCTOBER 2013

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 40.

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 company of the Company is Kayin Holdings Sdn. Berhad, a company incorporated in Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 February 2014.

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.

2.2 First time adoption of Malaysian Financial Reporting Standards ("MFRS")

These are the first set of financial statements of the Group and of the Company prepared under the MFRS Framework which was issued by the Malaysian Accounting Standards Board ("MASB") on 19 November 2011. MFRS 1 : First Time Adoption of MFRS has been applied. The audited financial statements of the Group and of the Company for the previous financial years were prepared in accordance with Financial Reporting Standards in Malaysia ("FRS"). Except for certain differences, the requirements under FRS and MFRS in respect of the significant accounting policies adopted by the Group, are similar.

There are no significant accounting policy changes arising from the first time adoption of MFRS and accordingly the transition from FRS to MFRS has not had material impact on the statement of financial position, statement of comprehensive income, statement of change in equity and statement of cash flows of the Group and Company, other than for the optional exemptions applied by the Group as at 1 November 2011, as disclosed in Note 46(iii). As such, notes related to the statement of financial position as at the date of transition to MFRS (at 1 November 2011) are not presented.

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 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))
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

Effective for annual periods beginning on or after 1 July 2014

Amendment to	
MFRS 3	Annual Improvements to MFRSs 2010-2012 Cycle)
MFRS 8	Annual Improvements to MFRSs 2011-2013 Cycle)
MFRS 13	Annual Improvements to MFRSs 2010-2012 Cycle)
MFRS 116	Annual Improvements to MFRSs 2011-2013 Cycle)
MFRS 119	Annual Improvements to MFRSs 2010-2012 Cycle)
MFRS 124	Defined Benefit Plans: Employee Contributions
MFRS 138	Annual Improvements to MFRSs 2010-2012 Cycle)
MFRS 140	Annual Improvements to MFRSs 2010-2012 Cycle)
	Annual Improvements to MFRSs 2011-2013 Cycle)

Effective date to be announced by MASB:

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009)
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2009)

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 – Classification and Measurement

MFRS 9 addresses the classification and measurement of financial instruments. MFRS 9 defines criteria for financial assets that can be measured at amortised costs subsequent to its initial recognition and also requires changes of fair value attributable to credit risk change for financial liabilities to be presented in statement of other comprehensive income.

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.

MFRS 11 Joint Arrangements

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

A joint arrangement can be either a joint venture or a joint operation.

MFRS 11 requires a joint operator to recognise and measure the assets and liabilities (and recognise the related revenues and expenses) in relation to its interest in the arrangement in accordance with relevant MFRS applicable to particular assets, liabilities, revenues and expenses.

MFRS 11 requires a joint venturer to recognise an investment and to account for that investment using the equity method in accordance with MFRS 128 Investments in Associates and Joint Ventures, unless the entity is exempted from applying the equity method as specified in that standard.

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.

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.

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.

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.

(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) Joint venture

The Group's interest in jointly controlled assets and liabilities arising from its joint venture arrangements have been accounted for in the financial statements using proportionate consolidation. The Group combines its share of each of the assets, liabilities, income and expenses of the joint venture arrangement with the similar items, line by line, in its consolidated financial statements.

(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.

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 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:

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.

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).

(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.

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.

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.

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.

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, deposit at call 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.

(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.

(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

- 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.

(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.

(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.

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:

	2013 RM	2012 RM
1 Singapore Dollar	2.55	2.50
1 United States Dollar	3.16	3.06
1 Australian Dollar	3.00	3.17
1 Euro	4.33	3.96
100 Japanese Yen	3.21	3.84

(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.

(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.

(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.

- 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.

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

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.

(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 losses 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	
	2013 RM'000	**2012 RM'000**	**2013 RM'000**	**2012 RM'000**
Recognised tax losses and allowances	77,044	91,656	40	40
Unrecognised tax losses and allowances	78,049	69,359	2,061	2,073

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 or the Group's internal property experts. 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 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 23)	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
At 31 October 2012						
Cost						
At 1.11.2011	154,895	48,379	34,684	55,408	5,977	299,343
Transfer from investment properties	-	-	1,809	3,009	7,223	12,041
Additions	-	-	(11)	(261)	-	(272)
Disposals	-	-	(1)	(163)	-	(164)
Write off	-	586	-	-	(1,786)	(1,200)
At 31.10.2012	154,895	48,965	36,481	57,993	11,414	309,748
Accumulated depreciation						
At 1.11.2011	7,535	48,142	24,667	39,057	-	119,401
Charge for the year (Note 23)	1,674	121	3,091	4,418	-	9,304
Disposals	-	-	(4)	(260)	-	(264)
Write off	-	-	(1)	(163)	-	(164)
At 31.10.2012	9,209	48,263	27,753	43,052	-	128,277
Net carrying amount	145,686	702	8,728	14,941	11,414	181,471

*** Land and building of the Group:**

	Freehold land RM'000	Long term leasehold land RM'000	Building RM'000	Total RM'000
Group (cont'd.)				
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
At 31 October 2012				
Cost				
At 1.11.2011/31.10.2012	67,141	23,201	64,553	154,895
Accumulated depreciation				
At 1.11.2011	-	351	7,184	7,535
Charge for the year	-	234	1,440	1,674
At 31.10.2012	-	585	8,624	9,209
Net carrying amount	67,141	22,616	55,929	145,686

	Plant and equipment RM'000	Furniture, fittings and computers RM'000	Motor vehicles RM'000	Total RM'000
Company				
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 23)	13	11	-	24
Disposal	-	-	(54)	(54)
At 31.10.2013	1,957	1,398	341	3,696
Net carrying amount	10	18	-	28
At 31 October 2012				
Cost				
At 1.11.2011	1,967	1,387	395	3,749
Additions	-	29	-	29
Disposal	-	-	-	-
At 31.10.2012	1,967	1,416	395	3,778
Accumulated depreciation				
At 1.11.2011	1,905	1,376	395	3,676
Charge for the year (Note 23)	39	11	-	50
At 31.10.2012	1,944	1,387	395	3,726
Net carrying amount	23	29	-	52

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 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
At 31 October 2012:				
At 1.11.2011	340,747	13,873	76,853	431,473
Additions	-	-	3,176	3,176
Disposal	(2,439)	-	-	(2,439)
Carrying amount at 31.10.2012	338,308	13,873	80,029	432,210

5. Investment properties

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
At 1 November	998,502	982,927	25,620	25,620
Disposal	-	(5,445)	-	-
Fair value adjustment (Note 23)	59,940	34,393	676	-
Additions	459	4,092	-	-
Foreign exchange differences	(26,139)	(17,465)	-	-
At 31 October	1,032,762	998,502	26,296	25,620

Disposal in the previous financial year relates to the government's compulsory acquisition of a part of freehold land at a consideration of RM18,201,000.

Investment properties of the Group with carrying value of RM844,329,000 (2012: RM794,286,000) are pledged to financial institutions for a revolving credit and foreign currency term loan granted as referred to in Note 14.

6. Intangible assets

	Goodwill RM'000	Software RM'000	Total RM'000
Group			
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 23)	-	978	978
At 31.10.2013	77	5,130	5,207
Net carrying amount	4,247	1,788	6,035

	Goodwill RM'000	Software RM'000	Total RM'000
Group (cont'd.)			
31 October 2012			
Cost			
At 1.11.2011	4,324	4,121	8,445
Additions	-	892	892
Disposals	-	(56)	(56)
Reclassified from property, plant and equipment (Note 3)	-	1,200	1,200
At 31.10.2012	4,324	6,157	10,481
Accumulated amortisation and impairment			
At 1.11.2011	77	3,650	3,727
Amortisation (Note 23)	-	558	558
Disposals	-	(56)	(56)
At 31.10.2012	77	4,152	4,229
Net carrying amount	4,247	2,005	6,252

Impairment test for goodwill

Goodwill has been allocated to the education segment of the Group that operates in Malaysia and 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 is based on fair value less costs to sell and is determined based on the market value of the shares held by the Group.

As at the reporting date, there was no indication of impairment as the recoverable amount of the CGU exceeded the carrying amount of the goodwill. Subsidiaries of the Company involved in the education segment were disposed subsequent to the financial year-end as disclosed in Note 40(a).

7. Investments in subsidiaries

	Company 2013 RM'000	Company 2012 RM'000
Quoted shares at cost	2,624	2,624
Unquoted shares at cost		
At 1 November	901,568	901,568
Return on capital	(15,363)	-
At 31 October	886,205	901,568
Total Investment in subsidiaries	888,829	904,192
Market value of quoted shares	128,221	144,883

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2013 %	Proportion of ownership interest 2012 %
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
HELP International Corporation Berhad ("HIC") ^^	Malaysia	Investment holding	51	51
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

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2013 %	2012 %
Held by the Company (cont'd.):				
Wenworth Hotel Sdn. Bhd.	Malaysia	Dormant	100	100
Yondbe Corporation Sdn. Bhd.	Malaysia	Advertising, interviewing and recruiting of new employees	100	100
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
ELM Institute of Higher Education Pty. Ltd.^ ^^	Australia	Providing higher education and training programmes and for related education delivery services	51	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	51
HELP College of Arts and Technology Sdn. Bhd.** ^^	Malaysia	Carrying on business of a commercial college for higher education	51	51
HELP Education Services Sdn. Bhd.** ^^	Malaysia	Providing educational services and activities at primary, secondary, pre-university and matriculation levels	51	51

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2013 %	2012 %
Held through subsidiaries (cont'd.):				
HELP Executive Advanced Training Sdn. Bhd. ^^	Malaysia	Providing professional and executive education and training	51	51
HELP M&E Sdn. Bhd. ^^	Malaysia	Providing pre-university courses/services and distribution for education products and services	51	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	51
HELP University Sdn. Bhd. ^^	Malaysia	Providing university focused education for a wide range of pre-university undergraduate and post graduate degree programmes	51	51
Jupiter Midas Sdn. Bhd.	Malaysia	Dormant	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

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2013 %	2012 %
Held through subsidiaries (cont'd.):				
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
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

* 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.
^^ HIC and its subsidiaries were disposed subsequent to the financial year-end as disclosed in Note 40(a).

8. Financial assets at fair value through profit or loss

	Group 2013 RM'000	Group 2012 RM'000
Investments outside Malaysia, at fair value		
Equity funds and real estate funds	16,279	16,814
Hedge funds	1,979	1,983
Fixed income investments/funds	230,227	169,156
Other unquoted investment funds	81,104	83,024
	329,589	270,977

	Group 2013 RM'000	Group 2012 RM'000
Net gain on financial assets at FVTPL comprised:		
Realised gain/(loss) on disposals (Note 22)	1,638	(831)
Unrealised changes in fair value (Note 23)	3,387	2,429
	5,025	1,598

9. Available-for-sale financial assets

Available-for-sale financial assets of the Group at 1 November 2011 represented unquoted equity instruments outside Malaysia, stated at fair value.

10. Inventories

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
At cost:				
Developed properties held for sale	14,109	26,055	-	-
Properties under development	13,703	12,136	11,133	9,566
Land under development	32,132	32,132	30,400	30,400
	59,944	70,323	41,533	39,966
At net realisable value:				
Developed properties held for sale	3,174	5,400	-	-
	63,118	75,723	41,533	39,966

Cost of inventories recognised as an expense during the financial year amounted to RM13,715,000 (2012: RM9,352,000).

11. Trade receivables

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Trade receivables	2,374	2,488	444	228
Fees receivable	6,343	4,828	-	-
	8,717	7,316	444	228
Less: Allowance for impairment	(209)	(465)	-	-
Trade receivables, net	8,508	6,851	444	228

The Group's normal trade credit term ranges from 1 to 60 days (2012: 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.

11. Trade receivables (cont'd.)

Ageing analysis of trade receivables

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

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Neither past due nor impaired	6,735	4,088	375	-
1 to 30 days past due but not impaired	700	794	42	15
31 to 60 days past due but not impaired	435	265	6	55
61 to 90 days past due but not impaired	166	172	-	-
91 to 120 days past due but not impaired	34	41	-	32
More than 91 days past due not impaired	438	1,486	21	126
	1,773	2,758	69	228
Impaired	209	470	-	-
	8,717	7,316	444	228

Receivables that are neither past due nor impaired

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

Included in the Group's trade receivables that are neither past due nor impaired is an amount of RM501,300 (2013: RM1,163,000) relating to the final 2.5% or 5% of purchase price that is held by the Group's solicitor as stakeholder. The amounts will be released to the Group upon expiry of 8 months (2.5%) and 24 months (2.5%) after the purchasers have taken vacant possession of the properties.

Receivables that are past due but not impaired

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

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:

	2013 RM'000	2012 RM'000
Trade receivables	209	470
Less: Allowance for impairment losses	(209)	(465)
	-	5

	2013 RM'000	2012 RM'000
Movement in allowance accounts:		
At 1 January	465	338
Charge for the year	-	212
Reversal of allowance for impairment	(256)	(85)
Net (reversal)/allowance (Note 23)	(256)	127
At 31 December	209	465

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.

12. Other receivables

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Current				
Due from subsidiaries	-	-	75,102	77,847
Deposits	4,968	3,687	194	194
Prepayments	5,160	2,024	-	-
Other statutory receivable	-	42	-	-
Compulsory land acquisition	-	9,876	-	-
Amount due from a director related company	104	97	104	97
Sundry receivables	7,665	8,523	59	834
	17,897	24,249	75,459	78,972
Less: Allowance for impairment	(2,764)	(2,546)	-	-
	15,133	21,703	75,459	78,972
Non-current				
Sundry receivable	17,280	15,805	-	-

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

- amounts due from subsidiaries of RM47,372,000 and RM 1,848,000 (2012: RM45,094,000 and RM1,726,000) that bear fixed rate interest of 3.25% and 4.00% (2012: 3.25% and 4.00%) per annum respectively.

- amounts due from subsidiary of RM23,893,000 (2012: RM29,055,000) that bear floating rate interest of 4.14% to 4.17% (2012: 4.16% to 4.19%) per annum.

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:

- Long term 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. The loan bears fixed interest of 18% per annum and provides the Group with a 37.5% share of surplus income from the said project.

Ageing analysis of sundry receivables

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

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Neither past due nor impaired	4,412	5,006	75,102	77,932
1 to 30 days past due but not impaired	21	6	-	-
31 to 60 days past due but not impaired	5	5	-	-
61 to 90 days past due but not impaired	-	1	-	-
91 to 120 days past due but not impaired	404	1	-	-
More than 121 days past due not impaired	163	10,973	163	846
	593	10,986	163	846
Impaired	2,764	2,546	-	-
	7,769	18,538	75,265	78,778

Receivables that are neither past due nor impaired

Other receivables (excluding deposits and prepayments) 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 and prepayments) 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:

	2013 RM'000	**2012 RM'000**
Other receivables	2,764	2,546
Less: Allowance for impairment losses	(2,764)	(2,546)
	-	-
Movement in allowance accounts:		
At 1 January	2,546	2,546
Charge for the year (Note 23)	218	-
At 31 December	2,764	2,546

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.

13. Cash and cash equivalents

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Cash on hand and at banks	125,916	78,638	477	173
Deposits with:				
- licensed banks	255,062	228,869	-	-
- other financial institutions	-	106,284	-	-
Placements with cash management trusts	17,819	41,440	17,272	6,117
	398,797	455,231	17,749	6,290

Included in cash at banks of the Group is an amount of RM617,000 (2012: RM1,156,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 which is restricted from use in other operations.

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

14. Borrowings, secured

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Short term				
Revolving credits	50,307	26,038	50,307	26,038
Long term				
Revolving credits	25,000	35,000	-	-
Foreign currency term loan	242,919	283,089	-	-
	267,919	318,089	-	-
Total borrowings				
Revolving credits	75,307	61,038	50,307	26,038
Foreign currency term loan	242,919	283,089	-	-
	318,226	344,127	50,307	26,038
Maturity of borrowings:				
Within one year	50,307	26,038	50,307	26,038
More than 1 year but not more than 2 years	267,919	-	-	-
More than 2 years but not more than 5 years	-	318,089	-	-
	318,226	344,127	50,307	26,038

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

	Group		Company	
	2013	**2012**	**2013**	**2012**
Revolving credits	4.15	4.17	4.16	4.19
Foreign currency term loan	5.72	5.97	-	-

Revolving credits of the Company

The revolving credits of the Company bear interest of 4.12% to 4.20% (2012: 4.17% 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.

Revolving credit of a subsidiary

The revolving credit of Oriland Sdn. Bhd. ("Oriland"), a wholly owned subsidiary of the Group, bears interest of 4.12% to 4.16% (2012: 4.16% to 4.19%) per annum and is 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.

Foreign currency term loan of a subsidiary

In prior financial years, the term loan was a 12-month term loan that bore interest of 7.86% to 7.91% and was secured by a registered mortgage over investment properties of the Group (Note 5).

The term loan had previously matured on 28 February 2012. This loan has since been refinanced into three term loans provided by foreign financial institutions, which mature on 28 February 2015. The facilities bore interest of 5.58% to 6.61% and were secured by investment properties of the Group (Note 5).

15. Trade payables

	Group 2013 RM'000	Group 2012 RM'000
Trade payables	74	223
Fees received in advance	26,926	25,150
	27,000	25,373

The normal trade credit terms granted to the Group range from 1 to 60 days (2012: 1 to 60 days).

16. Other payables

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Current				
Due to subsidiaries	-	-	22,276	38,197
Other non financial liabilities	183	3,330	-	-
Subsidy for low cost project	1,470	1,470	-	-
Provisions	5,620	5,685	-	-
Refundable deposits	7,330	7,940	-	-
Tenants' deposits	10,568	10,340	2,280	2,237
Accruals	14,704	15,744	434	545
Sundry payables	22,531	21,553	-	-
	62,406	66,062	24,990	40,979
Non-current				
Balance of purchase consideration on acquisition of property	-	18,000	-	-
Amount due within 12 months included in sundry payables	-	(9,000)	-	-
	-	9,000	-	-

Accruals and sundry payables are unsecured, non-interest bearing and normally settled on an average term of two months (2012: average term of two months), except for the balance of purchase consideration on acquisition of property of the Group at the end of the prior year that bore interest of 4% per annum. During the year, the Group settled both the current and non-current portions of the said purchase consideration amounting to RM18,000,000 in cash.

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

17. Share capital

	Number of ordinary shares of RM1 each		Amount	
	2013 '000	2012 '000	2013 RM'000	2012 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

18. Retained earnings

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act, 2007 which was gazetted on 28 December 2007, companies were not be entitled to deduct tax on dividends paid, credited or distributed to its shareholders, and such dividends would be exempted from tax in the hands of the shareholders ("single tier system"). However, there was a transitional period of six years, which expired on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also had an irrevocable option to disregard the 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provided for the 108 balance to be locked-in as at 31 December 2007 in accordance with section 39 of the Finance Act, 2007.

Upon the expiry of the imputation system on 31 December 2013, the Company will be able to distribute dividends out of its entire retained earnings as at 31 October 2013 under the single tier system.

19. Deferred taxation

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
At 1 November	60,009	28,766	(57)	(57)
Recognised in profit or loss (Note 27)	18,760	32,009	34	-
Exchange differences	(1,580)	(766)	-	-
At 31 October	77,189	60,009	(23)	(57)

Presented after appropriate offsetting as follows:

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Deferred tax assets	(26,680)	(30,354)	10	10
Deferred tax liabilities	103,869	90,363	(33)	(67)
At 31 October	77,189	60,009	(23)	(57)

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 1.11.2012	-	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

	Property development RM'000	Property, plant and equipment RM'000	Business combination RM'000	Investment properties RM'000	Total RM'000
At 1.11.2011	7,706	7,151	7,629	27,381	49,867
Recognised in profit or loss	(14,801)	1,104	(28)	48,284	34,559
Exchange differences	(245)	-	-	(1,158)	(1,403)
Reclassification	7,340	-	-	-	7,340
At 31.10.2012	-	8,255	7,601	74,507	90,363

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 1.11.2012	(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)
At 1.11.2011	-	(20,781)	(320)	(21,101)
Recognised in profit or loss	-	(2,770)	220	(2,550)
Exchange differences	-	637	-	637
Reclassification	(7,340)	-	-	(7,340)
At 31.10.2012	(7,340)	(22,914)	(100)	(30,354)

Deferred tax (assets)/liability of the Company:

	Provision RM'000	Unused tax losses and unabsorbed capital allowances RM'000	Property, plant and equipment RM'000	Total RM'000
At 1.11.2012	(57)	(10)	10	(57)
Recognised in profit or loss	34	-	-	34
At 31.10.2013	(23)	(10)	10	(23)
At 1.11.2011	(57)	(10)	10	(57)
Recognised in profit or loss	-	-	-	-
At 31.10.2012	(57)	(10)	10	(57)

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

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Unused tax losses	53,077	45,910	-	-
Unabsorbed capital allowances	17,304	15,781	2,061	2,073
Unutilised investment tax allowances	7,668	7,668	-	-
	78,049	69,359	2,061	2,073

The unused tax losses of the Group amounting to RM53,077,000 (2012: RM45,910,000) 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 (2012: 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 (2012: RM1,370,000) as they arose from the leasing business and may not be used to offset taxable profits arising from other businesses.

The balance of the unabsorbed capital allowances of the Group and of the Company amounting to RM15,934,000 (2012: RM14,411,000) and RM691,000 (2012: RM703,000) 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.

20. Revenue

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Rental income	94,962	95,902	342	332
Interest income from deposits	6,785	3,919	-	-
Proceeds from sale of development properties	16,085	11,744	-	-
Dividend income				
- shares quoted outside Malaysia	3,148	1,132	-	-
- subsidiaries	-	-	20,609	13,499
Fees earned from providing education and learning facilities	118,517	111,773	-	-
	239,497	224,470	20,951	13,831

21. Cost of sales

Cost of sales relates to cost of inventories sold amounting to RM13,715,000 (2012: RM9,352,000) (Note 10).

22. (Gain)/loss from disposal of investments

(Gain)/loss from investments of the Group relate to net realised (gain)/loss on disposal of AFS and FVTPL financial assets as follows:

	Group	
	2013 RM'000	2012 RM'000
Gain on disposal of AFS financial assets	-	(327)
(Gain)/loss on disposal of FVTPL financial assets	(1,638)	831
	(1,638)	504

23. Operating profit

The following amounts have been included in arriving at the operating profit:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Staff costs (Note 24)	65,649	56,110	3,992	2,758
Non-executive directors' remuneration (Note 25)	369	357	167	167
Auditors' remuneration - parent auditors				
- current year	277	254	114	68
- other services	52	7	45	-
Auditors' remuneration - affiliates of parent auditors	35	103	-	-
Auditors' remuneration - other firm of auditors	19	18	-	-
Amortisation of intangible assets (Note 6)	978	558	-	-
Depreciation (Note 3)	9,831	9,304	24	50
Rental expenses				
- premises and storage	10,847	10,495	-	5
- equipment	241	385	-	-
Interest income from loans and receivables	(1,158)	(1,474)	-	-
Rental income	(710)	(616)	-	-
Net (reversal)/allowance for impairment of				
- trade receivables (Note 11)	(256)	127	-	-
- other receivables (Note 12)	218	-	-	-
Unrealised changes in fair value of FVTPL financial assets	3,387	(2,429)	-	-
Foreign exchange gain, net	(3,244)	(1,269)	-	-
Interest income from				
- third parties	(6,785)	(9,727)	(109)	(66)
- subsidiaries	-	-	(2,654)	(2,179)
Gain on return of capital	-	-	(5,387)	-
Fair value gain of investment properties (Note 5)	(59,940)	(34,393)	(676)	-
Direct operating expenses of investment properties that are revenue generating during the year	22,661	22,920	462	406
Gain on disposal of				
- property, plant & equipment	(24)	(35)	(5)	-
- intangible assets	-	(56)	-	-
Property, plant & equipment and intangible assets written off	35	-	-	-
Gain on compulsory land acquisition by government (Note 41)	-	(23,379)	-	-

24. Staff costs

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Wages and salaries	49,956	43,061	3,472	2,406
Employees Provident Fund	5,767	5,024	457	309
Social security costs	353	320	14	10
Other staff related expenses	9,573	7,705	49	33
	65,649	56,110	3,992	2,758

Included in staff costs of the Group and of the Company are executive directors' remuneration amounting to RM3,116,000 (2012: RM2,716,000) and RM1,234,000 (2012: RM1,071,000) respectively as further disclosed in Note 25.

25. Directors' remuneration

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

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Executive directors' remuneration (Note 24):				
Fees	474	12	12	-
Other emoluments	2,642	2,704	1,222	1,071
	3,116	2,716	1,234	1,071
Non-executive directors' remuneration (Note 23):				
Fees	192	185	125	125
Other emoluments	177	172	42	42
	369	357	167	167
Total directors' remuneration	3,485	3,073	1,401	1,238
Estimated money value of benefits-in-kind	39	29	5	5
Total directors' remuneration including benefits-in-kind	3,524	3,102	1,406	1,243

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

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Executive:				
Salaries and other emoluments	875	1,343	875	852
Fees	486	12	12	-
Bonus	143	105	143	105
Employees Provident Fund	204	114	204	114
Estimated money value of benefit-in-kind	5	5	5	5
	1,713	1,579	1,239	1,076
Non-executive:				
Fees	125	125	125	125
Other emoluments	42	42	42	42
	1,880	1,746	1,406	1,243

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	
	2013	**2012**
Executive directors:		
Below RM50,000	1	1
RM1,550,001 - RM1,600,000	-	1
RM1,700,001 - RM1,750,000	1	-
Non-executive directors:		
RM50,001 - RM60,000	3	3

26. Finance costs

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Interest expense on bank borrowings	18,439	22,062	1,445	1,281

27. Income tax expense

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Tax expense for the year:				
Malaysian income tax	13,087	15,003	2,037	1,330
Deferred tax (Note 19):				
Relating to origination and reversal of temporary differences	18,884	2,539	-	-
(Over)/under provided in prior years	(124)	29,470	34	-
	18,760	32,009	34	-
(Over)/under provided in prior years:				
Malaysian income tax	(1,238)	(542)	(27)	14
Foreign tax	-	-	-	-
	(1,238)	(542)	(27)	14
	30,609	46,470	2,044	1,344

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2012: 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% (2012: 30%). Income derived from subsidiaries incorporated in the British Virgin Islands are not taxable.

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:

	2013 RM'000	2012 RM'000
Group		
Profit before tax	133,128	122,136
Tax at Malaysian statutory tax rate of 25% (2012: 25%)	33,282	30,534
Effects of different tax rates in other countries	1,433	304
Effect of income not subject to tax	(6,807)	(11,664)
Double deduction on certain tax incentives	(25)	(183)
Effect of expenses not deductible for tax purposes	3,987	1,986
Utilisation of previously unrecognised tax losses	(2,072)	(4,061)
Deferred tax assets not recognised in respect of unused tax losses and unabsorbed capital allowance	2,173	626
(Over)/under provision of deferred tax in prior years	(124)	29,470
Over provision of tax expense in prior years	(1,238)	(542)
Tax expense for the year	30,609	46,470
Company		
Profit before tax	22,354	9,455
Tax at Malaysian statutory tax rate of 25% (2012: 25%)	5,588	2,364
Effect of income not subject to tax	(4,323)	(1,778)
Effect of expenses not deductible for tax purposes	775	733
Deferred tax assets not recognised in respect of unused tax losses and unabsorbed capital allowance	(3)	11
Relating to adjustment in fair value for investment properties	34	-
(Over)/under provision of tax expense in prior years	(27)	14
Tax expense for the year	2,044	1,344

The Groups' tax savings during the year arising from utilisation of previously unrecognised tax losses amounted to RM2,072,000 (2012: RM4,061,000).

28. Revaluation reserve

Under FRS, revaluation reserve was used to record increases in the fair value of freehold land and building and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in equity. The cumulative revaluation reserve is deemed to be zero as at the date of transition to MFRS as the Group has opted to apply the optional exemption under MFRS 116. Accordingly, at the date of transition to MFRS on 1 November 2011, the cumulative revaluation reserve of RM3,829,000 was adjusted to retained earnings, as further described in Note 46(iii).

29. 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.

30. Foreign currency translation reserve

Under FRS, the Group recognised translation differences on foreign operations as a separate reserve component within equity. The cumulative foreign currency translation differences for all foreign operations are deemed to be zero as at the date of transition to MFRS as the Group as opted to apply the optional exemption under MFRS 121. Accordingly, at the date of transition to MFRS on 1 November 2011, the cumulative foreign currency translation reserve of RM28,302,000 was adjusted to retained earnings, as further described in Note 46(iii).

31. Hedging activity and hedging reserve

(a) Hedging activity

	2013		2012	
	Nominal amount RM'000	Fair value RM'000	Nominal amount RM'000	Fair value RM'000
Cash flow hedge - interest rate swap	149,950	(1,232)	158,150	(3,016)

	Group 2013 RM'000	Group 2012 RM'000
Component of other comprehensive income:		
Gain/(loss) arising during the year	1,249	(2,063)

At 31 October 2013, the Group had an interest rate swap agreement in place with a nominal amount of AUD50,000,000 (approximately RM149,950,000) (2012: AUD50,000,000, approximately RM158,150,000) whereby the Group pays interest rates of 4.25% - 4.6% (2012: 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 RM242,919,000 (2012: AUD89,500,000, approximately RM283,088,500) as disclosed in Note 14. 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/(decrease) in fair value of the interest rate swap of RM1,249,000 (2012: (RM2,063,000)) has been recognised in other comprehensive income of RM862,000 (2012:RM2,111,000). The amounts retained in other comprehensive income at 31 October 2013 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.

32. Fair value adjustment reserve

Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets of prior years until they were disposed of.

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	
	2013	**2012**
Profit attributable to owners of the parent (RM'000)	96,568	69,045
Number of ordinary shares in issue ('000)	343,617	343,617
Basic earnings per share (sen)	28.1	20.1
Diluted earnings per share (sen)	28.1	20.1

34. Dividends

	Dividend recognised in year	
	2013	2012
	RM'000	RM'000
Final dividend on 343,616,761 ordinary shares		
- in respect of year 2012		
• 2% less 25% taxation	5,154	-
• 8.0 sen single tier exempt dividend	27,490	-
- in respect of year 2011		
• 10% less 25% taxation	-	25,771
	32,644	25,771

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 October 2013, of 10.0 sen single tier exempt dividend per ordinary share amounting to RM34,361,676 and a special single tier exempt dividend of 20.0 sen per ordinary share amounting to RM68,723,352 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 total dividends of RM103,085,028. Such dividends, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 October 2014.

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	
	2013	2012	2013	2012
	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.	4,154	3,633	-	-
Interest income from subsidiaries:				
- Selayang Mulia Sdn. Bhd.	-	-	1,453	1,393
- Oriland Sdn. Bhd.	-	-	1,130	677
- Puncak Madu Sdn. Bhd.	-	-	71	109

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Building management fees from a subsidiary, Oriland Sdn. Bhd.	-	-	600	600
Dividend income from subsidiaries	-	-	20,609	13,499

Information regarding related party balances as at end of the financial year are disclosed in Note 12 and Note 16.

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.

(b) Compensation of key management personnel

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

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Short-term employee benefits	7,010	5,997	2,135	1,775
Employees Provident Fund	1,028	678	489	215
Benefits-in-kind	95	85	5	5
	8,133	6,760	2,629	1,995

36. Interest in joint venture arrangements

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

	Interest	
	2013	2012
Joint venture arrangements:		
In Malaysia (Held through HIC)		
Symphony Haven Sdn. Bhd.	50%	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 ventures which are included in the Group's financial statements are as follows:

	Group	
	2013 RM'000	2012 RM'000
Assets		
Non-current assets		
Investment property	487,338	494,286
	487,338	494,286
Current assets		
Cash and bank balances	10,082	9,419
Other receivables	972	1,816
Inventory	14,101	25,536
	25,155	36,771
Share of assets employed in joint ventures	512,493	531,057
Liabilities		
Current liabilities		
Other payables	4,088	3,972
Foreign currency term loan	242,919	283,089
	247,007	287,061
Share of liabilities in joint ventures	247,007	287,061

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

	Group 2013 RM'000	Group 2012 RM'000
Income	78,873	53,287
Expenses	(28,221)	(20,890)
Profit before tax	50,652	32,397

37. Capital commitments

	Group 2013 RM'000	Group 2012 RM'000
Approved and contracted for:		
Development expenditure	-	605
Property, plant and equipment	17,334	32,570
	17,334	33,175
Approved but not contracted for:		
Property, plant and equipment	587	-

38. Operating lease arrangements

(a) The Group as lessee

The Group has 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 Group 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.

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	
	2013	2012
	RM'000	RM'000
Future minimum rental payments:		
Not later than 1 year	11,166	7,010
Later than 1 year and not later than 5 years	38,381	31,555
Later than 5 years	89,771	98,287
	139,318	136,852

The lease payments recognised in profit or loss during the financial year are disclosed in Note 23.

(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	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Not later than 1 year	99,079	95,718	98	128
Later than 1 year and not later than 5 years	167,511	200,413	-	6
Later than 5 years	106,441	132,264	-	-
	373,031	428,395	98	134

Investment property rental income recognised in profit or loss during the financial year is disclosed in Note 20.

39. Significant event

Investment in Satterley and Mezzanine loan

In May 2013, a subsidiary of the Group, SPB (Developments) Pty Ltd ("SPBD") invested Australian Dollar ("A$") 83,000 (equivalent to RM250,000) in Satterley Point Cook Pty Ltd (“Satterley”) which had issued an Information Memorandum (“IM”) to raise A$42 million to acquire and develop land in Point Cook, Victoria. Satterley has issued 1,000,000 shares at A$1.00 each per share with a condition that requires each investor to make interest free loans to Satterley of up to A$41 million.

Accordingly, SPBD has contracted to provide interest free loans of up to A$3.4 million in the said development. During the year, a payment amounting to A$0.9 million was made by SPBD.The balance payment of A$2.5 million shall be released to Satterley progressively in accordance with the Shareholder Agreement, Loan Agreement and Share Subscription Agreement signed on 13 August 2013.

40. Subsequent events

(a) Disposal of subsidiaries

On 5 December 2013, the Company received a notice of take-over offer (“Notice”) from RHB Investment Bank Berhad, on behalf of Better Education Enterprise Sdn Bhd (“Offeror”) to acquire all the ordinary shares of RM0.50 each in HELP International Corporation Berhad (“HIC”) not already owned by the Offeror (“Offer Shares”) for a cash offer price of RM2.53 per Offer Share (“Offer”). The Company held 72,441,222 of HIC’s shares, which represented 51% of the issued and paid-up share capital of HIC.

On 26 December 2013, The Company also received the Offer Document which sets out the details, terms and conditions of the Offer, together with the Form of Acceptance and Transfer relating to the Offer.

On 6 January 2014, the Company executed and submitted the Form of Acceptance and Transfer in relation to the Conditional Voluntary Take-Over Offer from the Offeror. Accordingly, on that date, HIC and its subsidiaries ceased to be subsidiaries of the Company.

On 15 January 2014, the Company received the consideration for the Offer totaling RM183,276,292 in cash, resulting in a gain on disposal of RM180,652,264, which will be recognised in the financial year ending 31 October 2014.

(b) Acquisition of a property

On 31 January 2014, Friendly Target Sdn Bhd, a wholly owned subsidiary of the Group, acquired a retail shop at 7 Bayview Terrace, Claremont, Western Australia for a cash consideration of A$8,580,000, equivalent to RM25,120,524.

41. Compulsory land acquisition

On 2 May 2013, Bungsar Hill Holdings Sdn Bhd, a subsidiary of the Group entered into a mutual agreement with Mass Rapid Transit Corporation Sdn. Bhd. ("MRT Corp"), the project owner for the Mass Rapid Transit project Sungai Buloh-Kajang line. Pursuant to the mutual agreement, MRT Corp agrees not to proceed with the proposed compulsory acquisition for Geran 70133 land. The Notice of Acquisition for the said land was therefore allowed to lapse on 21 October 2013 and BHH has withdrawn the application for leave for judicial review for an order of certiorari to quash the notices of acquisition for the said land on 25 November 2013.

42. Fair value of financial instruments

The carrying amounts of financial assets and liabilities of the Group and of the Company that are classified as current are reasonable approximations of fair values due to their shorterm nature. The long term borrowings of the Group is a floating rate instrument that are repriced 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.

<u>Determination of fair value</u>

(i) Unquoted equity instrument

The fair value of unquoted equity instrument is determined based on recent market transaction between knowledgeable, willing parties in an arm's length transaction.

(ii) Unquoted investments 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 other payable/receivables

The fair value of long term other payable in previous years and offer 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.

Financial assets and financial liabilities

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:			
	Level 1	**Level 2**	**Level 3**	**Total**
2013	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Financial assets at FVTPL	295,649	-	33,940	329,589
Financial liability at fair value through comprehensive income				
Hedging - interest rate swap	-	1,232	-	1,232
	295,649	1,232	33,940	330,821
2012				
Financial assets at FVTPL	238,225	-	32,752	270,977
AFS financial assets				
Financial liability at fair value through comprehensive income				
Hedging - interest rate swap	-	3,016	-	3,016
	238,225	3,016	32,752	273,993

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
2013	
At 1.11.2012	32,752
Total fair value loss in profit or loss	(1,087)
Purchases	2,275
At 31.10.2013	33,940
2012	
At 1.11.2011	27,046
Total fair value loss in profit or loss	(1,724)
Purchases	7,430
At 31.10.2012	32,752

43. 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 and Note 12.

(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 instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's liabilities at 31 October 2013 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 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
31 October 2012				
Trade payables	25,373	-	25,373	-
Accruals and sundry payables	37,297	9,000	46,297	545
Amount due to subsidiaries	-	-	-	38,197
Borrowings	26,038	318,089	344,127	26,038
Derivatives, settled net	-	3,016	3,016	-
Total undiscounted financial liabilities	88,708	330,105	418,813	64,780

(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 76% (2012: 82%) of the Group's borrowings are at fixed rates of interest.

<u>Sensitivity analysis of interest rate risk</u>

At the reporting date, if interest rates had been 75 basis points higher (2012: 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 RM914,000 (2012: RM567,000) and RM152,000 (2012: RM61,000) 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 Japan Yen. The following table indicates the currencies to which the Group had significant exposure at the reporting date.

	RM'000					
31 October 2013	**SGD**	**USD**	**AUD**	**Euro**	**Japan Yen**	**Total**
Financial assets at FVTPL	174,870	147,473	-	6,962	283	329,588
Long term 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

31 October 2012	SGD	USD	AUD	Euro	Japan Yen	Total
	RM'000					
Financial assets at FVTPL	170,396	90,287	-	7,557	2,737	270,977
Long term receivables	-	179	15,845	-	-	16,024
Cash and cash equivalents	346,816	12,552	349	156	1,629	361,502
	517,212	103,018	16,194	7,713	4,366	648,503

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 Japan Yen exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

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

31 October 2012		Increase RM'000
SGD	strengthen 1%	5,172
USD	strengthen 2%	2,060
AUD	strengthen 2%	321
Euro	strengthen 3%	231
Japan Yen	strengthen 3%	131

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.

Sensitivity analysis for price risk

At the reporting date, if the market price had been 5% higher/lower (2012: 5% higher/lower), with all other variables held constant, the Group's profit net of tax and equity would have been RM6,096,000 (2012: RM3,783,000) higher/lower, arising as a result of higher/lower fair value gains on financial assets at FVTPL.

44. 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 2013 and 31 October 2012.

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.

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Borrowings	318,226	344,127	50,307	26,038
Trade payables	27,000	25,373	-	-
Other payables	62,406	75,062	24,990	40,979
Less: Cash and cash equivalents	(398,797)	(455,231)	(17,749)	(6,290)
Net debt/(cash)	8,835	(10,669)	57,548	60,727
Equity attributable to the owners of the parent, representing total capital	2,026,801	1,960,109	979,111	991,445
Capital and net debt	2,035,636	1,949,440	1,036,659	1,052,172
Gearing ratio	0.4%	-1%	6%	6%

45. 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.

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.

At 31 October 2013

	← In Malaysia		→	← Outside Malaysia	→			
	Property investment RM'000	Property development RM'000	Education RM'000	Other investment holding RM'000	Australian operations RM'000	Adjustments RM'000	Notes	Consolidated RM'000
Revenue								
External sales	40,886	4,761	123,815	9,928	60,107	-		239,497
Inter-segment sales	3,948	-	-	2,406	-	(6,354)	A	-
Total revenue	44,834	4,761	123,815	12,334	60,107	(6,354)		239,497
Results								
Interest income	2,801	278	1,158	6,776	73	-		11,086
Fair value gains on investment properties	41,208	-	-	-	18,732	-		59,940
Depreciation and amortisation	327	141	10,340	-	-	-		10,808
Unrealised foreign exchange gain/(loss)	-	-	-	(7,021)	10,265	-		3,244
Segment profit/(loss)	63,967	(1,335)	21,439	28,775	20,417	(135)	B	133,128
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

At 31 October 2012

	In Malaysia			Outside Malaysia				
	Property investment RM'000	**Property development RM'000**	**Education RM'000**	**Other investment holding RM'000**	**Australian operations RM'000**	**Adjustments RM'000**	**Notes**	**Consolidated RM'000**
Revenue								
External sales	42,502	6,560	117,118	5,051	53,239	-		224,470
Inter-segment sales	2,197			-	-	(2,197)	A	-
Total revenue	44,699	6,560	117,118	5,051	53,239	(2,197)		224,470
Results								
Interest income	2,283	1,815	1,474	-	4,155	-		9,727
Fair value gains on investment properties	34,393	-	-	-	-	-		34,393
Depreciation and amortisation	190	108	9,564	-	-	-		9,862
Unrealised foreign exchange (loss)/gain	-	-	-	(4,676)	7,028	-		2,352
Gain on compulsory acquisition of land	23,379	-		-	-	-		23,379
Segment profit/(loss)	82,952	(744)	22,819	13,987	3,226	(104)	B	122,136
Assets								
Additions to non-current assets:								
Property, plant and equipment	110	-	11,931	-	-	-		12,041
Intangible assets	-	-	892	-	-	-		892
Land held for property development		2,816		369		-		3,185
Segment assets	572,165	441,760	260,057	632,753	557,979	35,117	C	2,499,831
Segment liabilities	48,953	32,537	71,953	18	294,089	92,172	D	539,722

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:

	2013 RM'000	2012 RM'000
Profit from inter-segment sales	(135)	(104)

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

	2013 RM'000	2012 RM'000
Unallocated corporate assets	(26,983)	11
Deferred tax assets	26,680	30,354
Tax recoverable	5,669	4,752
	5,366	35,117

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

	2013 RM'000	2012 RM'000
Unallocated corporate liabilities	1	28
Deferred tax liabilities	103,869	90,363
Tax payable	2,079	1,781
	105,949	92,172

Geographical information

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

	Revenues		Non-current assets	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Malaysia	169,462	162,131	1,162,261	1,539,954
Australia	70,035	62,339	514,578	78,481
	239,497	224,470	1,676,839	1,618,435

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

	2013 RM'000	2012 RM'000
Property, plant and equipment	204,409	181,471
Land held for property development	433,633	432,210
Investment properties	1,032,762	998,502
Intangible assets	6,035	6,252
Other investment	-	-
	1,676,839	1,618,435

46. Explanation of transition to MFRSs

As stated in Note 2.2, these are the first financial statements of the Group and of the Company prepared in accordance with MFRS.

The accounting policies set out in Note 2.4 have been applied in preparing the financial statements of the Group and of the Company for the year ended 31 October 2013, the comparative information presented in these financial statements for the year ended 31 October 2012 and in the preparation of the opening MFRS statement of financial position at 1 November 2011 (the Group's date of transition to MFRS).

The transition to MFRS does not have financial impact to the separate financial statements of the Company.

An explanation of how the transition from previous FRS to MFRS has affected the Group's statement of financial position, statement of comprehensive income, statement of changes in equity and cash flows is set out as follows:

(i) Reconciliation adjustments to the statement of financial position

Group

As at 1 November 2011	**FRS RM'000**	**Effect of transition to MFRS RM'000**	**MFRS RM'000**
Assets			
Non-current assets			
Property, plant and equipment	179,942	-	179,942
Land held for property development	431,473	-	431,473
Investment properties	982,927	-	982,927
Intangible assets	4,718	-	4,718
Other receivables	16,266	-	16,266
Deferred tax assets	21,101	-	21,101
Total non-current assets	1,636,427	-	1,636,427
Current assets			
Property development costs	44,172	(44,172)	-
Inventories	42,179	44,172	86,351
Trade receivables	7,359	-	7,359
Other receivables	19,558	-	19,558
Tax recoverable	6,674	-	6,674
Financial assets at fair value through profit or loss ("FVTPL")	97,076	-	97,076
Available-for-sale ("AFS") financial assets	1,722	-	1,722
Cash and cash equivalents	600,769	-	600,769
Total current assets	819,509	-	819,509
Total assets	2,455,936	-	2,455,936

Group

As at 1 November 2011 (cont'd.)	FRS RM'000	Effect of transition to MFRS RM'000	MFRS RM'000
Equity attributable to owners of the parent			
Share capital	343,617	-	343,617
Reserves	305,044	(32,131)	272,913
Retained earnings	1,200,445	32,131	1,232,576
	1,849,106	-	1,849,106
Minority interests	66,911	-	66,911
Total equity	1,916,017	-	1,916,017
Non-current liabilities			
Borrowings	55,000	-	55,000
Deferred tax liabilities	49,867	-	49,867
Other payable	18,000	-	18,000
Total non-current liabilities	122,867	-	122,867
Current liabilities			
Cash flow hedge instrument	48	-	48
Borrowings	327,826	-	327,826
Trade payables	22,621	-	22,621
Other payables	64,905	-	64,905
Tax payable	1,652	-	1,652
Total current liabilities	417,052	-	417,052
Total liabilities	539,919	-	539,919
Total equity and liabilities	2,455,936	-	2,455,936
As at 31 October 2012			
Non-current assets			
Property, plant and equipment	181,471	-	181,471
Land held for property development	432,210	-	432,210
Investment properties	998,502	-	998,502
Intangible assets	6,252	-	6,252
Other investments	-	-	-
Other receivables	15,805	-	15,805
Deferred tax assets	30,354	-	30,354
Total non-current assets	1,664,594	-	1,664,594

Group

As at 31 October 2012 (cont'd.)	FRS RM'000	Effect of transition to MFRS RM'000	MFRS RM'000
Current assets			
Property development costs	44,268	(44,268)	-
Inventories	31,455	44,268	75,723
Trade receivables	6,851	-	6,851
Other receivables	21,703	-	21,703
Tax recoverable	4,752	-	4,752
Financial assets at fair value through profit or loss ("FVTPL")	270,977	-	270,977
Cash and cash equivalents	455,231	-	455,231
Total current assets	835,237	-	835,237
Total assets	2,499,831	-	2,499,831
Equity attributable to owners of the parent			
Share capital	343,617	-	343,617
Reserves	300,284	(32,131)	268,153
Retained earnings	1,243,719	32,131	1,275,850
	1,887,620	-	1,887,620
Minority interests	72,489	-	72,489
Total equity	1,960,109	-	1,960,109
Non-current liabilities			
Borrowings	318,089	-	318,089
Deferred tax liabilities	90,363	-	90,363
Other payable	9,000	-	9,000
Total non-current liabilities	417,452	-	417,452
Current liabilities			
Cash flow hedge instrument	3,016	-	3,016
Borrowings	26,038	-	26,038
Trade payables	25,373	-	25,373
Other payables	66,062	-	66,062
Tax payable	1,781	-	1,781
Total current liabilities	122,270	-	122,270
Total liabilities	539,722	-	539,722
Total equity and liabilities	2,499,831	-	2,499,831

(ii) Reconciliation adjustments to the statement of comprehensive income for the year ended 31 October 2012

The adoption of MFRS does not result in material differences to the Group's statement of comprehensive income.

(iii) Reconciliation adjustments to the statement of changes in equity

The effect of the adoption of MFRS at 1 November 2011 can be reconciled as follows:

Group	Revaluation reserve RM'000 (Note 28)	Foreign currency translation reserve RM'000 (Note 30)	Retained earnings RM'000
As at 1 November 2011	3,829	28,302	1,200,445
Adjustments upon adoption of MFRS	(3,829)	(28,302)	32,131
Restated as at 1 November 2011	-	-	1,232,576

(iv) Reconciliation adjustments to the statement of cash flows for the year ended 31 October 2012

The adoption of MFRS does not result in material differences to the Group's statement of cash flows.

47. 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 2013 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	
	2013 RM'000	2012 RM'000 (Restated)	2013 RM'000	2012 RM'000
Total retained earnings of the Group and Company				
- Realised	1,735,150	1,705,835	390,331	402,665
- Unrealised	391,918	340,699	43,409	43,409
	2,127,068	2,046,534	433,740	446,074
Less: Consolidation adjustments	(787,294)	(770,684)	-	-
Retained earnings as per financial statements	1,339,774	1,275,850	433,740	446,074

DISCLOSURE OF RECURRENT RELATED PARTY TRANSACTIONS

At the Firty-First Annual General Meeting held on 24 April 2013, the Company obtained a shareholders' mandate to allow the Group to enter into recurrent related party transactions of a revenue or trading nature.

In accordance with Paragraph 3.1.5 of Practice Note No. 12 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the details of recurrent related party transactions conducted during the financial year ended 31 October 2013 pursuant to the shareholders' mandate are disclosed as follows:-

Transacting Parties	**SPB Group subsidiaries**	**Type of recurrent transactions**	**Transacted value during financial year RM'000**
Hawaiian Pty Ltd	SPB Developments Pty Ltd	Provision of property management services in Australia	254
Hawaiian Pty Ltd	SPB (Australia) Pty Ltd	Provision of property management services in Australia	3,900

Please refer to Sections 2.3 and 2.5 of the Circular to Shareholders dated 2 April 2014 on the name of the related parties and the Company's relationship with the related parties.

ANALYSIS OF SHAREHOLDINGS
AS AT 6 MARCH 2014

Authorised Share Capital	:	RM1,000,000,000
Issued and Paid-Up share Capital	:	RM343,616,761
Class of Shares	:	Ordinary Shares of RM1.00 each
Voting Rights	:	One vote per share

SIZE OF SHAREHOLDINGS	No. of Shareholders/ Depositors	% of Shareholders/ Depositors	No. of Shares Held	% of Issued Capital
Less than 100	80	1.413	2,010	0.001
100 - 1,000	1,626	28.718	1,520,745	0.443
1,001 - 10,000	2,986	52.737	12,474,530	3.630
10,001 - 100,000	822	14.518	26,018,142	7.572
100,001 - 17,180,837	147	2.596	81,734,098	23.786
17,180,838 and above	1	0.018	221,867,236	64.568
Total	5,662	100.000	343,616,761	100.000

Directors' Shareholdings as per Register of Directors' Shareholdings as at 6 March 2014

Related Company
Kayin (M) Sdn Bhd

Name	*Direct*		*Indirect*	
	No. of Shares held	*% of Issued Capital*	*No. of shares held*	*% of Issued Capital*
Puan Sri Datin Chook Yew Chong Wen (1)	-	-	2,000	100

Holding Company
Kayin Holdings Sdn. Berhad

Name	*Direct*		*Indirect*	
	No. of Shares held	*% of Issued Capital*	*No. of shares held*	*% of Issued Capital*
Puan Sri Datin Chook Yew Chong Wen (1)	-	-	20,220,000	100

The Company

Name	*Direct*		*Indirect*	
	No. of Shares held	*% of Issued Capital*	*No. of shares held*	*% of Issued Capital*
Puan Sri Datin Chook Yew Chong Wen(1)	-	-	234,447,236(2)	68.23
Wen Chiu Chi	71,247	0.02	-	-
Michael Lim Hee Kiang	1,000	Less than 0.01	-	-

(1) Deemed interested in Kayin Holdings Sdn. Berhad, the holding company of the Company, by virtue of Kayin (M) Sdn Bhd, which holds 100% of the shares in Kayin Holdings Sdn Berhad. The entire paid up share capital of Kayin (M) Sdn Bhd are collectively controlled by trusts settled by Puan Sri Datin Chook Yew Chong Wen for herself being the primary beneficiary and for her family members.

(2) The total 234,447,236 Ordinary Shares of RM1.00 each are held as follows:

(i) 12,580,000 Ordinary Shares of RM1.00 each are registered in the name of Kayin Holdings Sdn. Berhad; and

(ii) 221,867,236 Ordinary Shares of RM1.00 each are registered in the name of HSBC Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Kayin Holdings Sdn. Berhad

Puan Sri Datin Chook Yew Chong Wen by virtue of her interest in shares in the Company is also deemed interested in shares in all the Company's subsidiaries to the extent the Company has an interest.

Substantial Shareholders as per Register of Substantial Shareholders as at 6 March 2014

Name	Direct		Indirect	
	No. of Shares held	% of Issued Capital	No. of shares held	% of Issued Capital
Kayin Holdings Sdn. Berhad	234,447,236**	68.23	-	-
Kayin (M) Sdn Bhd*	-	-	234,447,236*	68.23
Puan Sri Datin Chook Yew Chong Wen*	-	-	234,447,236*	68.23

* Deemed interested in Kayin Holdings Sdn Berhad, the holding company of the Company, by virtue of Kayin (M) Sdn Bhd, which holds 100% of the shares in Kayin Holdings Sdn Berhad. The entire paid up share capital of Kayin (M) Sdn Bhd are collectively controlled by trusts settled by Puan Sri Datin Chook Yew Chong Wen for herself being the primary beneficiary and for her family members.

** The total 234,447,236 Ordinary Shares of RM1.00 each are held as follows:

(i) 12,580,000 Ordinary Shares of RM1.00 each are registered in the name of Kayin Holdings Sdn. Berhad; and

(ii) 221,867,236 Ordinary Shares of RM1.00 each are registered in the name of HSBC Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Kayin Holdings Sdn. Berhad

THIRTY LARGEST SHAREHOLDERS/DEPOSITORS
As At 6 March 2014

	Name	Normal Holdings	Holdings %
1.	HSBC Nominees (Tempatan) Sdn Bhd Pledged securities account for Kayin Holdings Sdn. Berhad (301-334256-089)	221,867,236	64.568
2.	HSBC Nominees (Asing) Sdn Bhd Exempt an for Credit Suisse (SG BR-TST-Asing)	14,059,050	4.091
3.	Kayin Holdings Sdn. Berhad	12,580,000	3.661
4.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (HDBS)	3,643,400	1.060
5.	Helen Puen	3,030,500	0.881
6.	RHB Nominees (Asing) Sdn Bhd Maybank Kim Eng Securities Pte. Ltd. for Exquisite Holdings Limited	3,000,000	0.873
7.	HSBC Nominees (Asing) Sdn Bhd Exempt an for Morgan Stanley & Co. International plc (Client)	1,584,900	0.461
8.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Rakaman Anggun Sdn Bhd (PB)	1,540,000	0.448
9.	Citigroup Nominees (Tempatan) Sdn Bhd Bank Negara Malaysia National Trust Fund (Hwang)	1,298,600	0.377
10.	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt an for UOB Kay Hian Pte Ltd (A/C Clients)	1,198,548	0.348
11.	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for MAAKL-Hw Flexi Fund (270519)	1,177,200	0.342
12.	Wong Yu @ Wong Wing Yu	1,150,000	0.334
13.	Yeoh Kean Hua	1,113,900	0.324
14.	Gan Teng Siew Realty Sdn. Berhad	1,023,100	0.297
15.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Pertubuhan Keselamatan Sosial (Hwang 6939-403)	968,300	0.281
16.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Hwang Aiiman Growth Fund (4207)	965,000	0.280
17.	Lee Soon Hian	899,900	0.261
18.	CIMSEC Nominees (Tempatan) Sdn Bhd Exempt an for CIMB Securities (Singapore) Pte Ltd (Retail Clients)	851,000	0.247
19.	Huang Phang Lye	833,000	0.242
20.	Citigroup Nominees (Asing) Sdn Bhd Exempt an for OCBC Securities Private Limited (Client A/C-NR)	818,498	0.238

	Name	Normal Holdings	Holdings %
21.	Vast Uptrend Company Sdn Bhd	800,000	0.232
22.	Johan Enterprise Sdn Bhd	794,300	0.231
23.	HSBC Nominees (Asing) Sdn Bhd HSBC BK plc for First State Singapore and Malaysia Growth Fund	753,200	0.219
24.	Tan Kim Kee @ Tan Kee	720,800	0.209
25.	CIMSEC Nominees (Asing) Sdn Bhd Exempt an for CIMB Securities (Singapore) Pte Ltd (Retail Clients)	671,500	0.195
26.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Surinder Singh A/L Wassan Singh (E-IMO)	575,000	0.167
27.	Oh Siew Heong	550,000	0.160
28.	Eng Sim Leong @ Ng Leong Sing	522,000	0.151
29	Ho Seow Foon	514,000	0.149
30.	M & A Nominee (Tempatan) Sdn Bhd Titan Express Sdn Bhd	501,800	0.146
	TOTAL	280,004,732	81.487

LIST OF PROPERTIES
Held by the Group as at 31 October 2013

	Location	Tenure	Site Area	Description	Approx. Age (years)	Book Value RM'000	Date of Revaluation/ *Date of Acquisition
1.	Jalan Batai Damansara Heights Kuala Lumpur	Freehold	130,631 sq. ft	17-storey apartment building known as SPB Towers and vacant land	35	67,829	31.10.2013
2.	Jalan Batai Damansara Heights Kuala Lumpur	Freehold	76,518 sq. ft	16 units of 2-storey shops/office building	41	22,000	31.10.2013
3.	Jalan Dungun Damansara Heights Kuala Lumpur	Freehold	156,468 sq. ft	5 blocks of 4-storey office building known as Kompleks Pejabat Damansara	40	72,000	31.10.2013
4.	Bukit Tunku Kuala Lumpur	Freehold	84,289 sq. ft	3 blocks of 4-storey shop/apartment flats known as Taman Tunku flats	50	27,500	31.10.2013
5.	Bukit Tunku Kuala Lumpur	Freehold	11,162 sq. ft	One unit residential house	53	3,800	31.10.2013
6.	Jalan Yew Kuala Lumpur	Freehold	56,954 sq. ft	Wenworth Hotel	22	20,400	-
7.	Damansara Heights Kuala Lumpur	Freehold	18.9 acres	Commercial land in Pusat Bandar Damansara	-	135,198	-
8.	Damansara Heights Kuala Lumpur	Freehold	536,509 sq. ft	Commercial/ residential land	-	213,652	-
9.	Jalan Semantan Damansara Heights Kuala Lumpur	Freehold	120,355 sq. ft	16-storey office building known as Wisma Damansara	43	70,387	-
10.	Help Residence Damansara Heights Kuala Lumpur	Freehold	11,969 sq.ft	21 storey hostel building	6	45,474	5.5.2010
11.	PT 12291, Seksyen U4, Subang Delima	Leasehold (Expiry 5/5/2109)	23.0acres	Land of private higher institution	-	22,381	-
12.	Jalan Semantan Damansara Heights Kuala Lumpur	Freehold	43,292 sq. ft	11-storey office building known as Wisma HELP	34	29,562	27.11.2003

	Location	Tenure	Site Area	Description	Approx. Age (years)	Book Value RM'000	Date of Revaluation/ * Date of Acquisition
13.	Jalan Semantan Damansara Heights Kuala Lumpur	Freehold	163,568 sq. ft	25-storey office building and a four storey annexe block known as Menara Milenium	14	330,000	31.10.2013
14.	Bukit Permata Batu Caves Gombak Selangor	Freehold	21.6 acres	Land with development in progress at Mukim Bandar Selayang District of Gombak	-	35,264	-
15.	Sungei Tua Selayang Selangor	Leasehold (Expiry 19/2/2094)	59.1 acres	Land with development in progress at Mukim Selayang	-	44,090	-
16.	Batu 14 Ulu Langat Selangor	Freehold	151.0 acres	Vacant land in Mukim of Ulu Langat	-	33,774	-

	Location	Tenure	Site Area	Description	Approx. Age (years)	Book Value AUD'000	Date of Revaluation/ *Date of Acquisition
17.	Claremont Western Australia	Freehold	13,029 sqm	Claremont Shopping Centre and land with development	2	162,500	31.10.2013

Appendix I

1. **ORDINARY RESOLUTION NO. 7**
   - Authority for Mr Michael Lim Hee Kiang to continue in office as Independent Non-Executive Director

   Justification

   a. he fulfilled the criteria under the definition on Independent Director as stated in the Main Market Listing Requirements of Bursa Securities, and therefore is able to bring independent and objective judgment to the Board;

   b. he has been with the Company for more than nine years and therefore understand the Company's business operations which enable him to participate actively and contribute during deliberations or discussions at Audit Committee and Board meetings;

   c. he has contributed sufficient time and efforts and attended all the Audit Committee and Board meetings as well as meeting the Management prior to Audit Committee and Board meetings for informed and balanced decision making;

   d. he has exercised his due care during his tenure as Independent Non-Executive Director of the Company and carried out his professional duties in the interest of the Company and shareholders; and

   e. the current independent directors are strong individuals demonstrating independence. Independence is a result of a director's state of mind and integrity and not dependent on years of service. The experience of the independent directors in the Group is valuable for determining the strategic direction for the continued stability and growth.

2. **ORDINARY RESOLUTION NO. 8**
   - Authority for Dato' Zaibedah Binti Ahmad to continue in office as Independent Non-Executive Director

   Justification

   a. she fulfilled the criteria under the definition on Independent Director as stated in the Main Market Listing Requirements of Bursa Securities, and therefore is able to bring independent and objective judgment to the Board;

   b. she has been with the Company for more than nine years and therefore understand the Company's business operations which enable her to participate actively and contribute during deliberations or discussions at Audit Committee and Board meetings;

Appendix I

c. she has contributed sufficient time and efforts and attended all the Audit Committee and Board meetings as well as meeting the Management prior to Audit Committee and Board meetings for informed and balanced decision making;

d. she has exercised her due care during her tenure as Independent Non-Executive Director of the Company and carried out her professional duties in the interest of the Company and shareholders; and

e. the current independent directors are strong individuals demonstrating independence. Independence is a result of a director's state of mind and integrity and not dependent on years of service. The experience of the independent directors in the Group is valuable for determining the strategic direction for the continued stability and growth.

3. **ORDINARY RESOLUTION NO. 9**
   - Authority for Mr Ong Liang Win to continue in office as Independent Non-Executive Director

<u>Justification</u>

a. he fulfilled the criteria under the definition on Independent Director as stated in the Main Market Listing Requirements of Bursa Securities, and therefore is able to bring independent and objective judgment to the Board;

b. his experience in the audit and accounting industries enable him to provide the Board with a diverse set of experience, expertise, skills and competence;

c. he has been with the Company for more than nine years and therefore understand the Company's business operations which enable him to participate actively and contribute during deliberations or discussions at Audit Committee and Board meetings;

d. he has contributed sufficient time and efforts and attended all the Audit Committee and Board meetings as well as meeting the Management prior to Audit Committee and Board meetings for informed and balanced decision making;

e. he has exercised his due care during his tenure as Independent Non-Executive Director of the Company and carried out his professional duties in the interest of the Company and shareholders; and

f. the current independent directors are strong individuals demonstrating independence. Independence is a result of a director's state of mind and integrity and not dependent on years of service. The experience of the independent directors in the Group is valuable for determining the strategic direction for the continued stability and growth.

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

Number of shares held	CDS Account No.

I/We, …………………………………………………(name of shareholder as per NRIC, in capital letters) NRIC No./ID No./Company No. ………………………(new) ………………………(old) of …………………………………………………………………………………………(full address) being a member of SELANGOR PROPERTIES BERHAD hereby appoint ……………………………………………………… (name of proxy as per NRIC, in capital letters) NRIC No. ……………………………………(new) ……………………………………….. (old) or failing him/her……………………………………………(name of proxy per NRIC, in capital letters) NRIC No. …………………………………… (new) …………………………………… (old) or failing him/her, *the Chairperson of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Fifty-Second Annual General Meeting of the Company to be held at Conference Hall, BZ-2, HELP University College, Pusat Bandar Damansara, 50490 Kuala Lumpur on Thursday, 24 April 2014 at 11.00 a.m. or at any adjournment thereof. My/our proxy is to vote as indicated below.

* *Please delete the words "Chairperson of the Meeting" if you wish to appoint some other person to be your proxy.*

Agenda 1	To receive the Audited Financial Statements for the financial year ended 31 October 2013 together with the Directors' and Auditors' Reports thereon		
No.	**Resolution**	**For**	**Against**
Ordinary Resolution 1	Declaration of a final single-tier exempt dividend of 10.0 sen per Ordinary Share of RM1.00 each and a special single-tier exempt dividend of 20.0 sen per Ordinary Share of RM1.00 each for the financial year ended 31 October 2013		
Ordinary Resolution 2	Approval on the increase of Directors' Fees for the financial year ended 31 October 2013		
Ordinary Resolution 3	Re-appointment of Puan Sri Datin Chook Yew Chong Wen as Director		
Ordinary Resolution 4	Re-appointment of Dato' Zaibedah Binti Ahmad as Director		
Ordinary Resolution 5	Re-election of Mr Ong Liang Win as Director		
Ordinary Resolution 6	Re-appointment of Messrs Ernst & Young as Auditors		
Ordinary Resolution 7	Authority for Mr Michael Lim Hee Kiang to continue in office as Independent Non-Executive Director		
Ordinary Resolution 8	Authority for Dato' Zaibedah Binti Ahmad to continue in office as Independent Non-Executive Director		
Ordinary Resolution 9	Authority for Mr Ong Liang Win to continue in office as Independent Non-Executive Director		
Special Resolution 10	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

[Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.]

Dated this .... day of .... 2014.

The proportions of my/our holding to be represented by my/our proxies are as follows:

1st proxy …………..%

2nd proxy ……………%

100%

....
Signature of Shareholder or
Common Seal of Shareholder

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two (2) proxies as his/her proxy or proxies to attend and vote in his/her stead. Where a member appoints two (2) proxies, the member shall specify the proportion of the member's shareholding to be represented by each proxy.

2. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

3. A proxy need not be a member of the Company and a member may appoint any person to be his/her proxy without limitation. The provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.

4. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or, if such appointor is a corporation under its common seal, or the hand of its attorney or duly authorised officer or in some other manner approved by the Directors. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Share Registrar's Office of the Company at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding of the meeting or any adjournment thereof.

5. In respect of deposited securities, only members whose names appear on the Record of Depositors on 15 April 2014 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

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STAMP

SHARE REGISTRAR
SELANGOR PROPERTIES BERHAD
LEVEL 17, THE GARDENS NORTH TOWER
MID VALLEY CITY
LINGKARAN SYED PUTRA
59200 KUALA LUMPUR

--Please fold here to seal--