DAMANSARA REALTY BERHAD

DAMANSARA
REALTY BERHAD
4030-D

ANNUAL REPORT 2013

CONTENTS

NOTICE OF 52ND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 52nd Annual General Meeting ("AGM") of Damansara Realty Berhad ("DBhd" or "the Company") will be held at Permata 3, Level B2, The Puteri Pacific Johor Bahru, Jalan Abdullah Ibrahim, 80000 Johor Bahru, Johor, on Thursday, 26 June 2014, at 12.00 noon for the following purposes:

AS ORDINARY BUSINESSES:

1. To receive and adopt the Report and the Audited Financial Statements for the financial year ended 31 December 2013 and the Reports of the Directors and Auditors thereon; **Resolution 1**

2. To re-elect the following Directors who retire in accordance with the Company's Articles of Association:

(i)	Wan Azman bin Ismail	(Article 81)	**Resolution 2**
(ii)	Leung Kok Keong	(Article 81)	**Resolution 3**
(iii)	Yusof bin Rahmat	(Article 81)	**Resolution 4**
(iv)	YB Dato' Daing A Malek bin Daing A Rahaman	(Article 87)	**Resolution 5**
(v)	Syed Omar bin Syed Mohamed	(Article 87)	**Resolution 6**

3. To consider and if thought fit, to pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965: **Resolution 7**

   "That YBhg Datuk Yahya bin Ya'acob who has attained the age of 70, be and is hereby re-appointed as a Director and to hold office until the next AGM of the Company."

4. To approve the payment of Directors' fees in respect of the financial year ended 31 December 2013; **Resolution 8**

5. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration; **Resolution 9**

6. To transact any other business of which due notice shall have been given;

   AS SPECIAL BUSINESSES:

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

   6.1 Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate") **Resolution 10**

   "THAT, subject to the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiary companies to renew the existing mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature from the shareholders of the Company for the Company and/or its subsidiary companies to enter into all arrangements and/or transactions involving the interest of Directors, substantial shareholders or persons connected with Directors and/or substantial shareholders of the Company and/or its subsidiary companies (Related Parties) as outlined in Section 2.2 of the Circular to Shareholders dated 3 June 2014 ('the Circular to Shareholders'), which are necessary for the day-to-day operations of the Company and/or its subsidiary companies, and are within the ordinary course of business of the Company and/or its subsidiary companies ("Proposed Shareholders' Mandate"), subject further to the following:

   (a) the transactions are in the ordinary course of business, on arm's length basis and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not to the detriment of the minority shareholders; and

(b) disclosure is made in the Annual Report of the aggregate value of transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year including amongst others, the following information:

(i) the type of Recurrent Transactions; and
(ii) the names of the related parties involved in each Recurrent Transaction entered into and their relationships with the Company;

AND THAT such approval shall continue to be in force until:

(a) the conclusion of the next AGM of the Company; or

(b) the expiration of the period within which the next AGM of the Company subsequent to the date it is required to be held pursuant to Section 143(1) of the Malaysian Companies Act, 1965 ('the Act') (but shall not extend to such extensions as may be allowed pursuant to Section 143(2) of the Act); or

(c) revoked or varied by Ordinary Resolution passed by the shareholders of the Company in a general meeting; whichever is earlier.

AND FURTHER THAT the Directors of the Company be 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 or give effect to the Proposed Shareholders' Mandate.'

(See Explanatory Notes)

6.2 Authority To Issue Shares Pursuant To Section 132D Of The Companies Act, 1965 **Resolution 11**

"THAT pursuant to Section 132D of the Companies Act, 1965 ("Act"), the Articles of Association of the Company and subject to the approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby empowered to issue shares of the Company, from time to time, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad ("Bursa Securities") and that such authority shall continue in force until the conclusion of the next AGM of the Company.

(See Explanatory Notes)

6.3. Continuing in Office as Independent Non-Executive Directors in accordance with the Malaysian Code on Corporate Governance 2012 ("MCCG 2012") **Resolution 12**

To consider, and if thought fit, to pass the following resolutions pursuant to Practice Note 13 of the Bursa Securities Main Market LR;

i) THAT subject to the passing of Resolution 7, YBhg Datuk Yahya bin Ya'acob whose tenure on the Board exceeds a cumulative term of more than nine (9) years, be hereby re-appointed as an Independent Non-Executive Director of the Company until the conclusion of the next AGM of the Company. **Resolution 13**

ii) THAT Zainah binti Mustafa whose tenure on the Board exceeds a cumulative term of more than nine (9) years, be hereby re-appointed as an Independent Non-Executive Director of the Company until the conclusion of the next AGM of the Company.

(See Explanatory Notes)

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend this 52nd Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Articles of Association of the Company and Paragraph 7.16 of the Listing Requirements to issue a General Meeting Record of Depositors ('ROD') as at 18 June 2014. Depositors whose names appear on the ROD as at 18 June 2014 are entitled to attend, speak and vote at the said meeting.

By Order of the Board
DAMANSARA REALTY BERHAD

JAMALLUDIN BIN KALAM (LS 0002710)
HASLINDA BINTI MD NOR @ MOHD NOAH (LS 0005697)
Secretaries

Venue : **JOHOR BAHRU**
Dated : **3 June 2014**

EXPLANATORY NOTES ON SPECIAL BUSINESS:

Resolution 10

The Ordinary Resolutions proposed, if passed, is to authorise the Company and/or its subsidiary companies to enter into any recurrent transactions of a revenue or trading nature with related parties which are necessary for the day-to-day operations of the Group, subject to the transactions being in the ordinary course of business, on arm's length basis and are based on normal commercial terms that are not more favorable to the related parties than those generally made available to the public.

Please refer to the Circular to Shareholders dated 3 June 2014 for further information.

Resolution 11

The proposed Resolution 11 if passed is primarily to give flexibility to the Directors to issue up to a maximum amount not exceeding in total 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM or the expiration of the period within the next AGM required by law to be held, whichever is earlier.

The mandate sought under Resolution 11 will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

Resolution 12 and 13

The Ordinary Resolutions 12 and 13 if passed, will enable YBhg Datuk Yahya bin Ya'acob and Zainah binti Mustafa to continue to act as Independent Non-Executive Directors notwithstanding that they have served the Board as Independent Non-Executive Directors for a term of more than nine (9) years, in line with Recommendation 3.2 and 3.3 of the MCCG 2012.

YBhg Datuk Yahya bin Ya'acob and Zainah binti Mustafa have satisfactorily demonstrated that they are independent of management and free from any business or other relationship which could interfere with the exercise of independent judgement, objectivity or the ability to act in the best interests of the Company.

The Board, subject to the assessment of the Nomination Committee is satisfied with the level of independence and contributions of both directors and based on the justification above, hereby recommends and supports the re-appointment of YBhg Datuk Yahya bin Ya'acob and Zainah binti Mustafa as Independent Non-Executive Directors of the Company, to be approved by shareholders at the 52nd AGM of the Company. The directors concerned have declared their independence and desire to continue to act as Independent Non-Executive Directors of the Company.

Notes:

1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy and vote instead of him. A proxy may but need not be a member of the Company.

2. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation/company either under its common seal or under the hand of its attorney duly authorised.

3. If a member appoints two proxies to attend at the same meeting, the instrument of proxy must specify the proportion of his shareholdings to be represented by each proxy.

4. The instrument appointing a proxy must be deposited at the Registered Office of the Company, at Suite 18, Lot 1B, Podium 1, Menara Ansar, 65 Jalan Trus, 80000 Johor Bahru, Johor, not less than 48 hours before the time appointed for holding the meeting or at any adjournment thereof.

STATEMENT ACCOMPANYING THE NOTICE OF 52ND ANNUAL GENERAL MEETING

Resolution pursuant to Directors who are retiring in accordance with the Company's Articles of Association:

(i)	Wan Azman bin Ismail	(Article 81)	**Resolution 2**
(ii)	Leung Kok Keong	(Article 81)	**Resolution 3**
(iii)	Yusof bin Rahmat	(Article 81)	**Resolution 4**
(iv)	YB Dato' Daing A Malek bin Daing A Rahaman	(Article 87)	**Resolution 5**
(v)	Syed Omar bin Syed Mohamed	(Article 87)	**Resolution 6**

The details of the Directors standing for re-election are on pages 9 to 14

CORPORATE INFORMATION

BOARD OF DIRECTORS

YB DATO' KAMARUZZAMAN BIN ABU KASSIM
(Chairman)
Non-Independent Non-Executive Chairman

WAN AZMAN BIN ISMAIL
(Managing Director)

ZAINAH BINTI MUSTAFA
Independent Non-Executive Director

YBHG DATO' MANI USILAPPAN
Independent Non-Executive Director

YB DATO' DAING A MALEK BIN DAING A RAHAMAN
Non-Independent Non-Executive Director
(Appointed on 26 May 2014)

SYED OMAR BIN SYED MOHAMED
Non-Independent Non-Executive Director
(Appointed on 26 May 2014)

LUKMAN BIN HJ. ABU BAKAR
Non-Independent Non-Executive Director

YBHG DATUK YAHYA BIN YA'ACOB
Independent Non-Executive Director

LEUNG KOK KEONG
Independent Non-Executive Director

YUSOF BIN RAHMAT
Non-Independent Non-Executive Director

YB DATUK AHMAD ZAKI BIN ZAHID
Non-Independent Non-Executive Director
(Resigned on 15 July 2013)

YAHAYA BIN HASSAN
Non-Independent Non-Executive Director
(Resigned on 15 July 2013)

AUDIT COMMITTEE
Zainah binti Mustafa (Chairman)
YBhg Dato' Mani Usilappan
Lukman bin Hj. Abu Bakar

COMPANY SECRETARIES
Jamalludin bin Kalam (LS 0002710)
Haslinda binti Md Nor @ Mohd Noah (LS 0005697)

REGISTERED OFFICE
Suite 18, Lot 1B, Podium 1, Menara Ansar
65 Jalan Trus
80000 Johor Bahru
Johor
Tel : 07-2267692/ 2267476
Fax : 07-2223044

SHARE REGISTRAR
Pro Corporate Management Services Sdn Bhd
(Company No. 349501-M)
Suite 18, Lot 1B, Podium 1, Menara Ansar
65 Jalan Trus
80000 Johor Bahru
Johor

Tel : 07-2267692/ 2267476
Fax : 07-2223044
E-mail : sheila@procorporate.com.my

STOCK EXCHANGE LISTING
Main Market of Bursa Malaysia Securities Berhad

AUDITORS
Ernst & Young

PRINCIPAL BANKERS
CIMB Bank Berhad
Affin Bank Berhad

BOARD OF DIRECTORS

1 2 3 4 5 6 7 8 9 10

1. **LEUNG KOK KEONG**
   Independent Non-Executive Director

2. **YBHG DATO' MANI USILAPPAN**
   Independent Non-Executive Director

3. **SYED OMAR BIN SYED MOHAMED**
   Non-Independent Non-Executive Director

4. **WAN AZMAN BIN ISMAIL**
   Managing Director

5. **YB DATO' KAMARUZZAMAN BIN ABU KASSIM**
   Chairman/Non-Independent Non-Executive Director

6. **YB DATO' DAING A MALEK BIN DAING A RAHAMAN**
   Non-Independent Non-Executive Director

7. **ZAINAH BINTI MUSTAFA**
   Independent Non-Executive Director

8. **LUKMAN BIN HAJI ABU BAKAR**
   Independent Non-Executive Director

9. **YBHG DATUK YAHYA BIN YA'ACOB**
   Independent Non-Executive Director

10. **YUSOF BIN RAHMAT**
    Non-Independent Non-Executive Director

YB DATO' KAMARUZZAMAN BIN ABU KASSIM
Chairman/Non-Independent Non-Executive Director

Aged 50, a Malaysian, YB Dato' Kamaruzzaman bin Abu Kassim, is a Non-Independent Non-Executive Director and the Chairman of DBhd.

He was appointed to the Board as Director on 11 December 1995 and as Chairman of DBhd on 12 January 2011. YB Dato' Kamaruzzaman was appointed as the Executive Director of DBhd in August 1999 and later as the Deputy Chairman of DBhd on 2 October 2006. On 1 January 2010, the position was re-designated to Managing Director. He resigned as the Managing Director of DBhd on 12 January 2011 and was appointed as the Chairman of DBhd on the same date.

He graduated with a Bachelor of Commerce majoring in Accountancy from the University of Wollongong, New South Wales, Australia in 1987. YB Dato' Kamaruzzaman embarked his career as an Audit Assistant with Messrs K.E Chan & Associates in May 1988 and later joined Messrs Pricewaterhouse Coopers (formerly known as Messrs Coopers & Lybrand) in 1989. In December 1992, he left the firm and joined Perbadanan Kemajuan Ekonomi Negeri Johor (currently known as Johor Corporation) as the Deputy Manager in the Corporate Finance Department and later promoted to General Manager in 1999.

YB Dato' Kamaruzzaman is the President and Chief Executive of Johor Corporation since 1 December 2010. Prior to that, he had served as the Chief Operating Officer of Johor Corporation from 1 August 2006 and later appointed as Senior Vice President, Corporate Services and Finance of Johor Corporation beginning 1 January 2009.

YB Dato' Kamaruzzaman is also the Chairman of Kulim (Malaysia) Berhad and KPJ Healthcare Berhad, companies under Johor Corporation Group listed on the Main Market of Bursa Malaysia Securities Berhad.

He also sits as the Chairman of Damansara REIT Managers Sdn Berhad (Al-'Aqar Healthcare REIT), Johor Land Berhad and Waqaf An-Nur Corporation Berhad, an Islamic endowment institution which spearheads Johor Corporation's corporate social responsibility programmes. In addition, he also sits as Chairman and/or Director of several other companies within Johor Corporation Group.

Other than as disclosed, he does not have any family relationship with any director and/or major shareholder of DBhd. He has no personal interest in any business arrangement involving DBhd. He has not been convicted for any offences and he attended all four (4) Board of Directors' Meetings of the Company held in the financial year ended 31 December 2013. He does not own any units of ordinary shares of DBhd.

YB DATO' DAING A MALEK BIN DAING A RAHAMAN, aged 58, a Malaysian, is a Non-Independent Non- Executive Director of DBhd and was appointed to the Board on 26 May 2014.

YB Dato' Daing A Malek bin Daing A Rahaman has more than 30 years experience in commercial business, namely, in real estates, property development, construction and material supplies. He is the Executive Chairman of Astaka Padu Sdn Bhd, a Bumiputra company, which is currently developing the tallest residence tower in Johor Bahru. He is also a director in many other private companies, which businesses include logistics, reclamation works, port services and management, advisory and consultancy for development and management of BLT (build, lease and transfer) and related government projects. He is also a Member of the Johor Council Royal Court.

He holds a Bachelor of Surveying (Property Management) from Universiti Teknologi Malaysia. Prior to venturing into business, he was the Valuation Officer under the Ministry of Finance at Jabatan Penilaian Harta Batu Pahat and a Lecturer at the Survey Faculty at the University Teknologi Malaysia.

Other than as disclosed, he does not have any family relationship with any director and/or major shareholder of DBhd. However, he held indirect interest of 51% or 157,780,000 in DBhd shares through Seaview Holdings Sdn Bhd ("Seaview"). He has not been convicted for any offences.

WAN AZMAN BIN ISMAIL, aged 50, a Malaysian, is the Managing Director of DBhd. He was appointed as the Executive Director of DBhd on 1 February 2011 and re-designated to Managing Director on 1 February 2013. He graduated with a BA (Hons) in Accounting and Financial Analysis, University of Newcastle upon Tyne, United Kingdom in 1988.

He was attached to the Corporate Finance Division of Perwira Affin Merchant Bank Berhad from September 1990 to March 1996. He later joined the Corporate Finance Division of BSN Merchant Bank Berhad from March 1999 to July 1999.

He was employed by JCorp Group in September 1999 until December 2000 and later joined DBhd in January 2001. Besides being the current Managing Director of DBhd, he is also the Vice President, Special Administration of JCorp, a post he held since 1 January 2014. He is also the Chairman and Director of several other companies within the DBhd Group.

Other than as disclosed, he does not have any family relationship with any director and/or major shareholder of DBhd. He has no personal interest in any business arrangement involving DBhd. He has not been convicted for any offences and he attended all four (4) Board of Directors' Meetings of the Company held in the financial year ended 31 December 2013. He does not own any units of ordinary shares of DBhd.

ZAINAH BINTI MUSTAFA, aged 59, a Malaysian, is an Independent Non-Executive Director of DBhd and the Chairman of the Audit Committee. She was appointed to the Board as a Director on 17 April 2003. She is also a member of the Nomination and Remuneration Committee of DBhd.

She started her career as an Assistant Senior Auditor in Perbadanan Nasional Berhad in 1977 after graduating from Institut Teknologi MARA (presently Universiti Teknologi MARA). She obtained her Association of Chartered Certified Accountants (ACCA) United Kingdom in 1976. She is now a Fellow of Association of Certified Chartered Accountant (FCCA). She joined JCorp in October 1978 and rose through the ranks to the Group Chief Financial Officer before retiring on 31 October 2002.

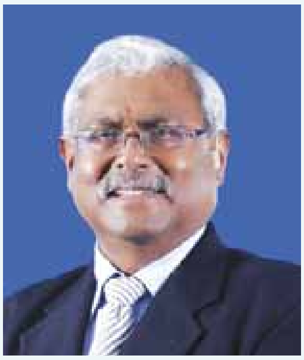
She also sits on the board of other companies in the JCorp Group of Companies namely KPJ Healthcare Berhad, Damansara REIT Managers Sdn Berhad (Al-`Aqar KPJ REIT) and Al-'Aqar Capital Sdn Bhd.

Other than as disclosed, she does not have any family relationship with any director and/or major shareholder of DBhd. She has no personal interest in any business arrangement involving DBhd. She has not been convicted for any offences. She attended all four (4) Board of Directors' Meetings of the Company in the financial year ended 31 December 2013. She does not own any units of ordinary shares of DBhd.

SYED OMAR BIN SYED MOHAMED, aged 46, a Malaysian, is a Non-Independent Non-Executive Director of DBhd and was appointed to the Board on 26 May 2014.

Syed Omar bin Syed Mohamed, has more than 20 years experience in the corporate world and commercial business, namely, in business turnaround and capital raising exercises, property development and construction and furniture and interior design businesses. He was the Senior Business Development Manager in Federal Furniture Berhad. He was an Associate to the Asset Management and Investment Risk Managing Analysis Team under Turnaround Managers Inc., which achievement included Debt Restructuring Scheme for Lankhorst Bhd. He was the Executive Director in several companies including the Stone Empire Group, Jalex Sdn Bhd and Kedah Marble Sdn Bhd. He was the Executive Director of Cahaya Pedoman Sdn Bhd, a construction and interior design company, whose development projects included Terminal Bas Pudu Sentral, 28 storey Kenanga International Central Office and Swiss Garden Hotel Group. He was the Special Executive Officer in UDA Holding Berhad ("UDA") , assisting the CEO of UDA in various development projects from 2008 until 2010.

He was also the Special Executive Officer to the CEO of Kumpulan Prasarana Rakyat Johor Sdn Bhd. He holds a Degree in Accounting and Finance from University of Sunderland, United Kingdom. Other than as disclosed, he does not have any family relationship with any director and/or major shareholder of DBhd. He has not been convicted for any offences.



YBHG DATO' MANI USILAPPAN, aged 64, a Malaysian, is an Independent Non-Executive Director of DBhd and was appointed to the Board on 15 November 2006. He is also a member of the Audit Committee and a member of the Nomination and Remuneration Committee of DBhd.

He passed the Final Examination of the Royal Institution of Chartered Surveyors in 1976. He obtained Masters in Property Development from Southbank University London with distinction in 1992.

He served nine (9) years as Deputy Director General and subsequently retired as Director General of the Valuation and Property Services Department, Ministry of Finance, Government of Malaysia in 2006.

He is also an Independent and Non-Executive Director of Damansara REIT Managers Sdn Berhad (Al-`Aqar KPJ REIT). He is also a council member of the Institution of Surveyors Malaysia and an Independent Non-Executive Director of Faber Development Sdn Bhd.

Other than as disclosed, he does not have any family relationship with any director and/or major shareholder of DBhd. He has no personal interest in any business arrangement involving DBhd. He has not been convicted for any offences. He attended all four (4) Board of Directors' Meetings of the Company held in the financial year ended 31 December 2013. He does not own any units of ordinary shares of DBHD.

LUKMAN BIN HAJI ABU BAKAR, aged 54, a Malaysian, is a Non-Independent Non-Executive Director of DBhd and also a member of the Audit Committee. He was appointed to the Board on 2 October, 2006.

He graduated with a Bachelor of Urban and Regional Planning (Hons) from the Universiti Teknologi Malaysia in 1982 before joining JCorp as a Town Planning Officer in the same year. He also holds a Post Graduate Diploma (Housing, Building and Planning) from Institute for Housing Studies, Rotterdam, Holland in 1985.

He held various positions in JCorp and its Group of companies. He was the Deputy Manager of JCorp in 1989 and in 1992, he was promoted to Manager cum the Deputy Secretary of Pasir Gudang Local Authority (now known as Pasir Gudang Municipal Council).

On 1 September 1993, he was seconded to Sindora Berhad as Deputy General Manager and later promoted to the position of General Manager in 1995. On 1 April 2004, he was appointed as the Secretary of Pasir Gudang Local Authority. Subsequently on 1 January 2006, he was promoted to Senior General Manager of JCorp while still holding the position of Secretary of Pasir Gudang Local Authority. Upon Pasir Gudang Local Authority being upgraded as a full-fledged Municipal Council, by 1 July 2008, he was appointed as its first President until 31 August 2009 when the Council was handed over to the administration of the State Government of Johor. He was then promoted to Senior Vice President in JCorp.

He is currently the Managing Director of Johor Land Berhad which he held since 1 January 2010 and the Chief Executive of Property Division of JCorp, a post he held since 1 January 2011.

He is also the Chairman of Syarikat Pengangkutan Maju Berhad. Apart from that, he sits as a Director and a member of the Audit Committee of Damansara REIT Managers Sdn Berhad (Al-`Aqar KPJ REIT). He is also a Director of Wakaf An-Nur Corporation Berhad, as well as other companies within the JCorp Group.

Other than as disclosed, he does not have any family relationship with any director and/ or major shareholder of DBhd. He has no personal interest in any business arrangement involving DBhd. He has not been convicted for any offences and he attended three (3) from four (4) Board of Directors' Meetings of the Company held in the financial year ended 31 December 2013. He does not own any units of ordinary shares of DBhd.

YBHG DATUK YAHYA BIN YA'ACOB, aged 70, a Malaysian, is an Independent Non-Executive Director of DBhd. He was appointed to the Board on 6 August 2002. He graduated with a Bachelor of Arts (Honours) Degree and Diploma in Public Administration from University of Malaya in 1967 and 1970, respectively, and holds a Master's Degree in Business Management from the Asian Institute of Management in 1976.

He held the position of Secretary General, Ministry of Works for five (5) years before his retirement in 1999. His other postings include Secretary General of the Ministry of Information (1991-1994), Secretary of Contracts Division (Treasury), Ministry of Finance (1991-1998), Deputy Director of the Implementation & Coordination Unit, Prime Minister's Department (1986-1988) and Deputy Secretary of the Federal Treasury (Finance Division) (1976-1986).

His directorships in other public companies include, amongst others, as Non-Independent Non-Executive Director of Emas Kiara Industries Berhad, LBI Capital Berhad, UDA Holdings Berhad, IJM Corporation Berhad and Pelaburan Johor Berhad.

Other than as disclosed, he does not have any family relationship with any director and/or major shareholder of DBhd. He has no personal interest in any business arrangement involving DBhd. He has not been convicted for any offences. He attended two (2) from four (4) Board of Directors' Meetings of the Company held in the financial year ended 31 December 2013. He does not own any units of ordinary shares of DBhd.

LEUNG KOK KEONG , aged 47, was appointed to the Board of DBhd as an Independent Non-Executive Director on 9 November 2011. He obtained his Bachelor Degree in Accounting, Curtin University of Technology, Australia, in December 1989 and is a Certified Practising Accountant & Chartered Accountant, CPA Australia & Malaysian Institute of Accountants.

Trained as an investment banker, he has significant experience in corporate finance and business development as well as management. He was the founding member and former Executive Director of Newfields Advisors Sdn Bhd, a boutique financial and corporate advisory firm from August 2001 until August 2006. He was the Chief Executive Officer, Platinum Energy Group from September 2006 until February 2008

His wide and vast experience spanned from his earlier years as an Investment & Corporate Planning Manager, Hong Leong Credit Berhad from 1994 to 2001 and was an Audit Senior, Coopers & Lybrand Kuala Lumpur since 1990 until 1994.

Currently he is the Executive Director of Acritaz Group. He is also an Independent Non- Executive Director of Kulim (Malaysia) Berhad, a company within the JCorp Group.

Other than as disclosed, he does not have any family relationship with any director and/or major shareholder of DBhd. He has no personal interest in any business arrangement involving DBhd. He has not been convicted for any offences and he attended all four (4) Board of Directors' Meetings of the Company held in the financial year ended 31 December 2013. He does not own any units of ordinary shares of DBhd.

YUSOF BIN RAHMAT, aged 57, a Malaysian, is a Non-Independent Non-Executive Director of DBhd. He was appointed to the Board as a Director on 1 January 2010. He graduated with a Bachelor of Engineering (Honours) in Civil and Structural Engineering from University of Sheffield, United Kingdom in 1980 before joining JCorp in the same year.

He held various positions in subsidiary companies within the JCorp Group. In January 1997, he was appointed as the Chief Executive of the Project Development Division, JCorp. He was the Managing Director of TPM Technopark Sdn Bhd, a wholly-owned subsidiary of JCorp, a post he held from January 2002 until 1 February 2013. He was also the Vice President (Property Division) of JCorp.

On 1st February 2013, he was appointed as the Chief Executive Officer of Waqaf An-Nur Corporation Bhd. He was also the Vice President (Amal Business Division) of JCorp, a post he held until 8 May 2014.

Other than as disclosed, he does not have any family relationship with any director and/or major shareholder of DBhd. He has no personal interest in any business arrangement involving DBhd. He has not been convicted for any offences and he attended all four (4) Board of Directors' Meetings of the Company in the financial year ended 31 December 2013. He does not own any units of ordinary shares of DBhd.

INTRODUCTION

For the financial year ended 31 December 2013, the Group's turnover dropped to RM184.3 million as compared to RM197.2 million recorded in 2012. Even though the Group's turnover reduced by 6.5%, the Group however managed to improve its newly set up property services division's revenue to RM184.3 million (i.e. an improvement of 1.6%) compared to the preceding year of RM181.4 million.

The profit before tax ("PBT") of the Group stood at RM10.2 million representing a significant increase of 75.9% as compared to RM5.8 million registered in 2012. Similarly, the Group registered a profit after tax ("PAT") of RM8.9 million for the year under review.

CORPORATE DEVELOPMENT

On 6 March 2014, Johor Corporation ("JCorp"), the major shareholder of the Company, had signed the Share Sale Agreement with Seaview Holdings Sdn Bhd. With the completion of the Agreement, JCorp's shares in the Company has been pared down by 51% from 64.8% to 13.8%. The move is in line with JCorp's plans to pare down its exposure in non-core businesses to fulfil its corporate restructuring and rationalization plan.

Seaview, on the other hand, foresees that the acquisition shall enable the Group to be energetically involved in the fast-developing southern economic corridor and the Refinery and Petrochemical Integrated Development ("RAPID") in Pengerang.

In the meantime, the focal point shall be developing the businesses of the property services division, namely hospital consultancy, facilities management, parking business and industrial cleaning.

OPERATION OVERVIEW

Property Development Division

After implementing the initiative in improving the marketability and the value of Taman Damansara Aliff ("TDA") land, the Group has taken its first step to revive its property development division after a few years of being inactive. The development of Phase 1 comprises 24 units of shop office which commenced in mid-2013 and is expected to be completed by mid-2015.

Bandar Damansara Kuantan ("BDK") remains inactive during the year under review. The Group is taking a prudent approach with regard to the development in BDK due to limited and softer demand in Kuantan property market. The only contribution offered by BDK to the Group is from the rental of approximately 171.9 hectares of oil palm estate. Nevertheless, the Group is evaluating options for the development of the property.

Property Services Division

During the year under review, the property services division recorded a total turnover of RM184.3 million, an increase of 1.6% compared to the preceding year of RM181.4 million. In terms of the profit after tax, the Division managed to register a total of RM4.7 million, a significant increase of 213.3% compared to RM1.5 million in 2012.

In 2013, the Group launched its Integration Plan ("IP"), to review the processes, people and technology via investment in new IT systems and streamlining back office operations. The IP is considered as the master plan that outlined the Group's future business module, comprising approach to synergise between the subsidiaries and at the same time improving the effectiveness as well as efficiencies within the Group's business process and operations.

The programme is expected to be fully completed by end 2014.

Healthcare Technical Services Sdn Bhd

HTS is among the few companies in Malaysia that provides comprehensive end-to-end technical services in the healthcare sector, starting from technical design and consultancy, to project and construction management on hospital development. HTS also provides biomedical engineering maintenance and facilities engineering maintenance ("FEM") for operating hospitals.

In 2013, HTS managed healthcare projects worth RM1.1 billion comprising RM0.6 billion development of new hospitals, RM0.4 billion expansion projects and RM0.1 billion renovation works.

During the year under review, HTS recorded revenue of RM8.6 million with PBT of RM2.1 million.

a. Planning, Construction and Project Management

   The Planning and Project Management Division remain the main contributor of the Company. In 2013, the Division contributed a total revenue of approximately RM5 million.

   In 2013, HTS had successfully managed the completion of 3 projects, namely, KPJ Sabah Specialist Hospital, Muar Specialist Hospital and New Campus of KPJ University College in Nilai.

b. Manpower Services and Facilities Engineering Management

   In 2013, the Manpower Services and FEM Division contributed a total of RM3 million in revenue. The revenue is mainly generated from the maintenance management fees and FEM activities of 22 hospitals under Al-'Aqar Healthcare REIT.

Completed Projects by HTS in 2013

KPJ Sabah Specialist Hospital

Muar Specialist Hospital

New Campus, KPJ University College , Nilai

TMR Urusharta Sdn Bhd

TMR Urusharta Sdn Bhd ("TMR") offers a complete range of IFM services. TMR is currently managing approximately over 10 million square feet of property for various clients such as Government, private and GLC companies throughout Peninsular Malaysia and East Malaysia.

TMR provides total solutions that deliver economical and efficient IFM services tailored specifically to fulfill the requirements of each client. Granted with the certification for MS ISO 9001:2008 Quality Management System, ISO 14001:2004 Environmental Management Systems and OHSAS 18001:2007 Occupational Health and Safety Management Systems.

Hyper Station: Petronas Dagangan

HSBC

Kelana Centre Point

In addition, TMR is proficient in conducting thorough analysis of existing operations to identify the best methodology to improve services and reduce costs.

TMR recorded a total of RM45.4 million in revenue and RM1.6 million in PBT for 2013. During the year under review, TMR managed to secure new IFM contracts worth RM10.5 million.

PTPTN Menara Park

TH Selborn Tower

Metro Parking (M) Sdn Bhd

Metro Parking (M) Sdn Bhd ("Metro Parking") is Malaysia's premier parking operator with operations in Malaysia and four (4) other countries, namely, Singapore, Brunei, Philippines and India. The Metro Parking Group operates a total of 209 car parks comprising 72,122 parking bays.

With the extensive experience, Metro Parking Group's business not only focused on managing car parks, but widely diversified into the following segments:

a. car park consultancy
b. car park design and planning
c. supply of car park and safety equipment

In 2013, the Metro Parking Group recorded a total of RM104.8 million in revenue and RM2.1 million in PBT. In addition, the Group has successfully secured parking operation contracts which comprise 15,318 new parking bays. There are 10,255 parking bays in Malaysia while the rest are overseas.

Oasis Sime Darby, KL

PPUM, KL

Petronas, Kertih

R City Mall, India

National Kidney Institute, Philippines

HC Duraclean Sdn Bhd

HC Duraclean Sdn Bhd ("HC Duraclean") is the Master Franchisee for Duraclean International Incorporation (USA) with 20 operating franchisees. It offers a diverse range of cleaning and hygiene services ranging from commercial to residential properties, as well as to niche areas such as aircrafts, airports and hospitals.

During the year under review, HC Duraclean recorded a total revenue of RM25.6 million. The Company's PBT stood at RM1 million.

Bank Rakyat

Lotte Chemical Titan

KPJ Pasir Gudang

OUTLOOK FOR 2014

The property sector in Malaysia will remain challenging, yet at the same time, full of opportunities. Nevertheless, the Group will continue to strengthen its business performance and strive to move positively in a forward and more successful direction – to become the key player in the industry.

As for the Group's Property Development Division, the Group is looking forward to fully capitalize its existing assets which have significant potential for growth, especially the TDA land.

In the meantime, the Group's Property Services Division shall emerge strongly in the market segments which it operates in, as well as capitalizing on new opportunities, especially in undertaking selective property management development, green technology initiatives and servicing the Oil and Gas sector.

Composition of Members
The Audit Committee currently comprises the following three (3) Directors:

Chairman
1. Zainah binti Mustafa - Independent Non-Executive Director

Members
2. YBhg Dato' Mani Usilappan - Independent Non-Executive Director
3. Lukman bin Hj. Abu Bakar - Non-Independent Non-Executive Director

Meetings
The Audit Committee met five (5) times during the year under review. The Director(s) holding executive position, DBhd's Internal Auditor, representatives of the Company's External Auditors and members of the Management are normally invited to the meetings.

The attendance of each Committee Member during the financial year ended 31 December 2013 was as follows:

Members	22 February	22 April (Special ACM)	16 May	19 August	14 November
Zainah binti Mustafa	Yes	Yes	Yes	Yes	Yes
YBhg Dato' Mani Usilappan	Yes	Yes	Yes	Yes	Yes
Lukman bin Hj. Abu Bakar	Yes	Yes	Yes	Yes	Yes

Terms of Reference

Objectives

The objectives of the Audit Committee are:

1. To assist the Board in discharging its responsibilities relating to the Group and the Company's management of principal risks, internal controls, corporate governance, financial reporting and compliance of statutory and legal requirements.
2. To provide, by way of regular meetings, a line of communication between the Board of Directors, Senior Management, Internal Auditor and External Auditors.
3. To provide emphasis on the internal audit functions by increasing the objectivity and independence of the Internal Auditor and provide a forum for discussion that is independent of the Management.
4. To review the quality of the audits conducted by the Internal and External Auditors of the Company.

Authorities

The Audit Committee is authorized by the Board of Directors:

1. To investigate any matter within its terms of reference.
2. To have full, free and unrestricted access to any information, records, properties and personnel of the Company and any other companies within the Group.
3. To have direct communication channels with the External Auditors and person(s) carrying out the internal audit functions or activities.
4. To obtain independent professional advice.
5. To convene meetings with the External Auditors, without the presence of the Management (executive member) at least twice a year.

Duties and Responsibilities

1. To review with the Management and recommend acceptance or otherwise of major accounting policies, principles and practices especially on management accounting, financial reporting, risk management and business practices.
2. To review the Group's quarterly and year-end financial statements before submission to the Board.
3. To consider the appointment of the External Auditors, the terms of reference of their appointment, the audit fee and any proposal of their resignation as auditors.
4. To review with the External Auditors, the nature and scope of their audit plan and their audit reports.
5. To review the External Auditor's management letter and discuss any matter that the External Auditors may wish to raise in the absence of Management, where necessary.
6. To review the Internal Audit Charter and the yearly Audit Plan to ensure that the internal audit functions are adequately resourced to undertake its functions and have appropriate standing in the Group.
7. To review the internal audit functions and the result of the internal audit programs or investigations undertaken and whether or not Management has taken appropriate actions on the recommendations made by the Internal Auditor.
8. To review any related party transactions and conflict of interest situation that may arise within the Company or Group including any transactions, procedures or courses of conduct that raise questions of Management's integrity.
9. To review inspection and examination reports issued by any regulatory authority and to ensure prompt and appropriate actions are taken in respect of any findings.
10. To receive reports and deliberate on the implementation of the risk-control process and the progress of risk management activities undertaken by the Group.
11. To perform any other functions as authorized by the Board.

Activities of the Audit Committee

The following activities were performed by the Audit Committee during the financial year under review:

1. Reviewed and approved the annual Internal Audit Plan for the year 2013.
2. Reviewed and deliberated on the audit findings and issues highlighted by the internal audit functions.
3. Reviewed the External Auditors' Management Letter.
4. Reviewed and appraised the adequacy and effectiveness of Management's response and control in resolving the audit issues highlighted by the External Auditors.
5. Reviewed the audit findings and risk analysis on each internal audit assignment and emphasized on follow-up audits to ensure that appropriate corrective actions are taken and internal audit's recommendations are implemented.
6. Reviewed the quarterly financial results and made recommendations for the Board's approval prior to submission to the authorities.
7. Reviewed Risk-Control reports prepared and summarized by the respective risk owners and assessed the adequacy and effectiveness of actions taken to mitigate the underlying risks.
8. Reviewed and approved Internal Audit Charter and Audit Plan for 2014.

Internal Audit Functions

The Internal Auditor ultimately report to the Audit Committee. It has carried out its internal audit functions for the Group independently with impartiality, proficiency and due professional care.

The core function of an Internal Auditor is to perform an independent appraisal of the Group's activities as a service to the Management. The internal audit functions play an important role in helping Management to establish and maintain the best possible internal control environment within the Group. The sound internal control environment would ensure the Group's compliance with legal and regulatory requirements, safeguarding of assets, adequacy of records, prevention or early detection of frauds, material errors and irregularities as well as efficiency of operations.

The Internal Auditor had ensured that:

- The internal audit plans and programs were appropriately developed to commensurate with the Group's activities and appropriate focus and resources were allocated;
- The internal audit plans and programs were continuously reviewed and where necessary were adjusted accordingly to reflect any significant changes in the Group's business environment, structure, activities, risk exposures or systems; and
- The activities of internal audit are consistent with the long term goals of the Group and are in line with its internal controls, policies and procedures.

The scope of internal audit covers the audits of all of the Group's operational units, including its subsidiary companies based on the approved 2013 audit plan. In addition, the internal audit also conducts special audits at the Management's request.

During the year, numerous audit activities, investigations and follow-ups were undertaken throughout the Group. The audit reports are presented to the Audit Committee for further deliberations. An audit report generally presents the purpose, scope and results of the audit, including findings, conclusions and recommendations. Internal audit findings in 2013 continued to reflect a strong internal control system as potential weaknesses in system and risks in areas under review are eliminated or reduced within manageable levels. Internal audit reports provide a formal means of communicating audit results and recommended actions to the Management and Audit Committee. Audit reports provide the basis for the Audit Committee to highlight significant weaknesses and the Management's proposed remedial measures to the Board. The Internal Auditor's recommendations are for reducing risks, strengthening internal controls and correcting errors. There were no major unresolved audit issues outstanding at the end of the year.

The costs incurred during the financial year ended 31 December 2013 for the internal audit functions for the Group level was approximately RM334,647.

Statement on Employees' Share Option Scheme (ESOS)

The Company did not offer any Share Option Scheme to its employees in the year under review.

STATEMENT OF CORPORATE GOVERNANCE

The Board of Directors supports the 8 principles and 26 recommendations stated in the Malaysian Code on Corporate Governance 2012 ("MCCG 2012") as set out below in promoting best corporate governance through structures, systems, processes in self-promoting good practices and development of a corporate governance culture and environment, will continue the existing corporate governance practices and shall strive to adopt the substance behind the corporate governance prescriptions and not merely in form, but also in managing its business affairs.

In line with this commitment, the Board has taken and is continuously reviewing, where appropriate, the necessary steps to comply with the requirements on standard of corporate responsibility, integrity and accountability and provide greater disclosure and transparency by complying with the principles of the MCCG 2012. The corporate governance adopted by the Group during the financial year 2013 is as follows:

1. Establish Clear Roles and Responsibilities

- Clear Functions of the Board and Management
- Board Duties and Responsibilities
- Formalised Ethical Standards through Code of Ethics
- Strategies Promoting Sustainability
- Access to Information and Advice
- Qualified and Competent Company Secretary
- Board Charter

The Board is made up of 10 members, comprising:

1. A Non-Independent Non-Executive Chairman
2. A Managing Director
3. Four (4) Independent Non-Executive Directors; and
4. Four (4) Non-Independent Non-Executive Directors

There is a clear distinction of responsibilities between the Chairman and the Managing Director to ensure a balance of power and authority. The Board is led by the Chairman, YB Dato' Kamaruzzaman bin Abu Kassim, while the post of Managing Director is held by Wan Azman bin Ismail who attained the post on 1 February 2013.

The Managing Director holds the principal responsibilities of reporting, clarifying, communicating and recommending key strategic and operational matters and proposals to the Board for approval as well as implementation of policies and strategies.

In accordance with Paragraph 15.02 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, that requires at least one-third of the Board to comprise Independent Directors, the presence of four (4) Independent Non-Executive Directors lead to the Board being satisfied that the size and composition of the Independent Non-Executive Directors has fulfilled this requirement adequately. In the opinion of the Board, the number of members is sufficient and well balanced for the Company to carry out its duties effectively, whilst providing greater assurance that no individual or small group of individuals can dominate the Board's decision.

The Board

The Board has also appointed Zainah binti Mustafa as the Senior Independent Non-Executive Director, to whom concerns may be conveyed. The presence of Independent Directors is essential as to provide unbiased and independent views, advice and judgment to safeguard the interest of stakeholders.

Paragraph 7.26 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad requires all Directors to submit for re-election once at least every three (3) years. In accordance with the Company's Articles of Association, at least one third of the remaining Directors are required to submit themselves for re-election by rotation at each AGM. The retiring Directors who are standing for re-election at the forthcoming AGM are as follows:

Re-election in accordance with Articles 81 and 87 of the Company's Articles of Association:

(i)	Wan Azman bin Ismail	(Article 81)
(ii)	Leung Kok Keong	(Article 81)
(iii)	Yusof bin Rahmat	(Article 81)
(iv)	YB Dato' Daing A Malek bin Daing A Rahaman	(Article 87)
(v)	Syed Omar bin Syed Mohamed	(Article 87)

In accordance with Section 129(6) of the Companies Act, 1965, YBhg Dato' Yahya bin Ya'acob who has attained the age of 70, be re-appointed as Director of the Company to hold office until the next AGM of the Company.

All members of the Board contribute significantly in the areas of formulation of strategic direction and policies, performance monitoring and allocation of resources and enhancement of controls and governance.

As prescribed by the MCCG 2012, the Board assumes six (6) principal stewardship responsibilities:

1. Reviewing, monitoring and where appropriate, approving fundamental financial and business strategies and major corporate actions.
2. Overseeing the conduct of the Group's business to evaluate whether the business is properly managed.
3. Establishing the Group's Enterprise-Wide Risk Management framework.
4. Formulating a succession plan for the Managing Director and Senior Executives.
5. Establishing an investor relations programme.
6. Ensuring processes are in place for maintaining the integrity of the Company, integrity of the financial statements, compliance with law and ethics, relationships with customers and suppliers and relationship with stakeholders.

At the same time, the Board also ensures the sustenance of a dynamic and robust corporate climate focused on strong ethical values. This emphasizes active participation and dialogue on a structured basis involving key personnel at all levels, as well as ensuring accessibility to information and transparency on all executive actions. The corporate climate is also continuously nourished by value-centered programmes for team-building and active subscription to core values.

The Board has delegated certain specific responsibilities to two (2) Committees which operate within clearly defined terms of references, with the main objective to assist the Board in discharging its duties and responsibilities.

The Board has unrestricted access to timely and accurate information on various aspects of the Company's operations and performance. All Board reports are normally issued in sufficient time to all Directors to enable the Directors to review the reports prior to the Board meetings and understand the issues to be discussed.

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

The Board has always conducted itself in an ethical manner while executing its duties and functions with the establishment of its own Board Charter which was adopted by the Board of Directors at its meeting on 20 November 2013. The Board Charter of the Company sets out key values, principles and ethos of the Company in ensuring the Board's efficiency in discharging its duties.

The Company Directors' Code of Ethics in tandem with the recommendation by Companies Commission of Malaysia had also been established whereby the same was approved by the Board of Directors at its meeting on 20 November 2013.

The Board has unrestricted access to the advice and services of Company Secretaries and where necessary, in the furtherance of their duties, obtain independent professional advice with the Company paying the related costs. The Company Secretaries ensure that all Board meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are recorded and maintained in the statutory register of the Company. The Company Secretaries also keep abreast of the evolving capital market environment, regulatory changes and developments in Corporate Governance through continuous training.

2. Strengthened Composition

- Establishment of a Nomination and Remuneration Committee
- Remuneration policies and procedures
- Recruitment Process and Annual Assessment

The Board on 21 March 2011, resolved to establish its own Nomination and Remuneration Committee (NRC). The Board is of the view that the composition of the NRC meets the objectives and principles of good corporate governance. The members of the NRC comprise exclusively of non-executives directors, a majority of whom is independent. The Nomination Committee develops, maintains and reviews the criteria to be used in the recruitment process and annual assessment of directors. The details of the NRC are further set out on page 32 to 35 of the Annual Report.

Through the NRC, the Board has established formal and transparent remuneration policies and procedures to attract and retain directors. For the financial year ended 31 December 2013, the Company's NRC was responsible for making recommendations on the framework, policies and procedures in reviewing and determining the specific remuneration package of the Directors of DBhd.

The Company's remuneration scheme for Executive Directors commensurate with performance, seniority, experience and scope of responsibilities and is benchmarked to market/industry standards. For Non-Executive Directors, the level of remuneration reflects the level of responsibilities undertaken by them.

Directors' fees are subject to approval by the shareholders. Details of the remuneration paid/payable to each Director for the financial year ended 31 December 2013 are as below:

Directors	Basic Salary (RM)	Directors' Fees (RM)	Meeting Allowance (RM)	Allowance (RM)	Bonuses (RM)	Benefits In-kind (RM)	Total (RM)
Non-Independent Non-Executive Directors							
YB Dato' Kamaruzzaman bin Abu Kassim	-	36,000	2,400	-	-	8,700	47,100
YB Datuk Ahmad Zaki bin Zahid*	-	16,250	400	-	-	-	16,650
Lukman bin Hj. Abu Bakar	-	30,000	2,700	-	-	-	32,700
Yahaya bin Hassan*	-	16,250	800	-	-	-	17,050
Yusof bin Rahmat	-	30,000	1,600	-	-	-	31,600
Independent Directors							
Zainah binti Mustafa	-	30,000	3,900	-	-	-	33,900
YBhg Dato' Mani Usilappan	-	30,000	3,400	-	-	-	33,400
YBhg Datuk Yahya bin Ya'acob	-	30,000	800	-	-	-	30,800
Leung Kok Keong	-	30,000	1,600	-	-	-	31,600
Managing Director							
Wan Azman bin Ismail	305,438	30,000	-	148,398	51,832	20,664	556,332

* YB Datuk Ahmad Zaki bin Zahid and Yahaya bin Hassan resigned on 15 July 2013.

3. Reinforce Independence

- Assessment of Independence annually
- Tenure of Independent Directors
- Shareholders' Approval for the re-appointment of Independent Directors
- Separate Positions of the Chairman and CEO
- Composition of the Board

The Board, through its NRC, undertakes an evaluation in order to assess how well the Board, its Committees, the Directors including Independent Directors and the Chairman are performing. The evaluation covers the Board's composition, skills mix, experience, communication, roles and responsibilities, effectiveness as well as conduct. The process also includes a peer review in which Directors assess their fellow Directors' performance against set criteria, including the skills they bring to the Group and the contributions they make.

The Board shall also seek the shareholders' approval for the retention of the independent status of two (2) existing Directors who had served in that capacity for more than nine (9) years. YBhg Datuk Yahya bin Ya'acob and Zainah binti Mustafa were appointed as Board Members on 6 August 2002 and 17 April 2003, respectively and had served the Company for more than nine (9) years. The Board recommended that their tenure as Independent Board Members be retained subject to the shareholders' approval at the forthcoming AGM due to their wide experience in the industry.

The Group complies with the requirement to have the position of the Chairman and CEO (the position of which is assumed by the Managing Director) held by two (2) separate individuals.

The Company's Chairman is not an Independent Director and there are four (4) Independent Directors out of 10 Board members. The Board believes that the interests of shareholders are best served by a Chairman who is sanctioned by the shareholders and who will act in the best interests of the shareholders as a whole. He exercises independent and broad judgment as well as provides independent opinions and constructive views on proposals from the Management. As the Chairman is representing JCorp which has substantial interest in the Company, he is well placed to act on behalf of shareholders and in their best interests.

The Board continues with the view that although the majority of the members are Non-Independent Non-Executive Directors, its existing four (4) independent Non-Executive Directors, with their extensive knowledge, wide experience and expertise will still be able to provide the necessary check and balance to the decision making process of the Board.

4. Foster Commitment

- Commitment of Board Members and Protocols for Accepting New Directorships
- Continuing Education Programmes

None of the Directors holds more than 5 directorships in public listed companies thus ensuring sufficient commitment and resources from Directors to ensure effective input during Board Meetings.

For the financial year ended 31 December 2013, there were four (4) meetings held on the following dates and venues:

Date of Meeting	Description	Venue	Attendance
13 March 2013	130th Board Meeting	Persada Johor International Convention Center, Johor Bahru	9/10
23 May 2013	131st Board Meeting	Persada Johor International Convention Center, Johor Bahru	9/10
23 August 2013	132nd Board Meeting	Persada Johor International Convention Center, Johor Bahru	7/8
20 November 2013	133rd Board Meeting	Persada Johor International Convention Center, Johor Bahru	7/8

Certain matters such as acquisition and disposal of assets of the Company or subsidiaries that are material, investment in capital projects and level of authority are specifically reserved to the Board for decision.

The Board Members remain committed and dedicated in fulfilling their duties and responsibilities and this is reflected via their attendance at each Board meeting as listed below:

Director	New Appointment / Resignation	Non-Executive	Independent	Attendance
YB Dato' Kamaruzzaman bin Abu Kassim	-	Yes	No	4/4
Wan Azman bin Ismail (Managing Director)	Redesignated from Executive Director to Managing Director on 1 February 2013	No	No	4/4
Zainah binti Mustafa	-	Yes	Yes	4/4
YBhg Dato' Mani Usilappan	-	Yes	Yes	4/4
YB Datuk Ahmad Zaki bin Zahid	Resigned on 15 July 2013	Yes	No	1/2
Yahaya bin Hassan	Resigned on 15 July 2013	Yes	No	2/2
YBhg Datuk Yahya bin Ya'acob	-	Yes	Yes	2/4
Lukman bin Hj Abu Bakar	-	Yes	No	3/4
Yusof bin Rahmat	-	Yes	No	4/4
Leung Kok Keong	-	Yes	Yes	4/4
YB Dato' Daing A Malek bin Daing A Rahaman	Appointed on 26 May 2014	Yes	No	-
Syed Omar bin Syed Mohamed	Appointed on 26 May 2014	Yes	No	-

Any nominations for new Directors to the Board are reviewed by the Nomination and Remuneration Committee and presented to the Board for approval. The Company Secretaries will ensure that all appointments are properly made and that statutory requirements are met.

In compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all members of the Board have completed the Mandatory Accreditation Programme conducted by Bursatra Training Sdn Bhd or relevant courses recognized by Bursa.

The Board encourages its Directors to attend talks, seminars, workshops and conferences to update and enhance their skills and knowledge to enable them to carry out their roles effectively as Directors in discharging their responsibilities towards good corporate governance, operational and regulatory standards. The Board took note of the amendments to the Listing Requirements, which stated that the Board of Directors of listed companies will assume the onus of determining or overseeing the training needs of their directors.

During the financial year, the Directors attended the following courses:

No	Name of Directors	MAP / Relevant Courses
1.	YB Dato' Kamaruzzaman Abu Kassim	Johor Corporation: Directors Conference 2013: Unleashing Potential, Shaping the Future 26 – 27 Nov 2013
2.	Wan Azman bin Ismail	1 Johor Corporation: Directors Conference 2013: Unleashing Potential, Shaping the Future 26 – 27 Nov 2013 2 Committee Programme by Bursa Training on 8 Oct 2013
3.	Zainah binti Mustafa	1 Johor Corporation: Directors Conference 2013: Unleashing Potential, Shaping the Future 26 – 27 Nov 2013 2 Directors Liabilities and its Impact to Business 9 December 2013
4.	YBhg Dato' Mani Usilappan	Johor Corporation: Directors Conference 2013: Unleashing Potential, Shaping the Future 26 – 27 Nov 2013
5.	Lukman bin Hj. Abu Bakar	1 Johor Corporation : Directors Conference 2013: Unleashing Potential, Shaping the Future 26 – 27 Nov 2013 2 Kursus Effective Counselling Skills 15 -16 March 2013 3 Public Forum Technology and Governance in An Innovative City @ Fullerton Hotel, Singapore 3 May 2013 4 Bengkel Pemilikan Hartanah–ISI-Jland @ Dewan Ibnu Sinar, UTM 28-29 November 2013 5 Bengkel Pemilikan Harta Tanah Bumiputera di Iskandar Malaysia @ Dewan Ibnu Sinar UTM 24 Disember 2013
6.	Yusof Bin Rahmat	Johor Corporation: Directors Conference 2013: Unleashing Potential, Shaping the Future. 26 – 27 Nov 2013
7.	Leung Kok Keong	Directors' Remuneration Seminar 2013 28 February 2013

5. Uphold Integrity in Financial Reporting

- Compliance with Applicable Financial Reporting Standards
- Assessment of Suitability and Independence of External Auditors

Pursuant to Paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the Company Directors are collectively responsible in ensuring that the financial statements and the quarterly results are drawn up in accordance with the approved accounting standards adopted by the Malaysian Financial Reporting Standard (MFRS), the provisions of the Companies Act, 1965, and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

It is the responsibility of the Directors to ensure that the financial reporting of the Group presents a true and fair view of the state of affairs of the Company and its subsidiary companies as of the end of the financial year together with the financial results and cash flows for the year ended.

The Directors have applied the appropriate and relevant accounting policies on a consistent basis and made judgments and estimates that are reasonable and fair in preparing the financial statements of the Company and of the subsidiaries. The financial statements are also prepared on a going concern basis and the Directors have assured that proper accounting records are kept so as to enable the preparation of the financial statements with reasonable accuracy.

The Board, via the Audit Committee, maintains a formal and transparent professional relationship with the External Auditors, Ernst & Young, in seeking professional advice and ensuring compliance with the applicable accounting standards and statutory requirements.

The Audit Committee of DBhd ensures that the policies and procedures to assess the suitability and independence of external auditors are complied. The Committee meets with the External Auditors without the presence of the Senior Management at least twice a year to assess the suitability and independence of the External Auditors. During the year, two (2) meetings were conducted without the presence of the Management. Representatives from the External Auditors were also invited to attend every Annual General Meeting.

6. Recognise and Manage Risks

- Framework to Manage Risks
- Internal Audit Functions

The Board has established a sound framework to manage risks with the formation of internal audit functions which reports directly to the Audit Committee.

Details of the recognition and risk management and the internal audit functions are set out in the Statement on Risk Management and Internal Control and Audit Committee Report of this Annual Report, respectively.

7. Ensure Timely and High Quality Disclosure

- Corporate Disclosure Policy
- Leverage on Information Technology

The Company has in place procedures for compliance with the Listing Requirements of Bursa Securities and ensures that all material information must be announced immediately to Bursa Securities.

A website: http://www.dbhd.com.my is maintained to create greater awareness of the Group activities, performance and other relevant information among the stakeholders and general public.

8. Strengthen Relationship with the Shareholders

- Shareholders' Participation at General Meetings
- Encourage poll voting
- Effective Communication and Proactive Engagements with Shareholders

The AGM is the principal forum for dialogue with shareholders. Notice of the AGM and Annual Reports are sent out at least 21 days before the date of the meeting. In the case of an EGM, the Notice is sent out at least 14 days before the date of the meeting (or 21 days where any special resolutions are proposed).

The Chairman and the Board encourage shareholders to attend and participate in the AGM held annually as well as in the EGM. The shareholders are given the opportunity to seek clarification by making use of the Question and Answer session during the AGM / EGM on any matters pertaining to the business and financial performance of the Company. The rights to demand for a poll during the meetings are conveyed to shareholders by the Board. The Board also encourages poll voting for substantive resolutions specifically the Recurrent Related Party Transactions.

The Board also recognises the importance of effective communication with shareholders and the investment community, and adheres strictly to the disclosure requirements of Bursa Securities. Dissemination of information includes the distribution of annual reports and relevant circulars to shareholders, issuance of press releases, announcing the quarterly financial results and performance of the Group to Bursa Malaysia Securities Berhad and the public as holding press conferences.

The Nomination and Remuneration Committee (NRC)

The terms of reference of the NRC are as follows:

1. Purpose

The NRC is established primarily to:

A. Nomination

(i) Identify and recommend candidates for Board directorship;
(ii) Recommend directors to fill the seats on Board Committees;
(iii) Evaluate the effectiveness of the Board and Board Committees (including the size and composition) and contributions of each individual director;
(iv) Ensure an appropriate framework and plan for Board succession.

B. Remuneration

(i) Provide assistance to the Board in determining the remuneration of Executive Directors and Senior Management of the Company. In fulfilling these responsibilities, the NRC is to ensure that Executive Directors and applicable Senior Management of the Company:

- are fairly rewarded for their individual contribution to overall performance;
- are compensated reasonably in light of the Company's objectives; and
- are compensated similar to other companies.

(ii) Establish the Managing Director's / Chief Executive Officer's goals and objectives; and
(iii) Review the Managing Director's / Chief Executive Officer's performance against the goals and objectives set.

2. Membership

The NRC consists of the following members:

(i) YB Dato' Kamaruzzaman bin Abu Kassim – Non-Independent Non-Executive Chairman
(ii) Zainah binti Mustafa - Independent Non-Executive Director
(iii) YBhg Dato' Mani Usilappan- Independent Non-Executive Director

The appointment of a NRC member terminates when the member ceases to be a director of the Company. The NRC shall have no executive powers.

In the event of equality of votes, the Chairman of the NRC shall have a casting vote. In the absence of the Chairman of the NRC, the members present shall elect one of them to chair the meeting. The NRC shall meet at least once a year. Additional meetings shall be scheduled as considered necessary by the Chairman of the NRC. The NRC may establish procedures from time to time to govern its meeting, keeping of minutes and its administration.

3. Meetings

The NRC had met once during the financial year, attended by all members. The Managing Director upon invitation of the Chairman of the Committee attended the meetings.

The NRC shall have access to such information and advice, both from within the Group and externally, as it deems necessary or appropriate in accordance with the procedures determined by the Company. The NRC may request other directors, members of management, counsels and consultants as applicable to participate in NRC's meetings, as necessary, to carry out the NRC's responsibilities. Non-NRC directors and members of Management in attendance may be required by the Chairman to leave the meeting of the NRC when so requested.

The Secretary of the NRC shall be the Company Secretary.

NRC's meeting agenda shall be the responsibility of the Chairman of the NRC with input from the NRC members. The Chairman may also request Management to participate in this process. The agenda of each meeting including supporting information shall be circulated at least seven (7) days before each meeting to the NRC members and all those who are required to attend the meeting.

The NRC shall cause the minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the NRC. Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting, and if so signed, shall be the conclusive evidence without any further proof of the facts thereon stated.

The NRC, through its Chairman, shall report to the Board at the next Board of Directors' meeting after each NRC meeting. When presenting any recommendation to the Board, the NRC shall provide such background and supporting information as may be necessary for the Board to make an informed decision. The NRC shall provide such information to the Board as necessary to assist the Board in making a disclosure in the Annual Report of the Company in accordance with the Best Practices of the Code Part 2 AAIX.

The Chairman of the NRC shall be available to answer questions about the NRC's work at the Annual General Meeting of the Company.

4. Scope of Activities

The duties of the NRC shall include the following:

A. Nomination

(i) To determine the criteria for Board membership, including qualities, experience, skills, education and other factors that will best qualify a nominee to serve on the Board;

(ii) To review annually and recommend to the Board with regard to the structure, size, balance and composition of the Board and Committees including the required mix of skills and experience, core competencies which Non-Executive Directors should bring to the Board and other qualities to function effectively and efficiently;

(iii) To consider, evaluate and propose to the Board any new board appointments, whether of executive or non-executive position. In making a recommendation to the Board on the candidate for directorship, the NRC shall have regard to:

- Size, composition, mix of skills, experience, competencies and other qualities of the existing Board, level of commitment, resources and time that the recommended candidate can contribute to the existing Board; and
- Best Practices of the Code Part 2 AAIII which stipulate that Non-Executive Directors should be persons of calibre, credibility and have the necessary skill and experience to bring an independent judgment to bear on issues considered by the Board and that Independent Non-Executive Directors should make up at least one-third of the membership of the Board.

(iv) To propose to the Board the responsibilities of Non-Executive Directors, including membership and Chairpersonship of Board Committees.

(v) To evaluate and recommend the appointment of Senior Executive positions, including that of the Managing Director or Chief Executive and their duties and the continuation (or not) of their service.

(vi) To establish and implement processes for assessing the effectiveness of the Board as a whole, the Committees of the Board and for assessing the contribution of each director.

(vii) To evaluate on an annual basis:

a. The effectiveness of each director's ability to contribute to the effectiveness of the Board and the relevant Board Committees and to provide the necessary feedback to the directors in respect of their performance;
b. The effectiveness of the Committees of the Board; and
c. The effectiveness of the Board as a whole.

(viii) To recommend to the Board:

a. Whether directors who are retiring by rotation should be put forward for re-election; and
b. Termination of membership of individual director in accordance with policy, for cause or other appropriate reasons.

(ix) To establish appropriate plans for succession at Board level, and if appropriate, at Senior Management level.

(x) To provide for adequate training and orientation of new directors with respect to the business, structure and management of the Group as well as the expectations of the Board with regard to their contribution to the Board and Company.

(xi) To consider other matters as referred to the NRC by the Board.

B. Remuneration

(i) To establish and recommend the remuneration structure and policy for directors and key executives, if applicable and to review for changes to the policy as necessary.

(ii) To ensure that a strong link is maintained between the level of remuneration and individual performance against agreed targets, the performance-related elements of remuneration setting forming a significant proportion of the total remuneration package of Managing Directors.

(iii) To review and recommend the entire individual remuneration packages for the Managing Director and, as appropriate, other senior executives, including: the terms of employment or contract of employment/service; any benefit, pension or incentive scheme entitlement; any other bonuses, fees and expenses; and any compensation payable on the termination of the Service Contract.

(iv) To review with the Managing Director/Chief Executive Officer, his/her goals and objectives and to assess his/her performance against these objectives as well as contribution to the corporate strategy.

(v) To review the performance standards for key executives to be used in implementing the Group's compensation programs where appropriate.

(vi) To consider and approve compensation commitments/severance payments for Executive Directors and key executives, where appropriate, in the event of early termination of the employment/service contract.

(vii) To consider other matters as referred to the NRC by the Board.

Tender Board Committee

The Company has also established a Tender Committee at Board level comprising Independent Non-Executive, Non-Independent Non-Executive Directors and the Managing Director. The functions of the said Tender Committee are to evaluate, deliberate and approve the recommendations made by the Management prior to awarding of major contracts and tenders to potential contractors.

The members of the Tender Board Committee are as follows:

Chairman
Zainah binti Mustafa (Independent Non-Executive Director)

Members
Lukman bin Hj. Abu Bakar (Non-Independent Non-Executive Director)
Yusof bin Rahmat (Non-Independent Non-Executive Director)
Wan Azman bin Ismail (Managing Director)

Audit Committee

The Company has also established an Audit Committee comprising both Independent Non-Executive Directors and Non-Independent Non-Executive Directors. The functions of the said Audit Committee are to ensure compliance with Paragraph 15, Part C of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the independence of the External Auditors, the integrity of Management and the adequacy of disclosures to Shareholders. The Audit Committee acts to assist the Board of Directors in fulfilling its fiduciary responsibilities by ensuring that the results of internal and external audit findings are fully considered and properly resolved.

Other Information

Corporate Social Responsibility / Community
The Group's Corporate Social Responsibility (CSR) Policy is ultimately to ensure the accountability of the Group to all of its stakeholders in all its operations and activities. The aim would be to achieve sustainable development not only in economic parameters but also in social and environmental parameters.

The Group believes in a strong sense of community responsibility and has accordingly contributed by means of donations to NGOs.

The Group had during the financial year undertaken the following CSR activities:


Back to School




Bantuan Golongan Asnaf

Health & Safety
The Group is committed to best practices in health and safety as an integral part of its business activities. The Group complies with all relevant health and safety legislation and statutory provisions and had established a Health & Safety Policy. During 2013, there were no work related fatalities suffered by the Group.

Environment
The Group is committed to ensure that its activities will not have a significant negative impact on the environment. It will also support the international commitment towards sustainable development.

Employees
The Group recognizes the need for a comprehensive training regime for its employees. Accordingly, the Group has spent RM194,536 on training in 2013.

Risk Management and Internal Control
The Board acknowledges its full responsibility to ensure a sound system of internal control covering the financial, operational and compliance aspects of the business. The Statement of Risk Management and Internal Control that provides an overview of the state of internal control is set out on page 39 to 41.

Material Contracts Involving Directors and Substantial Shareholders
Except as otherwise disclosed in the report, there were no material contracts involving Directors and substantial shareholders entered by the Company for the financial year ended 31 December 2013.

Sanctions and/or Penalties Imposed
TMR, a subsidiary of the Company was imposed charges by the Employees Provident Funds due to late payment caused by insufficient cash flow. The total charges imposed to TMR and the Company on other late payment charges, amounted to RM37,054.

Save for the above, there were no other sanctions or penalties imposed on the company and its subsidiaries, Directors or Management by the relevant regulatory bodies during the financial year ended 31 December 2013.

Utilisation of Proceeds
There were no proceeds raised by the Company from any corporate proposals during the financial year ended 31 December 2013.

Share Buyback
The Company has not been authorized by shareholders to purchase its own shares and has not purchased any of its own shares during the financial year ended 31 December 2013. As such, there are no shares being retained as treasury shares by the Company.

Options, Warrants or Convertible Securities
During the financial year ended 31 December 2013, the Company has not issued any options to any parties to take up unissued shares in the Company. The Company has not issued any warrants or convertibles to any parties during the financial year ended 31 December 2013.

American Depository Receipt (ADR) and Global Depository Receipt (GDR) Programme
During the financial year ended 31 December 2013, the Company did not sponsor any ADR or GDR programme.

Non-Audit Fees
Non-audit fees totaling RM128,799 were paid to the External Auditors during the financial year ended 31 December 2013, for the provision of corporate tax advisory and planning for the Group.

Profit Forecast
No profit forecast was issued by the Company during the financial year ended 31 December 2013.

Profit Guarantees
There were no profit guarantees given by the Company during the financial year ended 31 December 2013

Variation in Results
There was no material variation between the audited results for the financial year ended 31 December 2013 and the unaudited results previously released by the Company.

Related Party Transactions and Recurrent Related Party Transactions ("RPT and RRPT")
All RPT including RRPT entered into by the Group were made in the ordinary course of business and on substantially the same terms as those prevailing at the time for comparable transactions with other persons or charged on the basis of equitable rates agreed between the parties. All RPT are reviewed by the Audit Committee and reported to the Board.

Compliance with the MCCG 2012
The Board is of the opinion that DBhd Group had complied with the spirit and objectives of the MCCG 2012. Although, there are deviations from several recommendations as contained in the MCCG 2012, the Board believes that there are justifiable rationale for the deviations and that the overall corporate governance of the Company is not compromised. Nevertheless, DBhd will continue to strengthen its governance practices to safeguard the best interest of its shareholders and other stakeholders.

Signed on behalf of the Board of Directors in accordance with their resolution dated 24 February 2014.

YB DATO' KAMARUZZAMAN BIN ABU KASSIM
Chairman

WAN AZMAN BIN ISMAIL
Managing Director

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

Introduction

Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad requires Directors of listed companies to include a statement in the annual report on the state of the Group's internal control. The Malaysian Code on Corporate Governance amongst others requires the Board to identify the Group's critical business risks and implement a system to manage these risks as well as to review the adequacy and the integrity of the Group's internal control system to safeguard shareholder's investment and the Group's assets. Set out below is the Board's Internal Control Statement, which has been prepared in accordance with the Guidance.

Directors' Responsibility

The Board acknowledges its responsibility in instituting a system of internal controls that covers all aspects of the business including strategic, commercial, operational and financial areas. It recognizes that reviewing the Group's system of internal control is a concerted and continuing process, designed to manage rather than eliminate the risk of failure to achieve business objectives. Accordingly, the system effected by the Company's Board and Management, can only provide reasonable but not absolute assurance with regard to the achievement of the Group's objectives.

Risk Management Framework

The Board believes that internal control is a process, effected by the Company's Directors, Management and other personnel, designed to provide reasonable assurance regarding the achievement of the following objectives:

- Effectiveness and efficiency of operations;
- Reliability of financial reporting;
- Compliance with applicable laws and regulations; and
- Safeguarding of the Group's assets.

The purpose of the internal control system is to control and manage risks. In order to properly manage risks, the Board recognizes the fact that an appropriate and sound system of internal control should be in place. The Board has adopted the Committee of Sponsoring Organisations of the Treadway Commission's (COSO) Internal Control – Integrated Framework which comprises the following five (5) fundamental components that include Control Environment, Risk Assessment, Control Activity, Information and Communication and Monitoring:

1. Control Environment

The Board and the management set the tone of the organization and influence the control consciousness within all levels of employees. The Group is committed in ensuring that an adequate control environment is maintained. Among the measures taken are as follows:

a. The Group has adopted JCorp's Risk Management Policy to guide personnel in identifying, assessing, managing and reporting the risks;

b. The Group had also established and distributed to all levels of personnel the Internal Policy and Procedures on Property Development, Project Management, Tendering as well as Construction Management. The said policies and procedures, amongst others, define the authority, responsibility and accountability of the relevant personnel within the Group business functions. Changes in strategic plans, objectives and goals are immediately disseminated and communicated to the employees;

c. In line with the existence of Human Resource Policies and Procedures in place, the Group had also adopted and practised the Ethical Code of Conduct which further provides guidance to all employees in their day-to-day conduct of business transactions. Added to that, all employees are requested to make a formal disclosure as to whether they are engaged in activities that may have any conflict with the Company's interests.

2. Risk Assessment

The Board is aware that every organization faces a variety of risks from external and internal sources that must be assessed. A precondition to risk assessment is the establishment of objectives, linked at different levels and internally consistent. Risk assessment is the identification and analysis of relevant risks affecting the achievement of the objectives, forming a basis for determining how the risks should be managed.

In order to ensure that the Board is satisfied that the key business risks have been identified and are being addressed, a structured Risk-Control process has been established.

Risk issues are updated and reviewed by the Management and Internal Auditor. All risk-control reports from the respective risk owners / operating units are compiled and assessed quarterly. Results are presented to the Audit Committee for notification and endorsement from time to time.

3. Control Activities

Control activities help to ensure that necessary actions are taken to address risks that may hinder the achievement of the organization's objectives. Control activities occur throughout the organization, at all levels and in all functions. Internal controls are enforced through policy manuals, jobs description and functions, operating procedures, delegation, authorization, etc. Appropriate control activities have been designed and put in place on all aspects of business operating functions.

Among the key control activities currently undertaken by the Group are:

- Regular review of comprehensive information/reports provided by the Management to the Board covering financial and operational performance and key business indicators;
- Regular Management meetings to obtain feedback on the progress of activities undertaken by the operating/business units in order to rectify any shortcomings or problems affecting the implementation plan;
- Visits to operating/business units by members of the Board and senior management;
- Regular internal audit visits to the sites to review and appraise the systems of internal controls in place to ensure that these controls are effective and working as intended;
- Regular reconciliations, for example inter-company balances' and banks' reconciliations, to ensure that all transactions are accounted for;
- Efforts to safeguard the Company's assets through adequate insurance coverage over the Group's major assets against fire peril;
- Segregation of duties and physical security of assets e.g. limit access to assets, systems and records; establish clear control of assets and custodial responsibility; and
- Risk-Control reports together with action plans are prepared by the risk owners and submitted to the Risk Management Coordinator for monitoring purposes. The Risk Management Coordinator shall ensure that all action plans are implemented.

4. Information and Communication Process

The Group has a well-defined and clear line of communication within the Group's organizational structure. The structure ensures that the Board receives timely, relevant and reliable reports on business activities, progress and related information for decision-making.

Periodic reports are compiled containing operational, financial, compliance-related information and information on external events and activities for business decision-making and external reporting.

The Group has effective communication channels, through reports, briefings, meetings, discussions, internal memorandum and website, to communicate and disseminate relevant and important information on a timely basis.

5. Continuous Monitoring Process on the Adequacy and Integrity of the System of Internal Control

The Board recognizes the fact that internal control systems need to be continuously monitored, a process that assesses the quality of the system's performance over time. This is accomplished through ongoing monitoring activities, separate evaluations or a combination of both. Ongoing monitoring occurs in the course of operations through regular internal audit reviews on internal control system as well as management and supervisory activities over the business functions.

The Management provides regular and comprehensive information/reports to the Board covering financial performance and key business indicators. The Internal Audit Department has been in existence and auditors are independent of the activities they audit.

The Internal Auditor reports functionally to the Audit Committee and administratively to the Managing Director. The internal Auditor performs regular reviews of business processes to assess the effectiveness of the internal controls.

The Internal Auditor also conducts audit visits to key business units of the Group on a planned basis and issues audit reports on its findings and recommendations for the review of the Audit Committee.

The Audit Committee conducts a review on the results of the internal audit programme or investigation undertaken and determines whether the Management has taken the appropriate actions on the recommendations made by the Internal Auditor.

Signed on behalf of the Board of Directors in accordance with their resolution dated 24 February 2014.

ZAINAH BINTI MUSTAFA	**WAN AZMAN BIN ISMAIL**
Chairman, Audit Committee	Managing Director

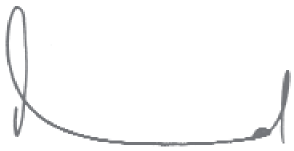
STATEMENT ON DIRECTORS' RESPONSIBILITY
Pursuant to Paragraph 15.26 (a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

Pursuant to Paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

The Directors consider that, in preparing the financial statements of the Group and of the Company for the financial year ended 31 December 2013, the Group and the Company have used appropriate accounting policies, consistently applied and supported by reasonable and prudent of judgments and estimates. The Directors also consider that all applicable approved accounting standards in Malaysia have been followed and confirm that the financial statements have been prepared on a going process basis.

The Directors are responsible for ensuring that the Company and its subsidiaries keep accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Company and which enable them to ensure that the financial statements comply with the provisions of the Companies Act, 1965. The Directors are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Signed on behalf of the Board of Directors in accordance with their resolution dated 24 February 2014.



YB DATO' KAMARUZZAMAN BIN ABU KASSIM
Chairman

WAN AZMAN BIN ISMAIL
Managing Director

Details of the recurrent related party transactions during the financial year since shareholders' mandate was obtained at the 51st AGM are as follows:

	Company	Transacting Party	Nature of Transaction	Relationship of Transacting Party	Aggregate Value of Transaction During the Financial Year 2013 (RM'000)
(A)	DBhd and/or subsidiaries	JCorp Group	Rental of office space to DBhd Group and other related operational expenses	JCorp is the substantial shareholder of DBhd, by virtue of Section 6A of the Act	1,310
(B)	DBhd and/or subsidiaries	JCorp Group	Miscellaneous services rendered by JCorp to the DBhd Group	JCorp is the substantial shareholder of DBhd, by virtue of Section 6A of the Act	11,561
(C)	DBhd and/or subsidiaries	JCorp Group	Sale of houses, shops, shop offices and other types of development on land registered in the name of JCorp Group for which DBhd has acquired from JCorp Group the rights to develop the said land. The entire proceeds of the sale accrue to DBhd Group	JCorp is the substantial shareholder of DBhd, by virtue of Section 6A of the Act	6,400
(D)	DBhd and/or subsidiaries	KPJ	Provide consultancy services for hospital planning, commissioning, construction and operation provided by HTS	KPJ is an associated of Jcorp. Jcorp is the substantial shareholder of DBhd by virtue of section 6A of the Act	4,513
(E)	DBhd and/or subsidiaries	JCorp Group	Insurance services provided between DBhd and JCorp Group.	JCorp is a major shareholder of DBhd by virtue of Section 6A of the Act	369
(F)	DBhd and/or subsidiaries	JCorp Group	Hotel and accomodation charges	JCorp is a major shareholder of DBhd by virtue of Section 6A of the Act	34
(G)	DBhd and/or subsidiaries	JCorp Group	Facility management services for hospital and commercial buildings provided by DBhd Group	JCorp is the substantial shareholder of DBhd, by virtue of Section 6A of the Act	4,354

RECURRENT RELATED PARTY TRANSACTIONS
(cont'd.)

	Company	Transacting Party	Nature of Transaction	Relationship of Transacting Party	Aggregate Value of Transaction During the Financial Year 2013 (RM'000)
(H)	DBhd and/or subsidiaries	JCorp Group	Rental of spaces for parking operations to Jcorp Group. The payment terms on the car park services rendered is on monthly basis.	JCorp is the substantial shareholder of DBhd, by virtue of Section 6A of the Act	4,443
(I)	DBhd and/or subsidiaries	KPJ	Rental of spaces for parking operations to Jcorp Group. The payment terms on the car park services rendered is on monthly basis.	KPJ is an associated of Jcorp. Jcorp is the substantial shareholder of DBhd by virtue of section 6A of the Act	1,818
(J)	DBhd and/or subsidiaries	JCorp Group	Facility management services for commercial buildings provided by DBhd Group	JCorp is the substantial shareholder of DBhd, by virtue of Section 6A of the Act	6,885
(K)	DBhd and/or subsidiaries	JCorp Group	Cleaning services offered by DBHD Group and other related expenses	JCorp is the substantial shareholder of DBhd, by virtue of Section 6A of the Act	5,076
(L)	DBhd and/or subsidiaries	KPJ	Cleaning services offered by DBHD Group and other related expenses	KPJ is an associated of Jcorp. Jcorp is the substantial shareholder of DBhd by virtue of section 6A of the Act	11,515

FINANCIAL STATEMENTS

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 December 2013.

Principal activities

The principal activities of the Company are investment holding, construction and project management.

The principal activities of the subsidiaries are described in Note 17 to the financial statements.

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

Results

	Group RM’000	Company RM’000
Profit for the year	8,950	3,044
Profit attributable to:		
Owners of the parent	9,335	3,044
Non-controlling interests	(385)	-
	8,950	3,044

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 proceeds received from legal settlement amounting to RM5,000,00 and reversal of impairment of amount due from contract customers amounting to RM8,647,000.

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:

Dato' Kamaruzzaman bin Abu Kassim
Wan Azman bin Ismail
Zainah binti Mustafa
Dato' Mani Usilappan
Datuk Yahya bin Ya’acob
Lukman bin Hj Abu Bakar
Yusof bin Rahmat
Leung Kok Keong
Datuk Ahmad Zaki bin Zahid (Resigned on 15 July 2013)
Yahaya bin Hassan (Resigned on 15 July 2013)

Directors' benefits

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

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 11 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 32 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 and options over shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares of RM0.50 each			
Name of director	**1.1.2013**	**Acquired**	**Sold**	**31.12.2013**
Direct Interest in the Company:				
Dato' Mani Usilappan	31,680	-	-	31,680

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 comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

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

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

(i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

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

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

Other statutory information (cont'd.)

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

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

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

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

(f) In the opinion of the directors:

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

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

Auditors

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

Signed on behalf of the Board in accordance with a resolution of the directors dated 13 March 2014.

Dato' Kamaruzzaman bin Abu Kassim

Wan Azman bin Ismail

STATEMENT BY DIRECTORS
Pursuant to Section 169(15) of the Companies Act, 1965

We, Dato' Kamaruzzaman bin Abu Kassim and Wan Azman bin Ismail, being two of the directors of Damansara Realty Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 52 to 120 are drawn up in accordance with Malaysia Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2013 and of their financial performance and cash flows for the year then ended.

The information set out in Note 41 to the financial statements on page 121 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 the 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 13 March 2014.

Dato' Kamaruzzaman bin Abu Kassim

Wan Azman bin Ismail

STATUTORY DECLARATION
Pursuant to Section 169(16) of the Companies Act, 1965

I, Abdul Hamid bin Abd Rahman, being the officer primarily responsible for the financial management of Damansara Realty Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 52 to 120 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, Abdul Hamid bin Abd Rahman
at Kuala Lumpur in the Federal Territory
on 13 March 2014

Abdul Hamid bin Abd Rahman

Before me,

PESURUHJAYA SUMPAH
No. W 393
DATO' HJ OTHMAN BIN MOHD YUNOS
DPMP, PJK, PSM, JP.
MALAYSIA
Kiosk 2, Aras G
Kompleks KDN, WP. KUALA LUMPUR
Jalan Sri Hartamas 1,
50480 Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

To The Members of Damansara Realty Berhad (Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of Damansara Realty Berhad, which comprise statements of financial position as at 31 December 2013 of the Group and of the Company, and 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 52 to 120.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with 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 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 controls 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 controls. 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 December 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 17 to the 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 financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment required to be made under Section 174(3) of the Act.

Other reporting responsibilities

The supplementary information set out in Note 41 on page 121 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad, 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

Abraham Verghese a/l T.V.Abraham
No. 1664/10/14(J)
Chartered Accountant

Kuala Lumpur, Malaysia
13 March 2014

STATEMENTS OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2013

		Group		Company	
		2013	2012	2013	2012
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	4	184,254	197,179	-	-
Cost of sales	4	(153,210)	(159,398)	-	-
Gross profit		31,044	37,781	-	-
Other items of income					
Interest income	5	839	393	20	3
Dividend income from investment	6	-	-	648	385
Other income	7	21,478	13,943	12,446	3,533
Other items of expense:					
Depreciation		(1,808)	(1,500)	(139)	(159)
Finance costs	8	(6,155)	(9,326)	(543)	(162)
Employee benefit expense	10	(18,344)	(21,418)	(1,594)	(1,044)
Other expenses		(16,854)	(14,093)	(7,794)	(3,948)
Profit/(loss) before tax	9	10,200	5,780	3,044	(1,392)
Income tax expense	12	(1,250)	(3,811)	-	-
Profit/(loss) for the year		8,950	1,969	3,044	(1,392)
Other comprehensive income, net of tax					
Foreign currency translation differences for foreign operations		(687)	(29)	-	-
Total comprehensive income for the year		8,263	1,940	3,044	(1,392)
Profit/(loss) attributable to:					
Owners of the parent		9,335	1,270	3,044	(1,392)
Non-controlling interests		(385)	699	-	-
		8,950	1,969	3,044	(1,392)
Total comprehensive income attributable to:					
Owners of the parent		8,756	1,164	3,044	(1,392)
Non-controlling interests		(493)	776	-	-
		8,263	1,940	3,044	(1,392)

	Group	
	2013	2012
Basic earnings per share attributable to owners of the parent (sen per share)		
For the year (Note 13)	3.02	0.48

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

	Note	Group 31.12.2013 RM'000	Group 31.12.2012 RM'000 (restated)	Group 1.1.2012 RM'000 (restated)	Company 31.12.2013 RM'000	Company 31.12.2012 RM'000 (restated)	Company 1.1.2012 RM'000 (restated)
Assets							
Non-current assets							
Property, plant and equipment	14	22,465	16,005	16,501	1,192	158	160
Land held for property development	15	195,208	207,863	214,198	-	-	-
Investment properties	16	5,710	6,239	6,879	5,710	6,239	6,879
Investment in subsidiaries	17	-	-	-	27,334	27,334	1,968
Investment in associates	18	-	-	-	-	-	-
Deferred tax assets	19	539	457	664	-	-	-
Other investments	20	101	101	101	101	101	101
Goodwill on consolidation	21	1,409	1,409	1,409	-	-	-
		225,432	232,074	239,752	34,337	33,832	9,108
Current assets							
Property development costs	15	22,182	-	-	-	-	-
Inventories	22	1,979	2,893	3,688	-	-	-
Trade and other receivables	23	57,087	59,796	54,614	62,953	63,609	57,783
Non-current assets held for sale	25	-	805	-	-	-	-
Other current assets	24	2,691	2,365	2,841	9	414	124
Other investments	20	-	-	-	-	-	-
Cash and bank balances	26	38,509	30,756	26,809	2,709	1,285	183
		122,448	96,615	87,952	65,671	65,308	58,090
Total assets		347,880	328,689	327,704	100,008	99,140	67,198

	Note	Group 31.12.2013 RM'000	Group 31.12.2012 RM'000 (restated)	Group 1.1.2012 RM'000 (restated)	Company 31.12.2013 RM'000	Company 31.12.2012 RM'000 (restated)	Company 1.1.2012 RM'000 (restated)
Equity and liabilities							
Current liabilities							
Provisions	27	3,456	3,456	3,456	3,425	3,425	3,425
Loans and borrowings	28	12,561	13,858	12,362	5,000	5,000	296
Trade and other payables	29	97,233	96,834	97,288	32,362	34,538	35,523
		113,250	114,148	113,106	40,787	42,963	39,244
Net current assets/ (liabilities)		9,198	(17,533)	(25,154)	24,884	22,345	18,846
Non-current liabilities							
Loans and borrowings	28	9,290	4,887	3,308	-	-	-
Deferred tax liabilities	19	678	1,171	1,220	-	-	-
Trade and other payables	29	95,777	87,266	94,467	-	-	-
		105,745	93,324	98,995	-	-	-
Total liabilities		218,995	207,472	212,101	40,787	42,963	39,244
Net assets		128,885	121,217	115,603	59,221	56,177	27,954
Equity attributable to owners of the parent							
Share capital	30	154,685	154,685	125,070	154,685	154,685	125,070
Share premium	30	156	156	156	156	156	156
Merger (deficit)/reserve	31	(18,568)	(18,568)	9,000	-	-	-
Accumulated losses		(9,853)	(19,188)	(20,381)	(95,620)	(98,664)	(97,272)
Exchange reserve		(496)	83	112	-	-	-
Capital reserve	31	85	72	72	-	-	-
		126,009	117,240	114,029	59,221	56,177	27,954
Non-controlling interests		2,876	3,977	1,574	-	-	-
Total equity		128,885	121,217	115,603	59,221	56,177	27,954
Total equity and liabilities		347,880	328,689	327,704	100,008	99,140	67,198

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

STATEMENT OF CHANGES IN EQUITY - GROUP

For the financial year ended 31 December 2013

		Attributable to owners of the parent							
			Non-distributable						
	Equity Total RM'000	Equity attributable to owners of the parent Total RM'000	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Merger reserve RM'000	Exchange reserve RM'000	Accumulated losses RM'000	Non-controlling interests RM'000
2013									
Opening balance at 1 January 2013	121,217	117,240	154,685	156	72	(18,568)	83	(19,188)	3,977
Total comprehensive income	8,263	8,756	-	-	-	-	(579)	9,335	(493)
Transactions with owners:									
Dividends to non-controlling interests	(608)	-	-	-	-	-	-	-	(608)
Capital Reserve	13	13	-	-	13	-	-	-	-
Closing balance at 31 December 2013	128,885	126,009	154,685	156	85	(18,568)	(496)	(9,853)	2,876
2012									
Opening balance at 1 January 2012	115,603	114,029	125,070	156	72	9,000	112	(20,381)	1,574
Total comprehensive income	1,940	1,164	-	-	-	-	(29)	1,193	776
Transactions with owners:									
Merger with subsidiaries	(27,322)	(29,524)	-	-	-	(29,524)	-	-	2,202
Shares issued during the year	29,615	29,615	29,615	-	-	-	-	-	-
Measurement period adjustment (Note 39)	1,956	1,956	-	-	-	1,956	-	-	-
Dividends to non-controlling interests	(575)	-	-	-	-	-	-	-	(575)
Closing balance at 31 December 2012	121,217	117,240	154,685	156	72	(18,568)	83	(19,188)	3,977

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

STATEMENT OF CHANGES IN EQUITY - COMPANY
For the financial year ended 31 December 2013

		Non-distributable		
	Equity Total RM'000	Share capital RM'000	Share premium RM'000	Accumulated losses RM'000
2013				
Opening balance at 1 January 2013	56,177	154,685	156	(98,664)
Total comprehensive income	3,044	-	-	3,044
Closing balance at 31 December 2013	59,221	154,685	156	(95,620)
2012				
Opening balance at 1 January 2012	27,954	125,070	156	(97,272)
Total comprehensive income	(1,392)	-	-	(1,392)
Shares issued during the year	29,615	29,615	-	-
Closing balance at 31 December 2012	56,177	154,685	156	(98,664)

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

STATEMENTS OF CASH FLOWS
For the financial year ended 31 December 2013

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Operating activities				
Receipts from customers	205,937	220,506	215	253
Payments to suppliers and employees	(189,874)	(198,059)	(401)	(5,994)
Cash generated from/(used in) operations	16,063	22,447	(186)	(5,741)
Interest expense paid	(6,155)	(9,326)	(430)	-
Income taxes paid	(1,843)	(3,083)	-	(49)
Net cash flows from/(used in) operating activities	8,065	10,038	(616)	(5,790)
Investing activities				
Purchase of property, plant and equipment	(11,110)	(5,754)	(1,037)	-
Purchase of investment properties	-	(1,280)	-	(1,280)
Acquisition of subsidiaries	-	-	-	(1,876)
Proceeds from disposal of property, plant and equipment	354	872	-	-
Proceeds from disposal of investment properties	2,409	3,175	2,409	3,175
Addition of land held for property development	(3,812)	(5,543)	-	-
Dividend received	-	-	648	385
Dividend paid to non-controlling interests	(608)	(575)	-	-
Net advances from subsidiaries	-	-	-	1,781
Deposits not for short term funding requirements	1,063	3,245	-	-
Interest received	839	393	20	3
Net cash flows (used in)/from investing activities	(10,865)	(5,467)	2,040	2,188
Financing activities				
Drawdown/(repayment) to a non-controlling shareholder	124	(319)	-	-
Net drawdown/(repayment) of obligations under finance leases	6,886	(1,359)	-	-
Net drawdown of borrowings	7,125	3,713	-	4,704
Net cash flows from financing activities	14,135	2,035	-	4,704
Net increase in cash and cash equivalents	11,335	6,606	1,424	1,102
Cash and cash equivalents at 1 January	19,087	12,481	1,285	183
Cash and cash equivalents at 31 December (Note 26)	30,422	19,087	2,709	1,285

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

1. Corporate information

Damansara Realty Berhad ("the Company"), a public limited liability company incorporated and domiciled in Malaysia is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Suite 18, Lot 1B, Podium 1, Menara Ansar, 65 Jalan Trus, 80000 Johor Bahru, Johor.

The immediate and ultimate holding corporation is Johor Corporation ("JCorp"), a body corporate established under the Johor Corporation Enactment (No. 4 of 1968) (as amended by Enactment No. 5 of 1995).

The principal activities of the Company are investment holding, construction and project management. The principal activities of the subsidiaries are described in Note 17.

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

On 6 March 2014, the Company received the notification letter from Johor Corporation ("JCorp") and a copy of a press notice dated 6 March 2014 ("Press Notice") from Seaview Holdings Sdn Bhd ("Seaview") wherein the Company was notified that Seaview and JCorp had on 6 March 2014 entered into a conditional share sale agreement ("SSA") in respect of the proposed acquisition by Seaview of 157,780,000 ordinary shares of RM0.50 each in DBhd ("Sale Share(s)"), representing approximately 51.0% equity interest in the Company, from JCorp, and its subsidiaries for a cash consideration of RM78,890,000 or RM0.50 per Sale Share. Upon completion of this transaction, JCorp will cease to be imediate and ultimate holding corporation.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with 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 the historical cost basis except as disclosed in the accounting policies below.

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

2.2 Changes in accounting policies

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

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

Description	Effective for annual periods beginning on or after
Amendments to MFRS 101 Presentation of Items of Other Comprehensive Income	1 July 2012
MFRS 3 Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004)	1 January 2013
MFRS 127 Consolidated and Separate Financial Statements (IAS 27 as revised by IASB in December 2003)	1 January 2013
MFRS 10 Consolidated Financial Statements	1 January 2013
MFRS 11 Joint Arrangements	1 January 2013
MFRS 12 Disclosure of Interests in Other Entities	1 January 2013
MFRS 13 Fair Value Measurement	1 January 2013
MFRS 119 Employee Benefits	1 January 2013

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

2.2 Changes in accounting policies (cont'd.)

Description	**Effective for annual periods beginning on or after**
MFRS 127 Separate Financial Statements	1 January 2013
MFRS 128 Investment in Associate and Joint Ventures	1 January 2013
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
(Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards – Government Loans	1 January 2013
Amendments to MFRS 10, MFRS 11, MFRS 12: Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013

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

MFRS 10 Consolidated Financial Statements

MFRS 10 replaces part of MFRS 127 Consolidated and Separate Financial Statements that deals with consolidated financial statements and IC Interpretation 112 Consolidation – Special Purpose Entities.

Under MFRS 10, an investor controls an investee when (a) the investor has power over an investee, (b) the investor has exposure, or rights, to variable returns from its investment with the investee, and (c) the investor has ability to use its power over the investee to affect the amount of the investor's returns. Under MFRS 127 Consolidated and Separate Financial Statements, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

MFRS 10 includes detailed guidance to explain when an investor that owns less than 50 per cent of the voting shares in an investee has control over the investee. MFRS 10 requires the investor to take into account all relevant facts and circumstances, particularly the size of the investor's holding of voting rights relative to the size and dispersion of holdings of the other vote holders.

MFRS 11 Joint Arrangements

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

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

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

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

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

2.2 Changes in accounting policies (cont'd.)

MFRS 12 Disclosures 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. MFRS 13 defines fair value as an exit price. As a result of the guidance in MFRS 13, the Group re-assessed its policies for measuring fair values, in particular, its valuation inputs such as non-performance risk for fair value measurement of liabilities. MFRS 13 also requires additional disclosures.

Application of MFRS 13 has not materiality impacted the fair value measurement of the Group. Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined.

MFRS 127 Separate Financial Statements

As a consequence of the new MFRS 10 and MFRS 12, MFRS 127 is limited to accounting for subsidiaries, jointly controlled entities and associates in separate financial statements.

MFRS 128 Investments in Associates and Joint Ventures

As a consequence of the new MFRS 11 and MFRS 12, MFRS 128 is renamed as MFRS 128 Investments in Associates and Joint Ventures. This new standard describes the application of the equity method to investments in joint ventures in addition to associates.

2.3 Standards issued but not yet effective

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

Description	**Effective for annual periods beginning on or after**
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 2014
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21 Levies	1 January 2014
Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to MFRSs 2010–2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011–2013 Cycle	1 July 2014
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009)	To be announced
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in October 2010)	To be announced
MFRS 9 Financial Instruments: Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139	To be announced

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

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

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

MFRS 9 Financial Instruments

MFRS 9 reflects the first phase of work on the replacement of MFRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in MFRS 139. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to MFRS 9: Mandatory Effective Date of MFRS 9 and Transition Disclosures, issued in March 2012, moved the mandatory effective date to 1 January 2015. Subsequently, on 14 February 2014, it was announced that the new effective date will be decided when the project is closer to completion. The adoption of the first phase of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will not have an impact on classification and measurements of the Group's financial liabilities. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

2.4 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.

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

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

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

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

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

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

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

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

2.4 Basis of consolidation (cont'd.)

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

2.5 Business combinations

Business combinations involving entities under common control are accounted for by applying the merger accounting method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any differences between the consideration paid and the share capital of the acquired entity is reflected within equity merger (deficit)/reserve. The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination take place. Comparative are presented as if the entities had always been combined since the date the entities had come under common control.

2.6 Foreign currency

(a) 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.

(b) 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 costs 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 and 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.

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

2.6 Foreign currency (cont'd.)

(c) Foreign operations

The assets and liabilities of foreign operations are translated into RM 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 and 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.

2.7 Property, plant and equipment

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

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	10 to 50 years
Plant and machinery	5 to 10 years
Site infrastructure and renovations	10 to 14 years
Office equipment, furniture and fittings	4 to 20 years
Motor vehicles	5 years
Medical equipment	10 years
Renovation	5 to 10 years
Plant and parking equipment	5 to 7 years
Machinery and tools	5 to 10 years

Capital work in progress included in plant and equipment are not depreciated as these assets are not yet available for use.

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

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

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

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

2.8 Investment properties

Investment properties are initially recorded at cost, including transaction costs. Subsequent to recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the investment properties at 50 years. The carrying values of investment properties 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.

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 owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.7 up to the date of change in use.

2.9 Intangible assets

Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

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. Goodwill and fair value adjustments arose on acquisitions of foreign operation before 1 January 2006 are deemed to be assets and liabilities of the company and are recorded in RM at the rates prevailing at the date of acquisition.

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

2.10 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.

2.11 Subsidiaries

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

(i) Power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

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

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

2.12 Investments in associates and joint ventures

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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

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

An associate or a joint venture is equity accounted for from the date on which the investee becomes an associate or a joint venture.

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

Profits and losses resulting from upstream and downstream transactions between the Group and its associate or joint venture are recognised in the Group's financial statements only to the extent of unrelated investors' interests in the associate or joint venture. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The financial statements of the associates and joint ventures are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2.13 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.

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

2.13 Financial assets (cont'd.)

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include loans and receivables and available-for-sale financial assets.

(a) Loans and receivables

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

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

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

(b) Available-for-sale financial assets

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

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

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

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

2.14 Impairment of financial assets

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

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

To determine whether there is objective evidence that an impairment 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 trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment 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.

(b) Unquoted equity securities carried at cost

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

(c) 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. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

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

2.15 Cash and cash equivalents

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

2.16 Construction contracts

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised as expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus, recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

2.17 Inventory property in progress

Inventory property in progress comprises land held for property development and property development costs.

Inventory property in progress refers to land acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property.

Cost includes:

- Freehold and leasehold rights for land
- Amounts paid to contractors for construction
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs

Non refundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when paid.

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

2.17 Inventory property in progress (cont'd.)

(i) Land held for property development

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

Land held for property development is reclassified to property development costs at the point when development activity has commenced and where it can be demonstrated that the development activity will be completed within the normal operating cycle.

(ii) Property development costs

Property development costs refers to costs incurred for the development project of which development activity has commenced and where it can be demonstrated that the development activity will be completed within the normal operating cycle.

Any expected loss on a development project, is recognised as an expense immediately.

2.18 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of raw materials comprises costs of purchase. The cost of unsold completed inventory properties comprises cost associated with the acquisition of land, direct costs and appropriate proportions of common costs.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

2.19 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary.

Immediately before classification as held for sale, the measurement of the non-current assets is brought up-to-date in accordance with applicable MFRSs. Then, on initial classification as held for sale, non-current assets (other than investment properties, deferred tax assets, employee benefits assets, financial assets and inventories) are measured in accordance with MFRS 5 that is at the lower of carrying amount and fair value less costs to sell. Any differences are included in the profit or loss.

2.20 Provisions

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

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

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

2.21 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 statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(a) Other financial liabilities

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

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

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer 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.

2.22 Financial guarantee contracts

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

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

2.23 Borrowing costs

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

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

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

2.24 Employee benefits

(a) 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 of the Group. 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 and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(b) 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.

Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

Some of the Group's foreign subsidiaries also make contributions to their respective countries' statutory pension schemes.

2.25 Leases

(a) As lessee

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

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

Operating lease payments are recognised as an expense in 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.

(b) 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 2.26(b)(i).

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

2.26 Revenue and other income

Revenue and other income are recognised to the extent that it is probable that the economic benefits will flow to the Group and the amount can be reliably measured regardless of when the payment is being made. Revenue and other income are measured at the fair value of consideration received or receivable. The following specific recognition criteria must also be met before revenue and other income are recognised:

(a) Revenue

(i) Sale of land held for development

Revenue relating to sale of land held for development is recognised upon the transfer of significant risks and rewards of ownership to the buyer.

(ii) Sale of properties

Sale of completed property

A property is regarded as sold when the significant risks and returns have been transferred to the buyer, which is normally on unconditional exchange of contracts. For conditional exchanges, sales are recognised only when all the significant conditions are satisfied.

Sales of property under development

Where property is under development and agreement has been reached to sell such property when construction is complete, the directors consider whether the contract comprises a contract to construct a property or a contract for the sale of a completed property. Where a contract is judged to be for the construction of a property, revenue is recognised using the percentage of completion method as construction progresses.

Where the contract is judged to be for the sale of a completed property, revenue is recognised when the significant risks and rewards of ownership of the real estate have been transferred to the buyer. If, however, the legal terms of the contract are such that the construction represents the continuous transfer of work in progress to the purchaser, the percentage-of-completion method of revenue recognition is applied and revenue is recognised as work progresses. Continuous transfer of work in progress is applied when:

- The buyer controls the work in progress, typically when the land on which the development takes place is owned by the final customer; and

- All significant risks and rewards of ownership of the work in progress in its present state are transferred to the buyer as construction progresses, typically, when buyer cannot put the incomplete property back to the Group.

In such situations, the percentage of work completed is measured based on the costs incurred up until the end of the reporting period as a proportion of total costs expected to be incurred.

(iii) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2.16.

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

2.26 Revenue and other income (cont'd.)

(a) Revenue (cont'd.)

(iv) Project management services

Project management services are recognised for services rendered based on the stage of completion during pre and post contract for each project.

(v) Parking services rendered

Revenue from parking services are upon the delivery of the service to the customers.

(vi) Cleaning services

Services are rencognised upon completion of monthly services based on price stated in predetermine agreement between company and the customer.

(b) Other income

(i) Rental income

Rental income 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 straight-line basis.

(ii) Interest income

Interest income is recognised using the effective interest method.

2.27 Income taxes

(a) Current tax

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

(b) Deferred tax

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

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

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

- in respect of taxable temporary differences associated with investments in subsidiaries and associates, 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.

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

2.27 Income taxes (cont'd.)

(b) Deferred tax (cont'd.)

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 and associates, 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.

2.28 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 37, including the factors used to identify the reportable segments and the measurement basis of segment information.

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

2.29 Share capital and share issuance expenses

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

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

2.30 Contingencies

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

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

2.31 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for the asset or liability, or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability

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

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

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

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

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

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

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

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

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

3. Significant accounting judgements and estimates

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

3.1 Judgements made in applying accounting policies

There are no critical judgements made by management in the process of applying the Group's accounting policies that may have significant effect on the amounts recognised in the financial statements.

3.2 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.

(a) Impairment of receivables

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, 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. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's and Company's receivables at the reporting date is disclosed in Note 23.

(b) Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value in use of the cash-generating units to which goodwill is allocated.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the carrying value, the key assumptions applied in the impairment assessment of goodwill and sensitivity analysis to changes in the assumptions are given in Note 21.

(c) Measurement of amount due to Johor City Development Sdn. Bhd. ("JCDSB")

Amount due to JCDSB is part of the total consideration of RM180 milion for JCorp and JCDSB agreeing to appoint Damansara Realty Johor Sdn. Bhd. ("DRJ"),a subsidiary of the Company, as the developer for Taman Damansara Aliff. On 1 July 2011, JCDSB has granted an extension of time of DRJ's appointment as the developer of TDA for 5 years until 30 September 2016. Accordingly, the term of repayment of amount due to JCDSB was modified to be repayable within 5 years until 30 September 2016. It is repayable on when and as is where is basis subject that DRJ shall undertake to set aside a proportion of proceeds arising from the land sale or development of properties in TDA, for the purpose of settlement of the said amount. The Group has discounted the repayment amount at interest rate of 8.25% (2012: 8.25%). During the year, the Group has remeasured the amount due to JCDSB based on the one-off repayment in 2016. Accordingly, the present value of the amount due to JCDSB as at year end is RM95,589,000 (2012: RM92,266,000).

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

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

(d) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses 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.

Assumptions about generation of future taxable profits depend on management's estimates of future cash flows. These depends on estimates of future production and sales volume, operating costs, capital expenditure, dividends and other capital management transactions. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statements of financial position and the amount of unrecognised tax losses and unrecognised temporary differences.

The carrying value of deferred tax assets of the Group at 31 December 2013 was RM539,000 (2012: RM457,000) and the unrecognised tax losses and capital allowances at 31 December 2013 was RM46,026,000 (2012: RM50,436,000).

4. Revenue

	Group		Company	
	2013 RM'000	**2012 RM'000**	**2013 RM'000**	**2012 RM'000**
Sale of properties	-	15,750	-	-
Project management services	53,947	52,083	-	-
Parking services	104,754	109,794	-	-
Cleaning services	25,553	19,552	-	-
Others	-	-	-	-
	184,254	197,179	-	-

Cost of sales

Included in cost of sales are the following:

	Group		Company	
	2013 RM'000	**2012 RM'000**	**2013 RM'000**	**2012 RM'000**
Cost of land	-	11,878	-	-
Cost of goods sold	6,793	5,483	-	-
Car park rental	44,465	48,273	-	-
Profit sharing with landlord	19,293	16,871	-	-
Depreciation	2,769	3,256	-	-
Staff cost (Note 10)	38,262	44,576	-	-
Property service overhead	24,638	17,398		
Cleaning services overhead	16,816	11,535	-	-
Royalties	174	128	-	-

5. Interest income

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Interest income from loans and receivables	839	393	20	3

6. Dividend income

	Company	
	2013 RM'000	2012 RM'000
Dividend income from subsidiaries	648	385

7. Other income

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Net gain on sale of investment properties	381	597	381	597
Gain on disposal of property, plant and equipment	352	46	-	-
Net gain on disposal of subsidiary	-	-	-	-
Rental income from:				
- investment properties	215	253	215	253
- land held for property development	385	384	-	-
- others	52	-	-	-
Legal settlement	5,000	68	-	-
Discount from contractors	-	53	-	-
Reversal of allowance for impairment of amount due from customer	8,647	-	8,647	-
Reversal of allowance for impairment of trade and other receivables (Note 23)	1,655	-	1,367	1,448
Reversal of impairment for other investment (Note 20)	1,635	815	1,635	815
Bad debt recovered	440	267	-	-
Reversal of provision for liquidated ascertained damages	-	11	-	-
Tender income	280	150	-	-
Gain arising from modification of terms of payment of a trade payable (Note 29(a))	-	9,978	-	-
Others	2,436	1,321	201	420
	21,478	13,943	12,446	3,533

8. Finance costs

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Interest expense on:				
- Term loans	1,054	648	430	-
- Finance leases	250	281	-	-
- Overdrafts	288	221	-	-
- Advance from a subsidiary	-	-	113	162
- Advance from related company	83	63	-	-
- Advance from holding company	2	60	-	-
- Bank guarantee	43	276	-	-
- Unwinding of amount due to JCDSB	3,324	7,777	-	-
- Late payment interest	1,111	-	-	-
Total finance costs	6,155	9,326	543	162

9. Profit/(loss) before tax

The following items have been included in arriving at profit/(loss) before tax:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Auditors' remuneration:				
- Statutory audit				
- Ernst & Young	283	237	60	50
- Member firm of Ernst & Young International	9	11	-	-
- Other services	101	106	51	9
Other auditors' remuneration:				
- Statutory audit	184	175	-	-
- Underprovision in prior year	-	107	-	-
Management fees	-	-	595	273
Employee benefits expense (Note 10)	56,606	65,994	1,594	1,044
Non-executive directors' remuneration (Note 11)	876	1,223	266	296
Depreciation of property, plant and equipment (Note 14)	1,672	1,343	3	2
Rental expense:				
- office, warehouse and house rental	2,681	2,648	-	52
- computer and equipment	-	445	-	-
Depreciation of investment properties (Note 16)	136	157	136	157
Direct operating expenses arising from investment properties	-	212	-	212
Impairment loss on financial assets:				
- subsidiaries	-	-	4,624	348
- trade receivables (Note 23(a))	148	20	-	-
- other receivables (Note 23(b))	333	82	-	-
Expenses incurred on proposed restructuring scheme	620	1,418	620	1,418
Legal fees	628	1,013	292	320
(Gain)/Loss on disposal of property, plant and equipment	286	-	-	-
Write-off of property, plant and equipment	141	2	-	-
Realised foreign exchange loss/(gain)	5	3	-	-

10. Employee benefits expense

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Wages and salaries	47,734	55,757	927	951
Bonus	2,886	1,820	253	-
Social security contributions	252	190	1	1
Contributions to defined contribution plan	3,707	3,706	100	66
Training	129	115	10	-
Other benefits	1,898	4,406	303	26
Employee benefits expense (Note 9)	56,606	65,994	1,594	1,044
Less: Employees' benefits expenses included in cost of sales (Note 4a)	(38,262)	(44,576)	-	-
	18,344	21,418	1,594	1,044

Included in employee benefits expense of the Group and the Company are executive directors' remuneration amounting to RM588,000 (2012: RM373,000) and RM588,000(2012: RM373,000) respectively.

11. Directors' remuneration

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	454	278	454	278
Fees	30	62	30	62
Bonus				
- current year's provision	52	-	52	-
- under provision in prior year	-	-	-	-
Defined contribution plan	52	33	52	33
Total executive directors' remuneration (excluding benefits-in-kind) (Note 10)	588	373	588	373
Estimated money value of benefits-in-kind	21	23	21	23
Total executive directors' remuneration (including benefits-in-kind)	609	396	609	396
Non-Executive:				
Fees (Note 9)	876	1,223	266	296
Estimated money value of benefits-in-kind	15	15	9	9
Total non-executive directors' remuneration (including benefits-in-kind)	891	1,238	275	305
Total directors' remuneration	1,500	1,634	884	701

11. Directors' remuneration (cont'd.)

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

	Number of directors	
	2013	**2012**
Executive directors:		
Below RM50,000	-	1
RM100,001 - RM150,000	-	-
RM250,001 - RM300,000	-	1
RM300,001 - RM350,000	-	-
RM350,001 - RM400,000	1	-
Non-Executive directors:		
Below RM50,000	9	9
RM450,001 - RM500,000	-	-
RM500,001 - RM450,000	-	-

12. Income tax expense

Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2012 and 2011 are:

	Group		Company	
	2013 RM'000	**2012 RM'000**	**2013 RM'000**	**2012 RM'000**
Statement of comprehensive income:				
Current income tax:				
- Malaysian income tax	2,147	2,439	-	-
- Foreign income tax	225	253	-	-
- (Over)/under provision in respect of previous years	(547)	961	-	-
	1,825	3,653	-	-
Deferred income tax (Note 19):				
- Origination and reversal of temporary differences	(110)	20	-	-
- (Over)/under provision in respect of previous years	(465)	138	-	-
	(575)	158	-	-
Income tax expense recognised in profit or loss	1,250	3,811	-	-

12. Income tax expense (cont'd.)

Reconciliation between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2013 and 2012 are as follows:

	Group		Company	
	2013 RM'000	**2012 RM'000**	**2013 RM'000**	**2012 RM'000**
Profit/(loss) before tax	10,200	5,780	3,044	(1,375)
Tax at Malaysian statutory tax rate of 25% (2012: 25%)	2,550	1,438	761	(348)
Adjustments:				
Effect of tax rates in other foreign juristiction	(4)	77	-	-
Non-deductible expenses	4,470	4,766	373	741
Income not subject to taxation	(3,652)	(3,086)	(1,190)	(393)
Utilisation of previously unrecognised tax losses, capital allowances and other temporary differences	(1,172)	(668)	(14)	-
Deferred tax assets not recognised	70	185	70	-
Under provision of deferred tax in respect of previous years	(547)	138	-	-
Under/(over) provision of income tax in respect of previous years	(465)	961	-	-
Income tax expense recognised in profit or loss	1,250	3,811	-	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2012: 25%) of the estimated assessable profit for the year.

Tax savings during the financial year arising from:

	Group	
	2013 RM'000	**2012 RM'000**
Utilisation of previously unrecognised tax losses	1,172	668

13. Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

The Company does not have dilutive potential ordinary shares into ordinary shares for years ended 31 December 2013 and 2012.

The following reflect the profit and share data used in the computation of basic earnings per share for the years ended 31 December:

	Group	
	2013 RM'000	**2012 RM'000**
Profit net of tax attributable to owners of the parent used in the computation of basic earnings per share	9,335	1,270
	No. of shares '000	**No. of shares '000**
Weighted average number of ordinary shares for basic earnings per share computation	309,371	261,986

14. Property, plant and equipment

2013 Group	Freehold land and buildings RM'000	Site infrastructure and renovations RM'000	Plant and machinery RM'000	Furniture and fittings RM'000	Computer and office equipment RM'000	Motor vehicles RM'000	Capital work-in progress RM'000	Total RM'000
Cost								
At 1 January 2013	968	2,880	41,910	2,775	8,215	3,219	3,101	63,068
Additions	-	8	1,609	69	397	311	8,716	11,110
Write-offs	-	(15)	(86)	(116)	(413)	-	-	(630)
Disposals	-	-	(60)	(160)	(1)	(84)	-	(305)
Transfer	-	-	1,577	-	-	-	(1,577)	-
Translation differences	-	-	108	4	19	(57)	-	74
At 31 December 2013	968	2,873	45,058	2,572	8,217	3,389	10,240	73,317
Accumulated depreciation								
At 1 January 2013	545	2,780	32,516	2,234	6,749	2,239	-	47,063
Depreciation charge for the year	10	26	3,334	136	567	368	-	4,441
Write-offs	-	(15)	(70)	(116)	(288)	-	-	(489)
Disposals	-	-	(60)	(159)	-	(84)	-	(303)
Translation differences	-	-	116	4	12	8	-	140
At 31 December 2013	555	2,791	35,836	2,099	7,040	2,531	-	50,852
Net carrying amount	413	82	9,222	473	1,177	858	10,240	22,465

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

2012	Freehold land and buildings RM'000	Site infrastructure and renovations RM'000	Plant and machinery RM'000	Furniture and fittings RM'000	Computer and office equipment RM'000	Motor vehicles RM'000	Capital work-in progress RM'000	Total RM'000
Group								
Cost								
At 1 January 2012	2,068	2,874	42,840	2,713	6,777	3,270	2,321	62,863
Additions	-	6	3,531	53	613	188	1,363	5,754
Write-offs	-	-	-	(21)	(10)	(68)	-	(99)
Disposals	-	-	(3,155)	(2)	(1)	(216)	(583)	(3,957)
Transfer to assets held for sale	(1,100)	-	-	-	-	-	-	(1,100)
Translation differences	-	-	(1,306)	32	836	45	-	(393)
At 31 December 2012	968	2,880	41,910	2,775	8,215	3,219	3,101	63,068
Accumulated depreciation								
At 1 January 2012	810	2,643	33,310	2,104	5,384	2,111	-	46,362
Depreciation charge for the year	30	137	3,238	149	661	384	-	4,599
Write-offs	-	-	-	(21)	(8)	(68)	-	(97)
Disposals	-	-	(2,951)	-	-	(180)	-	(3,131)
Transfer to assets held for sale	(295)	-	-	-	-	-	-	(295)
Translation differences	-	-	(1,081)	2	712	(8)	-	(375)
At 31 December 2012	545	2,780	32,516	2,234	6,749	2,239	-	47,063
Net carrying amount	423	100	9,394	541	1,466	980	3,101	16,005
At 1 January 2012								
Net carrying amount	1,258	231	9,530	609	1,393	1,159	2,321	16,501

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

	Building RM'000	Computers RM'000	Furniture and Fittings RM'000	Office Equipment RM'000	Renovations RM'000	Motor Vehicles RM'000	Capital work-in progress RM'000	Total RM'000
2013								
Company								
Cost								
At 1 January 2013	180	-	-	-	-	-	-	180
Additions	-	-	-	-	-	-	1,037	1,037
At 31 December 2013	180	-	-	-	-	-	1,037	1,217
Accumulated depreciation								
At 1 January 2013	22	-	-	-	-	-	-	22
Depreciation charge for the year	3	-	-	-	-	-	-	3
At 31 December 2013	25	-	-	-	-	-	-	25
Net carrying amount	155	-	-	-	-	-	1,037	1,192

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

	Building RM'000	Computers RM'000	Furniture and Fittings RM'000	Office Equipment RM'000	Renovations RM'000	Motor Vehicles RM'000	Capital work-in progress RM'000	Total RM'000
2012								
Company								
Cost								
At 1 January/at 31 December 2012	180	-	-	-	-	-	-	180
Accumulated depreciation								
At 1 January 2012	20	-	-	-	-	-	-	20
Depreciation charge for the year	2	-	-	-	-	-	-	2
At 31 December 2012	22	-	-	-	-	-	-	22
Net carrying amount	158	-	-	-	-	-	-	158
At 1 January 2012								
Net carrying amount	160	-	-	-	-	-	-	160

Title to the building of the Company is presently registered in the name of the developer. The Company is in the process of transferring the title to the building in the name of the Company.

Assets held under finance lease

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM4,438,000 (2012: RM997,000) by means of finance leases.

The net carrying amount of property, plant and equipment of the Group held under finance lease at the reporting date was RM6,530,000 (2012: RM2,663,000).

Leased assets are pledged as security for the related finance lease liabilities (Note 28).

15. Land held for property development and property development costs

(a) Land held for property development

Group	Freehold land RM'000	Development Rights RM'000	Costs RM'000	Total RM'000
At 1 January 2013	39,152	107,118	61,593	207,863
Additions	-	-	3,812	3,812
Transfer to property development costs Note 15(b)	-	(11,798)	(4,669)	(16,467)
At 31 December 2013	39,152	95,320	60,736	195,208
At 1 January 2012	41,142	113,195	59,861	214,198
Additions	-	-	5,543	5,543
Disposed during the year	(1,990)	(6,077)	(3,811)	(11,878)
At 31 December 2012	39,152	107,118	61,593	207,863

The development rights are pursuant to the consideration to be paid to Johor City Development Sdn. Bhd. ("JCDSB") for the appointment of DRJSB as the developer of Taman Damansara Aliff Land ("TDA Land"). The development rights confers all the beneficial interest over the TDA Land to DRJSB where DRJSB shall undertake to develop or sell TDA Land.

(b) Property development costs

Group	Freehold land RM'000	Development Rights RM'000	Costs RM'000	Total RM'000
At 31 December 2013				
Cumulative property development costs				
At 1 January 2013	-	-	-	-
Costs incurred during the year	-	-	5,715	5,715
Transfer from land held for property development (Note 15(a))	-	11,798	4,669	16,467
At 31 December 2013	-	11,798	10,384	22,182
Cumulative costs recognised in profit or loss				
At 1 January/ 31 December 2013	-	-	-	-
Property development costs at 31 December 2013	-	11,798	10,384	22,182
Property development costs at 31 December 2012	-	-	-	-

16. Investment properties

	Group/Company	
	31.12.2013 RM'000	31.12.2012 RM'000
Cost		
At 1 January	6,559	7,097
Acquired through legal settlement	-	-
Acquired through derecognition of other investment (Note 20)	1,635	815
Addition during the year	-	1,280
Disposal during the year	(2,322)	(2,633)
At 31 December	5,872	6,559
Accumulated depreciation		
At 1 January	320	218
Depreciation charge for the year (Note 9)	136	157
Disposal during the year	(294)	(55)
At 31 December	162	320
Net carrying amount	5,710	6,239
Fair value	7,725	8,191

Fair value of investment properties has been determined based on valuations performed by accredited independent valuers. The valuation are based on the comparison method of valuation.

Title to an investment property of the Company is presently registered in the name of the developer.

Fair value hierarchy disclosure for investment properties have been provided in Note 34(c)

17. Investment in subsidiaries

		Company	
	31.12.2013 RM'000	31.12.2012 RM'000 (restated)	1.1.2012 RM'000 (restated)
Unquoted shares, at cost In Malaysia	67,896	67,896	42,530
Impairment losses	(40,562)	(40,562)	(40,562)
	27,334	27,334	1,968

17. Investment in subsidiaries (cont'd.)

	Name	Principal activities	Proportion (%) of ownership interest 31.12.2013	31.12.2012
	i) Held by the Company and Incorporated in Malaysia:			
	Damansara Realty Management Services Sdn. Bhd.	Management services to holding and related companies and general insurance business	100	100
	Damansara Realty (Pahang) Sdn. Bhd. ("DRPSB")	Property holding and development	60	60
	Metro Parking (M) Sdn. Bhd.	Parking operation and the provision of related consultancy services	100	100
	Kesang Properties Sdn. Bhd.	Property development (inactive) and investment holding	100	100
	Tebing Aur Sdn. Bhd.	Contract management and construction	100	100
	Healthcare Technical Services Sdn. Bhd.	Project management and engineering maintenance services	70	70
**	HC Duraclean Sdn. Bhd.	Franchising of professional care and cleaning services and sales of machinery and equipment, chemicals, tools, parts, accessories and uniform	75	75
**	TMR Urusharta (M) Sdn. Bhd.	Business of the real estate services, involved in general services, facility management, project consultant and project management.	75	75
**	Beta Series Sdn. Bhd.	Management services (inactive)	100	100
**	Kesang Leasing Sdn. Bhd.	Lease, hire purchase and loan financing (inactive)	100	100
**	Kesang Industries Sdn. Bhd.	Investment holding (inactive)	100	100
**	Damansara Forest Products (Malaysia) Sdn. Bhd.	Quarrying (inactive)	100	100
**	JOLS Construction Sdn. Bhd.	Construction, refurbishment, inspection and sanitisation service (inactive)	100	100
**	Damansara Realty Management (Timber Operations) Sdn. Bhd.	Timber operations and its related activities (inactive)	100	100
**	Damansara Realty (Selangor) Sdn. Bhd.	Property development and construction works (inactive)	100	100
**	Kesang Kastory Enterprise Sdn. Bhd.	Importation and distribution of food stuffs (inactive)	95	95

17. Investment in subsidiaries (cont'd.)

Name	Principal activities	Proportion (%) of ownership interest 31.12.2013	31.12.2012
i) Held by the Company and Incorporated in Malaysia (cont'd.):			
** Kesang Trading Sdn. Bhd.	Property development and trading of office equipment (inactive)	100	100
** Kesang Pharmaceuticals Sdn. Bhd.	Manufacturing, wholeselling and trading of pharmaceutical products (inactive)	100	100
** Armada Tijaarah Sdn. Bhd.	Sand extraction and trading (inactive)	100	100
** DHealthcare Centre Sdn. Bhd.	Healthcare service provider (inactive)	51	51
** Insan Kualiti Sdn. Bhd.	To carry on the business of general merchants, traders, suppliers, factors, brokers, commission and general agents etc (general traders) (inactive)	100	100
ii) Held through subsidiaries and incorporated in Malaysia:			
Damansara Realty (Johor) Sdn. Bhd.	Property development	100	100
Damansara Realty (Terengganu) Sdn. Bhd.	Property development	100	100
Istiwa Sdn. Bhd.	Property development and advertising (inactive)	100	100
Metro Equipment Systems (M) Sdn. Bhd.	Trading of parking and other related services	100	100
Metro Parking (Sabah) Sdn. Bhd.	Parking operator and other transport related services	100	100
Smart Parking Management Systems Sdn. Bhd.	Trading of parking and other related equipment	100	100
M.N. Koll (M) Sdn.Bhd.	Building management and maintenance services.	90	90
TMR ACMV Services Sdn. Bhd.	Trading and services of air conditioning services.	100	100
TMR Koll Sdn. Bhd.	Engineering consultancy services	100	100
Harta Facilities Management Sdn. Bhd.	Project management.	100	100
** DRP Construction Sdn. Bhd.	Property development, construction and investment (inactive)	100	100

17. Investment in subsidiaries (cont'd.)

Name	Country of Incorporation	Principal activities	Proportion (%) of ownership interest 31.12.2013	31.12.2012
ii) Held through subsidiaries and incorporated in Malaysia (cont'd.):				
** Kesang Construction & Engineering Sdn. Bhd.		The business of general contracting (inactive)	100	100
** Kesang Equipment Hire Sdn. Bhd.		Buying, selling and renting of machinery (inactive)	100	100
** Kesang Quarry Sdn. Bhd.		Quarrying (inactive)	70	70
** Pedas Quarry Sdn. Bhd.		Quarrying (inactive)	55	55
iii) Held by the Company and incorporated in overseas:				
** Damansara Forest Products (PNG) Ltd.	Papua New Guinea	Timber operations (under members' voluntary liquidation)	100	100
** Damansara-Batai (PNG) Ltd.	Papua New Guinea	Inactive (under members' voluntary liquidation)	85	85
** Damansara-Pai (PNG) Ltd.	Papua New Guinea	Development of oil palm plantation (under members' voluntary liquidation)	85	85
** Damansara-Siau (PNG) Ltd.	Papua New Guinea	Inactive (under members' voluntary liquidation)	85	85
iv) Held through subsidiaries and incorporated in overseas:				
** Metro Parking (S) Pte. Ltd	Singapore	Parking operator and consultancy services	70	70
# Metro Parking (B) Sdn Bhd	Brunei	Parking operator and other transport related services	75	75
** Metro Parking Management (Philippines) Inc	Philippines	Parking operator and other transport related services	75	75
** Metro Parking (HK) Limited	Hong Kong	Parking operator, consultancy services and transport related services.	55	55
** Metro Parking Services (India) Private Limited	India	Parking operator, consultancy services and transport related services.	100	100

** Audited by a firm other than Ernst & Young
# Audited by member firms of Ernst & Young Global in the respective country

18. Investment in associates

	Group/Company 31.12.2013 RM'000	31.12.2012 RM'000
Unquoted shares, at cost	-	-
Less: Accumulated impairment losses	-	-
	-	-

Details of the associates held by the Company are as follows:

Name	Country of Incorporation	Principal activities	Proportion (%) of ownership interest 31.12.2013	31.12.2012
Kesang Mining Corporation Philippines ("KMCP")	Philippines	Gold Mining (inactive)	-	-
Kesang Processing and Management Corporation ("KPMC")	Philippines	Gold Mining and provision of management services to KMCP (inactive)	-	-

The Group does not recognised these entities as associates since the previous financial year as the Group no longer exercise significant influence.

19. Deferred tax

Deferred income tax as at 31 December relates to the following:

	As at 1 January 2012 RM'000	Recognised in profit or loss RM'000 (Note 12)	As at 31 December 2012 RM'000	Recognised in profit or loss RM'000 (Note 12)	As at 31 December 2013 RM'000
Group					
Deferred tax liabilities:					
Property, plant and equipment	1,220	(49)	1,171	(493)	678
Deferred tax assets:					
Unutilised tax losses	(41)	41	-	-	-
Unabsorbed capital allowances	(4)	4	-	-	-
Others	(619)	162	(457)	(82)	(539)
	(664)	207	(457)	(82)	(539)
	556	158	714	(575)	139

19. Deferred tax (cont'd.)

	Group	
	31.12.2013 RM'000	31.12.2012 RM'000
Presented after appropriate offsetting as follows:		
Deferred tax liabilities	678	1,171
Deferred tax assets	(539)	(457)
	139	714

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

	Group		Company	
	31.12.2013 RM'000	31.12.2012 RM'000	31.12.2013 RM'000	31.12.2012 RM'000
Unused tax losses	45,629	50,322	10,134	10,191
Unabsorbed capital allowances	115	113	25	24
Others	282	1	283	1
	46,026	50,436	10,442	10,216

Unrecognised tax losses

At the reporting date, the Group has tax losses that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of recoverability. The availability of unused tax losses for offsetting against future taxable profits of the respective subsidiaries are subject to no substantial changes in shareholdings of those subsidiaries under the Income Tax Act, 1967 and guidelines issued by the tax authority.

20. Other investments

	Group/Company		
	31.12.2013 RM'000	31.12.2012 RM'000	1.1.2012 RM'000
Current			
Loan and receivable financial assets:			
Short-term investment	-	1,931	2,746
Less: Accumulated impairment losses	-	(1,931)	(2,746)
	-	-	-

20. Other investments (cont'd.)

	Group/Company	
	31.12.2013	31.12.2012
	RM'000	RM'000
Non-current		
Available-for-sale financial assets:		
- equity instruments (quoted in Malaysia)	51	51
- equity instruments (unquoted), at cost	897	897
Less: Accumulated impairment losses	(847)	(847)
	50	50
	101	101
Market value of quoted investments	71	51

<u>Short term investment</u>

On 27 June 2006, the Company entered into a Joint Venture Agreement ("JVA") for a short term investment which was due and receivable together with a guaranteed profit of RM800,000 on or before 26 June 2007. It was secured by 12 units of condominium of the investee and assignment of the proceeds receivable from the sale of properties developed by the investee. The Group, in 2007, released 4 units of condominium as security to the investee to enable the investee to obtain banking facility to finance the completion of the development project.

On 19 September 2007, the investee sought an extension of 8 months to comply with its obligations and terms under the JVA on the basis that the first block of 50 units had been completed but there was a delay in getting the Certificate of Fitness for occupation attributable to a consequent delay of inspection by the Authorities.

Pursuant to the Settlement Agreement dated 20 May 2011, all the investee's debts and obligations under the JVA shall be settled via:

a) RM2.5 million to be paid in cash;
b) the transfer and absolute assignment of 11 units of Damaipuri Condos; and
c) 5 units of completed single-storey houses at a gated community project in Ipoh known as Taman Perpaduan Koperasi Tambun.

During the financial year, the Company realised its investment by way of contra agreement with the properties of investee valued at RM1,635,000 (2012:RM815,000) (Note 16). Accordingly, gain arising from reversal of impairment for other investment of RM1,635,000 (2012:RM815,000) (Note 7) was recognised in the statements of comprehensive income under the line item "other income".

21. Goodwill on consolidation

	2013 RM'000	2012 RM'000
Group		
Cost		
At 1 January and 31 December	3,049	3,049
Accumulated impairment		
At 1 January/31 December	1,640	1,640
Net carrying amount	1,409	1,409

Impairment testing of goodwill

Goodwill arising from business combinations has been allocated to two individual cash-generating units ("CGU") for impairment testing as follows:

- Construction contracts segment
- Healthcare services segment
- Property services segment

The carrying amounts of goodwill allocated to each CGU are as follows:

	31.12.2013 RM'000	31.12.2012 RM'000
Goodwill		
Healthcare services segment	523	523
Property services segment	886	886
Total	1,409	1,409

The recoverable amounts of the CGUs have been determined based on value in use calculations using cash flow projections from financial budgets approved by management covering a five-year period. The pre-tax discount rate applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flows beyond the five-year period are as follows:

	Growth rates		Pre-tax discount rates	
	2013	2012	2013	2012
Healthcare services segment	2.0%	5.0%	10.0%	7.0%
Property services segment	3.5%	5.6%	9.0%	8.4%

21. Goodwill on consolidation (cont'd.)

The calculations of value in use for the CGUs are most sensitive to the following assumptions:

Budgeted gross margins – Gross margins are based on average values achieved in the three years preceding the start of the budget period. These are increased over the budget period for anticipated efficiency improvements.

Growth rates – The forecasted growth rates are based on published industry research and do not exceed the long-term average growth rate for the industries relevant to the CGUs.

Pre-tax discount rates – Discount rates reflect the current market assessment of the risks specific to each CGU. This is the benchmark used by management to assess operating performance and to evaluate future investment proposals.

Market share assumptions - These assumptions are important because, as well as using industry data for growth rates (as noted above), management assesses how the CGU's position, relative to its competitors, might change over the budget period.

22. Inventories

	Group	
	31.12.2013	**31.12.2012**
	RM'000	**RM'000**
Cost		
Cleaning machinery and equipment	40	246
Chemicals	80	141
Uniforms	43	38
Materials and consumables	261	359
Parking materials	1,555	2,109
	1,979	2,893

During the year, the amount of inventories recognised as an expense in cost of sales of the Group was RM6,783,000 (2012: RM5,483,000).

23. Trade and other receivables

	Group 31.12.2013 RM'000	Group 31.12.2012 RM'000 (restated)	Group 1.1.2012 RM'000 (restated)	Company 31.12.2013 RM'000	Company 31.12.2012 RM'000 (restated)	Company 1.1.2012 RM'000 (restated)
Current						
Trade receivables						
Amounts due from related companies	14,055	4,332	9,272	-	-	-
Third parties	58,088	71,727	68,065	8,217	9,531	9,531
	72,143	76,059	77,337	8,217	9,531	9,531
Less: Allowance for impairment						
- Amount due from related companies	(54)	(17)	(17)	-	-	-
- Third parties	(34,156)	(35,359)	(35,388)	(8,217)	(9,531)	(9,531)
Trade receivables, net	37,933	40,683	41,932	-	-	-
Other receivables						
Income tax recoverable	836	818	1,388	282	282	233
Amounts due from subsidiaries	-	-	-	172,224	168,567	166,491
Amounts due from associates	-	-	7,605	7,605	7,605	7,605
Amounts due from past related companies	7,714	7,714	7,714	5	5	5
Amounts due from past subsidiary	1,261	1,261	1,261	1,261	1,261	1,261
Amounts due from related companies	3,886	2,584	1,331	3,389	2,296	760
Deposits	4,197	4,511	4,193	30	39	181
Others	12,467	13,440	9,058	1,253	2,079	872
	30,361	30,328	32,550	186,049	182,134	177,408
Less: Allowance for impairment						
- Amounts due from subsidiaries	-	-	-	(113,450)	(108,826)	(109,926)
- Amounts due from associates	-	-	(7,605)	(7,605)	(7,605)	(7,605)
- Amounts due from past related companies	(7,714)	(7,714)	(7,714)	(5)	(5)	(5)
- Amounts due from past subsidiary	(1,261)	(1,261)	(1,261)	(1,261)	(1,261)	(1,261)
- Amounts due from related companies	(55)	(17)	(17)	(55)	(17)	(17)
- Others	(2,177)	(2,223)	(3,271)	(720)	(811)	(811)
	(11,207)	(11,215)	(19,868)	(123,096)	(118,525)	(119,625)
Other receivables, net	19,154	19,113	12,682	62,953	63,609	57,783
Total trade and other receivables	57,087	59,796	54,614	62,953	63,609	57,783
Less: Income tax recoverable	(836)	(818)	(1,388)	(282)	(282)	(233)
Add: Short term investment (Note 20)	-	-	-	-	-	-
Add: Cash and bank balances (Note 26)	38,509	30,756	26,809	2,709	1,285	183
Total loans and receivables	94,760	89,734	80,035	65,380	64,612	57,733

23. Trade and other receivables (cont'd.)

(a) Trade receivables

Trade receivables are non-interest bearing and are generally ranges from 14 to 90 day (2012: 14 to 90 day) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

The ageing analysis of the Group's and Company's trade receivables are as follows:

	Group			Company		
	31.12.2013 RM'000	31.12.2012 RM'000 (restated)	1.1.2012 RM'000 (restated)	31.12.2013 RM'000	31.12.2012 RM'000 (restated)	1.1.2012 RM'000 (restated)
Neither past due nor impaired	8,148	11,791	6,126	-	-	-
1 to 30 days past due not impaired	6,719	6,100	4,758	-	-	-
31 to 60 days past due not impaired	1,711	1,680	2,596	-	-	-
61 to 90 days past due not impaired	1,697	1,807	735	-	-	-
91 to 120 days past due not impaired	2,345	2,511	232	-	-	-
More than 121 days past due not impaired	17,313	16,794	27,485	-	-	-
	29,785	28,892	35,806	-	-	-
Impaired	34,210	35,376	35,405	8,217	9,531	9,531
	72,143	76,059	77,337	8,217	9,531	9,531

Receivables that are neither past due nor impaired

29% (2012: 35%) of trade receivables of the Group or RM10,892,000 (2012: RM 14,353,000) that is neither past due nor impaired is due from land purchaser, Pasdec Corporation Sdn. Bhd. ("Pasdec").

Amount due from Pasdec is estimated by the directors to be received in year 2014 upon release of money withheld by solicitor.

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

Receivables that are past due but not impaired

The Group and Company have trade receivables amounting to RM18,893,000 and RM Nil (2012: RM14,539,000 and RM Nil) respectively that are past due at the reporting date but not impaired.

Although these receivables have exceeded the credit terms granted to them, the directors are reasonably confident that all debts can be recovered within the next 12 months.

23. Trade and other receivables (cont'd.)

(a) Trade receivables (cont'd.)

Receivables that are impaired

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

	Group			Company		
	31.12.2013 RM'000	31.12.2012 RM'000	1.1.2012 RM'000	31.12.2013 RM'000	31.12.2012 RM'000	1.1.2012 RM'000
Individually impaired						
Trade receivables - nominal amounts	34,210	35,376	35,405	8,217	9,531	9,531
Less: Allowance for impairment	(34,210)	(35,376)	(35,405)	(8,217)	(9,531)	(9,531)
	-	-	-	-	-	-

Movement in allowance accounts:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
At 1 January	35,376	35,405	9,531	9,531
Charge for the year (Note 9)	148	20	-	-
Reversal of impairment	(1,314)	-	(1,314)	
Written off	-	(49)	-	-
At 31 December	34,210	35,376	8,217	9,531

Included in trade receivables that are impaired are amounts being disputed and under legal claim as follows:

	Group		
	31.12.2013 RM'000	31.12.2012 RM'000	1.1.2012 RM'000
Due from companies within the Safuan Group	12,884	12,884	12,884
Other trade receivable	11,766	11,766	11,766
	24,650	24,650	24,650

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.

23. Trade and other receivables (cont'd.)

(b) Other receivables

Amounts due from subsidiaries are unsecured, non-interest bearing and are repayable on demand.

Amounts due from related companies represent amounts due from subsidiaries of JCorp. These amounts are unsecured, non-interest bearing and are repayable on demand. JCorp is the immediate and ultimate holding corporation of the Company.

Other receivables that are impaired

At the reporting date, debts due from subsidiaries in net liabilities position amounted to RM153,184,000 (2012: RM148,560,000) of which provision for impairment of RM113,450,000 (2012: RM108,826,000) had been made.

Amounts due from past related companies are owing by companies within the Safuan Group, which are in dispute and under legal action. Full allowance had been made against these receivables in prior years.

Movement in allowance accounts:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
At 1 January	18,820	19,868	118,525	119,625
Charge for the year (Note 9)	333	82	4,624	348
Reversal of allowance (Note 7)	(341)	-	(53)	(1,448)
Written off	-	(1,130)	-	-
At 31 December	18,812	18,820	123,096	118,525

24. Other current assets

	Group		Company	
	31.12.2013 RM'000	31.12.2012 RM'000	31.12.2013 RM'000	31.12.2012 RM'000
Prepayment for fitting out works	-	2,700	-	2,700
Prepayments	3,099	3,156	1,209	326
Amount due from customers for contract	2,502	10,499	1,601	10,464
	5,601	16,355	2,810	13,490
Less: Allowance for impairment				
- Prepayment for fitting out works	-	(2,700)	-	(2,700)
- Prepayments	(1,309)	(962)	(1,200)	(48)
- Amounts due from customers on contract	(1,601)	(10,328)	(1,601)	(10,328)
	(2,910)	(13,990)	(2,801)	(13,076)
Total other current assets	2,691	2,365	9	414

24. Other current assets (cont'd.)

	Group 31.12.2013 RM'000	Group 31.12.2012 RM'000	Company 31.12.2013 RM'000	Company 31.12.2012 RM'000
Gross amount due from customers for contract				
Construction contract costs incurred to date	25,993	44,789	7,508	31,792
Attributable profits	222	7,946	-	6,641
	26,215	52,735	7,508	38,433
Less: Progress billings	(23,713)	(42,236)	(5,907)	(27,969)
	2,502	10,499	1,601	10,464
Presented as:				
Gross amount due from customers for contract work	2,502	10,499	1,601	10,464

A reversal of impairment on amounts due from customers for contract amounted to RM8,647,000 was recognised in current financial year.

25. Non-current assets held for sale

	Group 31.12.2013 RM'000	Group 31.12.2012 RM'000
At fair value less costs to sell		
Freehold land and building	-	805
	-	805

Freehold land and building
On 14 March 2012, TMR Urusharta (M) Sdn. Bhd., a subsidiary of the Company, entered into a sale and purchase agreement with Oval Odyssey Sdn. Bhd. for the disposal of a freehold land and building for a total consideration of RM1,100,000. This transaction had been completed in year 2013.

26. Cash and bank balances

	Group 31.12.2013 RM'000	Group 31.12.2012 RM'000	Company 31.12.2013 RM'000	Company 31.12.2012 RM'000
Cash at banks and on hand	26,756	22,395	2,709	3
Short term deposits with licensed banks	11,753	8,361	-	1,282
	38,509	30,756	2,709	1,285
Less: Bank overdrafts (Note 28)	(2,071)	(4,590)	-	-
Less: Other deposits not for short term funding requirement	(6,016)	(7,079)	-	-
Cash and cash equivalents	30,422	19,087	2,709	1,285

26. Cash and bank balances (cont'd.)

Included in deposits with licensed banks of the Group are deposits amounting to RM6,016,000 (2012: RM7,079,000) which are pledged as security for bank facilities and bank guarantees.

Short-term deposits are made for varying periods of between one day and one year depending on the immediate cash requirements of the Group and the Company, and earn interests at the respective short-term deposit fixed rates. The weighted average effective interest rates at the reporting date for the Group and the Company are as below:

	Group		Company	
	31.12.2013 %	31.12.2012 %	31.12.2013 %	31.12.2012 %
Licensed banks	3.09%	2.98%	3.60%	3.60%

27. Provisions

	Legal claim RM'000	Unutilised leave RM'000	Total RM'000
Group			
At 31 December 2013			
At 1 January/31 December	3,425	31	3,456
At 31 December 2012			
At 1 January/31 December	3,425	31	3,456
Company			
At 31 December 2013			
At 1 January/31 December	3,425	-	3,425
At 31 December 2012			
At 1 January/31 December	3,425	-	3,425

28. Loans and borrowings

	Maturity	Group 31.12.2013 RM'000	Group 31.12.2012 RM'000	Company 31.12.2013 RM'000	Company 31.12.2012 RM'000
Current					
Secured:					
Syndicated term loan at BLR+2.0% p.a.	2014	6,082	6,382	5,000	5,000
Obligations under finance leases (Note 33(b))	2014	2,603	1,205	-	-
Bank overdrafts	On demand	2,071	4,590	-	-
		10,756	12,177	5,000	5,000
Unsecured:					
Advances from a non-controlling shareholder of a subsidiary	On demand	1,805	1,681	-	-
		12,561	13,858	5,000	5,000
Non-current					
Secured:					
Syndicated term loan at BLR+2.0% p.a.	2014 - 2017	2,534	3,619	-	-
Obligations under finance leases (Note 33(b))	2014 - 2020	6,756	1,268	-	-
		9,290	4,887	-	-
Total loans and borrowings		21,851	18,745	5,000	5,000

The remaining maturities of the loans and borrowings are as follows:

	Group 31.12.2013 RM'000	Group 31.12.2012 RM'000	Company 31.12.2013 RM'000	Company 31.12.2012 RM'000
On demand or within one year	12,561	13,858	5,000	5,000
More than 1 year and less than 2 years	3,836	1,852	-	-
More than 2 years and less than 5 years	5,443	2,890	-	-
5 years or more	11	145	-	-
	21,851	18,745	5,000	5,000

Advances from a non-controlling shareholder of a subsidiary

The advances from a non-controlling shareholder of a subsidiary, Uniphoenix Corporation Bhd. (in liquidation) are unsecured, non-interest bearing and are repayable on demand.

Obligations under finance leases

These obligations are secured by a charge over the leased assets (Note 14). The weighted average discount rate implicit in the lease is 5.5% (2012: 6.1%) per annum.

29. Trade and other payables

	Group		Company	
	31.12.2013 RM'000	31.12.2012 RM'000	31.12.2013 RM'000	31.12.2012 RM'000
Current				
Trade payables				
Amount due to JCDSB	3,999	5,000	-	-
Third parties	23,146	34,638	5,582	5,745
	27,145	39,638	5,582	5,745
Other payables				
Amount due to ultimate holding corporation	1,617	1,710	149	49
Amounts due to subsidiaries	-	-	10,896	11,733
Amounts due to companies within Safuan Group	1,927	5,987	1,400	5,987
Amounts due to related companies:				
- Damansara Assets Sdn. Bhd.	4,693	7,831	1,879	3,129
- Bukit Damansara Development Sdn. Bhd.	2,795	2,653	183	41
- JCorp Hotels and Resorts Sdn. Bhd.	4	4	-	-
- JSEDC Properties Sdn. Bhd.	1,468	1,471	1,468	1,471
- Harta Consult Sendirian Bhd.	1	67	-	-
- Pro Corporate Management Services Sdn. Bhd.	1,770	1,592	1,406	1,282
- Puteri Hotels Sdn. Bhd.	26	36	12	9
- Johor Foods Sdn. Bhd.	534	534	-	-
- Johor Land Berhad	7,807	19	-	-
- Johor City Development Sdn. Bhd	7,934	2,094	-	-
- Sindora Berhad	768	662	662	662
- Johor Franchise Development Sdn. Bhd.	72	72	-	-
- Intrapreneur Development Capital Sdn. Bhd.	300	700	-	-
- Pro-Office Services Sdn. Bhd.	1	1	-	-
- Akademi JCorp Sdn. Bhd.	26	18	13	2
- JCIA Services Sdn. Bhd.	83	44	83	43
- TPM Mgmt Sdn. Bhd.	-	-	-	-
- Teraju Fokus Sdn. Bhd.	-	61	-	-
- Tropika Landskap Sdn. Bhd.	-	41	-	-
- Sovereign Multimedia Resources Sdn. Bhd.	97	131	-	-
- Hotel Selesa (JB) Sdn. Bhd.	1	-	-	-
- Century Nexus (M) Sdn. Bhd.	1	3	-	-
- Effective Corporate Resources Sdn. Bhd.	-	12	-	-
- FS Cleaning Sdn. Bhd.	26	-	3	-
- Kumpulan Penambang [Johor] Sdn. Bhd.	4	-	5	-
- Pro Office Shoppe Sdn. Bhd.	4	-	-	-
- Tiram Travel Sdn. Bhd.	28	-	18	-
- Total Project Management Sdn. Bhd.	123	-	-	-
- Kulim Berhad	40	-	-	-
- Jcorp Enterpreneur Sdn Bhd	14	-	-	-
- Pharmaeserve Sdn. Bhd.	35	-	-	-
- Kumpulan Perubatan Johor [KPJ]	292	-	-	-

29. Trade and other payables (cont'd.)

	Group		Company	
	31.12.2013 RM'000	31.12.2012 RM'000	31.12.2013 RM'000	31.12.2012 RM'000
Other payables (cont'd.)				
Deposits received	510	-	62	-
Deposits received from sale of land	-	-	-	-
Accruals:				
- Interest	-	-	-	-
- Others	5,670	5,508	83	122
Liquidated ascertained damages payable to purchasers of development properties	-	-	-	-
Others	31,417	25,945	8,458	4,263
	70,088	57,196	26,780	28,793
	97,233	96,834	32,362	34,538
Non-current				
Trade payables				
Amount due to JCDSB	95,589	87,266	-	-
Third parties	188	-	-	-
	95,777	87,266	-	-
Total trade and other payables	193,010	184,100	32,362	34,538
Add: Loans and borrowings (Note 28)	21,851	18,745	5,000	5,000
Total financial liabilities carried at amortised cost	214,861	202,845	37,362	39,538

(a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on 30 to 90 day (2012: 30 to 90 day) terms. Non-current trade payables are repayable after 12 months on instalment basis.

Amount due to JCDSB is part of the total consideration of RM180 million for JCorp and JCDSB agreeing to appoint Damansara Realty Johor Sdn. Bhd. ("DRJ"), a subsidiary of the Company, as the developer for Taman Damansara Aliff ("TDA"). On 1 July 2012, JCDSB agreed to grant an extension of time of DRJ's appointment as the developer of TDA for another 5 years until 30 September 2016. Accordingly, the term of repayment of amount due to JCDSB was modified to be repayable within 5 years until 31 December 2016. It is repayable on when and as is where is basis subject that DRJ shall undertake to set aside a proportion of proceeds arising from the land sale or development of properties in TDA, for the purpose of settlement of the said amount.

(b) Other payables

These amounts are non-interest bearing. Other payables are normally settled on an average term of three months (2012: average term of three months).

(c) Amounts due to related companies

These represents amounts due to subsidiaries of JCorp. These amounts are unsecured, non-interest bearing and are repayable on demand.

(d) Amounts due to subsidiaries

These amounts are unsecured, repayable on demand and non-interest bearing except for an amount of RM1,824,000 (2012: RM2,478,000) which bears interest at the effective average rate of 6.6% (2012: 6.6%) per annum.

30. Share capital and share premium

	Number of ordinary shares of RM0.50 each	← Amount		→
	Share capital (Issued and fully paid) '000	Share capital (Issued and fully paid) RM'000	Share premium RM'000	Total share capital and share premium RM'000
Group and Company				
Issued and fully paid				
As at 1 January	250,140	125,070	156	125,226
Issued during the year	59,231	29,615	-	29,615
As at 31 December 2012	309,371	154,685	156	154,841
Issued during the year	-	-	-	-
As at 31 December 2013	309,371	154,685	156	154,841

	Number of ordinary shares of RM0.50 each		← Amount →	
	31.12.2013 '000	31.12.2012 '000	31.12.2013 RM'000	31.12.2012 RM'000
Authorised share capital				
At beginning and end of 2012 and 2013	2,000,000	2,000,000	1,000,000	1,000,000

In previous financial year, subsequent to the completion of the Company's Restructuring Scheme for the Proposed Acquisition of property services based companies namely TMR Urusharta Sdn. Bhd., Metro Parking (M) Sdn. Bhd. and HC Duraclean Sdn. Bhd. on 28 December 2012, 59,230,506 new Company shares were issued to the vendors of the acquired Companies as follows:

	Total units of DBhd new shares allotted at RM0.50 each
Name of new members/allottees	
(i) Harta Consult Sdn. Bhd.	10,908,940
(ii) Johor Franchise Development Sdn. Bhd.	1,558,000
(iii) Sindora Bhd.	28,324,332
(iv) Damansara Assets Sdn. Bhd.	18,439,234
	59,230,506

Accordingly, the paid-up capital of the Company was increased from RM125,070,377 to RM154,685,630 divided into 309,371,260 units of ordinary shares of RM0.50 each by the issuance of 59,230,506 units of ordinary shares of RM0.50 each.

The ordinary shares ranked pari passu in all respects with the existing ordinary shares of the Company.

31. Merger (deficit)/reserve and capital reserve

(a) Merger (deficit)/reserve

	Group	
	2013 RM'000	2012 RM'000 (restated)
At 1 January	(18,568)	9,000
Merger with subsidiary	-	(29,524)
Measurement Period Adjustment (Notes 39)	-	1,956
At 31 December	(18,568)	(18,568)

(b) Capital reserve

This represents reserve arising from bonus issues by a subsidiary.

32. Related party transactions

(a) Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Related				
Share registration fees paid/payable	316	128	199	28
Management fees paid/payable	594	137	594	73
Management fees received/receivable	-	-	-	-
Office rent paid/payable	1,329	828	208	63
Project management services	4,047	3,045	-	-
Maintenance services	433	1,321	-	-
Manpower services	2,038	1,641	-	-
Energy management services	200	206	-	-
Accommodation	32	9	9	9
Medical expenses paid/payable	403	-	-	-
Transportation fees paid/payable	30	10	-	10
Hospital planning and commissioning fee	987	1,181	-	-
Construction management fee received/receivable	266	884	-	-
Project management service payable	776	-	-	-
Payment on behalf	4,939	-	-	-
Comission income	962	-	-	-

32. Related party transactions (cont'd.)

(a) Sale and purchase of goods and services (cont'd.)

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Subsidiaries:				
Advances received	-	-	350	1,774
Advances given	-	-	150	1,006
Payment on behalf of subsidiaries	-	-	5,752	5,402
Payment on behalf by subsidiaries	-	-	1,009	3,645
Receipt on behalf of subsidiaries	-	-	-	457
Receipt on behalf by subsidiaries	-	-	6	1
Dividend received	-	-	647	-
Management fees paid/payable	-	-	594	682
Manpower services	-	-	-	689
Interest on advances paid/payable	-	-	-	1,195

Related companies of subsidiaries and associates of Johor Corporation.

(b) Compensation of key management personnel

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Salaries and other emoluments	2,409	2,480	989	541
Defined contribution plan	265	238	109	65
	2,674	2,718	1,098	606

33. Commitments

(a) Operating lease commitments – as lessee

The Group has entered into commercial leases on office buildings. These leases have an average tenure of three years with no renewal option or contingent rent provision included in the contract. There are no restrictions placed upon the Group by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases at the reporting date are as follows:

	Group	
	2013 RM'000	2012 RM'000
Not later than 1 year	37,440	27,716
Later than 1 year but not later than 5 years	55,071	32,317
Later than 5 years	3,653	9,128
	96,164	69,161

33. Commitments (cont'd.)

(b) Finance lease commitments

The Group has finance leases for certain motor vehicles and capital work in progress (Note 14). These leases do not have terms of renewal, but have purchase options at nominal values at the end of the lease term.

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Group	
	2013	**2012**
	RM'000	**RM'000**
Minimum lease payments:		
Not later than 1 year	2,979	1,355
Later than 1 year but not later than 2 years	2,913	848
Later than 2 years but not later than 5 years	4,709	503
Later than 5 years	16	36
Total minimum lease payments	10,617	2,742
Less: Amounts representing finance charges	(1,258)	(269)
Present value of minimum lease payments	9,359	2,473
Present value of payments:		
Not later than 1 year	2,603	1,205
Later than 1 year but not later than 2 years	2,606	766
Later than 2 years but not later than 5 years	4,139	468
Later than 5 years	11	34
Present value of minimum lease payments	9,359	2,473
Less: Amount due within 12 months (Note 28)	(2,603)	(1,205)
Amount due after 12 months (Note 28)	6,756	1,268

34. Fair value of financial instruments

A. Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

	Group	
	Carrying amount RM'000	**Fair value RM'000**
At 31 December 2013		
Financial liabilities:		
Non-current		
Loans and borrowings (non-current) (Note 28)		
- Term loan	2,534	2,215
- Obligations under finance leases	6,756	6,302
At 31 December 2012		
Financial liabilities:		
Non-current		
Loans and borrowings (non-current) (Note 28)		
- Term loan	3,619	3,229
- Obligations under finance leases	1,268	1,165

B. Determination of fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

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

	Note
Other investments (current)	20
Trade and other receivables (current)	23
Trade and other payables (current)	29
Loans and borrowings (current)	28

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

The carrying amounts of the current portion of loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

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

34. Fair value of financial instruments (cont'd.)

C. Fair value measurement

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

Quantitative disclosures fair value measurement hierarchy for asset as at 31 December 2013.

Fair value disclosures	**Date of valuation**	**Carrying amount RM'000**	**Fair value RM'000**
Investment properties (Note 16)	31 December 2013	5,710	7,725

Fair value disclosure of investment properties are categorised in Level 3 within the fair value hierarchy where the valuation involved significant unobservable inputs.

35. 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 and interest rate risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks. 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 year, the Group's policy that no derivatives shall be undertaken.

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.

(a) 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 and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 23.

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

(a) Credit risk (cont'd.)

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the business segment of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

	Group			
	2013		2012	
	RM'000	% of total	RM'000	% of total
By business segments:				
Property development	11,664	31%	17,779	44%
Construction contracts	-	0%	596	2%
Property services	24,997	66%	20,094	49%
Parking	1,272	3%	2,119	5%
Others	-	0%	95	0%
	37,933	100%	40,683	100%

At the reporting date, 31% (2012: 42%) of the Group's trade receivables were due from 1 (2012: 3) customers of the property development segment for sale of land.

The concentration of credit risk of these land purchasers is mitigated by the terms of the sale and purchase agreements in which the land titles will only be transferred to the purchasers upon full settlement of the whole amounts due as well as the right of the Group in seeking specific performance for the purchasers to complete the sale.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 23. Deposits with banks and other financial institutions that are neither past due nor impaired are placed with or entered into with reputable financial institutions.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 23.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The 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.

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

(b) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities

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

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Group				
At 31 December 2013				
Financial liabilities:				
Trade and other payables	97,233	121,188	-	218,421
Loans and borrowings	12,561	9,279	11	21,851
Total undiscounted financial liabilities	109,794	130,467	11	240,272
At 31 December 2012				
Financial liabilities:				
Trade and other payables	97,215	115,819	-	213,034
Loans and borrowings	13,858	4,964	71	18,893
Total undiscounted financial liabilities	111,073	120,783	71	231,927
Company				
At 31 December 2013				
Financial liabilities:				
Trade and other payables	32,362	-	-	32,362
Loans and borrowings	5,000	-	-	5,000
Total undiscounted financial liabilities	37,362	-	-	37,362
At 31 December 2012				
Financial liabilities:				
Trade and other payables	34,538	-	-	34,538
Loans and borrowings	5,000	-	-	5,000
Total undiscounted financial liabilities	39,538	-	-	39,538

* At the reporting date, the counterparty to the financial guarantees does not have a right to demand cash as the default has not occurred. Accordingly, financial guarantees under the scope of MFRS 139 are not included in the above maturity profile analysis.

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

(c) Interest rate risk

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

The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings. At the reporting date, the Group and Company do not have floating rate borrowings.

(d) Foreign currency risk

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

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of the Group entities, primarily RM, Singapore Dollar, Hong Kong Dollar and Indonesian Rupiah. The management believes that the foreign exchange risk is minimal.

It is not the Group's policy to hedge its transactional foreign currency risk exposure.

36. 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.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2013 and 31 December 2012.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio below 70%. The Group includes within net debt, loans and borrowings, trade and other payables, less cash and bank balances. Capital includes equity attributable to the owners of the parent.

		Group		**Company**	
	Note	**31.12.2013 RM'000**	**31.12.2012 RM'000**	**31.12.2013 RM'000**	**31.12.2012 RM'000**
Loans and borrowings	28	21,851	18,745	5,000	5,000
Trade and other payables	29	193,010	184,100	32,362	34,538
Cash and bank balances	26	(38,509)	(30,756)	(2,709)	(1,285)
Net debt		176,352	172,089	34,653	38,253
Equity attributable to the owners of the parent, representing total capital		126,009	117,240	59,182	56,177
Capital and net debt		302,361	289,329	93,835	94,430
Gearing ratio		58%	59%	37%	41%

37. Segment information

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

I. Property development - the development of residential and commercial properties.

II. Construction contracts - construction of sewage treatment plant, residential and commercial properties.

III. Property services - provision of property services comprising of general services, facility management, project management and consultant, construction management, energy management services, hospital planning, maintenance services and manpower services.

IV. Parking services - parking operation, trading of parking equipments and the provision of related consultancy services.

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 which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and 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.

37. Segment Information (cont'd.)

	Property development		Construction contracts		Property services		Parking services		Others		Adjustments and eliminations			Per consolidated financial statements	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000	Note	2013 RM'000	2012 RM'000
Revenue:															
External customers	-	15,750	-	-	79,500	71,634	104,754	109,794	-	1	-	-		184,254	197,179
Inter-segment	-	-	-	-	-	-	-	-	2,590	1,943	(2,590)	(1,943)	A	-	-
Total revenue	-	15,750	-	-	79,500	71,634	104,754	109,794	2,590	1,944	(2,590)	(1,943)		184,254	197,179
Results:															
Interest income	83	34	74	3	362	92	320	264	-	-	-	-		839	393
Dividend income	-	-	648	385	-	-	-	-	-	-	(648)	(385)		-	-
Depreciation and amortisation	45	45	142	161	384	659	3,962	3,848	44	43	-	-		4,577	4,756
Impairment of non-financial assets	-	-	-	-	548	-	-	-	-	-	-	-		548	-
Other non-cash expenses	-	-	-	83	673	18	16	3	-	-	-	-	B	689	104
Segment profit/ (loss)	(6,686)	3,080	12,547	(2,290)	3,784	2,862	2,142	2,528	(8,162)	(292)	6,575	(108)	C	10,200	5,780
Assets:															
Additions to non-current assets	-	-	2,674	2,095	309	338	9,762	5,317	-	99	-	-	D	12,745	7,849
Segment assets	255,763	234,728	117,641	110,177	44,827	43,196	44,959	40,657	31,116	39,127	(146,426)	(139,196)	E	347,880	328,689
Segment liabilities	230,072	202,352	67,969	71,095	25,918	32,126	41,055	37,775	84,614	78,355	(230,633)	(214,231)	F	218,995	207,472

* Consist of revenue from sale of land and completed properties.

37. Segment information (cont'd.)

A Inter-segment revenues are eliminated on consolidation.

B Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements:

	Note	2013 RM'000	2012 RM'000
Impairment loss on financial assets:			
- trade receivables	9	215	20
- other receivables	9	333	82
Write-off of property, plant and equipment	9	141	2
		689	104

C The following items are added to/(deducted from) segment profit to arrive at "Profit/(loss) before tax" presented in the consolidated statement of comprehensive income:

	2013 RM'000	2012 RM'000
Impairment loss on intercompany debts	4,624	1,892
Dividend income from a subsidiary	(648)	(385)
Reversal of impairment loss on amounts due from subsidiaries	(1,147)	(1,448)
Interest income from subsidiaries	(113)	(179)
	2,716	(120)

D Additions to non-current assets consist of:

	2013 RM'000	2012 RM'000
Investment properties	1,635	2,095
Property, plant and equipment	11,110	5,754
	12,745	7,849

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

	2013 RM'000	2012 RM'000
Deferred tax assets	-	457
Goodwill on consolidation	522	1,409
Inter-segment assets	(146,948)	(141,062)
	(146,426)	(139,196)

37. Segment information (cont'd.)

F The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2013 RM'000	2012 RM'000
Inter-segment liabilities	(230,633)	(214,231)

38. Material litigations

(a) Pembinaan Kota Laksamana (Melaka) Sdn Bhd & Anor. (v) DBhd & Anor.

The Company has on 18 September 2006 filed an application seeking damages for losses incurred due to the injunction taken out by PKL restraining the sale of Regency Hotel (now known as Selesa Beach Resort Port Dickson) to Puteri Hotels Sdn Bhd. On 29 June 2011, the Senior Assistant Registrar ("SAR") of the High Court awarded a sum of RM13 million to be paid to the Company with interest of 8% per annum from 30.9.2004 until date of full realization and the said decision was maintained by the High Court Judge. PKL has filed an appeal at the Court of Appeal and on 21 January 2014, the Court of Appeal allowed the appeal with costs. The Company has instructed its solicitors to file an application for leave to appeal at the Federal Court.

(b) Bungsar Hill Holdings Sdn Bhd (v) DBhd

BHH has filed an application for release of the compensation monies which have been deposited into Court and claimed for an interest accrued thereof. On 30 April 2013, the Court has allowed BHH's application in respect of release of the monies whereby the compensation monies to be released and paid solely and exclusively to BHH. On 8 October 2013, the Company's solicitors informed that the Court has allowed BHH's application for interest as follows:

i) Pre Judgment interest on the sum of RM6,856,597.50 from 8.7.2002 until 30.4.2013 at the rate of 8% per annum and Post Judgment interest on the sum of RM6,856,597.50 from 1.5.2013 until date of payment by the Company at the rate of 5% per annum.

ii) Pre Judgment interest on the sum of RM425,505.00 from 22.11.2007 until 30.4.2013 at the rate of 8% per annum and Post Judgment interest on the sum of RM425,505.00 from 1.5.2013 until date of payment by the Company at the rate of 5% per annum.

The above decision was made by the Senior Assistant Registrar of the High Court and the Company had filed an appeal against the said decision to the Judge in Chambers. The said appeal has been fixed for case management on 25 February 2014. The hearing date for the appeal has not been fixed.

(c) Bungsar Hill Holdings Sdn Bhd & Anor. (v) DBhd

BHH has filed a suit against the Company claiming for unpaid Quit Rent and Assessment of RM2.7 million under the Property Development Agreement. On 14 September 2011, the Court recorded judgement whereby the Company is obligated to pay the quit rent and assessment, the amount of which is to be assessed by the Court. The matter has been fixed for hearing on 27 March 2014.

(d) DBhd & Anor. (v) Ibsul Holdings Sdn Bhd

The Company and its subsidiary, TASB, had filed a summons against Ibsul Holdings Sdn. Bhd. ("IHSB") claiming a sum of RM3.6 million being the balance progress claim submitted to IHSB under the sub-contract for Jelutong project which was terminated in April 2006. On 18 July 2012, the Court has dismissed the Company's application for Summary Judgement with costs. The trial of the matter fixed has been fixed on 26 & 27 June 2014.

39. Prior year adjustment

The Group had made a measurement period adjustment retrospectively on its investment in Metro Parking (M) Sdn. Bhd., a subsidiary of the Company due to the revision of the consideration paid as a results of new information obtained about the facts and circumstances existed as of acquisition date which was available only after the acquisition date.

In accordance with MFRS 3-Business Combination, para 45, during the measurement period, the acquirer shall retrospectively adjust provisional amount recognised at the acquisition date to reflect new information obtain about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amount recognised as of that date. During the measurement period, the acquirer shall also recognise additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period is effective up to twelve months from acquisition date.

The impact of the measurement period adjustment is shown at below:

	2012 As Previously stated RM'000	Adjustment RM'000	2012 As restated RM'000
Group			
Trade and other receivables	57,840	1,956	59,796
Merger deficit	(20,524)	1,956	(18,568)
Company			
Trade and other receivables	61,653	1,956	63,609
Investment in subsidiary	29,290	(1,956)	27,334

40. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2013 were authorised for issue in accordance with a resolution of the directors on 13 March 2014.

41. Supplementary information - breakdown of accumulated losses into realised and unrealised

The breakdown of the accumulated losses of the Group and of the Company as at 31 December 2013 and 2012 into realised and unrealised profits/(losses) 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 Listing Requirements of Bursa Malaysia Securities Berhad, as issued by the Malaysian Institute of Accountants.

	Group RM'000	Company RM'000
At 31 December 2013		
Total accumulated losses of the Company and its subsidiaries		
- Realised	178,272	(95,620)
- Unrealised	(139)	-
	178,133	(95,620)
Less: Consolidation adjustments	(187,986)	-
Accumulated losses as per financial statements	(9,853)	(95,620)
At 31 December 2012		
Total accumulated losses of the Company and its subsidiaries		
- Realised	143,141	(98,664)
- Unrealised	(714)	-
	142,427	(98,664)
Less: Consolidation adjustments	(161,615)	-
Accumulated losses as per financial statements	(19,188)	(98,664)

LIST OF PROPERTIES HELD BY THE GROUP
As at 31 December 2013

Title / Location Particulars	Tenure	Area	Description	Age of Building	Net Book Value RM'000	Date of Valuation
Lot Nos. 17423, 17424, 17427, 17431, 17434, 17439, Mukim Sungai Karang, Kuantan, Pahang. Lot Nos. 5995, 5997, 5998 Mukim Beserah, Kuantan, Pahang	Freehold	504.29 Acres	Nine (9) parcels of agricultural land with development potential	n/a	39,152	31 December 2013
Lot Nos. 2389 to 2402, Mukim of Beserah, Kuantan, Pahang	Freehold	0.56 Acres	Fourteen (14) parcels of vacant subdivided commercial terraced shop/office plot			
Lot Nos. 4139 to 4160 and 4162 to 4188, Mukim of Beserah, Kuantan, Pahang	Freehold	2.63 Acres	Fourty-nine (49) parcels of subdivided residential terrace / semi-detached plot			
Lot Nos. 2189 and 2190, Mukim of Beserah, Kuantan, Pahang	Freehold	0.27 Acres	Two (2) parcels of vacant subdivided residential semi-detached plot			
Lot No. 2388, Mukim of Beserah, Kuantan, Pahang	Freehold	1.013 Acres	A parcel of commercial land designated for petrol station use			
Levels 14 & 15, Menara Safuan, No. 80, Jalan Ampang, Kuala Lumpur.	Freehold	10,244 sq. ft	Office Building	16 years	3,269	31 December 2013
Lot 60233, Title No. Geran 74590, Mukim and District of Petaling, Selangor.	Freehold	1,300 sq. ft	Shop office	14 years	155	31 December 2013

Title / Location Particulars	Tenure	Area	Description	Age of Building	Net Book Value RM'000	Date of Valuation
Lot 9342 (Geran no. 12046) Town of Ipoh, District of Kinta, Perak	Freehold	3,230 sq. ft	2 units Condominium	6 years	631	31 December 2013
Lot Nos. PT 235923, Title Nos. H.S (D) 192937, Le Greene, Taman Perpaduan Koperasi, 31150 Tambun, Ipoh, Perak.	Leasehold 99 years (Expiring August 2109)	2,604 sq. ft	1 units of Single storey mid terraced house	4 years	199	31 December 2013
Lot Nos. PT 235674, PT 235675, PT 235678, PT 235679, Title Nos. H.S (D) 192134, H.S (D) 192135, H.S (D) 192138, H.S (D) 192139, All located within Le Greene, Taman Perpaduan Koperasi, 31150 Tambun, Ipoh, Perak.	Leasehold 99 years (Expiring June 2109)	5,596 sq. ft	4 units of Double storey mid terraced house	3 years	1,611	31 December 2013

The above properties are valued at cost. These properties will be revalued at recoverable amount if there is any significant impairment.

SHAREHOLDINGS STATISTICS
As at 8 May 2014

Authorised Share Capital : RM1,000,000,000
Issued & Fully Paid-Up Capital : 309,371,260 Ordinary Shares of RM0.50 each fully paid = RM154,685,630
Class of Shares : Ordinary Share of RM0.50 each

Breakdown of Shareholdings

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	1,062	2.77	41,125	0.01
100 – 1000	23,933	62.51	13,444,351	4.35
1,001 – 10,000	12,165	31.77	34,392,208	11.12
10,001 – 100,000	1,022	2.67	27,623,087	8.93
100,001 to less than 5% of Issued Capital	105	0.27	46,006,157	14.87
5% and above of Issued Capital	2	0.01	187,864,332	60.72
TOTAL	38,289	100.00	309,371,260	100.00

Top Thirty Securities Account Holders
(Without aggregating the securities from different securities accounts belonging to the same depositor)

	Name	No. of Shares	%
1	Kenanga Noms (T) Sdn Bhd - A/C AmanahRaya Trustees Berhad for Seaview Holdings Sdn Bhd	157,780,000	51.00
2	Sindora Berhad	30,084,332	9.72
3	Johor Corporation	10,679,926	3.45
4	Kulim (Malaysia) Berhad	3,200,000	1.03
5	Tay Hock Tiam	1,205,000	0.39
6	Tay Hock Tiam	1,195,025	0.39
7	Kenanga Noms (T) Sdn Bhd - A/C Khaled bin Mohamad Aroff	1,180,000	0.38
8	Maybank Noms (T) Sdn Bhd - A/C Chow Ah Kau	1,100,000	0.36
9	Maybank Noms (T) Sdn Bhd - A/C Harun bin Kassim	1,040,900	0.34
10	AIBB Noms (T) Sdn Bhd - A/C Kuak Juan Chee	1,000,000	0.32
11	Leung Kit Man	999,168	0.32
12	Tee See Kim	870,000	0.28
13	Kenanga Noms (T) Sdn Bhd - A/C Muhamad Hapiz bin Othman	869,200	0.28
14	UOB Kay Hian Noms (A) Sdn Bhd - A/C Exempt An For UOB Kay Hian Pte Ltd (A/C Clients)	824,280	0.27

Top Thirty Securities Account Holders
(Without aggregating the securities from different securities accounts belonging to the same depositor)

	Name	No. of Shares	%
15	Toh Boon Heng	788,400	0.25
16	Rashid bin Sihes	603,000	0.19
17	Lau Teck Poh	594,000	0.19
18	Alfaizan bin Ahmad	543,400	0.18
19	Sam Fong @ Chan Sam Fong	506,500	0.16
20	Kuak Juan Chee	500,000	0.16
21	SJ Sec Noms (T) Sdn Bhd - A/C Madzlan bin Jamaluddin (SMT)	420,200	0.14
22	Amizan bin A.Bakar Sidek	400,000	0.13
23	Tay Lay Thoh	394,500	0.13
24	Tee See Kim	385,000	0.12
25	Rashid bin Sihes	375,200	0.12
26	Soon Ah Seng	372,800	0.12
27	Public Noms (T) Sdn Bhd - A/C Tee See Kim (E-Tsa)	350,000	0.11
28	Abdul Rahman bin Abu Bakar	350,000	0.11
29	Maybank Noms (T) Sdn Bhd - A/C Mohd Noor bin Abdul Salam	336,000	0.11
30	Bimsec Noms (T) Sdn Bhd - A/C Zainal Rashid bin Mokhtar (M16002)	335,600	0.11

Substantial Shareholders

		Direct		Indirect	
	Name	No. of Shares	%	No. of Shares	%
1	Kenanga Noms (T) Sdn Bhd - A/C AmanahRaya Trustees Berhad for Seaview Holdings Sdn Bhd	157,780,000	51.00	-	-
2	Sindora Berhad	30,084,332	9.72	-	-

Analysis of Shareholders

		No. of Shareholders	%	No. of Shares	%
Malaysian	- Bumiputra	18,341	47.90	240,654,131	77.79
	- Others	19,569	51.11	63,942,210	20.67
Foreigners		379	0.99	4,774,919	1.54
TOTAL		**38,289**	**100.00**	**309,371,260**	**100.00**

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DAMANSARA
REALTY BERHAD
4030-D

PROXY FORM

*I/We ....

(BLOCK LETTERS)

of ....

....

being *a member/members of DAMANSARA REALTY BERHAD hereby appoint the *Chairman of the Meeting or

....

of ....

....

as *my/our Proxy to vote for *me/us and on *my/our behalf at the 52nd Annual General Meeting of the Company to be held on Thursday, 26 June 2014 at 12.00 noon or at any adjournment thereof.

Should you desire to direct your Proxy how to vote on the Resolutions set out in the Notice of Meeting and as summarised below, please indicate with an "X" in the appropriate space. If no specific direction as to voting is given, the Proxy will vote or abstain at his/her discretion.

RESOLUTION		FOR	AGAINST
1	To receive and adopt the Report and the Audited Financial Statements for the financial year ended 31 December 2013		
2	To re-elect Wan Azman bin Ismail (Article 81)		
3	To re-elect Leung Kok Keong (Article 81)		
4	To re-elect Yusof bin Rahmat (Article 81)		
5	To re-elect YB Dato' Daing A Malek bin Daing A Rahaman (Article 87)		
6	To re-elect Syed Omar bin Syed Mohamed (Article 87)		
7	To re-appoint YBhg Datuk Yahya bin Ya'acob pursuant to Section 129(6) of the Companies Act, 1965		
8	To approve payment of directors' fees		
9	To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration		
10	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		
11	Authority To Issue Shares Pursuant To Section 132D Of The Companies Act, 1965		
 12 13	Continue to act as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2012: - YBhg Datuk Yahya bin Ya'acob - Zainah binti Mustafa		

Number of Shares	

Signed this .... day of......................... 2014

....
Signature of Member(s)

Notes: -

1. *A member entitled to attend and vote at this meeting is entitled to appoint a proxy and vote instead of him. A proxy may but need not be a member of the Company.*
2. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation/company either under its common seal or under the hand of its attorney duly authorised.*
3. *If a member appoints two proxies to attend at the same meeting, the instrument of proxy must specify the proportion of his shareholdings to be represented by each proxy.*
4. *The instrument appointing a proxy must be deposited at the Registered Office of the Company, at Suite 18, Lot 1B,Podium 1 , Menara Ansar, 65 Jalan Trus, 80000 Johor Bahru, Johor, not less than 48 hours before the time appointed for holding the meeting or at any adjournment thereof.*

Affix
Stamp

DAMANSARA REALTY BERHAD (4030-D)
Suite 18, Lot 1B, Podium 1
Menara Ansar
65, Jalan Trus
80000 Johor Bahru, Johor

Suite 18, Lot 1B, Podium 1
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