



Financial Statements

68	Directors' Report
73	Statement by Directors
73	Statutory Declaration
74	Independent Auditors' Report
76	Statements of Financial Position
78	Statements of Comprehensive Income
79	Statements of Changes in Equity
82	Consolidated Statements of Cash Flows
85	Company Statement of Cash Flows
87	Notes to the Financial Statements

Directors' Report

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2010.

Principal Activities

The principal activities of the Company are management and investment holding. The principal activities of the subsidiary companies and associated companies are disclosed in Notes 49 and 50 to the financial statements.

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

Financial Results

	Group RM	Company RM
Profit before taxation	27,001,389	371,783
Taxation	(913,468)	(1,305,673)
Net profit/(loss) for the financial year	<u>26,087,921</u>	<u>(933,890)</u>
Attributable to:		
Equity holders of the parent	16,511,583	(933,890)
Non-controlling interest	9,576,338	-
	<u>26,087,921</u>	<u>(933,890)</u>

In the opinion of the Directors, the results of the operations of the Group and of the Company for the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

Dividend

No dividend has been paid or declared by the Company since the end of previous financial year.

The Board of Directors does not recommend any dividend in respect of the financial year under review.

Options Granted Over Unissued Shares

No options were granted to any person to take up unissued shares of the Company during the financial year under review, except for the LBS Bina Group Berhad Employee Share Option Scheme.

Reserves and Provisions

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

Issue of Shares and Debentures

There were no issues of shares or debentures during the financial year under review.

Warrant Reserves

The Warrants 2008/2018 were constituted under the Deed Poll dated 30 April 2008.

As at 31 December 2010, the total numbers of Warrants that remain unexercised were 154,076,578 (2009: 154,076,578).

Employee Share Option Scheme

LBS Bina Group Berhad Employee Share Option Scheme ("ESOS") was approved by shareholders at the Extraordinary General Meeting ("EGM") on 24 June 2002 and became effective on 16 September 2002 for a period of 5 years, and lapsed on 15 September 2007. Pursuant to the Board's approval on 28 May 2007, the tenure of the ESOS has been extended for a further 5 years, expiring on 15 September 2012.

The ESOS Bye-Laws were amended and approved by the shareholders at the EGM on 29 June 2005 to include the participation of Non-Executive Directors of the Company and to increase the maximum number of new ordinary shares available under the ESOS from ten percent (10%) to fifteen percent (15%) of the total issued and paid-up capital of the Company.

The salient features and other terms of the ESOS are disclosed in Note 38 to the financial statements.

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the names of option holders, other than Directors, who have been granted options to subscribe for less than 100,000 ordinary shares of RM1.00 each.

The movement of options over unissued shares of the Company granted under the ESOS during the financial year are disclosed in the Note 38 to the financial statements.

The list of employee granted option to subscribe for more than 100,000 ordinary shares of RM1.00 each during the financial year are as follows:

	No. of options over ordinary shares granted	
	Sixteenth Grant	Seventeenth Grant
Cheah Kah Foo	400,000	160,000
Tan Seng Teong	200,000	160,000
Wong Kok Ching	370,000	-
Lim Kim Hoe	107,000	-
Wong Kok Huei	482,500	-
Chau Chee San	250,000	-
Chong Siew Pheng	-	120,000
Lim Lit Chek	-	200,000
Wong Tack Leong	-	100,000

Details of the options granted to Directors are disclosed in the section of Directors' interests in this report.

Directors

The Directors of the Company who served since the date of the last report are as follows:

Dato' Seri Lim Bock Seng, S.S.S.A., D.P.M.S., A.M.N.

Dato' Kamaruddin bin Abdul Ghani, D.I.M.P., S.M.P., A.M.N.

Dato' Lim Hock San, D.S.S.A., J.P.

Datuk Lim Hock Guan, D.M.S.M., P.J.K., J.P.

Dato' Lim Hock Sing, D.I.M.P., J.P.

Datuk Lim Hock Seong, D.M.S.M.

Chia Lok Yuen

Lim Mooi Pang

Tan Sri Dato' Seri (DR) Haji Abu Hassan bin Haji Omar, P.S.M., S.P.M.S., S.M.T., P.I.S., F.C.I.L.T., F.M.I.P.

Maj. Jen. (B) Dato' Mohamed Isa bin Che Kak, J.S.D., K.M.N., P.P.T., S.M.P., D.S.D.K., J.M.N., D.P.T.S, P.S.A.T.

Dato' Wong Woon Yow, D.S.S.A.

Mohd Fazil bin Shafie

Kong Sau Kian

Directors' Report

Directors' Interests

Details of holdings and deemed interests in the share capital, options, warrants over the shares and debentures of the Company or its related corporations by the Directors in office at the end of the financial year, according to the register required to be kept under Section 134 of the Companies Act, 1965, were as follows:

	No. of ordinary shares of RM1.00 each			
	At 1.1.2010	Acquired	Disposed	At 31.12.2010
LBS Bina Group Berhad				
Direct interest				
Dato' Seri Lim Bock Seng	350,000	-	-	350,000
Dato' Lim Hock San	1,200,000	110,000	-	1,310,000
Maj. Jen. (B) Dato' Mohamed Isa bin Che Kak	24,084	40,000	9,800	54,284
Dato' Wong Woon Yow	50,000	-	-	50,000
Chia Lok Yuen	105,000	-	-	105,000
Mohd Fazil bin Shafie	2,000,000	-	-	2,000,000
Lim Mooi Pang	392,900	-	-	392,900
Datuk Lim Hock Seong	-	164,500	-	164,500

LBS Bina Group Berhad

Indirect interest

Dato' Seri Lim Bock Seng ¹	3,729,000	51,000	30,000	3,750,000
Dato' Lim Hock San ²	182,935,460	989,900	-	183,925,360
Datuk Lim Hock Guan ²	182,850,460	989,900	-	183,840,360
Dato' Lim Hock Sing ²	182,983,460	989,900	-	183,973,360
Datuk Lim Hock Seong ²	183,197,960	989,900	164,500	184,023,360
Tan Sri Dato' Seri (DR) Haji Abu Hassan bin Haji Omar ¹	548,000	-	-	548,000

No. of options over ordinary shares of RM1.00 each ("ESOS")

	At 1.1.2010	Granted	Exercised	At 31.12.2010
	LBS Bina Group Berhad			
Direct interest				
Dato' Seri Lim Bock Seng	1,000,000	-	-	1,000,000
Dato' Kamaruddin bin Abdul Ghani	1,000,000	-	-	1,000,000
Dato' Lim Hock San	2,000,000	-	-	2,000,000
Datuk Lim Hock Guan	1,800,000	-	-	1,800,000
Dato' Lim Hock Sing	1,800,000	-	-	1,800,000
Datuk Lim Hock Seong	1,800,000	-	-	1,800,000
Chia Lok Yuen	900,000	-	-	900,000
Tan Sri Dato' Seri (DR) Haji Abu Hassan bin Haji Omar	1,000,000	-	-	1,000,000
Maj. Jen. (B) Dato' Mohamed Isa bin Che Kak	1,000,000	-	-	1,000,000
Dato' Wong Woon Yow	1,000,000	-	-	1,000,000
Mohd Fazil bin Shafie	1,000,000	-	-	1,000,000
Kong Sau Kian	1,000,000	-	-	1,000,000
Lim Mooi Pang	1,300,000	-	-	1,300,000

	No. of Warrants 2008/2018 of RM0.10 each			
	At 1.1.2010	Acquired	Disposed	At 31.12.2010
LBS Bina Group Berhad				
Direct interest				
Dato' Seri Lim Bock Seng	140,000	-	-	140,000
Chia Lok Yuen	50,000	-	-	50,000
Dato' Wong Woon Yow	20,000	-	-	20,000
LBS Bina Group Berhad				
Indirect interest				
Dato' Seri Lim Bock Seng ¹	604,000	100,000	-	704,000
Dato' Lim Hock San ³	106,078,946	-	-	106,078,946
Datuk Lim Hock Guan ³	106,078,946	-	-	106,078,946
Dato' Lim Hock Sing ²	106,133,746	-	-	106,133,746
Datuk Lim Hock Seong ³	106,078,946	-	-	106,078,946

Note:

1 Deemed interests pursuant to Section 134(12)(c) of the Companies Act, 1965 in compliance with the Companies (Amendment) Act, 2007 by virtue of their spouse and/or child direct interests in the Company.

2 Deemed interests pursuant to Section 134(12)(c) of the Companies Act, 1965 in compliance with the Companies (Amendment) Act, 2007 by virtue of their spouse and/or child direct interests in the Company and Section 6A of the Companies Act, 1965 by virtue of their direct interests in Intelrich Sdn. Bhd.

3 Deemed interests pursuant to Section 6A of the Companies Act, 1965 by virtue of their direct interests in Intelrich Sdn. Bhd.

By virtue of their interests in the shares of the Company, Dato' Seri Lim Bock Seng, Dato' Lim Hock San, Maj. Jen. (B) Dato' Mohamed Isa bin Che Kak, Dato' Wong Woon Yow, Chia Lok Yuen, Mohd Fazil bin Shafie, Lim Mooi Pang and Datuk Lim Hock Seong are also deemed to have interests in the shares of all the subsidiary companies to the extent the Company has an interest.

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the 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.

Neither during nor at the end of the financial year, was the Company a party to any arrangement the object of which is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options granted under the LBS Bina Group Berhad ESOS.

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 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 value in the ordinary course of business were written down to an amount which they might be expected so to realise.

Directors' Report

- (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 allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent;
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading;
 - (iii) any amount stated in the financial statements of the Group and of the Company misleading; and
 - (iv) adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) In the opinion of the Directors:
- (i) No contingent or other liabilities have become enforceable, or are likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Company or its subsidiary companies to meet their obligations as and when they fall due; and
 - (ii) No item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for current financial year.
- (d) At the date of this report, there does not exist:
- (i) any charge on the assets of the Company and its subsidiary companies which have arisen since the end of the financial year to secure the liabilities of any other person; and
 - (ii) any contingent liability in respect of the Company and its subsidiary companies which have arisen since the end of the financial year.

Significant Events

The significant events are disclosed in Note 45 to the financial statements.

Subsequent Events

The subsequent events are disclosed in Note 46 to the financial statements.

Auditors

The auditors, UHY, have expressed their willingness to accept re-appointment.

Signed in accordance with a resolution of the Directors.

DATO' LIM HOCK SAN, D.S.S.A, J.P.

CHIA LOK YUEN

KUALA LUMPUR
28 April 2011

Statement by Directors

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

We, DATO' LIM HOCK SAN, D.S.S.A, J.P. and CHIA LOK YUEN, being two of the Directors of LBS BINA GROUP BERHAD, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 76 to 165 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2010 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out in Note 24 to the financial statements have been compiled in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the Directors.

DATO' LIM HOCK SAN, D.S.S.A, J.P.

CHIA LOK YUEN

KUALA LUMPUR
28 April 2011

Statutory Declaration

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

I, LIM MOOI PANG being the Director primarily responsible for the financial management of LBS BINA GROUP BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 76 to 165 are to the best of my knowledge and belief, 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 LIM MOOI PANG)
at KUALA LUMPUR in the Federal)
Territory this 28 April 2011)

LIM MOOI PANG

Before me,

COMMISSIONER FOR OATHS

W-543
Shaharudin B Mohd Ali
No. 12B, Jalan Wan Kadir 4
Taman Tun Dr. Ismail
6000, Kuala Lumpur

Independent Auditors' Report

to the Members of LBS Bina Group Berhad

(Company No. : 518482-H)

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of LBS Bina Group Berhad, which comprise the statements of financial position as at 31 December 2010 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 76 to 165.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimate 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 have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2010 and of their financial performance and cash flows for the financial year then ended.

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 subsidiary companies have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the accounts and the auditors' reports of all the subsidiary companies of which we have not acted as auditors, which are indicated in Note 49 to the financial statements.
- (c) We are satisfied that the accounts of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the accounts of the subsidiary companies did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Independent Auditors' Report

to the Members of LBS Bina Group Berhad

(Company No. : 518482-H)

(Incorporated in Malaysia)

Other Reporting Responsibilities

The supplementary information set out in Note 24 is solely disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysia 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.

UHY

Firm Number: AF 1411
Chartered Accountants

TEE GUAN PIAN

Approved Number: 1886/05/12 (J/PH)
Chartered Accountant

KUALA LUMPUR

28 April 2011

Statements of Financial Position

as at 31 December 2010

	Note	Group		Company	
		2010 RM	2009 RM	2010 RM	2009 RM
Assets					
Non-Current Assets					
Property, plant and equipment	3	208,475,410	234,293,031	-	-
Capital work-in-progress	4	4,269,087	2,294,653	-	-
Land and property development costs	5	483,325,222	404,113,949	-	-
Investment properties	6	5,200,029	4,996,954	-	-
Investment in subsidiary companies	7	-	-	393,466,349	198,130,351
Investment in associated companies	8	2,749,601	2,438,275	-	-
Trade receivables	9	26,620,000	26,620,000	-	-
Other receivables	10	21,643,440	24,111,360	-	-
Other investments	11	1,253,500	1,253,501	-	-
Goodwill on consolidation	12	126,634,316	90,125,101	-	-
		880,170,605	790,246,824	393,466,349	198,130,351
Current Assets					
Land and property development costs	5	104,314,365	121,784,537	-	-
Properties held for sale	13	1,091,593	1,091,593	-	-
Inventories	14	20,728,124	26,079,100	-	-
Trade receivables	9	127,598,735	143,034,545	-	-
Other receivables	10	84,410,902	109,249,167	10,422	10,252
Tax recoverable		3,163,254	2,025,281	2,152,542	657,214
Amount owing by subsidiary companies	16	-	-	82,348,038	253,211,731
Fixed deposits with licensed banks	17	4,049,214	51,477,802	1,530,000	1,486,878
Cash held under Housing Development Accounts	18	17,594,870	11,284,826	-	-
Cash and bank balances	19	41,306,852	14,306,697	3,148,158	118,273
		404,257,909	480,333,548	89,189,160	255,484,348
Total Assets		1,284,428,514	1,270,580,372	482,655,509	453,614,699
Equity and Liabilities					
Equity					
Share capital	21	386,552,557	386,552,557	386,552,557	386,552,557
Share premium	22	16,945,016	16,945,016	16,945,016	16,945,016
Other reserves	23	19,708,379	35,259,241	15,290,017	15,270,123
Retained profits/(Accumulated losses)	24	2,171,126	(14,623,409)	(127,667,791)	(126,733,901)
Equity attributable to equity holders					
of the parent		425,377,078	424,133,405	291,119,799	292,033,795
Non-controlling interest		106,934,994	102,286,231	-	-
Total Equity		532,312,072	526,419,636	291,119,799	292,033,795

Statements of Financial Position

as at 31 December 2010

	Note	Group		Company	
		2010 RM	2009 RM	2010 RM	2009 RM
Non-Current Liabilities					
Secured Serial Bonds	25	-	20,000,000	-	20,000,000
Islamic Securities	26	75,000,000	-	75,000,000	-
Bank borrowings	27	179,071,240	177,518,507	91,556,010	104,339,493
Trade payables	28	12,500,000	15,500,000	-	-
Other payables	29	36,071,538	-	-	-
Hire purchase payables	30	2,220,314	2,003,061	-	-
Deferred tax liabilities	31	78,565,468	83,681,947	-	-
		<u>383,428,560</u>	<u>298,703,515</u>	<u>166,556,010</u>	<u>124,339,493</u>
Current Liabilities					
Trade payables	28	146,001,529	149,511,132	-	-
Other payables	29	103,292,017	119,519,218	2,179,473	1,197,424
Bank overdrafts	32	50,827,214	77,935,460	10,915,162	12,192,037
Hire purchase payables	30	888,428	847,605	-	-
Secured Serial Bonds	25	-	15,000,000	-	15,000,000
Bank borrowings	27	34,408,584	37,914,085	10,392,898	643,273
Amount owing to subsidiary companies	16	-	-	1,492,167	8,208,677
Tax payable		33,270,110	44,729,721	-	-
		<u>368,687,882</u>	<u>445,457,221</u>	<u>24,979,700</u>	<u>37,241,411</u>
Total Liabilities		<u>752,116,442</u>	<u>744,160,736</u>	<u>191,535,710</u>	<u>161,580,904</u>
Total Equity and Liabilities		<u>1,284,428,514</u>	<u>1,270,580,372</u>	<u>482,655,509</u>	<u>453,614,699</u>

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

Statements of Comprehensive Income

for the financial year ended 31 December 2010

	Note	Group		Company	
		2010 RM	2009 RM	2010 RM	2009 RM
Revenue	33	340,911,832	198,476,345	11,120,000	4,620,000
Cost of sales		(243,094,861)	(144,483,060)	-	-
Gross profit		97,816,971	53,993,285	11,120,000	4,620,000
Other operating income		10,852,466	14,352,431	4,627,059	11,306,930
Reserve on consolidation		-	54,683	-	-
Operating expenses		(65,808,145)	(58,643,473)	(7,724,672)	(3,146,502)
Finance costs	34	(15,671,755)	(16,313,579)	(7,650,604)	(8,050,140)
Share of losses in associated companies		(188,148)	(1,689)	-	-
Profit/(Loss) before taxation	35	27,001,389	(6,558,342)	371,783	4,730,288
Taxation	36	(913,468)	(4,350,158)	(1,305,673)	(1,472,622)
Net profit/(loss) for the financial year		26,087,921	(10,908,500)	(933,890)	3,257,666
Other comprehensive income					
Foreign currency translation differences for foreign operation		(17,828,710)	(5,561,898)	-	-
Total comprehensive income for the financial year		8,259,211	(16,470,398)	(933,890)	3,257,666
Net profit/(loss) for the financial year attributable to:					
Equity holders of the parent		16,511,583	(17,181,624)	(933,890)	3,257,666
Non-controlling interest		9,576,338	6,273,124	-	-
		26,087,921	(10,908,500)	(933,890)	3,257,666
Total comprehensive income for the financial year attributable to:					
Equity holders of the parent		1,223,779	(14,776,147)	(933,890)	3,257,666
Non-controlling interest		7,035,432	(1,694,251)	-	-
		8,259,211	(16,470,398)	(933,890)	3,257,666
Earnings per share attributable to the equity holders of the parent (sen)					
Basic	37(a)	4.27	(4.45)		
Fully diluted	37(b)	4.27	(4.45)		

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

Statements of Changes in Equity

for the financial year ended 31 December 2010

Group	Attributable to Equity Holders of the Parent					Total RM	Non- Controlling Interest RM	Total Equity RM
	Non-distributable		ICULS - Equity Component RM	Other Reserves RM	(Accumulated Losses)/ Retained Profits RM			
	Share Capital RM	Share Premium RM						
At 1 January 2009	386,211,557	16,945,016	328,600	32,491,009	2,840,324	438,816,506	106,111,893	544,928,399
Total comprehensive income for the financial year	-	-	-	2,687,586	(17,463,733)	(14,776,147)	(1,694,251)	(16,470,398)
Share based payment	-	-	-	103,051	-	103,051	-	103,051
Warrant expenses	-	-	-	(22,405)	-	(22,405)	-	(22,405)
Issue of shares pursuant to ICULS	341,000	-	(341,000)	-	-	-	-	-
Reclassification of ICULS - equity component	-	-	12,400	-	-	12,400	-	12,400
Dividend paid/payable	-	-	-	-	-	-	(784,000)	(784,000)
Acquisition of additional interest from non-controlling interest	-	-	-	-	-	-	(1,322,961)	(1,322,961)
Disposal of investment in subsidiary company	-	-	-	-	-	-	(24,450)	(24,450)
At 31 December 2009	386,552,557	16,945,016	-	35,259,241	(14,623,409)	424,133,405	102,286,231	526,419,636

Statements of Changes in Equity

for the financial year ended 31 December 2010

Group	Attributable to Equity Holders of the Parent								
	Non-distributable					(Accumulated Losses)/ Retained Profits RM	Total RM	Non- Controlling Interest RM	Total Equity RM
	Share Capital RM	Share Premium RM	ICULS - Equity Component RM	Other Reserves RM					
At 1 January 2010	386,552,557	16,945,016	-	35,259,241	(14,623,409)	424,133,405	102,286,231	526,419,636	
Realisation of subsidiary company's reserve	-	-	-	(282,952)	282,952	-	-	-	
Share based payment	-	-	-	19,894	-	19,894	-	19,894	
Dividend paid/payable	-	-	-	-	-	-	(2,450,000)	(2,450,000)	
Acquisition of additional interest from non- controlling interest	-	-	-	-	-	-	63,331	63,331	
Total comprehensive income for the financial year	-	-	-	(15,287,804)	16,511,583	1,223,779	7,035,432	8,259,211	
At 31 December 2010	386,552,557	16,945,016	-	19,708,379	2,171,126	425,377,078	106,934,994	532,312,072	

Statements of Changes in Equity

for the financial year ended 31 December 2010

Company	Share Capital RM	Share Premium RM	Non-distributable			Accumulated Losses RM	Total RM
			ICULS - Equity Component RM	ESOS Reserve RM	Warrant Reserve RM		
At 1 January 2009	386,211,557	16,945,016	328,600	214,500	14,974,977	(129,991,567)	288,683,083
Issue of shares pursuant to ICULS	341,000	-	(341,000)	-	-	-	-
Reclassification of ICULS - equity component	-	-	12,400	-	-	-	12,400
Warrant expenses	-	-	-	-	(22,405)	-	(22,405)
Share based payment	-	-	-	103,051	-	-	103,051
Total comprehensive income for the financial year	-	-	-	-	-	3,257,666	3,257,666
At 31 December 2009	386,552,557	16,945,016	-	317,551	14,952,572	(126,733,901)	292,033,795
At 1 January 2010	386,552,557	16,945,016	-	317,551	14,952,572	(126,733,901)	292,033,795
Warrant expenses	-	-	-	-	-	-	-
Share based payment	-	-	-	19,894	-	-	19,894
Total comprehensive income for the financial year	-	-	-	-	-	(933,890)	(933,890)
At 31 December 2010	386,552,557	16,945,016	-	337,445	14,952,572	(127,667,791)	291,119,799

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

Consolidated Statements of Cash Flows

for the Financial Year ended 31 December 2010

	2010 RM	2009 RM
Cash Flows From Operating Activities		
Profit/(Loss) before taxation	27,001,389	(6,558,342)
Adjustments for:		
Bad debts written off	3,957,144	6,459,437
Deposit written off	145,665	-
Depreciation of investment properties	148,872	114,761
Depreciation of property, plant and equipment	13,135,087	13,933,317
Loss on disposal of other investments	1,417,799	-
Impairment on associate company	566	-
Impairment of goodwill arising on consolidation	4,964,464	1,035,367
Impairment on foreseeable loss on construction contract	46,035	-
Impairment on property, plant and equipment	6,053	-
Impairment on trade and other receivables	1,416,749	318,871
Interest expense	15,671,755	16,313,579
Loss/(Gain) on disposal of property, plant and equipment	135,920	(233,370)
(Gain)/Loss on disposal of investment properties	(8,347)	13,872
Prepayment written off	3,706	-
Property, plant and equipment written off	119,085	35,524
Share of losses in associated companies	188,148	1,689
Share-based payment	19,894	103,051
Gain on disposal of a subsidiary company	(8,228)	(37,632)
Interest income	(1,100,062)	(1,754,610)
Reserve on consolidation	-	(54,683)
Reversal of contingency sum provided in prior years	(12,985,893)	-
Reversal of impairment on foreseeable loss written back	-	(242,522)
Reversal of impairment on other investments	(1,417,799)	-
Reversal of impairment on trade and other receivables	(4,056,964)	(6,189,965)
Unrealised gain on foreign exchange	(64,821)	(954,611)
Waiver of interest	-	(2,969,000)
Operating profit before working capital changes	48,736,217	19,334,733

Consolidated Statements of Cash Flows

for the Financial Year ended 31 December 2010

	Note	2010 RM	2009 RM
Decrease/(Increase) in working capital			
Inventories		5,301,731	9,586,940
Land and property development costs		8,859,361	35,523,396
Trade receivables		15,099,445	5,485,862
Other receivables		3,139,202	(33,223,940)
Trade payables		(7,044,002)	(36,195,785)
Other payables		(5,857,014)	(26,069,334)
Amount owing by associated companies		14,510	(150)
Foreign exchange reserve		(5,701,813)	6,698,465
		13,811,420	(38,194,546)
Cash generated from/(used in) operations		62,547,637	(18,859,813)
Interest received		1,100,062	1,754,610
Interest paid		(22,853,485)	(19,987,099)
Tax paid		(16,011,075)	(5,572,548)
Tax refund		-	92,352
		(37,764,498)	(23,712,685)
Net cash generated from/(used in) operating activities		24,783,139	(42,572,498)
Cash Flows From Investing Activities			
Additional investment in subsidiary companies		-	(1,268,279)
Acquisition of associate company		(500,000)	-
Proceeds from disposal of investment properties		134,000	518,000
Proceeds from disposal of property, plant and equipment		534,254	483,685
Proceed from disposal of other investment		1	-
Proceed from acquisition of associated company		-	22,853
Net cash (inflow)/outflow of a subsidiary company	7(c)	(38)	14,090
Net cash outflow from acquisition of a subsidiary company	7(b)	(41,818,220)	-
Capital work-in-progress incurred	4	(2,234,591)	(1,642,044)
Purchase of investment property		(477,600)	-
Purchase of property, plant and equipment	3	(2,178,617)	(2,347,420)
Net cash used in investing activities		(46,540,811)	(4,219,115)

Consolidated Statements of Cash Flows

for the Financial Year ended 31 December 2010

	2010 RM	2009 RM
Cash Flows From Financing Activities		
Increase/(Decrease) in fixed deposit pledged	15,568,599	(4,421,392)
Increase in cash and bank balances pledged	(31,340,874)	(774,179)
Drawdown of bank borrowings	86,029,684	137,098,257
Repayment of bank borrowings	(84,594,411)	(120,565,983)
Repayment of hire purchase payables	(1,072,604)	(775,467)
Release of money in sinking funds account	1,036,422	-
Proceeds from issuance of Islamic Securities	75,000,000	-
Redemption of Secured Serial Bonds	(35,000,000)	(15,000,000)
Dividend paid	(2,450,000)	(392,000)
Decreased in warrants reserves	-	(22,405)
Net cash generated from/(used in) financing activities	23,176,816	(4,853,169)
Net increase/(decrease) in cash and cash equivalents	1,419,144	(51,644,782)
Effect of exchange rate changes	(3,165,140)	(1,075,824)
Cash and cash equivalents at beginning of the financial year	(21,179,579)	31,508,084
Transfer from Debt Service Reserve Accounts	-	32,943
Cash and cash equivalents at end of the financial year	(22,925,575)	(21,179,579)
Cash and cash equivalents at end of the financial year comprise:		
Fixed deposits with licensed banks	4,049,214	51,477,802
Cash held under Housing Development Accounts	17,594,870	11,284,826
Cash and bank balances	41,306,852	14,306,697
Bank overdrafts	(50,827,214)	(77,935,460)
	12,123,722	(866,135)
Less: Fixed deposits pledged with licensed banks	(3,708,423)	(19,277,022)
Cash and bank balances pledged	(31,340,874)	(1,036,422)
	(22,925,575)	(21,179,579)

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

Company Statement Of Cash Flows

for the Financial Year ended 31 December 2010

	2010 RM	2009 RM
Cash Flows From Operating Activities		
Profit before taxation	371,783	4,730,288
Adjustments for:		
Impairment for investment in subsidiary companies	-	92,119
Interest expense	7,650,604	8,050,140
Share-based payment	19,894	103,051
Unrealised loss on foreign exchange	3,819,449	745,738
Interest income	(4,626,835)	(11,135,857)
Dividend income	(11,000,000)	(4,500,000)
Operating loss before working capital changes	(3,765,105)	(1,914,521)
(Increase)/Decrease in working capital		
Other receivables	(170)	-
Other payables	982,048	(660,415)
Amount owing to/by subsidiary companies	168,577,734	(63,554,087)
	169,559,612	(64,214,502)
Cash generated from/(used in) operations	165,794,507	(66,129,023)
Interest received	4,626,835	11,135,857
Interest paid	(7,650,604)	(8,050,140)
Dividend received	-	3,375,000
Tax paid	(51,000)	-
	(3,074,769)	6,460,717
Net cash generated from/(used in) operating activities	162,719,738	(59,668,306)
Cash Flows From Investing Activity		
Investment in subsidiary company	(195,335,998)	(3,724)
Net cash used in investing activity	(195,335,998)	(3,724)
Cash Flows From Financing Activities		
(Increase)/Decrease in fixed deposit pledged	(43,122)	345,518
Increase in cash and bank balances pledged	(3,130,548)	-
Decreased in warrants reserves	-	(22,405)
Drawdown of bank borrowings	-	74,339,589
Proceeds from issuance of Islamic Securities	75,000,000	-
Repayment of bank borrowings	(38,033,858)	(14,356,727)
Net cash generated from financing activities	33,792,472	60,305,975

Company Statement of Cash Flows

for the Financial Year ended 31 December 2010

	2010	2009
	RM	RM
Net increase in cash and cash equivalents	1,176,212	633,945
Cash and cash equivalents at beginning of the financial year	(12,073,764)	(12,740,652)
Transfer to Debt Service Reserve Accounts	-	32,943
Cash and cash equivalents at end of the financial year	<u>(10,897,552)</u>	<u>(12,073,764)</u>
Cash and cash equivalents at end of the financial year comprise:		
Fixed deposits with licensed banks	1,530,000	1,486,878
Cash and bank balances	3,148,158	118,273
Bank overdrafts	(10,915,162)	(12,192,037)
	<u>(6,237,004)</u>	<u>(10,586,886)</u>
Less: Fixed deposits pledged with licensed banks	(1,530,000)	(1,486,878)
Cash and bank balances pledged	(3,130,548)	-
	<u>(10,897,552)</u>	<u>(12,073,764)</u>

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

Notes to the Financial Statements

1. Corporate Information

The principal activities of the Company are management and investment holding. The principal activities of the subsidiary companies and associated companies are disclosed in Notes 49 and 50 to the financial statements.

The Company is a public limited liability company, incorporated in Malaysia under the Companies Act, 1965 and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office and principal place of business of the Company is located at Plaza Seri Setia, Level 1 - 4, No. 1, Jalan SS9/2, 47300 Petaling Jaya, Selangor Darul Ehsan.

2. Basis of Preparation and Significant Accounting Policies

(a) Basis of accounting

The financial statements of the Group and of the Company have been prepared on the historical cost basis except as disclosed in the notes to the financial statements and in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia.

During the financial year, the Group and of the Company have adopted the following applicable new Financial Reporting Standards ("FRSs") , revised FRSs, Issues Committee ("IC") Interpretations, amendments to FRSs and IC Interpretations, issued by the Malaysian Accounting Standards Board that are mandatory for current financial year:

FRS 8	Operating Segments
FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 2	Share-based Payment-Vesting Conditions and Cancellations
Amendments to FRS 117	Leases
Amendments to FRS 132	Financial Instruments: Presentation
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 - The Limit on a defined Benefit Asset, Minimum Funding Requirement and their Interaction

Amendments to FRS1, First-time Adoption Financial Reporting Standards and FRS 127, Consolidated and Separate Financial Statements - Cost of an investment in a subsidiary, Jointly Controlled Entity or Associate

Amendments to FRS 139, Financial Instruments: Recognition and Measurement, FRS 7, Financial Instruments: Disclosures and IC Interpretation 9, Reassessment of Embedded Derivatives

Amendments to FRSs contained in the document entitled "Improvements to FRSs (2009)"

The revised FRS are either not applicable to the Group and of the Company or the adoptions did not result in significant changes in accounting policies of the Group and of the Company and did not have significant impact on the Group and of the Company.

Notes to the Financial Statements

2. Basis of Preparation and Significant Accounting Policies (Cont'd)

(a) Basis of accounting (Cont'd)

The Group and the Company have not adopted earlier the following new FRSs, revised FRSs, Issues Committee (“IC”) Interpretations, amendments to FRSs and IC Interpretations, which have been issued as at the date of authorisation of these financial statements and will be effective for the financial year as stated below:

		Effective date for financial periods beginning on or after
Amendments to FRS 132	Financial Instruments: Presentation	1 March 2010
FRS 1	First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3	Business Combinations	1 July 2010
FRS 127	Consolidated & Separate Financial Statements	1 July 2010
Amendments to FRS 2	Share-based Payment	1 July 2010
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 138	Intangible Assets	1 July 2010
IC Interpretation 12	Service Concession Arrangements	1 July 2010
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17	Distributions of Non-cash Assets to Owners	1 July 2010
Amendments to IC Interpretation 9 Reassessment of	Embedded Derivatives	1 July 2010
Amendment to FRS 1	Limited Exemption from Comparative FRS7 Disclosure for First-time Adopters	1 January 2011
Amendment to FRS 7	Improving Disclosures about Financial Instruments	1 January 2011
IC Interpretation 4	Determining whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 18	Transfers of Assets from Customers	1 January 2011
Amendments to FRSs contained in the documents entitled “Improvements to FRSs (2010)”		1 January 2011
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14	Prepayment of a Minimum Funding Requirement	1 July 2011
IC Interpretation 15	Agreements for Construction of Real Estate	1 January 2012
FRS 124	Related Party Disclosures	1 January 2012

2. Basis of Preparation and Significant Accounting Policies (Cont'd)

(a) Basis of accounting (Cont'd)

The initial applications of the above applicable new FRSs, revised FRSs, IC Interpretations, amendments to FRSs and IC Interpretations is not expected to have any material impact on the financial statements of the Group and the Company, except as discussed below:

(i) FRS 7 Financial Instruments: Disclosures

This new standard requires disclosures in financial statements that enable users to evaluate the significance of financial instruments for the entity's financial position and performance, and the nature and extent of risks arising from financial instruments to which an entity is exposed and how these risks are managed. This standard requires both qualitative disclosures describing management's objectives, policies and processes for managing those risks, and quantitative disclosures providing information about the extent to which an entity is exposed to risk, based on information provided internally to the entity's key management personnel.

(ii) FRS 123 Borrowing Costs

This new standard removes the option of immediately recognising as an expense borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. However, capitalisation of borrowing costs is not required for assets measured at fair value, and inventories that are manufactured or produced in large quantities on a repetitive basis, even if they take a substantial period of time to get ready for use or sale.

(iii) FRS 139 Financial Instruments: Recognition and Measurement

This new standard establishes the principles for the recognition, derecognition and measurement of an entity's financial instruments and for hedge accounting. The impact of applying FRS 139 on the financial statements upon first adoption of this standard as required by paragraph 30(b) of FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors is not required to be disclosed by virtue of exemptions provided under paragraph 103AB of FRS 139.

(iv) Amendments to FRS 117: Leases

Amendments to FRS 117 sets out the new requirement where leasehold land which is in substance a finance lease will be reclassified to property, plant and equipment. The Group has reassessed and determined that all leasehold land of the Group are in substance finance leases and accordingly, has reclassified the leasehold land to property, plant and equipment. The change in accounting policy has been made retrospectively in accordance with the transitional provisions of the amendment.

The reclassification does not affect the basic and diluted earnings per ordinary share for the current and prior periods.

The following comparative figures have been restated following the adoption of the amendments to FRS 117:

	As at 31 December 2009	
	As restated	As previously stated
	RM	RM
Carrying amount		
Property, plant and equipment	234,293,031	79,773,424
Prepaid land lease payments	-	154,519,607
	234,293,031	234,292,831

The Group and the Company have applied the transitional provisions in FRS 7 and FRS 139 which exempt entities from disclosing the possible impact arising from initial application of the respective standards on the financial statements of the Group and the Company.

Notes to the Financial Statements

2. Basis of Preparation and Significant Accounting Policies (Cont'd)

(b) 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.

(c) Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on historical experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation or uncertainty at the statements of financial position 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 set out below:

(i) Depreciation of property, plant and equipment

The costs of property, plant and equipment of the Group are depreciated on a straight-line basis over the useful lives of the assets. Management estimates the useful lives of the property, plant and equipment to be within 5 to 50 years as stated in Note 2(i)(iv). These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could have impact on the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of the Group's property, plant and equipment as at 31 December 2010 is disclosed in Note 3 to the financial statements.

(ii) Depreciation of investment properties

The costs of investment properties of the Group are depreciated on a straight-line basis over the useful lives of the assets. Management estimates the useful lives of the investment properties as stated in Note 2(i). These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could have impact on the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of the Group's investment properties as at 31 December 2010 is disclosed in Note 6 to the financial statements.

(iii) Property development costs

The Group recognises property development revenue and expenses in the statements of comprehensive income by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred, for work performed to date bear to the estimated total property development costs. Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists. The carrying amount of the Group's property development costs as at 31 December 2010 is disclosed in Note 5 to the financial statements.

(iv) Impairment of investment in subsidiary companies

The carrying values of investment in subsidiary companies and the related goodwill are reviewed for impairment. In the determination of the value in use of the investment, the Company is required to estimate the expected cash flows to be generated by the subsidiary companies and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Company's investment in subsidiary companies as at 31 December 2010 is disclosed in Note 7 to the financial statements.

2. Basis of Preparation and Significant Accounting Policies (Cont'd)

(c) Significant accounting estimates and judgements (Cont'd)

(v) Impairment of investment in associated companies

The carrying values of investments in associated companies and the related goodwill are reviewed for impairment in accordance with FRS 128, Investments in Associates.

In the determination of the value in use of the investment, the Group is required to estimate the expected cash flows to be generated by the associated company and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Group's investment in associated companies as at 31 December 2010 is disclosed in Note 8 to the financial statements.

(vi) Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial assets is impaired. To determine whether there is objective evidence of impairment, the Group and the Company considers factors such as the probability of 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 the Company's loans and receivables as at 31 December 2010 is disclosed in Notes 9 and 10 to the financial statements.

(vii) Impairment of goodwill on consolidation

The Group determines whether goodwill is impaired at least on an annual basis, in accordance with the accounting policy stated in Note 2(u). This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Group's goodwill on consolidation as at 31 December 2010 is disclosed in Note 12 to the financial statements.

(viii) Estimation of fair value of properties

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

- (i) current prices in an active market for properties of a different nature, condition or location, adjusted to reflect those differences; or
- (ii) recent prices of similar properties based on less active market, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices.

(ix) Construction costs

The Group recognises construction revenue and expenses in the statements of comprehensive income by using the stage of completion method. The stage of completion is determined by the proportion that construction costs incurred for work performed to date bear to the estimated total construction costs. Significant judgement is required in determining the stage of completion, the extent of the construction costs incurred the estimated total construction revenue and costs, as well as the recoverability of the construction projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists. The carrying amount of the Group's construction costs as at 31 December 2010 is disclosed in Note 15 to the financial statements.

Notes to the Financial Statements

2. Basis of Preparation and Significant Accounting Policies (Cont'd)

(c) Significant accounting estimates and judgements (Cont'd)

(x) Income taxes

The Group has exposure to income taxes in a number of jurisdictions. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgement is involved especially in determining tax base allowances and deductibility of certain expenses in determining the Group-wide provision for income taxes. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will have impact on the income tax and deferred tax provisions in the period in which such determination is made.

(xi) Employees' Share Option Scheme

The fair value of share options granted during the financial year was estimated by the management using the Black-Scholes-Merton model, taking into accounts the terms and conditions upon which the options were granted. The fair value of share options was measured at Grant Date. The principal assumption used in the fair value estimation is disclosed in Note 38 to the financial statements.

(d) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies and its associate companies through equity accounting, which are made up to the end of the financial year.

In the Company's separate financial statements, investments in subsidiary companies and investment in associate companies are stated at cost less impairment losses in accordance with Note 2(u). On disposal of these investments, the difference between the net disposal proceeds and the carrying amount is recognised in the statements of comprehensive income.

(i) Subsidiary companies

Subsidiary companies are those companies in which the Group has long term equity interest and has the power, directly or indirectly, to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanying a shareholding of more than one half of the voting rights.

The purchase method of accounting is used to account for the acquisition of subsidiary companies. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the date of acquisition, irrespective of the extent of any minority interest.

The difference between the acquisition cost and the fair values of the subsidiary companies' net assets is reflected as goodwill or reserve on consolidation as appropriate. The accounting policy on goodwill on acquisition of subsidiary companies is set out in Note 2(n). Reserve on consolidation is recognised immediately in statement of comprehensive income.

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

The gain or loss on disposal of a subsidiary company is the difference between net disposal proceeds and the Group's share of its net assets together with any unimpaired balance of goodwill which were not previously recognised in the consolidated statement of comprehensive income.

2. Basis of Preparation and Significant Accounting Policies (Cont'd)

(d) Basis of consolidation (Cont'd)

(ii) Minority Interests

Minority interests at the end of the reporting period, being the portion of the net identifiable assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Minority interests in the results of the Group is presented on the face of the consolidated statements of comprehensive income as an allocation of the comprehensive income for the year between minority interests and the owners of the Company.

Where losses applicable to the minority interests exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Groups' interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated with all such profits until the minority interests shares of losses previously absorbed by the Group has been recovered.

(iii) Associated companies

Associated companies are entities over which the Group has significant influence, but not control, generally accompanying a shareholding of between and including 20% and 50% of the voting rights. Investments in associated companies are accounted for using the equity method of accounting. Investments in associated companies include goodwill identified on acquisition, net of any accumulated impairment loss in accordance with Note 2(u).

Equity accounting involves recording investments in associated companies initially at cost, and recognising the Group's share of its associated companies' post-acquisition results and its share of post-acquisition movements in reserves against the carrying amount of the investments. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated company.

(iv) Changes in Group composition

Where a subsidiary issues new equity shares to minority interests for cash consideration and the issue price has been established at fair value, the reduction in the Group's interests in the subsidiary is accounted for as a disposal of equity interest with the corresponding gain or loss recognised in the statement of comprehensive income.

When a group purchases a subsidiary's equity shares from minority interests for cash consideration and the purchase price has been established at fair value, the accretion of the Group's interests in the subsidiary is accounted for as a purchase of equity interest for which the acquisition accounting method of accounting is applied.

The Group treats all other changes in group composition as equity transactions between the Group and its minority shareholders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(e) Financial assets

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

Notes to the Financial Statements

2. Basis of Preparation and Significant Accounting Policies (Cont'd)

(e) Financial assets (Cont'd)

(i) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately in the statements of comprehensive income.

(ii) Subsequent measurement

Financial assets, both available-for-sale and at fair value through profit or loss are subsequently carried at fair value. The fair value measurement considerations of the Group and of the Company are as disclosed in Note 2(f). Equity instrument that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, are measured at cost. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets, at fair value through profit or loss including the effects of currency translation, interest and dividends, are recognised in the statements of comprehensive income when the changes arise.

Interest and dividend income on financial assets, available-for-sale are recognised separately in the statements of comprehensive income. Changes in fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in the fair value reserve, together with the related currency translation differences.

(iii) Classification

The Group and the Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition. The designation of financial assets at fair value through profit or loss is irrevocable.

Financial assets, at fair value through profit or loss

Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Company investment strategy.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the statements of financial position date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" and "cash and cash equivalents" on the statements of financial position.

Financial assets, available-for-sale

Financial assets, available-for-sale is non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless management intends to dispose of the assets within 12 months after the statements of financial position date.

2. Basis of Preparation and Significant Accounting Policies (Cont'd)

(e) Financial assets (Cont'd)

(iii) Classification (Cont'd)

'Held-to-Maturity' Investment

'Held-to-maturity' investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group and the Company have the positive intention and ability to hold to maturity.

Subsequent to initial recognition, 'held-to-maturity' investments are measured at amortised cost using the effective interest method less any accumulated impairment losses. Gains or losses are recognised in profit or loss when 'held-to-maturity' investments are derecognised or impaired.

'Held-to-maturity' investment are classified as non-current assets, except for those having maturity date within 12 months after the reporting date which are classified as current.

(iv) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on a trade-date basis - the date on which the Group and the Company commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sales proceeds is recognised in the statements of comprehensive income.

(v) Impairment

The Group and the Company assesses at each statements of financial position date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired. The carrying amount of these assets is reduced through the use of an impairment account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the impairment account. Subsequent recoveries of amounts previously written off are recognised against the same line item in the statements of comprehensive income.

The impairment account is reduced through the statements of comprehensive income in a subsequent period when the amount of impairment decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost, had no impairment been recognised in prior periods.

Financial assets, available-for-sale

Significant or prolonged declines in the fair value of the security below its cost and the disappearance of an active trading market for the security are objective evidence that the security is impaired.

The cumulative loss that was recognised in the fair value reserve is transferred to the statements of comprehensive income. The impairment recognised in the statements of comprehensive income on equity securities are not reversed through the statements of comprehensive income.

Notes to the Financial Statements

2. Basis of Preparation and Significant Accounting Policies (Cont'd)

(e) Financial assets (Cont'd)

(v) Impairment (Cont'd)

Financial assets, held-to-maturity

Impairment in respect of held-to-maturity investment carried at amortised cost are measured as the difference between the assets carrying amount and the present values of their estimated future cash flows discounted at the "held-to-maturity" investments' original effective interest rate.

(f) Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities) are based on quoted market prices at the statements of financial position date. The quoted market prices used for financial assets are current bid prices; the appropriate quoted market prices for financial liabilities are the current risk prices.

The fair values of financial instruments that are not traded in an active market are determined by using a variety of methods and makes assumptions based on market conditions existing at each statements of financial position date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analyses, are also used to determine the fair values of the financial instruments. However, if the probabilities of various estimates cannot be reasonably measured the Group and the Company are precluded from measuring the instruments at fair value, and the financial instruments are measured at cost.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

(g) Derivatives

Derivatives relate to fair value hedges on financial assets held through profit or loss. Derivatives are initially recognised at fair values on the date the contract is entered into and is subsequently carried at fair value.

The fair value hedges are not designated as effective hedging investments therefore changes in fair value are recognised immediately in the statements of comprehensive income.

(h) Financial liabilities

Financial liabilities are recognised on the statements of financial position when, and only when the Group and the Company becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, derivatives are measured at fair value. Other financial liabilities (except for financial guarantee) are measured at amortised cost using the effective interest method.

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 the profit or loss account.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

2. Basis of Preparation and Significant Accounting Policies (Cont'd)

(h) Financial liabilities (Cont'd)

Financial Liabilities at 'Fair Value Through Profit or Loss'

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

A financial liability held for trading include derivative enter by the Group and by the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange difference.

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

Other financial liabilities

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

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

Loan and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group and the Company have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(i) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment. The policy for the recognition and measurement of impairment is in accordance with Note 2(u).

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(ii) Reclassification to investment property

Property that is being constructed for future use as investment property is accounted for as property, plant and equipment until construction or development is complete, at which time it is reclassified as investment property and accounted for in accordance with Note 2(l).

Notes to the Financial Statements

2. Basis of Preparation and Significant Accounting Policies (Cont'd)

(i) Property, plant and equipment (Cont'd)

(ii) Reclassification to investment property (Cont'd)

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property and accounted for in accordance with Note 2(l).

(iii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statements of comprehensive income as incurred.

(iv) Depreciation

Depreciation is recognised in the statements of comprehensive income on a straight-line basis over the estimated useful lives of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	50 years
Motor vehicles	5 to 7 years
Office equipment, furniture and fittings	5 to 10 years
Renovations	5 to 10 years
Plant, machinery and equipment	5 to 10 years
Club house	20 years
Golf courses	20 years

The depreciable amount is determined after deducting the residual value.

Depreciation methods, useful lives and residual values are reassessed at each financial year end.

Upon disposal of an asset, the difference between the net disposal proceeds and the carrying amount of the assets is charged or credited to the statement of comprehensive income. On disposal of a revalue asset, the attributable revaluation surplus remaining in the revaluation reserve is transferred to distribution reserve.

(j) Land and property development costs

(i) Land held for property development

Land held for property development consists of land held for future development activities where no development activities has been undertaken or where development activities are not expected to be completed within normal operating cycle. Such land is classified as non-current asset and is stated at cost less any accumulated impairment. The policy of recognition and measurement of impairment is in accordance with Note 2(u).

Land held for property development is reclassified as current asset when the development activities have commenced or development activities are expected to commence within the period of twelve months after the end of financial year and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

2. Basis of Preparation and Significant Accounting Policies (Cont'd)

(j) Land and property development costs (Cont'd)

(i) Land held for property development (Cont'd)

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

(ii) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

Property development costs shall be classified as non-current asset where no development activities have been carried out or development activities are not expected to commence within the period of twelve months after the end of financial year or where development activities are not expected to be completed within the normal operating cycle.

Property development costs shall be reclassified to current asset when the development activities have been commenced or development activities are expected to commence within the period of twelve months after the end of financial year or where the activities are expected to be completed within the normal operating cycle.

When the financial outcome of development activity can be reliably estimated, property development revenue and expenses are recognised in the statements of comprehensive income by using the stage of completion. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

When the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on units sold are recognised as an expense in the period in which they are incurred.

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

Property development costs not recognised as an expense are recognised as an asset, which measured at the lower of cost and net realisable value.

When the revenue recognised in the statements of comprehensive income exceeds billings to purchasers, the balance is shown as accrued billings under current assets. When the billings to purchasers exceed the revenue recognised in the statement of comprehensive income, the balance is shown as progress billings under current liabilities.

(k) Capital Work-In-Progress

Capital work-in progress consists of expenditure incurred on construction of property, plant and equipment which takes a substantial period of time to be ready for their intended use.

Capital work-in-progress is stated at cost during the period of construction. No depreciation is provided on capital work-in-progress and upon completion of construction, the cost will be transferred to property, plant and equipment.

Notes to the Financial Statements

2. Basis of Preparation and Significant Accounting Policies (Cont'd)

(l) Investment properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both. Properties that are occupied by the Group are accounted for as owner-occupied rather than as investment properties. Investment properties are stated at cost less accumulated depreciation and impairment, consistent with the accounting policy for property, plant and equipment as stated in accounting policy Note 2(i).

Depreciation is charged to the statements of comprehensive income on a straight-line basis over the estimated useful life of 50 years for buildings. Freehold land is not depreciated.

(m) Investment in subsidiary companies and associated companies

Investment in subsidiary companies and associated companies are stated at cost less accumulated impairment. The policy of the recognition and measurement of impairment is in accordance with Note 2(u).

On disposal of such investments, the difference between net disposal proceeds and their carrying amount is recognised in the statement of comprehensive income.

(n) Goodwill arising on consolidation

Goodwill acquired in a business combination is initially measured at cost, represents the excess of the purchase price over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.

Goodwill is measured at cost less impairment and is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired, in accordance with Note 2(u).

(o) Other investments

Other investments are stated at cost less accumulated impairment. The policy for the recognition and measurement of impairment is in accordance with Note 2(u).

On disposal of an investment, the difference between the net disposal proceeds and its carrying amount is charged or credited to the statement of comprehensive income.

(p) Properties held for sale

Properties held for sale is determined on a specific identification basis and is stated at the lower of cost or carrying amount and net realisable value. Net realisable value is the estimate of the selling price in the ordinary course of business, less the selling expenses.

(q) Inventories

Inventories represent cost of unsold completed development units/properties which is determined on a specific identification basis. The inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimate of the selling price in the ordinary course of business, less the selling expenses.

2. Basis of Preparation and Significant Accounting Policies (Cont'd)

(r) Construction costs

Construction contracts are stated at cost plus attributable profits less applicable progress billings and allowances for foreseeable losses, if any.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract cost are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activities at the statements of financial position date. The stage of completion is determined by the proportion that contract costs incurred for the work performed to date to the estimated contract costs.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable and contract costs are recognised as expenses in 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.

The aggregate of the costs incurred and the profit/loss recognised on each contract is compared against the progress billings up to the period end. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as amount owing by customers on contracts. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as amount owing to customers on contracts.

(s) Hire purchase

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incident to ownership. All other leases are treated as operating leases.

Assets acquired by way of hire purchase are stated at an amount equal to the lower of their fair values and the present value of the minimum hire purchase payments at the inception of the leases, less accumulated depreciation and impairment. The corresponding liability is included in the statements of financial position as liabilities. In calculating the present value of the minimum hire purchase payments, the discount factor used is the interest rate implicit in the lease, when it is practical to determine; otherwise, the Group's incremental borrowing rate is used.

Hire purchase payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total hire purchase commitments and the fair value of the assets acquired, are recognised as an expense in the statements of comprehensive income over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for assets acquired under hire purchase is consistent with that for depreciable property, plant and equipment which are owned.

Lease rental under operating lease is charged to the statements of comprehensive income on a straight line basis over the term of the relevant lease.

(t) Current asset held for sale

Current asset is 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.

Notes to the Financial Statements

2. Basis of Preparation and Significant Accounting Policies (Cont'd)

(t) Current asset held for sale (cont'd)

Immediately before classification as held for sale, the measurement of the current assets is brought up-to-date in accordance with applicable FRSs. Then, on initial classification as held for sale, current asset is measured in accordance with FRS 5, Non-current Assets held for Sale and Discontinued Operations, which is at the lower of carrying amount and fair value less costs to sell. Any differences are included in profit or loss.

A component of the Company is classified as a discontinued operation when the criteria to be classified as held for sale have been met or is a subsidiary or associate company acquired exclusively with a view to resale.

(u) Impairment of non financial assets

The carrying amounts of assets are reviewed at each reporting date to determine whether there is any indication of impairment.

If any such indication exists then the asset's recoverable amount is estimated. For goodwill that has indefinite useful lives, recoverable amount is estimated at each reporting date or more frequently when indications of impairment are identified.

An impairment is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount unless the asset is carried at a revalue amount, in which case the impairment is recognised directly against any revaluation surplus for the asset to the extent that the impairment does not exceed the amount in the revaluation surplus for that same asset. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

Impairment are recognised in the statements of comprehensive income in the period in which it arises. Impairment recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

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

Impairment on goodwill is not reversed in a subsequent period. An impairment for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment been recognised for the asset in prior years. A reversal of impairment for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

(v) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

When the borrowings are made specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of funds drawn down from that borrowing facility.

2. Basis of Preparation and Significant Accounting Policies (Cont'd)

(v) Borrowing costs (cont'd)

When the borrowings are made generally, and used for the purpose of obtaining a qualifying asset, the borrowing costs eligible for capitalisation are determined by applying a capitalisation rate which is the weighted average of the borrowing costs applicable to the borrowings that are outstanding during the financial year.

All other borrowing costs are recognised as an expense in the statements of comprehensive income in the period in which they are incurred.

(w) Foreign currencies

(i) Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using historical rate as at the date of acquisition and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined.

(ii) Foreign operations

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (1) assets and liabilities for each statements of financial position presented are translated at the closing rate at the date of that statements of financial position;
- (2) income and expenses for each statements of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (3) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings, are taken to shareholders equity. When a foreign operation is sold, such exchange differences are recognised in the statements of comprehensive income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

The closing exchange rates used for each unit of the main foreign currencies in the Group and in the Company are:

	2010	2009
	RM	RM
Hong Kong Dollar (HK\$)	0.3964	0.4418
United States Dollar (US\$)	3.0855	3.4265
Chinese Yuan Renminbi (RMB)	0.4674	0.5019

Notes to the Financial Statements

2. Basis of Preparation and Significant Accounting Policies (Cont'd)

(x) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(y) Revenue recognition

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

(i) Property development

Revenue derived from property development activities is recognised based on the percentage of completion method. The stage of completion is determined based on the total actual costs incurred to date over the estimated total property development costs.

(ii) Construction contracts

Revenue from work done on construction contracts is recognised based on the percentage of completion method. The stage of completion is determined based on the total actual costs incurred to date over the estimated total contract costs. Allowance for foreseeable losses is made in the financial statements when such losses can be determined.

(iii) Goods sold and services rendered

Revenue from sales of goods and services measured at the fair value of the consideration receivable and is recognised when significant risk and rewards have been transferred to the buyer, if any, or upon performance of services, net of sales taxes and discounts.

(iv) Dividend income

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

(v) Golf courses service fees

Service charges from golf courses operations including green fee, caddy fee, golf cart rental services, etc. are recognised when the services are rendered.

(vi) Club house

Golf club membership fees are recognised upon admission as member.

(vii) Food and beverage

Sales of foods and beverage income are recognised when goods are delivered.

(viii) Rental income and interest income

Rental income and interest income are recognised as it accrues unless ability to collect is in doubt.

2. Basis of Preparation and Significant Accounting Policies (Cont'd)

(z) Income taxes

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

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

Deferred tax asset and liability is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the statements of financial position date. The carrying amount of a deferred tax asset is reviewed at each statements of financial position date and is reduced to the extent that it becomes probable that sufficient future taxable profit will be available.

Deferred tax is recognised in the statement of comprehensive income, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

(aa) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts 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. For the purpose of the cash flow statements, cash and cash equivalents are presented net of bank overdrafts and exclude fixed deposits, sinking funds account and cash collateral account pledged to secure banking facilities, if any.

(ab) Share capital

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Cost directly attributable to the issuance of the shares is accounted for as deduction from share premium, otherwise, it is charged to the statement of comprehensive income.

Dividends on ordinary shares, when declared or proposed by the Director of the Company are disclosed in the notes to the financial statements. Upon approval and when paid, such dividends will be accounted for in the shareholders' equity as an appropriation of unappropriated profit in the financial year in which the dividends are paid.

Notes to the Financial Statements

2. Basis of Preparation and Significant Accounting Policies (Cont'd)

(ac) Employee benefits

(i) Short term employee 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.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the statements of financial position date.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the statements of comprehensive income in the period to which they relate.

(iii) Share-based compensation

LBS Bina Group Berhad Employee Share Option Scheme ("ESOS"), an equity-settled, share-based compensation plan, allows the Company and its subsidiary companies' employees to acquire ordinary shares of the Company. The total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share option reserve within equity over the vesting period and taking into account the probability that the options will vest. The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

At each statements of financial position date, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognised the impact of the revision of original estimates, if any, in the profit or loss, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred to share premium, or until the option expires, upon which it will be transferred directly to retained earnings. The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

3. Property, Plant and Equipment

Group	Leasehold land and buildings RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Renovations RM	Plant, machinery and equipment RM	Club house RM	Golf courses RM	Total RM
Cost								
At 1.1.2010								
- As previously stated	4,491,150	6,225,872	14,033,974	3,663,604	1,069,035	21,000,702	111,268,196	161,752,533
- Effect of adopting Amendment FRS 117	161,413,189	-	-	-	-	-	-	161,413,189
- As restated	165,904,339	6,225,872	14,033,974	3,663,604	1,069,035	21,000,702	111,268,196	323,165,722
Additions	-	1,553,038	1,242,988	97,344	610,649	5,278	-	3,509,297
Disposals	-	(1,027,787)	(1,000,588)	-	(3,000)	(76,132)	-	(2,107,507)
Written off	-	-	-	-	(192,898)	-	-	(192,898)
Other movement	-	-	-	-	-	506,206	-	506,206
Exchange differences	(11,294,122)	-	(1,435,105)	-	-	1,294,706	(10,230,297)	(21,664,818)
At 31.12.2010	154,610,217	6,751,123	12,841,269	3,760,948	1,483,786	22,730,760	101,037,899	303,216,002
Accumulated depreciation								
At 1.1.2010								
- As previously stated	626,302	2,701,197	9,400,911	2,347,912	294,626	7,380,536	59,227,625	81,979,109
- Effect of adopting Amendment FRS 117	6,893,582	-	-	-	-	-	-	6,893,582
- As restated	7,519,884	2,701,197	9,400,911	2,347,912	294,626	7,380,536	59,227,625	88,872,691
Charge for the financial year	4,389,667	1,103,495	1,093,932	391,083	257,372	1,209,591	4,695,839	13,140,979
Disposals	-	(529,542)	(880,758)	-	(745)	(26,288)	-	(1,437,333)
Written off	-	-	-	-	(73,813)	-	-	(73,813)
Exchange differences	(637,678)	-	(465,838)	-	-	(530,875)	(4,133,594)	(5,767,985)
At 31.12.2010	11,271,873	3,275,150	9,148,247	2,738,995	477,440	8,032,964	59,789,870	94,734,539
Accumulated impairment								
At 1.1.2010	-	-	-	-	-	-	-	-
Charge for the financial year	-	6,053	-	-	-	-	-	6,053
At 31.12.2010	-	6,053	-	-	-	-	-	6,053
Carrying amount								
At 31.12.2010	143,338,344	3,469,920	3,693,022	1,021,953	1,006,346	14,697,796	41,248,029	208,475,410

Notes to the Financial Statements

3. Property, Plant and Equipment (Cont'd)

Group	Leasehold land and buildings RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Renovations RM	Plant, machinery and equipment RM	Club house RM	Golf courses RM	Total RM
Cost								
At 1.1.2009								
As previously stated	4,491,150	5,567,033	13,745,971	3,497,957	619,034	24,591,647	111,976,989	164,489,781
- Effect of adopting Amendment FRS 117	166,634,740	-	-	-	-	-	-	166,634,740
As restated	171,125,890	5,567,033	13,745,971	3,497,957	619,034	24,591,647	111,976,989	331,124,521
Additions	-	2,305,590	776,670	165,647	592,266	158,777	210,470	4,209,420
Disposals	-	(1,646,751)	(132,524)	-	(95,786)	-	-	(1,875,061)
Written off	-	-	(40,089)	-	(46,479)	-	-	(86,568)
Exchange differences								
- As previously stated	-	-	(316,054)	-	-	(3,749,722)	(919,263)	(4,985,039)
- Effect of adopting Amendment FRS 117	(5,221,551)	-	-	-	-	-	-	(5,221,551)
- As restated	(5,221,551)	-	(316,054)	-	-	(3,749,722)	(919,263)	(10,206,590)
At 31.12.2009	165,904,339	6,225,872	14,033,974	3,663,604	1,069,035	21,000,702	111,268,196	323,165,722
Accumulated depreciation								
At 1.1.2009								
- As previously stated	536,479	3,246,257	8,256,197	1,991,059	199,420	6,495,584	56,166,383	76,891,379
- Effect of adopting Amendment FRS 117	2,350,555	-	-	-	-	-	-	2,350,555
- As restated	2,887,034	3,246,257	8,256,197	1,991,059	199,420	6,495,584	56,166,383	79,241,934
Charge for the financial year								
- As previously stated	89,823	950,754	1,519,586	356,853	131,174	1,135,396	5,089,672	9,273,258
- Effect of adopting Amendment FRS 117	4,666,018	-	-	-	-	-	-	4,666,018
- As restated	4,755,841	950,754	1,519,586	356,853	131,174	1,135,396	5,089,672	13,939,276
Disposals	-	(1,495,814)	(107,928)	-	(21,004)	-	-	(1,624,746)
Written off	-	-	(36,080)	-	(14,964)	-	-	(51,044)
Exchange differences								
- As previously stated	-	-	(230,864)	-	-	(250,444)	(2,028,430)	(2,509,738)
- Effect of adopting Amendment FRS 117	(122,991)	-	-	-	-	-	-	(122,991)
- As restated	(122,991)	-	(230,864)	-	-	(250,444)	(2,028,430)	(2,632,729)
At 31.12.2009	7,519,884	2,701,197	9,400,911	2,347,912	294,626	7,380,536	59,227,625	88,872,691
Carrying amount								
At 31.12.2009	158,384,455	3,524,675	4,633,063	1,315,692	774,409	13,620,166	52,040,571	234,293,031

3. Property, Plant and Equipment (Cont'd)

- (i) Included in the leasehold land and buildings of the Group are leasehold land and buildings with carrying amount of RM4,301,194 (2009: RM4,396,674) have been pledged to licensed banks as security for credit facilities granted to the Company and certain subsidiary companies as disclosed in Notes 27 and 32 to the financial statements.

The remaining period of the leasehold land and buildings ranges from 33 to 85 (2009: 34 to 86) years.

- (ii) Included in the above is a leasehold land with carrying amount of RM139,037,150 (2009: RM153,987,781), situated on People's Republic of China and held under medium lease term.
- (iii) Included in the property, plant and equipment of the Group are motor vehicles under hire purchase with carrying amount of RM3,371,948 (2009: RM3,431,829).
- (iv) The aggregate additional cost for the property, plant and equipment of the Group during the financial year under hire purchase and cash payment are as follows:

	2010	Group
	RM	2009
		RM
Aggregate costs	3,509,297	4,209,420
Less: Hire purchase financing	(1,330,680)	(1,862,000)
Cash payment	2,178,617	2,347,420

4. Capital Work-In-Progress

	2010	Group
	RM	2009
		RM
At 1 January	2,294,653	675,220
Additions during the financial year	2,234,591	1,642,044
Exchange difference	(260,157)	(22,611)
At 31 December	4,269,087	2,294,653

5. Land and Property Development Costs

	2010	Group
	RM	2009
		RM
Non-Current		
Freehold land, at cost		
At 1 January	31,232,375	43,591,808
Transferred to statements of comprehensive income	-	(2,581,420)
Other movement	-	(9,778,013)
At 31 December	31,232,375	31,232,375

Notes to the Financial Statements

5. Land and Property Development Costs (Cont'd)

	2010 RM	Group 2009 RM
Long term leasehold land, at cost		
At 1 January	57,127,667	43,032,779
Additions during the financial year	19,606,002	6,925,073
Disposal of land	-	5,005,359
Other movement	14,647,169	10,734,114
Transferred to statements of comprehensive income	-	(298,756)
Transferred to current portion	(13,296,872)	(8,270,902)
At 31 December	78,083,966	57,127,667
Property development costs		
At 1 January	320,001,512	373,495,770
Additions during the financial year	57,142,107	33,464,992
Acquisition of subsidiary company	48,707,802	-
Transferred to current portion	(26,663,770)	(82,411,240)
Transferred to statements of comprehensive income	(117,190)	(7,022,483)
Other movement	(20,263,758)	2,770,041
Exchange differences	(684,090)	(295,568)
At 31 December	378,122,613	320,001,512
Less: Accumulated impairment		
At 1 January	4,247,605	4,406,384
Exchange differences	(133,873)	(158,779)
At 31 December	4,113,732	4,247,605
	483,325,222	404,113,949
	2010 RM	Group 2009 RM
Current		
Freehold land, at cost		
At 1 January	-	1,119,046
Other movement	-	(1,119,046)
At 31 December	-	-
Long term leasehold land, at cost		
At 1 January	25,298,334	18,604,286
Additions during the financial year	5,630,368	53,800
Transferred from non-current portion	13,296,872	8,270,902
Transferred to statements of comprehensive income	(10,458,872)	(3,465,760)
Transferred to inventories	-	(125,195)
Other movement	(5,095,325)	1,960,301
At 31 December	28,671,377	25,298,334

5. Land and Property Development Costs (Cont'd)

	2010	Group	2009
	RM		RM
Property development costs			
At 1 January	251,600,832		179,894,722
Additions during the financial year	214,865,958		34,465,807
Transferred from non-current portion	26,663,770		82,411,240
Transferred to inventories	(795,085)		(11,720,678)
Transferred to statements of comprehensive income	(74,909,757)		(37,429,394)
Other movement	5,081,594		3,979,135
At 31 December	422,507,312		251,600,832
Less: Costs recognised in the statements of comprehensive income			
At 1 January	155,114,629		97,452,834
Other movement	(9,039)		(654,758)
Recognised during the financial year	255,416,726		102,741,750
	410,522,316		199,539,826
Less: Portion related to completed projects	(63,657,992)		(44,425,197)
	346,864,324		155,114,629
	104,314,365		121,784,537

- (a) Certain parcels of land are pledged to licensed banks as security for credit facilities granted to certain subsidiary companies as disclosed in Notes 27 and 32 to the financial statements.
- (b) Certain subsidiary companies entered into several agreements with third parties (the landowners) to develop their lands, solely at the cost of the subsidiary companies and based on the agreements, the landowners are entitled to the following:
- (i) certain percentage of the respective development profit;
 - (ii) certain percentage of the respective sales proceeds from the development;
 - (iii) agreed contract sum as specified in the agreement; or
 - (iv) certain units of completed properties erected thereon free from all encumbrances as the case may be.
- (c) Certain subsidiary companies entered into several joint venture agreements with its subsidiary companies (the landowners) to develop several lands, solely at the cost of that subsidiary companies and based on the agreements, the landowners are entitled to the following:
- (i) certain units of completed properties erected thereon free from all encumbrances or certain percentage of the gross sales value received from the development; or
 - (ii) certain percentage of the respective development profit.
- (d) Certain subsidiary companies entered into several agreements with third parties and a related party (the developers) to develop several lands, solely at the cost of the developers and based on the agreements, the subsidiary companies are entitled to the following:
- (i) agreed contract sum as specified in the agreement; or
 - (ii) certain units of completed properties erected thereon free from all encumbrances as the case may be.

Notes to the Financial Statements

5. Land and Property Development Costs (Cont'd)

(e) The property development cost amounting to RM6,537,465 (2009: RM5,375,575) are incurred for the project situated in the People's Republic of China. However, the issuance of the land use right is still in progress.

(f) Included in the property development costs for the financial year are as follows:

		2010	Group 2009
	Note	RM	RM
Finance costs	34	7,181,730	3,673,519
Depreciation of property, plant and equipment	3	5,892	5,959
Company's Directors			
- salaries and other emoluments		922,522	395,217
- EPF		106,222	42,140
Other Directors			
- fee		86,000	1,000
Landowner consideration		55,577,827	-
Staff costs	39	4,397,725	1,524,223

6. Investment Properties

		2010	Group 2009
		RM	RM
Cost			
At 1 January		5,694,563	6,252,863
Additions		477,600	-
Disposals		(174,883)	(558,300)
At 31 December		5,997,280	5,694,563
Accumulated depreciation			
A January		683,009	594,676
Charge for the financial year		148,872	114,761
Disposals		(49,230)	(26,428)
At 31 December		782,651	683,009
Accumulated impairment			
At 1 January/At 31 December		14,600	14,600
Carrying amount			
		5,200,029	4,996,954
Fair value			
		8,172,800	7,661,000

Investment properties with carrying amount of RM4,607,837 (2009: RM4,840,554) have been pledged to licensed banks as security for credit facilities granted to the Company and subsidiary companies as disclosed in Notes 27 and 32 to the financial statements.

The remaining lease period of the investment properties ranges from 81 to 92 (2009: 82 to 93) years.

7. Investment in Subsidiary Companies

(a) Investment in subsidiary companies

	Company	
	2010 RM	2009 RM
Unquoted shares, at cost		
In Malaysia	393,554,393	198,218,395
Outside Malaysia	4,075	4,075
Less: Accumulated of impairment	(92,119)	(92,119)
	393,466,349	198,130,351

Details of the subsidiary companies are set out in Note 49 to the financial statements.

(b) Acquisition of subsidiary companies

The effects of the acquisition on the financial results of the Group in respect of the financial year are as follows:

	Group	
	2010 RM	2009 RM
Revenue	-	-
Profit for the financial year	-	-
	-	-

If the acquisition had occurred on 1 January 2010, the contribution to the Group's revenue and loss for the financial year would have been RMNil (2009: RMNil) and RM7,723 (2009: RMNil) respectively.

The assets and liabilities arising from the acquisition of subsidiary companies are as follows:

	Group	
	2010 RM	2009 RM
Land and property development costs	48,707,802	-
Other receivables	1,200	-
Cash and bank balances	5,818	-
	48,714,820	-
Trade and other payables	(48,533,875)	-
	(48,533,875)	-
Net assets	180,945	-
Less: Non-controlling interest	(63,331)	-
Group's share of net assets	117,614	-
Goodwill on consolidation	41,706,424	-
Total cost of acquisition, discharged by cash	41,824,038	-

Notes to the Financial Statements

7. Investment in Subsidiary Companies (Cont'd)

(b) Acquisition of subsidiary companies (Cont'd)

The cash outflow arising from the acquisition is as follows:

	Group	
	2010 RM	2009 RM
Purchase consideration satisfied by cash	41,824,038	-
Less: Cash and cash equivalents of subsidiary companies acquired	(5,818)	-
Net cash outflow from the acquisition of a subsidiary company	41,818,220	-

(c) Disposal of subsidiary companies

The effects of the disposal on the financial results of the Group in respect of the financial year are as follows:

	Group	
	2010 RM	2009 RM
Revenue	-	-
Administrative expenses	(1,392)	(129,097)
Net loss for the financial year	(1,392)	(129,097)

The summary of effects of the disposal on the financial position of the Group is as follows:

	Group	
	2010 RM	2009 RM
Cash and bank balances	49	6,910
Other payables	(8,227)	(87,043)
	(8,178)	(80,133)

The assets and liabilities arising from the disposal of subsidiary company are as follows:

	Group	
	2010 RM	2009 RM
Cash and bank balances	49	6,910
Other payables	(8,227)	(86,110)
Net liabilities	(8,178)	(79,200)
Less: Net assets retained in investment in associates	10	-
Less: Non-controlling interest	(49)	-
	(8,217)	(79,200)
Gain on disposal of investment in subsidiary companies	8,228	(37,632)
	11	(116,832)

Notes to the Financial Statements

7. Investment in Subsidiary Companies (Cont'd)

(c) Disposal of subsidiary companies (Cont'd)

The cash inflow/(outflow) arising from the disposal is as follows:

	Group	
	2010	2009
	RM	RM
Disposal proceeds settled by cash	(11)	(21,000)
Add: Cash and cash equivalents of subsidiary companies disposed	49	6,910
Net cash inflow/(outflow) from disposal of investment in subsidiary companies	38	(14,090)

8. Investment in Associated Companies

	Group	
	2010	2009
	RM	RM
Unquoted shares in Malaysia, at cost	3,890,070	3,390,030
Share of post acquisition reserves	(1,140,469)	(951,755)
	2,749,601	2,438,275

Details of the associated companies are set out in Note 50 to the financial statements.

The summarised financial information of the associated companies is as follows:

	Group	
	2010	2009
	RM	RM
Assets and liabilities		
Non-current assets	1	85,645
Current assets	145,348	694,185
Total assets	145,349	779,830
Current liabilities	674,233	432,325
Total assets and liabilities	(528,884)	347,505
Results		
Revenue	-	-
Net loss for the financial year	(868,212)	(59,944)

Notes to the Financial Statements

8. Investment in Associated Companies (Cont'd)

The unrecognised share of losses of the associated companies is as follows:

	2010 RM	Group 2009 RM
At 1 January	66,645	50,232
Addition during the financial year	81,761	16,413
At 31 December	148,406	66,645

The goodwill included within the Group's carrying amount of investment in associated companies is an amount of RM2,751,466 (2009: RM2,261,151).

9. Trade Receivables

	Note	2010 RM	Group 2009 RM
Non-current			
Trade receivables		26,620,000	26,620,000
Current			
Trade receivables			
- Third parties		70,297,012	124,297,882
- Related parties	40	2,978,561	4,974,160
		73,275,573	129,272,042
Less : Accumulated impairment			
- Third parties		(276,428)	(3,802,892)
		72,999,145	125,469,150
Accrued billings in respect of property development costs		54,440,659	15,095,529
Amount owing by customers on contracts	15	158,931	2,469,866
		127,598,735	143,034,545
Total trade receivables		154,218,735	169,654,545

(i) Included in the non-current trade receivables is an amount of RM21,120,000 (2009: RM21,120,000) in relation to disposal of land to a third party with specific terms and conditions.

(ii) The Group's normal trade credit terms ranges from 21 to 60 days (2009: 21 to 60 days). Other credit terms are assessed and approved on a case by case basis.

Notes to the Financial Statements

9. Trade Receivables (Cont'd)

Movements in impairment during the financial year are as follows:

	2010 RM	Group 2009 RM
At 1 January	3,802,892	3,802,892
Impairment during the financial year	276,428	-
Reversal on impairment	(3,802,892)	-
At 31 December	<u>276,428</u>	<u>3,802,892</u>

Analysis of the trade receivables ageing are as follows:

	2010 RM	Group 2009 RM
Neither past due nor impair	6,862,266	11,888,615
Past due less than 30 days not impaired	11,187,055	13,959,698
Past due for more than 31-60 days not impaired	16,723,484	5,330,305
Past due for more than 60 days not impaired	38,226,340	94,290,532
	<u>72,999,145</u>	<u>125,469,150</u>
Impaired	276,428	3,802,892
	<u>73,275,573</u>	<u>129,272,042</u>

Included in the past due more than 60 days not impaired of the Group is approximately RM24,313,600 (2009 : RM47,958,788) were due from certain customers in relation to the disposal of land with specific terms and conditions.

The Group has not made any impairment on its past due receivables as the Directors are of the view that the receivables are recoverable.

The currency exposure profile is as follows:

	2010 RM	Group 2009 RM
Chinese Yuan Renminbi	<u>463,356</u>	<u>585,581</u>

Notes to the Financial Statements

10. Other Receivables

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Non-current				
Other receivables	21,643,440	24,111,360	-	-
Current				
Other receivables				
- Third parties	130,238,376	158,517,223	5,922	5,752
- Related parties	211,464	219,065	-	-
Less: Impairment				
- Third parties	(51,641,429)	(54,784,114)	-	-
Acquisition of subsidiary company	78,808,411	103,952,174	5,922	5,752
Deposits	1,200	-	-	-
Prepayments	5,520,458	5,276,513	4,500	4,500
	80,833	20,480	-	-
	84,410,902	109,249,167	10,422	10,252
Total other receivables	106,054,342	133,360,527	10,422	10,252

- (i) The non-current other receivables represents unsecured interest free advances and no repayment term to former subsidiary companies of a subsidiary company. The subsidiary company is given an option to exercise before 2046 to purchase back equity interest of the former subsidiary companies at a nominal consideration.
- (ii) Included in current other receivables of the Group is an amount of RM82,116,309 (2009: RM83,366,475) represents unsecured interest free advances and no repayment term to former subsidiary companies of a subsidiary company. The subsidiary company is given an option exercisable before 2046 to purchase back equity interest of the former subsidiary companies at a nominal consideration. However, the Group has provided impairment of RM36,951,994 (2009 : RM40,476,595) on the advances given.
- (iii) Included in current other receivables of the Group is an amount of RM4,306,211 (2009: RM4,773,682) provided for settlement with the purchasers of a development project of a subsidiary company in accordance with the Workout Proposals of Instangreen Corporation Berhad.

Movements in impairment during the financial year are as follows:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
At 1 January	54,784,114	61,509,727	-	-
Impairment during the financial year	1,140,321	318,872	-	-
Reversal on impairment	(254,072)	(6,189,966)	-	-
Exchange differences	(4,028,934)	(854,519)	-	-
At 31 December	51,641,429	54,784,114	-	-

Notes to the Financial Statements

10. Other Receivables (Cont'd)

Analysis of the other receivables ageing is as follows:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Neither past due nor impair	2,656,924	2,274,175	5,922	5,754
Past due less than 30 days not impaired	1,664,523	22,820	-	-
Past due for more than 31-60 days not impaired	1,725,261	176,728	-	-
Past due for more than 60 days not impaired	72,761,703	101,463,941	-	-
	78,808,411	103,937,664	5,922	5,754
Impaired	51,641,429	54,784,114	-	-
	130,449,840	158,721,778	5,922	5,754

The Group and the Company has not made any allowance on its past due receivables as the Directors are of the view that the receivables are recoverable.

The currency exposure profile is as follows:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
United States Dollars	21,643,440	24,111,360	-	-
Hong Kong Dollars	6,573,886	7,192,711	-	-
Chinese Yuan Renminbi	42,126,471	39,273,122	-	-

11. Other Investments

	Group	
	2010 RM	2009 RM
Cost		
Unquoted shares in Malaysia	-	1,440,800
Transferable corporate club membership	1,253,500	1,230,500
	1,253,500	2,671,300
Less: Accumulated of impairment	-	(1,417,799)
	1,253,500	1,253,501

On 12 August 2010, a subsidiary company of the Company has disposed of all its shareholding of 4,050,000 ordinary shares of RM1.00 each representing 9% equity interest in Jasa Vista Sdn Bhd ("JVSB"), a company incorporated in Malaysia for a total cash consideration of RM1.00 only.

Notes to the Financial Statements

11. Other Investments (Cont'd)

Movements in impairment during the financial year are as follows:

	2010 RM	Group 2009 RM
At 1 January	1,417,799	-
Impairment during the financial year	-	1,417,799
Reversal on impairment	(1,417,799)	-
At 31 December	<u>-</u>	<u>1,417,799</u>

12. Goodwill on Consolidation

	2010 RM	Group 2009 RM
At 1 January	90,125,101	91,239,251
Acquisition of subsidiary company	41,706,424	-
Impairment recognised in statements of comprehensive income	(4,964,464)	(1,035,367)
Exchange differences	(232,745)	(78,783)
At 31 December	<u>126,634,316</u>	<u>90,125,101</u>

(a) Impairment test for goodwill on consolidation

Goodwill on consolidation has been allocated to Group's cash-generating units ("CGUs") identified according to country of operations and business segments as follows:

Group	Malaysia RM	People's Republic of China RM	Total RM
2010			
Property development	<u>110,670,405</u>	<u>15,963,911</u>	<u>126,634,316</u>
2009			
Property development	<u>73,928,445</u>	<u>16,196,656</u>	<u>90,125,101</u>

12. Goodwill on Consolidation (Cont'd)

(b) Key assumptions used to determine the recoverable amount

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by the Directors covering a five-year period. The key assumptions used for value-in-use calculations are:

	Malaysia %	People's Republic of China*
Gross margin	28	30
Growth rate	N/A	N/A
Pre-tax discount rate	7.55	15

* the above information are based on future projection of the Group.

The key assumptions that the Directors have used in the cash flow projections to undertake impairment testing are as follows:

- (i) Gross margin - Budgeted value based on the average margins achieved in the year immediately before the budgeted year, increased for expected efficiency improvements and market development.
- (ii) Growth rate - Not applicable as the cash flow projections made is for a period of 5 years, in accordance with the expected lifecycle of the CGU.
- (iii) Pre-tax discount rate - Rate that reflect specific risks relating to the relevant CGU.

(c) Impairment recognised during the financial year

The Group recognised an impairment of RM4,964,464 (2009: RM1,035,367) during the financial year in respect of the goodwill arising on consolidation. The goodwill relates to certain subsidiary companies which mainly undertake development projects which are expected to be completed within the next 5 years. As no further development activities or other significant revenue generating activities is expected from the subsidiary companies, the related goodwill has been impaired accordingly. The recoverable amount was based on value-in-use and was determined at the CGU which is the Group's development project. In determining value-in-use for the CGU, the cash flows were discounted at a rate of 7.55% on a pre-tax basis.

13. Properties Held for Sale

	2010 RM	Group 2009 RM
At cost	1,091,593	1,091,593

The land titles of the above properties are in the process of being registered in the name of the subsidiary company.

Notes to the Financial Statements

14. Inventories

	2010 RM	Group 2009 RM
Unsold units of completed properties	20,728,124	26,079,100

Included above with carrying amount of RM11,389,943 (2009: RM13,357,633), which have been pledged to licensed banks as security for credit facilities granted to the Company and subsidiary companies as disclosed in Note 27 to the financial statements.

15. Amount Owing by Customers on Contracts

	Note	2010 RM	Group 2009 RM
Aggregate cost incurred to date		37,567,923	30,558,771
Add: Attributable (losses)/profits		(148,670)	262,844
Less: Allowance for foreseeable loss		(46,035)	-
		<u>37,373,218</u>	<u>30,821,615</u>
Less: Progress billings		(37,214,287)	(28,351,749)
		<u>158,931</u>	<u>2,469,866</u>
Represented by:			
Amount owing by customers on contracts	9	<u>158,931</u>	<u>2,469,866</u>

16. Amount Owing by/(to) Subsidiary Companies

(a) Amount owing by subsidiary companies

This represents unsecured advances and repayable on demand which bears interest in range from 6.80% to 7.55% (2009: 7.80%) per annum.

(b) Amount owing to subsidiary companies

This represents unsecured, interest free advances and repayable on demand.

17. Fixed Deposits with Licensed Banks

Included in the fixed deposits of the Group and of the Company is an amount of RM3,708,423 and RM1,530,000 (2009: RM19,277,022 and RM1,486,878) respectively pledged to licensed banks as security for banking facilities granted to the Company and certain subsidiary companies as disclosed in Note 27 to the financial statements.

The interest rates and maturities of deposits range from 1.3% to 3.7% per annum and 1 to 365 days (2009: 1.3% to 3.7% and 1 to 365 days) respectively.

17. Fixed Deposits with Licensed Banks (Cont'd)

The currency exposure profile is as follows:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
United States Dollars	-	18,600,527	-	-
Hong Kong Dollars	-	477,091	-	-
Chinese Yuan Renminbi	340,791	11,557,661	-	-

18. Cash Held under Housing Development Accounts

Cash held under the Housing Development Accounts represents monies received from purchasers of residential properties less payments or withdrawals in accordance with the Housing Development (Controls and Licensing) Act, 1966.

The interest rates of cash held under Housing Development Accounts range from 1.10% to 1.20% per annum (2009: 1.3% to 3.7%) respectively.

19. Cash and Bank Balances

- (i) Included in cash and bank balances of the Group is Cash Collateral Account amounting to RMNil (2009: RM1,036,422) opened in accordance with the terms and conditions set out in Trust Deed dated 28 December 2005 and 27 February 2006 as disclosed in Note 25 to the financial statements to meet the redemption of maturing Secured Serial Bonds . The Secured Serial Bonds has been settled during the financial year.
- (ii) Included in cash and bank balances of the Group and of the Company is Disbursement Account amounting to RM3,130,548 (2009: RM Nil) opened in accordance with the terms and conditions set out in Trust Deed dated 12 July 2010 as disclosed in Note 26 to the financial statements.
- (iii) Included in cash and bank balances of the Group is interest earning deposits amounting to RM28,210,326 (2009: RMNil) in respect of the drawdown of bank borrowings.

The currency exposure profile is as follows:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
United States Dollars	16,799,919	1,934	-	-
Hong Kong Dollars	779,875	183,524	-	-
Chinese Yuan Renminbi	11,061,345	102,779	-	-

Notes to the Financial Statements

20. Non-current Asset held for Sale

	2010 RM	Group 2009 RM
Costs		
At 1 January	-	4,117,799
Reclassified to other investments	-	(4,117,799)
	-	-
Accumulated impairment		
At 1 January	-	4,117,798
Reclassified to other investments	-	(4,117,798)
At 31 December	-	-
	-	-

21. Share Capital

	2010 RM	Group/Company 2009 RM
Ordinary shares of RM1.00 each		
Authorised		
At 1 January/At 31 December	1,000,000,000	1,000,000,000
Issued and fully paid		
At 1 January	386,552,557	386,211,557
Issued during the financial year	-	341,000
At 31 December	386,552,557	386,552,557

22. Share Premium

	2010 RM	Group/Company 2009 RM
At 1 January/31 December	16,945,016	16,945,016

23. Other Reserves

	Non-distributable				Total RM
	Revaluation reserve RM	Foreign exchange Revaluation reserve RM	ESOS Reserve RM	Warrant Reserve RM	
Group					
At 1 January 2010	773,395	19,215,723	317,551	14,952,572	35,259,241
Share-based payment	-	-	19,894	-	19,894
Foreign exchange differences, representing net loss not recognised in statements of comprehensive income	-	(15,287,804)	-	-	(15,287,804)
Realisation of subsidiary company's reserve	(282,952)	-	-	-	(282,952)
At 31 December 2010	490,443	3,927,919	337,445	14,952,572	19,708,379
At 1 January 2009	491,286	16,810,246	214,500	14,974,977	32,491,009
Share-based payment	-	-	103,051	-	103,051
Warrant expenses	-	-	-	(22,405)	(22,405)
Foreign exchange differences, representing net gains not recognised in statements of comprehensive income	-	2,405,477	-	-	2,405,477
Realisation of subsidiary company's reserve	282,109	-	-	-	282,109
At 31 December 2009	773,395	19,215,723	317,551	14,952,572	35,259,241
Company					
At 1 January 2010	-	-	317,551	14,952,572	15,270,123
Share-based payment	-	-	19,894	-	19,894
At 31 December 2010	-	-	337,445	14,952,572	15,290,017
At 1 January 2009	-	-	214,500	14,974,977	15,189,477
Warrant expenses	-	-	-	(22,405)	(22,405)
Share-based payment	-	-	103,051	-	103,051
At 31 December 2009	-	-	317,551	14,952,572	15,270,123

Notes to the Financial Statements

23. Other Reserves (Cont'd)

In the financial year 2008, the Company executed a Deed Poll constituting the Warrants and the issue price and exercise price of the Warrants have been fixed at RM0.10 and RM1.00 each respectively.

In the financial year 2008, the Company issued renounceable rights issue of 154,076,578 Warrants on the basis of two (2) new Warrants for every five (5) existing ordinary shares of RM1.00 each.

The Warrants may be exercised at any time commencing on the date of issue of Warrants on 12 June 2008 but not later than 11 June 2018. Any Warrants which have not been exercised at date of maturity will lapse and cease to be valid for any purpose.

The new ordinary shares allotted and issued upon exercise of the Warrants shall rank pari passu in all respects with the then existing ordinary shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the new ordinary shares arising from exercise of the Warrants.

As at 31 December 2010, the total numbers of Warrants that remain unexercised were 154,076,578 (2009: 154,076,578).

24. Retained Profits/(Accumulated Losses)

	Group RM	2010 Company RM
Retained Profits /(Accumulated Losses)		
- Realised	114,539,013	(127,667,791)
- Unrealised	(11,312,831)	-
	<u>103,226,182</u>	<u>(127,667,791)</u>
Total share of accumulated losses from associated companies		
- Realised	(378,924)	-
	<u>102,847,258</u>	<u>(127,667,791)</u>
Less: Consolidation adjustments	(100,676,132)	-
	<u>2,171,126</u>	<u>(127,667,791)</u>

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

The disclosure of realised and unrealised profits and losses is solely for the purpose of disclosure requirements of Bursa Malaysia Securities Berhad Listing Requirements, and the comparative figures are not required in the first financial year of complying with the realised and unrealised profits and losses disclosure

25. Secured Serial Bonds

	Group/Company	
	2010 RM	2009 RM
Secured		
Nominal value		
7.15% Secured Serial Bonds 2006/2010	-	15,000,000
7.50% Secured Serial Bonds 2006/2011	-	20,000,000
	-	35,000,000
Analysed as:		
Repayable within twelve months	-	15,000,000
Repayable after twelve months	-	20,000,000
	-	35,000,000

The Company, under a Trust Deed dated 28 December 2005, issued the above Secured Serial Bonds ("Bonds") and the main features of the Bonds are as follows:

- (a) The Bonds are in multiples of RM1,000,000;
- (b) The three (3) series of bonds bear coupon rate as follows:

2006/2010 Bonds (Tranche 3)	-	7.15% per annum
2006/2011 Bonds (Tranche 4)	-	7.50% per annum

Coupon payment of the Bonds shall be payable semi-annually. The first interest payment falls on a date which is six (6) months from the Issue Date and subsequent coupon payment date falling every consecutive six (6) months thereafter. The last coupon payment shall coincide with the maturity date or due date for the repayment of each series issued;

- (c) The Bonds shall, unless previously redeemed, purchased or cancelled, be redeemed at their principal amount upon maturity date of each series issued; and
- (d) The tenure of the Bonds is for a period of 1 to 5 years from the date of issue.

The Bonds are secured against the following:

- (a) First legal charge on certain subsidiary companies' land banks included in land and property development costs; and
- (b) Assignment over the Cash Collateral Account and the Bonds Debt Service Reserve Account.

During the financial year, the Company has fully settled the Bonds.

Notes to the Financial Statements

26. Islamic Securities

	Group/Company	
	2010	2009
	RM	RM
Secured		
Nominal value		
4% + 1.25% Islamic Securities 2010/2014	35,000,000	-
4.15% + 1.25% Islamic Securities 2010/2015	40,000,000	-
	<u>75,000,000</u>	<u>-</u>
Analysed as:		
Repayable after twelve months	<u>75,000,000</u>	<u>-</u>

The Company, under Kafalah Facility Agreement dated 30 June 2010 and Trust Deed dated 12 July 2010, issued the above Islamic Securities (ICP/IMTN/Sukuk) and the main features are as follows:

- (a) The Islamic Securities in multiples of RM1,000; and
- (b) The tenure of the Islamic Securities is up to seven (7) years from the date of first issuance.

The Islamic Securities are secured against the following:

- (a) First legal charge on certain subsidiary companies of the Company land banks;
- (b) An assignment of residual proceeds in the Housing Development Accounts of certain subsidiary companies of the Company;
- (c) A charge and/or assignment over the following accounts:
 - (i) Disbursement Account ("DA")
 - (ii) Sinking Fund Account ("SFA")
- (d) Specific debentures by certain subsidiary companies of the Company; and
- (e) Corporate guarantees by certain subsidiary companies of the Company.

27. Bank Borrowings

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Secured				
Floating rates:				
Bridging loans	61,020,429	63,537,722	31,641,303	34,552,609
Term loans	121,768,355	119,239,332	40,280,000	40,253,116
Revolving credits	30,691,040	32,655,538	30,027,605	30,177,041
Total borrowings	<u>213,479,824</u>	<u>215,432,592</u>	<u>101,948,908</u>	<u>104,982,766</u>

27. Bank Borrowings (Cont'd)

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Analysed as:				
Repayable within twelve months				
Floating rates:				
Bridging loans	106,108	214,992	85,197	213,020
Term loans	23,611,340	35,043,459	280,000	253,116
Revolving credits	10,691,136	2,655,634	10,027,701	177,137
	<u>34,408,584</u>	<u>37,914,085</u>	<u>10,392,898</u>	<u>643,273</u>
Repayable after twelve months				
Floating rates:				
Bridging loans	60,914,321	63,322,730	31,556,106	34,339,589
Term loans	98,157,015	84,195,873	40,000,000	40,000,000
Revolving credits	19,999,904	29,999,904	19,999,904	29,999,904
	<u>179,071,240</u>	<u>177,518,507</u>	<u>91,556,010</u>	<u>104,339,493</u>
Total borrowings	<u>213,479,824</u>	<u>215,432,592</u>	<u>101,948,908</u>	<u>104,982,766</u>

The credit facilities of the Group and of the Company obtained from licensed banks are secured on the following:

- (a) fixed charge on certain subsidiary companies' land banks included in land and property development costs as disclosed in Note 5 to the financial statements;
- (b) fixed charge on certain parcel of land under joint venture arrangement;
- (c) fixed charge on a subsidiary company's investment properties as disclosed in Note 6 to the financial statements;
- (d) fixed charge on certain subsidiary companies' leasehold land and buildings as disclosed in Note 3 to the financial statements;
- (e) fixed charge on certain subsidiary companies' inventories as disclosed in Note 14 to the financial statements;
- (f) charge on certain shares of a subsidiary company of the Company;
- (g) assignment of a subsidiary company's sales proceeds and balances in a Housing Development Accounts;
- (h) fixed and floating charge over certain subsidiary companies' present and future assets of;
- (i) joint and several guarantee of certain Directors of the Company and certain subsidiary companies; and
- (j) a pledge of certain subsidiary companies' fixed deposits as disclosed in Note 17 to the financial statements.

Notes to the Financial Statements

27. Bank Borrowings (Cont'd)

Maturities of bank borrowings are as follows:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Within one year	34,408,584	37,914,085	10,392,898	643,273
Between one and two years	40,726,309	40,542,732	10,000,000	10,000,000
Between two and three years	90,547,806	41,614,190	41,556,010	10,000,000
Between three and four years	47,627,402	55,054,393	40,000,000	44,339,493
Between four and five years	71,904	40,055,403	-	40,000,000
After five years	97,819	251,789	-	-
	213,479,824	215,432,592	101,948,908	104,982,766

Range of interest rates during the financial year is as follows:

	Group		Company	
	2010 %	2009 %	2010 %	2009 %
Bridging loans	7.30 - 7.80	7.00 - 8.00	7.55	7.45
Term loans	5.10 - 8.30	5.10 - 8.75	7.55	7.45
Revolving credit	7.30 - 7.80	6.00 - 8.80	6.95	6.95

The currency exposure profile is as follows:

	Group	
	2010 RM	2009 RM
United States Dollars	23,192,934	33,100,864

28. Trade Payables

	Note	Group	
		2010 RM	2009 RM
Current			
Trade payables			
- Third parties		107,251,030	94,567,078
- Related parties	40	5,015,282	12,439,660
		112,266,312	107,006,738
Retention sum payables			
- Third parties		18,814,466	10,431,714
- Related parties		3,327,662	4,008,495
		22,142,128	14,440,209
Progress billings in respect of property development costs		11,593,089	28,064,185
		146,001,529	149,511,132

Notes to the Financial Statements

28. Trade Payables (Cont'd)

	Note	2010 RM	Group 2009 RM
Non-current			
Trade payable			
- Third party		12,500,000	15,500,000
Total trade payables		158,501,529	165,011,132

(a) The non-current trade payable represents amount payable to landowner for certain development project land.

(b) The normal trade credit term granted to the Group ranges from 30 to 90 days (2009: 30 to 90 days). Other credit terms are assessed and approved on a case by case basis.

(c) The currency exposure profile is as follows:

	2010 RM	Group 2009 RM
Chinese Yuan Renminbi	793,861	1,342,540

29. Other Payables

	Note	Group		Company	
		2010 RM	2009 RM	2010 RM	2009 RM
Current					
Other payables					
- Third parties		66,693,928	84,886,496	528,233	59,496
- Related parties	40	22,441,129	3,077,574	167,392	167,579
		89,135,057	87,964,070	695,625	227,075
Amount payable from acquisition of:					
- subsidiary companies		635,952	13,190,021	-	-
Amount payable to Landowners		-	1,196,861	-	-
Dividend payable		-	392,000	-	-
Accruals		4,842,167	8,297,138	1,483,848	970,349
Deposits		8,678,841	8,479,128	-	-
		103,292,017	119,519,218	2,179,473	1,197,424
Non-current					
Other payables					
- Third parties		36,071,538	-	-	-
Total other payables		139,363,555	119,519,218	2,179,473	1,197,424

Notes to the Financial Statements

29. Other Payables (Cont'd)

- (a) The non-current other payables represents amount owing to certain former shareholders of subsidiary companies.
- (b) Include in current other payables is an amount of RM3,867,299 (2009: RM4,735,272). The Group has an option exercisable before 2046 to purchase back such ex-subsidiary companies for a nominal consideration. The advances are unsecured, interest free and no fixed term of repayment.
- (c) The currency exposure profile is as follows:

	2010	Group 2009
	RM	RM
Chinese Yuan Renminbi	3,826,195	2,597,991
Hong Kong Dollar	5,306,101	6,108,375
United Stated Dollar	188,499	328,215

30. Hire Purchase Payables

	2010	Group 2009
	RM	RM
(a) Future minimum payments		
Payable within one year	1,042,178	976,724
Payable between one and five years	2,241,159	2,178,313
Payable after five years	226,748	-
	3,510,085	3,155,037
Less: Future finance charges	(401,343)	(304,371)
	3,108,742	2,850,666
(b) Present value of hire purchase liabilities		
Repayable within one year	888,428	847,605
Repayable between one and five years	2,015,233	1,960,310
Repayable after five years	205,081	42,751
	3,108,742	2,850,666
Analysed as:		
Repayable within twelve months	888,428	847,605
Repayable after twelve months	2,220,314	2,003,061
	3,108,742	2,850,666

Interest is charged at rates ranging from 2.24% to 5.00% (2009: 2.24% to 5.00%) per annum.

31. Deferred Tax Liabilities

	Group	
	2010	2009
	RM	RM
At 1 January	83,681,947	86,515,933
Recognised in statements of comprehensive income	(2,440,223)	(1,550,918)
Exchange difference	(2,676,256)	(1,283,068)
At 31 December	78,565,468	83,681,947

The components and movements of deferred tax liabilities of the Group are as follows:

	Property plant and equipment RM	Land and property development costs RM	Others RM	Total RM
At 1 January 2010	38,939,633	44,721,553	20,761	83,681,947
Recognised in statements of comprehensive income	(1,348,378)	(1,166,545)	74,700	(2,440,223)
Exchange difference	(2,671,967)	-	(4,289)	(2,676,256)
At 31 December 2010	34,919,288	43,555,008	91,172	78,565,468
At 1 January 2009	41,096,185	45,374,058	45,690	86,515,933
Recognised in statements of comprehensive income	(875,673)	(652,505)	(22,740)	(1,550,918)
Exchange difference	(1,280,879)	-	(2,189)	(1,283,068)
At 31 December 2009	38,939,633	44,721,553	20,761	83,681,947

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

	Group	
	2010	2009
	RM	RM
Unused tax losses	62,543,835	58,244,386
Unabsorbed capital allowances	1,222,284	3,088,508
Deductible temporary differences	2,500,000	6,302,892
Accelerated capital allowances	(106,108)	(1,226,222)
	66,160,011	66,409,564

The unused tax losses and unabsorbed capital allowance of RM62,543,835 (2009: RM58,244,386) and RM1,222,284 (2009: RM3,088,508) respectively are available indefinitely for offset against future taxable profits of the companies in which those items arose.

Notes to the Financial Statements

32. Bank Overdrafts

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Secured				
Repayable within twelve months	50,827,214	77,935,460	10,915,162	12,192,037

The bank overdrafts obtained from licensed banks are secured as follows:

- (a) fixed charge on certain subsidiary companies' leasehold buildings as disclosed in Note 3 to the financial statements;
- (b) fixed charge on certain subsidiary companies' investment properties as disclosed in Note 6 to the financial statements;
- (c) fixed charge on certain subsidiary companies' land banks included in land and property development costs as disclosed in Note 5 to the financial statements;
- (d) third party first legal charge over certain individual titles under development; and
- (e) joint and several guarantee of certain Directors of the Company and certain subsidiary companies.

Interest is charged at rates ranging from 7.30% to 8.80% (2009: 7.55% to 8.05%) per annum.

33. Revenue

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Property development	311,645,685	164,636,271	-	-
Construction contracts	6,597,638	13,762,033	-	-
Trading and others	258,759	228,099	-	-
Dividend from subsidiary Company	-	-	11,000,000	4,500,000
Golf courses and club house	22,392,348	19,675,333	-	-
Management fee from:				
- subsidiary company	-	-	120,000	120,000
- third parties	17,402	174,609	-	-
	340,911,832	198,476,345	11,120,000	4,620,000

Notes to the Financial Statements

34. Finance Costs

	Note	Group		Company	
		2010 RM	2009 RM	2010 RM	2009 RM
Interest expenses on:					
Term loans		7,938,925	8,900,377	2,826,244	1,717,623
Bank overdrafts		5,068,791	4,084,721	799,220	837,485
Bridging loans		4,384,912	1,760,020	-	653,826
Revolving credits		2,221,820	2,417,752	2,170,994	2,136,189
Hire purchase		158,038	119,211	-	-
Secured Serial Bonds		1,634,151	2,693,657	1,634,151	2,693,657
Islamic Securities		1,446,848	-	219,995	-
ICULS		-	11,360	-	11,360
		22,853,485	19,987,098	7,650,604	8,050,140
Less: Interest capitalised in property development costs	5	(7,181,730)	(3,673,519)	-	-
		15,671,755	16,313,579	7,650,604	8,050,140

35. Profit/(Loss) before Taxation

Profit/(Loss) before taxation is derived after charging/(crediting):

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Auditors' remuneration				
- statutory	231,764	244,974	30,000	30,000
- others	9,300	2,400	-	-
- under/(over) provision in prior year	24,450	(19,100)	-	(3,000)
Bad debt written off	3,957,144	6,459,437	-	-
Director remuneration				
Company's Directors				
- fee	410,547	409,434	216,000	216,000
- salaries and other emoluments	3,185,902	3,807,467	427,700	424,800
- EPF	493,556	371,396	-	-
- benefit-in-kind	272,521	244,001	2,236	1,200
Other Directors				
- fee	195,500	174,000	-	-
- salaries and other emoluments	337,751	271,970	-	-
- EPF	35,736	27,852	-	-
Deposit written off	145,665	-	-	-
Depreciation of				
- property, plant and equipment	13,135,087	13,933,317	-	-
- investment properties	148,872	114,761	-	-
Impairment on receivables				
- Trade	276,428	-	-	-
- Non-trade	1,140,321	318,871	-	-

Notes to the Financial Statements

35. Profit/(Loss) before Taxation (Cont'd)

Profit/(Loss) before taxation is derived after charging/(crediting): (Cont'd)

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Impairment on foreseeable loss in construction contract	46,035	-	-	-
Impairment of goodwill arising on consolidation	4,964,464	1,035,367	-	-
Impairment on investment in subsidiary companies	-	-	-	92,119
Impairment on associate company	566	-	-	-
Impairment on property, plant and equipment	6,053	-	-	-
Loss on disposal of other investments	1,417,799	-	-	-
Loss/(Gain) on disposal of property, plant and equipment	135,920	(233,370)	-	-
Prepayment written off	3,706	-	-	-
Property, plant and equipment written off	119,085	35,524	-	-
Rental of premises	136,800	71,300	-	-
Rental of office equipment	10,470	15,120	-	-
Share-based payment	19,894	103,051	19,894	103,051
Reversal of dividend in previous year	-	755	-	-
Reversal of impairment on trade and other receivables	(4,056,964)	(6,189,965)	-	-
Reversal of impairment for foreseeable loss written back	-	(242,522)	-	-
Dividend income	-	-	(11,000,000)	(4,500,000)
(Gain)/Loss on disposal of investment property	(8,347)	13,872	-	-
Gain on disposal of a subsidiary company	(8,228)	(37,632)	-	-
Interest income on advance to subsidiary companies	-	-	(4,598,079)	(11,101,548)
Interest income	(1,100,062)	(1,754,610)	(28,755)	(34,309)
Receipt on unclaimed monies	(112,825)	-	-	-
Reserve on consolidation	-	(54,683)	-	-
Reversal on contingency sum provided in prior years	(12,985,893)	-	-	-
Reversal of impairment on other investments	(1,417,799)	-	-	-
Rental income from:				
- investment properties	(765,297)	(826,829)	-	-
- others	(521,346)	(607,287)	-	-
Unrealised (gain)/loss on foreign exchange	(64,821)	(954,611)	3,819,449	745,738
Waiver of interest	-	(2,969,000)	-	-

36. Taxation

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Tax expense for the financial year:				
Current tax provision	10,839,766	8,112,122	1,834,463	1,355,000
(Over)/Under provision in prior years	(7,486,075)	(2,211,046)	(528,790)	117,622
	3,353,691	5,901,076	1,305,673	1,472,622
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,062,944)	(1,550,918)	-	-
Over provision in prior years	(1,377,279)	-	-	-
	(2,440,223)	(1,550,918)	-	-
	913,468	4,350,158	1,305,673	1,472,622

36. Taxation (Cont'd)

A reconciliation of income tax expense applicable to profit/(loss) before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	Group	
	2010 RM	2009 RM
Profit/(Loss) before taxation	27,001,389	(6,558,342)
Taxation at statutory tax rate of 25% (2009: 25%)	6,750,345	(1,639,587)
Effect on different tax rates in other countries	478,662	488,846
Subsidiary company domiciled in tax haven country	361,741	(173,400)
Income not subject to tax	(4,756,274)	(1,397,443)
Expenses not deductible for tax purposes	11,468,106	6,129,600
Deferred tax assets not recognised	3,740,329	3,590,228
Deferred tax liabilities not recognised	83,105	-
Utilisation of previous unrecognised tax losses and capital allowances	(3,617,555)	5,758
Reversal of deferred tax liabilities not recognised	-	41,529
Reversal of deferred tax assets not recognised	(4,123,364)	(977,371)
Over provision of taxation in prior years	(7,486,075)	(2,211,046)
Over provision of deferred tax in prior years	(1,377,279)	-
Permanent loss not recognised during the financial year	307,037	122,905
Reversal of deferred tax (liabilities)/assets	(915,310)	370,139
Tax expense for the financial year	913,468	4,350,158
	Company	
	2010	2009
	RM	RM
Profit before taxation	371,783	4,730,288
Taxation at statutory tax rate of 25% (2009: 25%)	92,946	1,182,572
Expenses not deductible for tax purposes	1,741,517	172,428
(Over)/Under provision of taxation in prior years	(528,790)	117,622
Tax expense for the financial year	1,305,673	1,472,622

The Group has estimated unused tax losses and unutilised capital allowances of RM62,543,835 (2009: RM55,035,000) and RM1,222,284 (2009: RM3,089,000) respectively carried forward available for set-off against future taxable profit.

37. Earnings per Share

(a) Basic earnings per share

The earnings per share has been calculated based on the consolidated profit/(loss) for the financial year attributable to the equity holders of the parent of RM16,511,583 (2009: loss of RM17,181,624) and the weighted average number of ordinary shares in issue of 386,552,557 (2009: 386,212,491).

(b) Fully diluted earnings per share

Fully diluted earnings per share has been calculated based on the adjusted consolidated profit/(loss) for the financial year attributable to the equity holders of the parent of RM16,511,583 (2009: loss of RM17,173,104) and the adjusted weighted average number of ordinary shares issued and issuable of 386,552,557 (2009: 386,212,491) shares.

Notes to the Financial Statements

37. Earnings per Share (Cont'd)

(b) Fully diluted earnings per share (Cont'd)

	2010 RM	Group 2009 RM
Profit/(Loss) for the financial year attributable to the equity holders of the parent	16,511,583	(17,181,624)
Adjusted for:		
Interest savings on ICULS	-	8,520
	16,511,583	(17,173,104)
Weighted number of ordinary shares in issue	386,552,557	386,212,491
Adjusted for:		
Assumed conversion of ICULS	-	341,000
Assumed exercise of ESOS at no consideration	*	*
	386,552,557	386,553,491

* The number of shares under ESOS was not taken into account in the computation of diluted earnings per share because the effect on the basic earnings per share is antidilutive.

38. Employee Share Option Scheme

LBS Bina Group Berhad Employee Share Option Scheme ("ESOS") was approved by shareholders at the Extraordinary General Meeting ("EGM") on 24 June 2002 and became effective on 16 September 2002 for a period of 5 years, and shall lapse on 15 September 2007. Pursuant to the Board's approval on 28 May 2007, the tenure of the ESOS has been extended for a further 5 years, expiring on 15 September 2012.

The ESOS Bye-Laws were amended and approved by the shareholders at the EGM on 29 June 2005 to include the participation of Non-Executive Directors of the Company and to increase the maximum number of new ordinary shares available under the ESOS from ten per cent (10%) to fifteen per cent (15%) of the total issued and paid-up capital of the Company.

The ESOS Bye-Laws were amended and approved by the shareholders at the EGM on 21 June 2006, to restructure the grading for directors and employees of the Group and also administrating the ESOS when the eligible director or employee moved to a higher or lower staff grade during the duration of the ESOS. In return the said eligible director/employee's Maximum Allowable Allotment shall be varied in accordance with the existing ESOS Bye-Laws accordingly.

The salient features of the ESOS are as follows:

- (a) Eligible employees include Directors of the Company and confirmed full time employees of the Company and its eligible subsidiary companies, whom have served for at least one year of full continuous service in the Group;
- (b) The maximum number of new ordinary shares which may be available under the ESOS shall not exceed 15% of the total issued and paid-up share capital of the Company at the point in time during the tenure of the ESOS;
- (c) The ESOS shall be in force for a period of ten years;
- (d) The option is personal to the grantee and is non-assignable;

38. Employee Share Option Scheme (Cont'd)

- (e) The option price shall be determined at a discount of not more than 10% from the weighted average market price of the Company's ordinary shares of RM1.00 each for five (5) market days preceding the date of offer, or the par value of the shares, whichever is higher;
- (f) The options granted may be exercised in full or in lesser number of ordinary shares provided that the number shall be in multiples of 100 shares;
- (g) The options granted may be exercised, subject to the maximum limit of options exercisable in each particular year, at any time within a period of five years from the date of offer of the option or such period as may be specifically stated in the offer upon giving notice in writing; and
- (h) The persons to whom the options have been granted shall not participate in more than one employee share option scheme implemented by any company within the Group.

Movements in the number of share options outstanding and their related weighted average exercise prices ("WAEP") are as follows:

	Number of share options over ordinary shares of RM1.00 each					Exercisable
	At				At	at
	1 January	Granted	Forfeited	Exercised	31 December	31 December
2010						
First Grant	9,887,500	-	(277,500)	-	9,610,000	9,610,000
Second Grant	68,500	-	-	-	68,500	68,500
Third Grant	543,000	-	(27,500)	-	515,500	515,500
Fourth Grant	253,500	-	-	-	253,500	253,500
Fifth Grant	673,000	-	(45,000)	-	628,000	628,000
Sixth Grant	1,134,000	-	(7,000)	-	1,127,000	1,127,000
Special Grant	3,227,500	-	-	-	3,227,500	3,227,500
Seventh Grant	215,000	-	(12,000)	-	203,000	203,000
Eighth Grant	2,397,500	-	-	-	2,397,500	2,397,500
Ninth Grant	3,431,500	-	(10,000)	-	3,421,500	3,421,500
Tenth Grant	650,500	-	-	-	650,500	650,500
Eleventh Grant	790,000	-	(3,000)	-	787,000	787,000
Twelfth Grant	579,500	-	(3,000)	-	576,500	576,500
Thirteenth Grant	852,500	-	-	-	852,500	852,500
Fourteenth Grant	804,500	-	-	-	804,500	804,500
Fifteenth Grant	2,228,000	-	(3,000)	-	2,225,000	2,225,000
Sixteenth Grant	-	2,115,000	(34,500)	-	2,080,500	2,080,500
Seventeen Grant	-	1,415,000	(141,500)	-	1,273,500	1,273,500
	27,736,000	3,530,000	(564,000)	-	30,702,000	30,702,000
WAEP	1.01	1.00	1.02	-	1.01	1.01

Notes to the Financial Statements

38. Employee Share Option Scheme (Cont'd)

	Number of share options over ordinary shares of RM1.00 each					Exercisable
	At 1 January	Granted	Forfeited	Exercised	At 31 December	at 31 December
2009						
First Grant	9,958,500	-	(71,000)	-	9,887,500	9,887,500
Second Grant	68,500	-	-	-	68,500	68,500
Third Grant	648,500	-	(105,500)	-	543,000	543,000
Fourth Grant	276,500	-	(23,000)	-	253,500	253,500
Fifth Grant	829,500	-	(156,500)	-	673,000	673,000
Sixth Grant	1,242,000	-	(108,000)	-	1,134,000	1,134,000
Special Grant	3,348,500	-	(121,000)	-	3,227,500	3,227,500
Seventh Grant	242,500	-	(27,500)	-	215,000	215,000
Eighth Grant	2,488,500	-	(91,000)	-	2,397,500	2,397,500
Ninth Grant	3,444,000	-	(12,500)	-	3,431,500	3,431,500
Tenth Grant	710,500	-	(60,000)	-	650,500	650,500
Eleventh Grant	807,000	-	(17,000)	-	790,000	790,000
Twelfth Grant	689,000	-	(109,500)	-	579,500	579,500
Thirteenth Grant	870,000	-	(17,500)	-	852,500	852,500
Fourteenth Grant	-	804,500	(130,000)	-	804,500	804,500
Fifteenth Grant	-	2,228,000	(249,000)	-	2,228,000	2,228,000
Total	25,623,500	3,411,500	(1,299,000)	-	27,736,000	27,736,000
WAEP	1.01	1.00	1.03	-	1.01	1.01

Details of share options outstanding at end of the financial year are as follows:

Share Options	Exercise prices RM	Exercise periods
2010		
First Grant	1.00	10.06.2003 - 15.09.2012
Second Grant	1.00	30.06.2003 - 15.09.2012
Third Grant	1.23	31.12.2003 - 15.09.2012
Fourth Grant	1.29	30.06.2004 - 15.09.2012
Fifth Grant	1.06	31.12.2004 - 15.09.2012
Sixth Grant	1.00	30.06.2005 - 15.09.2012
Special Grant	1.00	01.08.2005 - 15.09.2012
Seventh Grant	1.00	31.12.2005 - 15.09.2012
Eighth Grant	1.00	30.06.2006 - 15.09.2012
Ninth Grant	1.00	31.12.2006 - 15.09.2012
Tenth Grant	1.00	30.06.2007 - 15.09.2012
Eleventh Grant	1.00	31.12.2007 - 15.09.2012
Twelfth Grant	1.00	30.06.2008 - 15.09.2012
Thirteenth Grant	1.00	31.12.2008 - 15.09.2012
Fourteenth Grant	1.00	30.06.2009 - 15.09.2012
Fifteenth Grant	1.00	31.12.2009 - 15.09.2012
Sixteenth Grant	1.00	30.06.2010 - 15.09.2012
Seventeenth Grant	1.00	31.12.2010 - 15.09.2012

38. Employee Share Option Scheme (Cont'd)

Share Options	Exercise prices RM	Exercise periods
2009		
First Grant	1.00	10.06.2003 - 15.09.2012
Second Grant	1.00	30.06.2003 - 15.09.2012
Third Grant	1.23	31.12.2003 - 15.09.2012
Fourth Grant	1.29	30.06.2004 - 15.09.2012
Fifth Grant	1.06	31.12.2004 - 15.09.2012
Sixth Grant	1.00	30.06.2005 - 15.09.2012
Special Grant	1.00	01.08.2005 - 15.09.2012
Seventh Grant	1.00	31.12.2005 - 15.09.2012
Eighth Grant	1.00	30.06.2006 - 15.09.2012
Ninth Grant	1.00	31.12.2006 - 15.09.2012
Tenth Grant	1.00	30.06.2007 - 15.09.2012
Eleventh Grant	1.00	31.12.2007 - 15.09.2012
Twelfth Grant	1.00	30.06.2008 - 15.09.2012
Thirteenth Grant	1.00	31.12.2008 - 15.09.2012
Fourteenth Grant	1.00	30.06.2009 - 15.09.2012
Fifteenth Grant	1.00	31.12.2009 - 15.09.2012

The fair value of share options granted during the year was estimated by the management using Black-Scholes-Merton model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and the assumptions are as follows:

	2010 RM	2009 RM
Fair value of share options at the following grant dates		
30 June 2005	0.122	0.122
1 August 2005	0.118	0.118
31 December 2005	0.026	0.026
30 June 2006	0.059	0.059
31 December 2006	0.043	0.043
30 June 2007	0.134	0.134
31 December 2007	0.049	0.049
30 June 2008	0.009	0.009
31 December 2008	0.001	0.001
30 June 2009	0.012	0.012
31 December 2009	0.035	0.035
30 June 2010	0.027	-
31 December 2010	0.031	-
Weighted average share price (RM)	0.65	0.55
Weighted average exercise price (RM)	1.01	1.01
Expected volatility (%)	38.00	38.00
Expected option life (years)	2 to 7	3 to 7
Risk-free interest rate, p.a. (%)	3.36	3.36
Expected dividend yield (%)	-	-

Notes to the Financial Statements

38. Employee Share Option Scheme (Cont'd)

The expected life of the share options is based on historical data and is not necessarily indicative of exercise patterns that may occur in the future. The expected volatility is based on the historical volatility, adjusted for unusual or extraordinary volatility arising from certain economic or business occurrences which is not reflective of its long term average level. While the expected volatility is assumed to be indicative of future trends, it may not necessarily be the actual outcome. No other features of the option grant were incorporated into the measurement of fair value.

Executive Directors of the Group and of the Company and other members of key management have been granted the following number of options under the ESOS:

	Group	
	2010	2009
	RM	RM
At 1 January	14,225,000	12,775,000
Granted and accepted	881,000	1,450,000
At 31 December	15,106,000	14,225,000

The share options were granted on the same terms and conditions as those offered to other employees of the Group.

39. Staff Costs

	Note	Group	
		2010	2009
		RM	RM
Staff costs (excluding Directors) comprise:			
- charged to statement of comprehensive income		16,465,079	16,474,097
- capitalised in property development costs	5	4,397,725	1,524,223
Total staff costs for the financial year		20,862,804	17,998,320

Included in the total staff costs above are contributions made to the Employees Provident Fund under a defined contribution plan for the Group amounting to RM987,380 (2009: RM646,384).

40. Related Party Disclosures

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

	2010	2009
	RM	RM
Group		
Other related parties:		
* Sale of properties	17,571,511	3,450,016
* Contractor fee paid/payable	9,780,113	3,650,849
* Rendering of services	22,323	498,962
* Rental received/receivable	7,200	8,600
* Rental paid/payable	34,800	30,000
* Provision of services as advocates and solicitors	819,649	553,335

40. Related Party Disclosures (Cont'd)

	2010 RM	2009 RM
Company		
Subsidiary companies:		
* Management fee received/receivable	120,000	120,000
* Project management fee	-	193,637
* Dividend income received/receivable	11,000,000	4,500,000
* Interest received/receivables	4,598,079	11,101,548
Settlement of liabilities by the subsidiary companies	118,214,728	17,583,134
Settlement of liabilities by the Company on behalf of subsidiary companies	-	3,381,223

* These transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

The nature and relationship between the Group and the related parties are as follows:

- (i) Companies in which the brothers of a Director of the Company have financial interest;
 - (ii) Persons connected to certain Directors of the Company;
 - (iii) Firms in which a son of a Director is one of the partners of the firm and a Director of a subsidiary company are the partner of the firm;
 - (iv) A Company in which one of the Director of the Company have financial interest; and
 - (v) Director and key management personnel having authority for planning, directing and controlling the activities of the Company and their close family members.
- (b) Information regarding outstanding balances arising from related party transactions as at 31 December 2010 is disclosed in Notes 9, 10, 15, 16, 28, and 29 to the financial statements.
- (c) Information regarding compensation of key management personnel is as follows:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Short-term employee benefits	7,951,091	7,479,382	426,900	384,000
Share based payments	47,722	24,693	47,722	24,693

Key management personnel include personnel having authority and responsibility for planning, directing and controlling the activities of the entity, including any Director of the Company.

Notes to the Financial Statements

41. Segment Information

The Group has five major reporting segments, as described below, which are the Group's strategic business units. Segment information is primarily presented in respect of the Group's business segment which is based on the Group's management and internal reporting structure. For each of the strategic business units, the Group's Managing Director reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

The main business segments of the Group comprise the following:

Property Development	Development of residential and commercial properties.
Management and Investment	Investment holding and provision of management services.
Trading	Trading in building material, insurance agent, and selling of membership and covering insurance.
Construction	Building, project planning cum implementation contractor.
Golf courses and club house	Golf club development and management.

Other business segments include selling of membership cards covering personal insurance and insurance agent, none of which are of a sufficient size to be reported separately.

The accounting policies of the segments are consistent with the accounting policies of the Group.

Performance is measured based on segment profit before tax, interest, depreciation and amortisation, as included in the internal management reports that are reviewed by the Group's Managing Director, who is the Group's chief operating decision maker. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

The total of segment asset is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Group's Managing Director. Segment total asset is used to measure the return of assets of each segment.

Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Group's Managing Director. Hence no disclosure is made on segment liability.

41. Segment Information (Cont'd)

Geographical segments

In determining the Group segment revenue is based on the geographical location of customers as follows:

	2010 RM	Group 2009 RM
Malaysia	318,519,484	178,801,012
The People's Republic of China	22,392,348	19,675,333
	340,911,832	198,476,345

	Property Development RM	Management and Investment RM	Trading RM	Construction RM	Golf Courses and Club House RM	Others RM	Total RM
2010 Revenue							
Sales	311,663,087	12,569,723	21,285,045	121,196,846	22,392,348	258,759	489,365,808
Less : Inter-segment sales	-	(12,569,723)	(21,285,045)	(114,599,208)	-	-	(148,453,976)
	311,663,087	-	-	6,597,638	22,392,348	258,759	340,911,832
Results							
Segment results	48,718,457	(8,521,703)	(39,627)	3,451,831	(1,787,077)	(44,938)	41,776,943
Interest income	929,546	154,803	-	-	-	-	1,084,349
Finance costs	(6,164,920)	(8,244,160)	-	(1,188,915)	-	(73,760)	(15,671,755)
Share of loss in associated companies	-	-	-	-	-	(188,148)	(188,148)
Profit/(Loss) before taxation	43,483,083	(16,611,060)	(39,627)	2,262,916	(1,787,077)	(306,846)	27,001,389
Taxation	(752,807)	2,247,994	(2,019)	(3,822,910)	1,377,279	38,995	(913,468)
Profit/(Loss) for the financial year	42,730,276	(14,363,066)	(41,646)	(1,559,994)	(409,798)	(267,851)	26,087,921
Assets							
Additional to non- current assets	62,775,519	34,144,357	-	967,826	(23,771,332)	(85)	74,116,285
Segment assets	1,007,679,898	35,342,306	571,936	18,442,083	221,435,180	957,111	1,284,428,514

Notes to the Financial Statements

41. Segment Information (Cont'd)

	Property Development RM	Management and Investment RM	Trading RM	Construction RM	Golf Courses and Club House RM	Others RM	Total RM
2010							
Other non-cash expenses							
Bad debts written off	3,957,144	-	-	-	-	-	3,957,144
Depreciation and amortisation	1,642,634	6,127	-	670,527	10,968,494	2,230	13,290,012
Reversal on impairment on other investment	1,417,799	-	-	-	-	-	1,417,799
Gain/(Loss) on unrealised foreign exchange	39,629	(104,450)	-	-	-	-	(64,821)
Impairment on receivables	502,526	907,400	-	6,823	-	-	1,416,749
Property, plant and equipment written off	-	-	-	119,085	-	-	119,085
Loss on disposal of property, plant and equipment	1,069	-	-	8,826	126,025	-	135,920
Impairment for foreseeable losses	-	-	-	46,035	-	-	46,035
Deposit and prepayment written off	140,300	6,371	-	2,700	-	-	149,371
Impairment on goodwill in subsidiary companies	4,964,464	-	-	-	-	-	4,964,464
Impairment on goodwill in associated companies	566	-	-	-	-	-	566
Share based payment	-	19,894	-	-	-	-	19,894
Other non-cash income							
Gain on disposal of investment property	-	(8,347)	-	-	-	-	(8,347)
Gain in disposal of subsidiary companies	(8,288)	-	-	-	-	-	(8,288)
Reversal of impairment on receivables	(107,897)	-	-	(3,949,067)	-	-	(4,056,964)
Reversal of contingency sum	(12,067,472)	-	-	(344,935)	-	-	(12,412,407)

Notes to the Financial Statements

41. Segment Information (Cont'd)

	Property Development RM	Management and Investment RM	Trading RM	Construction RM	Golf Courses and Club House RM	Others RM	Total RM
2009							
Revenue							
Sales	164,810,880	9,645,168	7,330,962	35,889,879	19,675,333	212,087	237,564,309
Less : Inter-segment sales	-	(9,645,168)	(7,314,950)	(22,127,846)	-	-	(39,087,964)
	164,810,880	-	16,012	13,762,033	19,675,333	212,087	198,476,345
Results							
Segment results	30,974,826	1,289,531	(7,292,467)	(10,645,161)	(5,443,900)	29,294	8,912,123
Interest income	632,249	157,871	-	-	-	-	790,120
Reserve on consolidation	54,683	-	-	-	-	-	54,683
Finance costs	(5,108,340)	(9,918,535)	-	(1,286,704)	-	-	(16,313,579)
Share of loss in associated companies	-	-	-	-	-	(1,689)	(1,689)
(Loss)/Profit before taxation	26,553,418	(8,471,133)	(7,292,467)	(11,931,865)	(5,443,900)	27,605	(6,558,342)
Taxation	(3,916,303)	(347,622)	(6,522)	(1,022,600)	954,812	(11,923)	(4,350,158)
(Loss)/Profit after taxation	22,637,115	(8,818,755)	(7,298,989)	(12,954,465)	(4,489,088)	15,682	(10,908,500)
Assets							
Additions to non- current assets	(9,469,315)	(1,470,567)	-	289,605	(17,113,882)	(104)	(27,764,263)
Segment assets	913,247,222	206,361,027	422,511	16,008,242	133,642,033	899,337	1,270,580,372

Notes to the Financial Statements

41. Segment Information (Cont'd)

	Property Development RM	Management and Investment RM	Trading RM	Construction RM	Golf Courses and Club House RM	Others RM	Total RM
2009							
Other non-cash expenses							
Depreciation and amortisation	1,545,538	6,127	-	382,566	12,119,702	104	14,054,037
Bad debts written off	6,459,437	-	-	-	-	-	6,459,437
Gain on unrealised foreign exchange	-	(954,611)	-	-	-	-	(954,611)
Impairment on receivables	318,871	-	-	-	-	-	318,871
Property, plant and equipment written off	-	4,009	-	31,515	-	-	35,524
Loss on disposal of investment properties	13,872	-	-	-	-	-	13,872
Impairment on goodwill in subsidiary companies	1,035,367	-	-	-	-	-	1,035,367
Share based payment	-	103,051	-	-	-	-	103,051
Other non-cash income							
Gain on disposal of property, plant and equipment	(233,370)	-	-	-	-	-	(233,370)
Reversal of impairment on foreseeable losses	-	-	-	(242,522)	-	-	(242,522)
Reversal of impairment on receivables	(6,189,965)	-	-	-	-	-	(6,189,965)
Waiver of interest	(2,969,000)	-	-	-	-	-	(2,969,000)

All the inter-segment transactions were carried out on normal commercial basis and in the ordinary course of business.

Notes to the Financial Statements

42. Contingent Liabilities

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Corporate guarantees given to the license banks for credit facility granted to subsidiary companies	-	-	112,974,851	168,433,720
Corporate guarantees given to the suppliers of goods for credit terms granted to subsidiary companies	-	-	1,451,114	1,221,463
Banker's guarantees in favour of the local authorities for the purpose of development projects				
- Secured	8,840,379	7,740,997	-	-

43. Capital Commitments

	Group	
	2010 RM	2009 RM
Authorised and contracted for:		
Contractual commitments for development projects	-	59,238,981

During the financial year, the certain subsidiaries companies of the Company have entered into a settlement agreement with the landowner to settle the minimum landowner's entitlement within a certain time period. Therefore all the landowner's entitlement has been capitalised in land and property development costs as disclosed in the Note 5 to the financial statements.

44. Financial Instruments

Certain comparative figures have not been presented for 31 December 2009 by virtue of the exemption given in the paragraph 44AA of FRS 7, which is effective for annual periods beginning on and after 1 January 2010.

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 2 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Loans and receivables RM	Available -for-sale RM	Financial liabilities at amortised cost RM	Total RM
Group				
2010				
Financial Assets				
Other investments	-	1,253,500	-	1,253,500
Properties held for sale	-	1,091,593	-	1,091,593
Trade and other receivables	205,673,487	-	-	205,673,487
Fixed deposits with licensed banks	4,049,214	-	-	4,049,214
Cash held under Housing Development Accounts	17,594,870	-	-	17,594,870
Cash and bank balances	41,306,852	-	-	41,306,852
Total financial assets	268,624,423	2,345,093	-	270,969,516

Notes to the Financial Statements

44. Financial Instruments (Cont'd)

(a) Classification of financial instruments (Cont'd)

	Loans and receivables RM	Available -for-sale RM	Financial liabilities at amortised cost RM	Total RM
Group				
2010				
Financial Liabilities				
Trade and other payables	-	-	286,271,995	286,271,995
Hire purchase payables	-	-	3,108,742	3,108,742
Islamic Securities	-	-	75,000,000	75,000,000
Bank borrowings and overdrafts	-	-	264,307,038	264,307,038
Total financial liabilities	-	-	628,687,775	628,687,775
Group				
2009				
Financial Assets				
Other investments	-	1,253,501	-	1,253,501
Properties held for sale	-	1,091,593	-	1,091,593
Trade and other receivables	285,449,677	-	-	285,449,677
Fixed deposits with licensed banks	51,477,802	-	-	51,477,802
Cash held under Housing Development Accounts	11,284,826	-	-	11,284,826
Cash and bank balances	14,306,697	-	-	14,306,697
Total financial assets	362,519,002	2,345,094	-	364,864,096
Financial Liabilities				
Trade and other payables	-	-	256,466,165	256,466,165
Secured Serial Bonds	-	-	35,000,000	35,000,000
Hire purchase payables	-	-	2,850,666	2,850,666
Bank borrowings and overdrafts	-	-	293,368,052	293,368,052
Total financial liabilities	-	-	587,684,883	587,684,883

44. Financial Instruments (Cont'd)

(a) Classification of financial instruments (Cont'd)

	Loans and receivables RM	Available -for-sale RM	Financial liabilities at amortised cost RM	Total RM
Company				
2010				
Financial Assets				
Other receivables	10,422	-	-	10,422
Amount owing by subsidiary companies	82,348,038	-	-	82,348,038
Fixed deposit with licensed bank	1,530,000	-	-	1,530,000
Cash and bank balances	3,148,158	-	-	3,148,158
Total financial assets	<u>87,036,618</u>	-	-	<u>87,036,618</u>
Financial Liabilities				
Trade and other payables	-	-	2,179,473	2,179,473
Bank borrowings and overdrafts	-	-	112,864,070	112,864,070
Amount owing to subsidiary companies	-	-	1,492,167	1,492,167
Islamic Securities	-	-	75,000,000	75,000,000
Total financial liabilities	-	-	<u>191,535,710</u>	<u>191,535,710</u>
2009				
Company				
Financial Assets				
Other receivables	10,252	-	-	10,252
Amount owing by subsidiary companies	253,211,731	-	-	253,211,731
Fixed deposits with licensed banks	1,486,878	-	-	1,486,878
Cash and bank balances	118,273	-	-	118,273
Total financial assets	<u>254,827,134</u>	-	-	<u>254,827,134</u>
Financial Liabilities				
Other payables	-	-	1,197,424	1,197,424
Amount owing to subsidiary companies	-	-	8,208,677	8,208,677
Bank borrowings and overdrafts	-	-	117,174,803	117,174,803
Secured Serial Bonds	-	-	35,000,000	35,000,000
Total financial liabilities	-	-	<u>161,580,904</u>	<u>161,580,904</u>

Notes to the Financial Statements

44. Financial Instruments (Cont'd)

(b) Financial assets/(liabilities) at "fair value through profit or loss"

There is no fair value through profit or loss has been imposed as the Group and the Company credit risks and liquidity risk are within the acceptable collection/payment period.

(c) Capital risk management objectives and policies

The Group and the Company's management manage its capital to ensure that the Company is able to continue as a going concern and maintains an optimal capital structure so as to maximise shareholder value. The management reviews the capital structure by considering the cost of capital and the risks associated with the capital.

The capital of the Group and the Company consists of issued capital, reserves, cash and cash equivalents, bank borrowings.

(d) Financial risk management objectives and policies

The Group's and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's and the Company's operations whilst managing its financial risks, including foreign currency exchange risk, interest rate risk, credit risk, liquidity risk and cash flows risk. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy is not to engage in speculative transactions.

(e) Credit risk

Fixed deposits with licensed banks, Cash held under Housing Development Account and cash at banks are placed with a credit worthy financial institution.

Credit risk arises mainly from the inability of its customers to make payments when due. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties. Receivables are monitored on an ongoing basis via Company's management reporting procedures and action will be taken for long outstanding debts. Majority of the receivables are from property development segment. The credit risk is limited as the ownership and rights to the properties revert to the Group in the event of default.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the reporting represents the Group's and the Company's maximum exposure to credit risk in relation to financial assets. No financial assets carry a significant exposure to credit risk except as disclosed in Notes 9 and 10 to the financial statements.

(f) Liquidity risk

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group and the Company monitors its cash flows and ensures that sufficient funding is in place to meet the obligations as and when they fall due.

The following table analyses the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

44. Financial Instruments (Cont'd)

(f) Liquidity risk (Cont'd)

	On demand or within 1 year RM	1 - 2 years RM	2 - 5 years RM	After 5 years RM	Total RM
Group					
2010					
Trade and other payables	237,700,457	39,071,538	9,500,000	-	286,271,995
Islamic securities	-	-	75,000,000	-	75,000,000
Bank borrowings	85,235,798	40,726,309	138,247,112	97,819	264,307,038
Hire Purchase payables	888,428	675,847	1,339,385	205,082	3,108,742
	<u>323,824,683</u>	<u>80,473,694</u>	<u>224,086,497</u>	<u>302,901</u>	<u>628,687,775</u>
2009					
Trade and other payables	240,966,165	3,000,000	9,000,000	3,500,000	256,466,165
Secured series bond	15,000,000	20,000,000	-	-	35,000,000
Bank borrowings	115,849,545	40,542,732	136,723,986	251,789	293,368,052
Hire Purchase payables	847,605	1,158,877	801,433	42,751	2,850,666
	<u>372,663,315</u>	<u>64,701,609</u>	<u>146,525,419</u>	<u>3,794,540</u>	<u>587,684,883</u>
Company					
2010					
Trade and other payables	2,179,473	-	-	-	2,179,473
Islamic securities	-	-	75,000,000	-	75,000,000
Amount owing to subsidiary companies	1,492,167	-	-	-	1,492,167
Bank borrowings	21,308,060	10,000,000	81,556,010	-	112,864,070
	<u>24,979,700</u>	<u>10,000,000</u>	<u>156,556,010</u>	<u>-</u>	<u>191,535,710</u>
2009					
Trade and other payables	1,197,424	-	-	-	1,197,424
Secured series bond	15,000,000	20,000,000	-	-	35,000,000
Amount owing to subsidiary companies	8,208,677	-	-	-	8,208,677
Bank borrowings	12,835,310	10,000,000	94,339,493	-	117,174,803
	<u>37,241,411</u>	<u>30,000,000</u>	<u>94,339,493</u>	<u>-</u>	<u>161,580,904</u>

Notes to the Financial Statements

44. Financial Instruments (Cont'd)

(g) Market risks

(i) Foreign currency exchange risk

The Group foreign currency risk on transactions that are denominated in foreign currencies. The currencies giving rise to this risk are primarily the United States Dollar (USD), Hong Kong Dollar (HKD) and Chinese Renminbi (RMB). The Group has not entered into any derivative instruments for hedging or trading purposes as the net exposure to foreign currency risk is not significant.

The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

	Financial Assets			Total RM
	Trade and other receivables RM	Fixed deposits with licensed banks RM	Cash and bank balances RM	
Group 2010				
USD	21,643,440	-	16,799,919	38,443,359
HKD	6,573,886	-	779,875	7,353,761
RMB	42,589,827	340,791	11,061,345	53,991,963
	<u>70,807,153</u>	<u>340,791</u>	<u>28,641,139</u>	<u>99,789,083</u>
2009				
USD	24,114,801	18,600,527	1,934	42,717,262
HKD	7,192,711	477,091	183,524	7,853,326
RMB	39,858,702	11,557,661	102,779	51,519,142
	<u>71,166,214</u>	<u>30,635,279</u>	<u>288,237</u>	<u>102,089,730</u>

	Financial Liabilities		Total RM
	Trade and other payables RM	Bank borrowings RM	
Group 2010			
USD	188,499	23,192,934	23,381,433
HKD	5,306,101	-	5,306,101
RMB	4,620,056	-	4,620,056
	<u>10,114,656</u>	<u>23,192,934</u>	<u>33,307,590</u>
2009			
USD	328,215	33,100,864	33,429,079
HKD	6,108,375	-	6,108,375
RMB	3,940,531	-	3,940,531
	<u>10,377,121</u>	<u>33,100,864</u>	<u>43,477,985</u>

44. Financial Instruments (Cont'd)

(g) Market risks (Cont'd)

(ii) Foreign currency risk sensitivity

A 10% strengthening of Ringgit Malaysia against the following foreign currencies at the end of the reporting period would increase/(decrease) the profit before tax and other comprehensive income by the amounts shown below. This analysis assumes that all other variables remain unchanged.

	USD RM	HKD RM	RMB RM
Group			
2010			
Loss before taxation	(1,506,192)	(204,766)	(4,937,191)

A 10% weakening of Ringgit Malaysia against the above foreign currencies at the end of the reporting period would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain unchanged.

(iii) Interest rate risk

The Group and the Company obtains financing through other financial liabilities. The Group's and the Company's policy is to obtain the financing with the most favourable interest rates in the market.

The Group and the Company constantly monitors its interest rate risk and does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes. At the end of the reporting period, there were no such arrangements, interest rate swap contracts or other derivative instruments outstanding.

The carrying amounts of the Group's and of the Company's financial instruments that are exposed to interest rate risk are as follows:

	2010 RM	2009 RM
Group		
Financial Assets		
Fixed deposits with licensed banks	4,049,214	51,477,802
Cash held under Housing Development Accounts	17,594,870	11,284,826
	21,644,084	62,762,628
Financial Liabilities		
Bank borrowing and bank overdrafts	264,307,038	293,368,052
Company		
Financial Assets		
Fixed deposits with licensed banks	1,530,000	1,486,878
Financial Liabilities		
Bank borrowing and bank overdrafts	112,864,070	117,174,803

The Group and the Company are exposed to interest rate risk arising from its short and long term debts obligations, and its fixed deposits. Fixed deposits interest rate is insignificant and any fluctuations in the rate would have no material impact on the results of the Group and the Company.

Notes to the Financial Statements

44. Financial Instruments (Cont'd)

(g) Market risks (Cont'd)

(iv) Interest rate risk sensitivity

An increase in market interest rates by 1% on financial assets and liabilities of the Group and of the Company which have variable interest rates at the end of the reporting date would decrease the profit before tax by RM2,426,630 and RM1,113,341. This analysis assumes that all other variables remain unchanged.

A decrease in market interest rates by 1% on financial assets and liabilities of the Group and of the Company which have variable interest rates at the end of the reporting period would have had the equal but opposite effect on the amounts shown above, on the basis that all other variables remain unchanged.

(h) Fair values of financial assets and financial liabilities

- (i) Fair value of financial instruments by categories that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value.

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

- (ii) Fair value of financial instruments by categories that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value:

	2010		2009	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Group				
Financial asset				
Other investments	1,253,500	*	1,253,501	*
Financial liabilities				
Trade and other payables	48,571,538	48,571,538	-	-
Hire purchase payables	2,220,314	2,029,679	2,003,061	1,967,340
Bank borrowings	179,071,240	141,442,328	177,518,507	157,999,769
Islamic securities	75,000,000	59,272,814	-	-
Secured serial bonds	-	-	20,000,000	17,409,899
Contingent liabilities	8,840,379	@	7,740,997	@
Company				
Financial liabilities				
Bank borrowings	91,556,010	68,308,614	104,339,493	93,846,510
Islamic securities	75,000,000	59,272,814	-	-
Secured serial bonds	-	-	20,000,000	17,419,899
Contingent liabilities	114,425,965	@	169,655,183	@

@ It is not practicable to estimate the fair value of contingent liabilities reliably due to the uncertainties of timing, cost and eventual outcome.

* It is not practicable to estimate the fair value of the non-current unquoted investments because of the lack of quoted market prices and the inability to estimate fair value without incurring excessive costs.

45. Significant Events

During the financial year, the following significant events took place for the Company and its subsidiary companies:

(a) LBS Bina Group Berhad ("the Company")

- (i) On 22 October 2010, LBGB has through its wholly-owned subsidiaries, Lamdeal Consolidated Development Limited ("LCDL") and Lamdeal Golf & Country Club Limited ("LGCCL") signed a Letter of Intent with Zhuhai Special Economic Zone Long Yi Enterprises Company ("Long Yi") regarding Long Yi's intention to buy and LCDL's and LGCCL's intentions to dispose of their respective 10% interest in the joint venture companies, namely Zhuhai International Circuit Consolidated Development Limited ("ZIC Property") and Zhuhai International Circuit Golf & Country Club Limited ("ZIC Golf") for an aggregate cash consideration of RMB200 million only ("Proposed Disposal"). The letter of Intent has lapsed and the joint venture parties are in the midst of discussing the next course of action.

(b) LBS Bina Holdings Sdn. Bhd. ("LBS")

- (i) On 10 February 2010, LBS Bina Holdings Sdn Bhd ("LBS") acquired additional 10,000 ordinary shares of RM1.00 each in Casa Inspirasi Sdn Bhd ("CISB"), a company incorporated in Malaysia, for a consideration of RM500,000. Consequently, LBS's shareholding in CISB has increased from 30% to 40%.
- (ii) On 25 February 2010, Misi Aktif Sdn Bhd ("MASB"), a wholly owned subsidiary of LBS has increased its paid up capital from 1,500,000 to 3,000,000 ordinary shares of RM 1.00 each. LBS has subscribed all its shareholdings in MASB.
- (iii) On 29 July 2010, LBS has disposed of its 11 ordinary shares of RM1.00 each representing 11% equity interest of Bayu Cergas Sdn Bhd ("BCSB"), a company incorporated in Malaysia for a total cash consideration of RM11.00 only. Consequently, LBS's shareholding in BCSB has reduced from 51% to 40% and BCSB ceased as subsidiary of LBS.
- (iv) On 31 July 2010, LBS has increased its paid up capital from 3,000,000 to 198,336,000 ordinary shares of RM1.00 each. The Company has subscribed all its shareholdings in LBS.
- (v) On 12 August 2010, LBS has disposed of all its shareholding of 4,050,000 ordinary shares of RM1.00 each representing 9% equity interest in Jasa Vista Sdn Bhd ("JVSB"), a company incorporated in Malaysia for a total cash consideration of RM1.00.
- (vi) On 28 September 2010, LBS has acquired 35,000 ordinary shares of RM1.00 each representing 35% equity interest in Astana Modal (M) Sdn Bhd ("AMSB"), a company incorporated in Malaysia for a total cash consideration of RM19,635,000.
- (vii) On 20 December 2010, LBS has acquired 75,000 ordinary shares of RM1.00 each representing 30% equity interest in AMSB, a company incorporated in Malaysia for a total cash consideration of RM22,136,538. Consequently, LBS's shareholding in AMSB has increased from 35% to 65% and AMSB became a subsidiary of LBS.
- (viii) On 30 December 2010, Cergas Asal (M) Sdn Bhd ("CASB"), a wholly-owned subsidiary of LBS, has increased its paid up capital from 2,000,000 to 2,500,000 ordinary shares of RM1.00 each. LBS has subscribed all its shareholdings in CASB.
- (ix) On 30 December 2010, Pelangi Homes Sdn Bhd ("PHSB"), a wholly-owned subsidiary of LBS, has increased its paid up capital from 1,000,000 to 2,500,000 ordinary shares of RM1.00 each. LBS has subscribed all its shareholdings in PHSB.

Notes to the Financial Statements

45. Significant Events (Cont'd)

(c) Astana Modal (M) Sdn. Bhd. ("AMSB")

On 10 December 2010, AMSB, an associated company of LBS, has increased its paid up capital from 100,000 to 250,000 ordinary shares of RM1.00 each. LBS has subscribed additional 52,500 ordinary share of RM1.00 in AMSB.

46. Subsequent Events

Subsequent to the financial year, the following subsequent events took place for the Company and its subsidiary companies:

(a) LBS Bina Holdings Sdn. Bhd. ("LBS")

- (i) On 1 March 2011, LBS has acquired 150,000 ordinary shares of RM1.00 each representing 30% equity interest in Jatidiri Gigih Sdn Bhd ("JGSB"), a company incorporated in Malaysia for a total cash consideration of RM20,700,000. Consequently, LBS's shareholding in JGSB has increased from 51% to 81%.
- (ii) On 17 March 2011, LBS has disposed of all its shareholding of 100,000 ordinary shares of RM1.00 each representing 100% equity interest in Tepukan Senja Sdn Bhd ("TSSB"), a company incorporated in Malaysia for a total cash consideration of RM620,000. TSSB would cease to be subsidiary upon full settlement of purchase price.
- (iii) On 19 April 2011, LBS has acquired 95,000 ordinary shares of RM1.00 each representing 19% equity interest in JGSB, a company incorporated in Malaysia for a total cash consideration of RM13,110,000. Consequently, JGSB become wholly-owned subsidiary of LBS. Consequently, LBS's shareholding in JGSB has increased from 81% to 100%.
- (vi) On 19 April 2011, LBS has disposed of all its shareholding of 20,000 ordinary shares of RM1.00 each representing 40% equity interest in Pristine Sunrise (M) Sdn Bhd ("PSSB"), a company incorporated in Malaysia for a total cash consideration of RM20,000. Consequently, KJSB's shareholding in PSSB has reduced from 70% to 30% and PSSB ceased as subsidiary of LBS.

(b) Kalimah Jaya Sdn. Bhd. ("KJSB")

- (i) On 19 April 2011, KJSB, a wholly-owned subsidiary of LBS has acquired 150,000 ordinary shares of RM1.00 each representing 30% equity interest in Utuh Sejagat Sdn Bhd ("USSB"), a company incorporated in Malaysia for a total cash consideration of RM12,600,000. Consequently, KJSB's shareholding in USSB has increased from 51% to 81%.

(c) Sinaran Restu Sdn. Bhd. ("SRSB")

- (i) On 17 March 2011, SRSB has disposed of all its shareholding of Four (4) ordinary shares of RM1.00 each representing 100% equity interest in Dolomite Sungai Siput Sdn Bhd ("DSSSB"), a company incorporated in Malaysia for a total cash consideration of RM380,000. DSSSB would cease to be subsidiary upon full settlement of purchase.

47. Material Litigation

As at the date of this report, there is no material litigation against the Company and its subsidiary companies except for the following:

- (i) The Claim was filed by Hamzah bin Abdul Majid ("Plaintiff") on 9 December 1998 against a few parties and Equal Alliance Sdn Bhd, LBS and one of the Directors being the Third Defendant, Fourth Defendant and Fifth Defendant respectively, in relation to a cause of action in fraud and conspiracy.

The Court has fixed the case for full trial from 20 June to 24 June 2011.

- (ii) On 17 September 2007, Fokus Awana Sdn Bhd ("FASB"), a subsidiary of the Company entered into a Sale and Purchase Agreement ("SPA") with LYL Capital Sdn Bhd ("LYL") for the disposal of a piece of land measuring approximately 2,787,840 sq. ft. for the consideration sum of RM41,120,640. Upon signing the SPA, LYL has paid an initial deposit of RM3.0 million to FASB.

On 19 September 2008, LYL unilaterally terminated the SPA by alleging that FASB failed to fulfill the condition precedents within the dateline. The initial deposit sum of RM3.0 million was then forfeited by FASB. Consequently, LYL commenced legal proceedings against FASB for the refund of the initial deposit of RM3.0 million paid by LYL to FASB.

In January 2010, LYL obtained summary judgment against FASB for the refund of their deposit. FASB has filed an application to stay the proceedings in court and had also lodged appeal to Court of Appeal against the summary judgment granted to LYL.

On 3 June 2010, both parties mutually reached for an out of court settlement and forthwith simultaneously withdraw all pending claims against each other.

48. Comparative Information

Certain comparative figures have been reclassified where necessary to conform with the current year presentation.

	As previously stated RM	Reclassification RM	As restated RM
Statements of financial position			
Non current assets			
Land and property development costs	419,921,445	(15,807,496)	404,113,949
Trade receivables	-	26,620,000	26,620,000
Property, plant and equipment	79,773,424	154,519,607	234,293,031
Prepaid lease payments	154,519,607	(154,519,607)	-
Current assets			
Trade receivables	169,654,545	(26,620,000)	143,034,545
Other receivables	93,427,161	15,807,496	109,234,657
Statements of Cash Flows			
<i>(Increase)/Decrease in working capital</i>			
Land and property development costs	19,715,900	15,807,496	35,523,396
Other receivables	(17,416,444)	(15,807,496)	(33,223,940)

Notes to the Financial Statements

49. List of Subsidiary Companies

Name of company	Country of incorporation	Effective interest		Principal activities
		2010 %	2009 %	
Direct holding				
Intellplace Holdings Limited	British Virgin Islands	100	100	Investment holding
LBS Landscape Sdn. Bhd.	Malaysia	100	100	Turfing and landscape contracting
LBS Bina Holdings Sdn. Bhd.	Malaysia	100	100	Property development and investment holding
Linkway Property Co., Ltd.	British Virgin Islands	100	100	Investment holding and project consultancy
Maju Kepunyaan Sdn. Bhd.	Malaysia	100	100	Property development
Saga Serata Sdn. Bhd.	Malaysia	100	100	Insurance agent
SPJ Construction Sdn. Bhd.	Malaysia	60	60	Temporary cessation of business operations
Indirect holding				
Subsidiary companies of LBS Bina Holdings Sdn. Bhd.:				
Adil Restu Sdn. Bhd.	Malaysia	100	100	Property development
Alunan Prestasi Sdn. Bhd.	Malaysia	70	70	Property development
Angsana Abadi Sdn. Bhd.	Malaysia	100	100	Property development
Astana Modal (M) Sdn. Bhd.	Malaysia	65	-	Property development
Azam Perspektif Sdn. Bhd.	Malaysia	51	51	Property development
Bayu Cergas Sdn. Bhd.	Malaysia	-	51	Dormant
Cergas Asal (M) Sdn. Bhd.	Malaysia	100	100	Property development
Equal Alliance Sdn. Bhd.	Malaysia	100	100	Property development

49. List of Subsidiary Companies (Cont'd)

Name of company	Country of incorporation	Effective interest		Principal activities
		2010 %	2009 %	
Indirect holding				
Subsidiary companies of LBS Bina Holdings Sdn. Bhd.:				
Equal Sign Sdn. Bhd.	Malaysia	100	100	Property development
Focal Remedy Sdn. Bhd.	Malaysia	100	100	Property development and investment holding
Fokus Awana Sdn. Bhd.	Malaysia	70	70	Property development
Galeri Cekap Sdn. Bhd.	Malaysia	90	90	Property development
Generasi Nostalgia Sdn. Bhd.	Malaysia	100	100	Property development
Generasi Simbolik Sdn. Bhd.	Malaysia	71	71	Property development
Inderaloka Impian Sdn. Bhd.	Malaysia	100	100	Property development
Intellview Sdn. Bhd.	Malaysia	100	100	Property development and implementation contractor
Intelstyle Sdn. Bhd.	Malaysia	70	70	Property development
Jatidiri Gigih Sdn. Bhd.	Malaysia	51	51	Property development
Jauhari Unggul Sdn. Bhd.	Malaysia	70	70	Property development
Johan Anggun Sdn. Bhd.	Malaysia	70	70	Property development
Kalimah Jaya Sdn. Bhd.	Malaysia	100	100	Investment holding
Kilatlima Sdn. Bhd.	Malaysia	100	100	Property development
LBS Capital Sdn. Bhd.	Malaysia	100	100	Cessation of business operations
LBS Maju Sdn. Bhd.	Malaysia	100	100	Property development
LBS Properties Sdn. Bhd.	Malaysia	100	100	Property management and investment holding
Maju Kamabisa Sdn. Bhd.	Malaysia	100	100	Property development

Notes to the Financial Statements

49. List of Subsidiary Companies (Cont'd)

Name of company	Country of incorporation	Effective interest		Principal activities
		2010 %	2009 %	
Indirect holding				
Subsidiary companies of LBS Bina Holdings Sdn. Bhd.:				
Mayang Jelatek Sdn. Bhd.	Malaysia	51	51	Property development
Misi Aktif Sdn. Bhd.	Malaysia	100	100	Property development
MITC Sdn. Bhd.	Malaysia	100	100	Building, project planning cum implementation contractor, property development and investment holding
Pelanggi Homes Sdn. Bhd.	Malaysia	100	100	Property development and provision of project consultancy services
Pembangunan Primer Sdn. Bhd.	Malaysia	51	51	Dormant
Prima Utuh Sdn. Bhd.	Malaysia	80	80	Dormant
Prisma Kasturi Sdn. Bhd.	Malaysia	100	100	Dormant
Pristine Sunrise (M) Sdn. Bhd.	Malaysia	70	70	Dormant
Puncak Gama Sdn. Bhd.	Malaysia	51	51	Dormant
Saga Megah Sdn. Bhd.	Malaysia	100	100	Trading in building materials and general construction
Sepadan Maju Sdn. Bhd.	Malaysia	90	90	Property development
Seribu Baiduri Sdn. Bhd.	Malaysia	100	100	Property development
Sinaran Restu Sdn. Bhd.	Malaysia	100	100	Property development and investment holding
Tepukan Senja Sdn Bhd	Malaysia	100	100	Dormant
Utuh Aspirasi Sdn. Bhd.	Malaysia	51	51	Property development

Notes to the Financial Statements

49. List of Subsidiary Companies (Cont'd)

Name of company	Country of incorporation	Effective interest		Principal activities
		2010 %	2009 %	
Indirect holding				
Subsidiary companies of Sinaran Restu Sdn. Bhd.:				
Dolomite Sungai Siput Sdn. Bhd.	Malaysia	100	100	Dormant
Kenderong Sdn. Bhd.	Malaysia	100	100	Property development
KerANJI Bina Sdn. Bhd.	Malaysia	100	100	Property development
Lingkar Semangat Sdn. Bhd.	Malaysia	100	100	Dormant
Nilam Mewah Sdn. Bhd.	Malaysia	55	55	Dormant
Pacific Grant Sdn. Bhd.	Malaysia	100	100	Property development
Silibin Jaya Sdn. Bhd.	Malaysia	100	100	Property development
Juaraplex Sdn. Bhd.	Malaysia	100	100	Dormant
Subsidiary company of MITC Sdn. Bhd. :				
MITC Engineering Sdn. Bhd.	Malaysia	51	51	Civil engineering, design & build and property development
Subsidiary company of Intellplace Holdings Limited:				
* Dragon Hill Corporation Limited	Hong Kong	100	100	Investment holding
Subsidiary companies of Dragon Hill Corporation Limited :				
* Lamdeal Consolidated Development Limited	Hong Kong	100	100	Project investment through a subsidiary company in The People's Republic of China ("PRC")
* Lamdeal Golf & Country Club Limited	Hong Kong	100	100	Project investment through a subsidiary company in The People's Republic of China ("PRC")

Notes to the Financial Statements

49. List of Subsidiary Companies (Cont'd)

Name of company	Country of incorporation	Effective interest		Principal activities
		2010 %	2009 %	
Subsidiary company of Lamdeal Consolidated Development Limited:				
* Zhuhai International Circuit Consolidated Development Limited	The People's Republic of China	@	@	Property development
Subsidiary of Zhuhai International Circuit Consolidated Development Limited:				
* Zhuhai International Circuit Consolidated Development (HK) Limited	Hong Kong	100	100	Dormant
Subsidiary company of Lamdeal Golf & Country Club Limited:				
* Zhuhai International Circuit Golf & Country Club Limited	The People's Republic of China	#	#	Golf club development and management
Subsidiary company of Zhuhai International Circuit Golf & Country Club Limited:				
* Lakewood Golf & Country Club (HK) Limited	Hong Kong	100	100	Providing handling services
Subsidiary company of Saga Serata Sdn. Bhd.:				
HealthGuard Medicare Sdn. Bhd.	Malaysia	60	60	Selling of membership cards covering personal insurance
Subsidiary company of Kalimah Jaya Sdn. Bhd:				
Utuh Sejagat Sdn. Bhd.	Malaysia	51	51	Property development

* Subsidiary companies not audited by UHY.

49. List of Subsidiary Companies (Cont'd)

@ A subsidiary company of the Company, Lamdeal Consolidated Development Limited ("LCDL"), entered into a joint venture agreement on 28 September 1992 with a partner in the PRC to establish a co-operative joint venture, Zhuhai International Circuit Consolidated Development Limited ("Zhuhai Development"), for the development of properties. Zhuhai Development was established on 8 June 1994, for duration of 50 years and has a registered capital of US\$24.08 million. The subsidiary company is entitled to a 60% profit share in Zhuhai Development.

LCDL is required to contribute the registered capital of the above joint ventures while the PRC joint venture partner is required to provide the land use rights to the joint ventures. Upon termination or expiry of these joint ventures, all property, plant and equipment of the joint ventures will belong to the PRC joint venture partners while the net current assets will be shared between the joint venture partners in accordance with their profit sharing ratio.

A subsidiary company of the Company, Lamdeal Golf & Country Club Limited ("LGCCL") entered into a joint venture agreement on 28 August 1992 with a partner in PRC to establish a co-operative joint venture, Zhuhai International Circuit Golf & Country Club Limited ("Zhuhai Golf"), for the development of a golf in Zhuhai. Zhuhai Golf was established on 23 August 1993 for a duration of 50 years and has a registered capital of US\$8,800,000. LGCCL is entitled to a 60% profit share in Zhuhai Golf.

LGCCL is required to inject all the registered capital of the above joint venture while the PRC joint venture partner is required to contribute the land use rights to the joint venture. Upon termination or expiry of the above joint venture, all fixed assets of the joint venture will belong to the PRC joint venture partner while the net current assets will be shared between the joint venture partner in accordance with their profit sharing ratio.

50. List of Associated Companies

Name of company	Country of incorporation	Effective interest		Principal activities
		2010 %	2009 %	
Bayu Cergas Sdn. Bhd.	Malaysia	40	-	Dormant
Casa Inspirasi Sdn. Bhd.	Malaysia	40	30	Dormant
Dataran Enigma Sdn Bhd	Malaysia	30	30	Property development
Seloka Kualiti Sdn. Bhd.	Malaysia	30	30	Property development
Sambungan Aktif Sdn. Bhd.	Malaysia	30	30	Dormant
* Usaha Semarak Sdn. Bhd.	Malaysia	35	35	Property development
Wirama Era Baru Sdn. Bhd.	Malaysia	30	30	Dormant

* Associated company not audited by UHY.

51. Date of Authorisation for Issue

The financial statements of the Group and of the Company for the financial year ended 31 December 2010 were authorised for issue in accordance with a resolution of the Board of Directors on 28 April 2011.

List of Major Properties

held as at 31 December 2010

Location	Description	Tenure / Expiry Date of Lease	Approximate age of building (Years)	Net Book Value / Cost RM'000	Remaining Land Area (Acres) / Built-up Area (Sq Ft)	Last Valuation Date / Date of Acquisition
Lakewood Golf Club Jinding, Zhuhai The People's Republic of China	Golf Course and Club House	Land use right term expiring on 25.12.2043	11	194,630	337.97 Sq Ft	02.05.2008
Lot 336 & 13961 Mukim Dengkil Daerah Sepang Selangor Darul Ehsan	Land held for development	Leasehold 99 years expiring on 06.10.2108 & 11.10.2109		48,708	192.41 acres	26.02.2004
Lot 353 Mukim of Tanah Rata Daerah of Cameron Highlands, Pahang Darul Makmur	Land held for development	Leasehold 99 years expiring on 10.4.2104		38,744	59.10 acres	19.09.2004
Mukim Linau Daerah Batu Pahat Negeri Johor Darul Takzim	Land held for development	Freehold		32,731	382.97 acres	20.09.2003
PT 43253 Mukim Dengkil Daerah Sepang Selangor Darul Ehsan	Land held for development	Leasehold 20 years expiring on 24.05.2019		27,661	100 acres	15.05.2007
Part of Lot 336 Mukim Dengkil Daerah Sepang Selangor Darul Ehsan	Land held for development	Leasehold 99 years expiring on 24.11.2107		8,826	37.43 acres	25.11.2005 & 09.02.2006
Mukim of Tanah Rata Daerah of Cameron Highlands, Pahang Darul Makmur	Land held for development	Leasehold 99 years expiring on 19.11.2101		8,732	17.44 acres	07.07.1999
PT 48034, PT 48235 & PT 48036 Mukim of Petaling Daerah of Petaling Selangor Darul Ehsan	Commercial Lands	Leasehold 99 years expiring on 03.07.2099		7,603	3.49 acres	19.07.2004
No. Hakmilik 11211 Lot 20407, Parcel 1D Mukim Tanjong Dua Belas Daerah of Kuala Langat Selangor Darul Ehsan	Land held for development	Leasehold 99 years expiring on 05.02.2094		6,432	12.82 acres	19.11.2009
Lot 47966 & 66102 Mukim of Hulu Kinta Daerah of Kinta Perak Darul Ridzuan	Land held for development	Leasehold 99 years expiring on 06.02.2097		6,176	15.25 acres	30.05.2002

Analysis of Shareholdings / Warrants Holdings

as at 30 April 2011

SHARE CAPITAL

Types of Shares	:	Ordinary of RM1.00 each
Authorised Capital	:	RM1,000,000,000.00
Issued and fully paid-up capital	:	RM386,552,557.00
No. of Shareholders	:	7,501
Voting Rights	:	One (1) vote per shareholder on show of hands One (1) vote per ordinary share on a poll, in the meeting of shareholders

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	Percentage (%) of Shareholders	No. of Shares Held	Percentage (%) of Issued Shares
1 - 99	116	1.546	4,539	0.001
100 - 1,000	2,323	30.969	908,732	0.235
1,001 - 10,000	3,115	41.527	17,194,200	4.448
10,001 - 100,000	1,654	22.050	57,288,664	14.820
100,001 - 19,327,626	290	3.866	218,548,400	56.538
19,327,627 AND ABOVE (5% of Issued Securities)	3	0.039	92,608,022	23.958
	7,501	100	386,552,557	100.0

SUBSTANTIAL SHAREHOLDERS

Name of Shareholders	Direct		Indirect	
	No. of shares	%	No. of Shares	%
Intelrich Sdn Bhd	183,955,360	47.59	-	-
Dato' Lim Hock San	2,461,100	0.64	183,955,360 ⁽¹⁾	47.59
Datuk Lim Hock Guan	385,900	0.10	183,955,360 ⁽¹⁾	47.59
Dato' Lim Hock Sing	-	-	183,955,360 ⁽¹⁾	47.59
Datuk Lim Hock Seong	164,500	0.04	183,955,360 ⁽¹⁾	47.59

DIRECTORS' INTEREST IN SHARES

Directors	Direct		Indirect	
	No. of shares	%	No. of Shares	%
Dato' Seri Lim Bock Seng	350,000	0.09	3,838,500 ⁽²⁾	0.99
Dato' Kamaruddin bin Abdul Ghani	-	-	-	-
Dato' Lim Hock San	2,461,100	0.64	184,045,360 ⁽³⁾	47.61
Datuk Lim Hock Guan	385,900	0.10	183,960,360 ⁽³⁾	47.59
Dato' Lim Hock Sing	-	-	184,093,360 ⁽³⁾	47.62
Datuk Lim Hock Seong	164,500	0.04	184,143,360 ⁽³⁾	47.64
Lim Mooi Pang	492,900	0.13	-	-
Chia Lok Yuen	105,000	0.03	-	-
Tan Sri Dato' Seri (Dr) Haji Abu Hassan bin Haji Omar	-	-	548,000 ⁽²⁾	0.14
Maj Jen (B) Dato' Mohamed Isa bin Che Kak	54,284	0.01	-	-
Dato' Wong Woon Yow	50,000	0.01	410,000	0.11
Kong Sau Kian	-	-	-	-
Mohd Fazil bin Shafie	2,000,000	0.52	-	-

Notes:

⁽¹⁾ Deemed interested by virtue of their substantial shareholdings in Intelrich Sdn Bhd pursuant to Section 6A of the Companies Act, 1965 ("the Act").

⁽²⁾ Shares held by virtue of Section 134(12)(c) of the Act.

⁽³⁾ Deemed interested by virtue of his shareholdings in Intelrich Sdn Bhd pursuant to Section 6A of the Act and by virtue of Section 134(12)(c) of the Act.

Analysis of Shareholdings / Warrants Holdings

as at 30 April 2011

List Of The Thirty (30) Largest Shareholders

(without aggregating securities from different securities accounts belonging to the same person)

Holder Name	Shares Held	Percentage (%)
1 INTEL RICH SDN BHD	43,688,022	11.301
2 AMSEC NOMINEES (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR INTEL RICH SDN BHD	25,800,000	6.674
3 EB NOMINEES (TEMPATAN) SENDIRIAN BERHAD QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR INTEL RICH SDN BHD (SST)	23,220,000	6.006
4 MIDF AMANAH INVESTMENT NOMINEES (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR INTEL RICH SDN BHD (MGN-ISB0002M)	17,185,253	4.445
5 KENANGA NOMINEES (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR INTEL RICH SDN BHD	15,415,685	3.988
6 MAYBAN SECURITIES NOMINEES (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR INTEL RICH SDN BHD (REM 622-MARGIN)	15,396,400	3.983
7 PUBLIC NOMINEES (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR INTEL RICH SDN BHD (SSA)	11,500,000	2.975
8 MAYBAN NOMINEES (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR INTEL RICH SDN BHD (51401138105A)	9,730,000	2.517
9 LIM SIN KHONG	7,230,000	1.870
10 CIMB GROUP NOMINEES (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR INTEL RICH SDN BHD (49519SFIN)	5,800,000	1.500
11 OSK NOMINEES (ASING) SDN BERHAD QUALIFIER: EXEMPT AN (BP) FOR OSK SECURITIES HONG KONG LIMITED A/C CLIENTS (RETAIL)	5,530,000	1.430
12 TAI TET CHUAN	5,502,905	1.423
13 CARTABAN NOMINEES (ASING) SDN BHD QUALIFIER: EXEMPT AN FOR BOCI SECURITIES LTD (CLIENTS A/C)	5,142,900	1.330
14 ABB NOMINEE (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR INTEL RICH SDN BHD (SEA PARK)	4,900,000	1.267
15 MAYBAN NOMINEES (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR INTEL RICH SDN BHD (51401138106A)	4,170,000	1.078
16 MAYBAN NOMINEES (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR INTEL RICH SDN BHD (51401138104A)	4,170,000	1.078

Analysis of Shareholdings / Warrants Holdings

as at 30 April 2011

List Of The Thirty (30) Largest Shareholders

(without aggregating securities from different securities accounts belonging to the same person)

Holder Name	Shares Held	Percentage (%)
17 MAYBAN NOMINEES (TEMPATAN) SDN BHD QUALIFIER:PLEDGED SECURITIES ACCOUNT FOR BEH HANG KONG	3,592,200	0.929
18 MAYBAN NOMINEES (TEMPATAN) SDN BHD QUALIFIER:PLEDGED SECURITIES ACCOUNT FOR INTEL RICH SDN BHD (51401138107A)	2,780,000	0.719
19 CITIGROUP NOMINEES (TEMPATAN) SDN BHD QUALIFIER:PLEDGED SECURITIES ACCOUNT FOR BEH HANG KONG (474099)	2,662,400	0.688
20 LIEW BOON	2,637,500	0.682
21 RHB NOMINEES (TEMPATAN) SDN BHD QUALIFIER:PLEDGED SECURITIES ACCOUNT FOR TAN HONG LAI	2,308,000	0.597
22 CITIGROUP NOMINEES (TEMPATAN) SDN BHD QUALIFIER:PLEDGED SECURITIES ACCOUNT FOR DATO' LIM HOCK SAN (474173)	2,231,100	0.577
23 MAYBAN SECURITIES NOMINEES (TEMPATAN) SDN BHD QUALIFIER:PLEDGED SECURITIES ACCOUNT FOR MOHD FAZIL BIN SHAFIE (REM 444)	2,000,000	0.517
24 AMANAH RAYA TRUSTEES BERHAD QUALIFIER:DANA JOHOR	1,970,000	0.509
25 JUNIOR KOH SIEW HUI	1,800,000	0.465
26 HDM NOMINEES (TEMPATAN) SDN BHD QUALIFIER: HDM CAPITAL SDN BHD FOR LO GA LUNG	1,687,600	0.436
27 GANGSA MEWAH SDN BHD	1,650,000	0.426
28 RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD QUALIFIER:PLEDGED SECURITIES ACCOUNT FOR TAN MENG HUI (CEB)	1,611,000	0.416
29 HDM NOMINEES (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR HWANG AI MOR (M05)	1,525,100	0.394
30 HSBC NOMINEES (TEMPATAN) SDN BHD QUALIFIER:HSBC (MALAYSIA) TRUSTEE BERHAD FOR AMANAH SAHAM SARAWAK	1,500,000	0.388
	234,336,065	60.622

Analysis of Shareholdings / Warrants Holdings

as at 30 April 2011

WARRANTS

Type of Securities	:	Warrants 2008/2018
No. of Warrants Issued	:	RM154,076,578
No. of Warrants Holders	:	1,174
Voting Rights	:	One (1) vote per warrant holder on a show of hands.
	:	One (1) vote per warrant on poll, in the meeting of warrants holders.

DISTRIBUTION OF WARRANTS HOLDINGS

Size of Warrants Holdings	No. of Warrants Holders	Percentage (%) of Warrants Holders	No. of Warrants Held	Percentage (%)
1 - 99	15	1.277	471	0.000
100 - 1,000	110	9.369	81,375	0.052
1,001 - 10,000	533	45.400	2,951,432	1.915
10,001 - 100,000	423	36.030	15,279,474	9.916
100,001 - 7,703,827	92	7.836	31,851,280	20.672
7,703,828 AND ABOVE (5% of Issued Securities)	1	0.085	103,912,546	67.442
	1,174	100.00	154,076,578	100.00

DIRECTORS' INTEREST IN WARRANTS

Directors	Warrants			
	Direct	%	Indirect	%
Dato' Seri Lim Bock Seng	140,000	0.09	904,000 ⁽¹⁾	0.59
Dato' Kamaruddin bin Abdul Ghani	-	-	-	-
Dato' Lim Hock San	-	-	106,078,946 ⁽²⁾	68.85
Datuk Lim Hock Guan	-	-	106,078,946 ⁽²⁾	68.85
Dato' Lim Hock Sing	-	-	106,133,746 ⁽³⁾	68.88
Datuk Lim Hock Seong	-	-	106,078,946 ⁽²⁾	68.85
Lim Mooi Pang	-	-	-	-
Chia Lok Yuen	50,000	0.03	-	-
Tan Sri Dato' Seri (Dr) Haji Abu Hassan bin Haji Omar	-	-	-	-
Maj Jen (B) Dato' Mohamed Isa bin Che Kak	-	-	-	-
Dato' Wong Woon Yow	20,000	0.01	-	-
Mohd Fazil bin Shafie	-	-	-	-
Kong Sau Kian	-	-	-	-

Notes:

⁽¹⁾ Warrants held by virtue of Section 134(12)(c) of the Act.

⁽²⁾ Deemed interested by virtue of their substantial interests in Intelrich Sdn Bhd pursuant to Section 6A of the Act.

⁽³⁾ Deemed interested by virtue of his substantial interests in Intelrich Sdn Bhd pursuant to Section 6A of the Act and by virtue of Section 134(12)(c) of the Act.

Analysis of Shareholdings / Warrants Holdings

as at 30 April 2011

List Of The Thirty (30) Largest Warrant Holders

(without aggregating securities from different securities accounts belonging to the same person)

Holder Name	Warrants Held	Percentage (%)
1 ABB NOMINEE (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR INTEL RICH SDN BHD (WARRANT ACCOUNT)	103,912,546	67.442
2 NG FAAI @ NG YOKE PEI	2,402,200	1.559
3 INTEL RICH SDN BHD	2,166,400	1.406
4 JUNIOR KOH SIEW HUI	1,600,000	1.038
5 TAN HONG LAI	927,560	0.602
6 CIMSEC NOMINEES (TEMPATAN) SDN BHD QUALIFIER: EXEMPT AN FOR CIMB SECURITIES (SINGAPORE) PTE LTD (RETAIL CLIENTS)	919,000	0.596
7 MAYBAN NOMINEES (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR LIM GIM LEONG	917,600	0.595
8 LIM SIN KHONG	785,000	0.509
9 CHIM KIAN CHAI	754,000	0.489
10 RHB NOMINEES (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR TAN HONG LAI	670,000	0.434
11 OSK NOMINEES (ASING) SDN BERHAD QUALIFIER: EXEMPT AN (BP) FOR OSK SECURITIES HONG KONG LIMITED A/C CLIENTS (RETAIL)	648,000	0.420
12 JF APEX NOMINEES (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR PHANG NYOK CHIN	626,700	0.406
13 CITIGROUP NOMINEES (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR HENG CHING HOCK	611,800	0.397
14 SJ SEC NOMINEES (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR TAY AH KAM (SMT)	605,000	0.392
15 LIEW BOON	584,000	0.379
16 LAI JIN YEE	580,000	0.376
17 INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR CHEAH TUCK HING (AC0048)	484,000	0.314

Analysis of Shareholdings / Warrants Holdings

as at 30 April 2011

List Of The Thirty (30) Largest Warrant Holders

(without aggregating securities from different securities accounts belonging to the same person)

Holder Name	Warrants Held	Percentage (%)
18 TAN MENG HUI	482,960	0.313
19 DION KOR SHIANG HUA	450,000	0.292
20 TA NOMINEES (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR WONG TACK LEONG	450,000	0.292
21 LEE SEOK BEE	422,000	0.273
22 TAN KIM TEE	400,000	0.259
23 TAN YAN CHIN	400,000	0.259
24 MARY TAN @ TAN HUI NGOH	385,100	0.249
25 CHEW POH LING	385,000	0.249
26 KOK SIEW KAM	380,000	0.246
27 HON KIAN CHONG	360,000	0.233
28 CHIN WING LEET	353,600	0.229
29 LIM SWEE LEE	350,000	0.227
30 RHB NOMINEES (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR FOONG POH MEI	350,000	0.227
	<hr/> 124,362,466	<hr/> 80.714

Notice of Eleventh Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Eleventh Annual General Meeting of the Company will be held at Putra Room, Kelab Golf Sultan Abdul Aziz Shah, No.1, Rumah Kelab, Jalan Kelab Golf 13/6, 40100 Shah Alam, Selangor Darul Ehsan on Wednesday, 29 June 2011 at 10.00 a.m. for the following purposes :-

AGENDA

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2010 together with the Reports of the Directors and Auditors thereon. **Resolution 1**
2. To approve the payment of Directors' Fees of RM237,600.00 for the financial year ended 31 December 2010. **Resolution 2**
3. To re-elect the following Directors who retire pursuant to Section 129(6) of the Companies Act, 1965:-
 - i) Dato' Seri Lim Bock Seng **Resolution 3**
 - ii) Maj Jen (B) Dato' Mohamed Isa bin Che Kak **Resolution 4**
 - iii) Dato' Wong Woon Yow **Resolution 5**
 - iv) Tan Sri Dato' Seri (Dr) Haji Abu Hassan bin Haji Omar **Resolution 6**
4. To re-elect the following Directors who retire in accordance with Article 100 of the Company's Articles of Association:-
 - i) Datuk Lim Hock Seong **Resolution 7**
 - ii) Chia Lok Yuen **Resolution 8**
 - iii) Kong Sau Kian **Resolution 9**
5. To re-appoint Messrs. UHY as Auditors and to authorise the Directors to fix their remuneration. **Resolution 10**
6. As Special Business:
To consider and, if thought fit, to pass with or without any modifications, the following Ordinary and Special Resolutions:-
 - (a) **ORDINARY RESOLUTION**
AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

"THAT, subject always to the Companies Act, 1965 and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may deem fit provided that the aggregate number of shares issued in any one financial year of the Company 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 also empowered to obtain the approval for the listing and quotation of the additional shares so issued on the Bursa Malaysia Securities Berhad and THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

Resolution 11

Notice of Eleventh Annual General Meeting

(b) ORDINARY RESOLUTION

PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE INVOLVING LBGB AND ITS SUBSIDIARIES ("LBGB GROUP" OR "GROUP") AND SYARIKAT JATI PEMBORONG' AM SDN BHD

"THAT approval be and is hereby given pursuant to Chapter 10.09 of the Listing Requirements of Bursa Malaysia Securities Berhad for the Company, its subsidiaries or any one of them to enter into the specified recurrent transactions of a revenue or trading nature with the related parties specified as stated in Section 2.3 of the Circular to Shareholders dated 7 June 2011 (the "Circular") which is necessary for its day-to-day operations, in its ordinary course of business, made on an arm's length basis and on normal commercial terms of the Group and on such terms which are no more favourable to the related party than those generally available to the public and which are not detrimental to the minority shareholders of the Company;

AND THAT the approval given in the aforesaid paragraph, unless revoked or varied by the shareholders of the Company in its general meeting, shall continue to be in force until the conclusion of the next Annual General Meeting of the Company, following this general meeting at which this mandate is passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed or the expiration of the period within which the next Annual General Meeting after the date it is required to be held pursuant to Section 143 (1) of the Companies Act, 1965 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 143 (2) of the Act), whichever is earlier;

AND THAT the aggregate value of the transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year of the Company be disclosed in the annual report by providing a breakdown of the aggregate value of the transaction, amongst others, based on the following information:-

- (a) the type of transactions made; and
- (b) the names of the related parties involved in each type of transactions made and their relationship with the Company and its subsidiaries

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required or approved or permitted by the relevant authorities) as they may consider expedient or necessary or in the interests of the Company to give effect to the Proposed Shareholders' Mandate described in the Circular and/or this Resolution."

Resolution 12

(c) ORDINARY RESOLUTION

PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE INVOLVING LBGB GROUP AND POWER AUTOMATION ENGINEERING SDN BHD

"THAT approval be and is hereby given pursuant to Chapter 10.09 of the Listing Requirements of Bursa Malaysia Securities Berhad for the Company, its subsidiaries or any one of them to enter into the specified recurrent transactions of a revenue or trading nature with the related parties specified as stated in Section 2.3 of the Circular which is necessary for its day-to-day operations, in its ordinary course of business, made on an arm's length basis and on normal commercial terms of the Group and on such terms which are no more favourable to the related party than those generally available to the public and which are not detrimental to the minority shareholders of the Company;

Notice of Eleventh Annual General Meeting

AND THAT the approval given in the aforesaid paragraph, unless revoked or varied by the shareholders of the Company in its general meeting, shall continue to be in force until the conclusion of the next Annual General Meeting of the Company, following this general meeting at which this mandate is passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed or the expiration of the period within which the next Annual General Meeting after the date it is required to be held pursuant to Section 143 (1) of the Companies Act, 1965 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 143 (2) of the Act), whichever is earlier;

AND THAT the aggregate value of the transactions conducted pursuant to Proposed Shareholders' Mandate during the financial year of the Company be disclosed in the annual report by providing a breakdown of the aggregate value of the transaction, amongst others, based on the following information:-

- (a) the type of transactions made; and
- (b) the names of the related parties involved in each type of transactions made and their relationship with the Company and its subsidiaries

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required or approved or permitted by the relevant authorities) as they may consider expedient or necessary or in the interests of the Company to give effect to the Proposed Shareholders' Mandate described in the Circular and/or this Resolution."

Resolution 13

(d) ORDINARY RESOLUTION
PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE INVOLVING LBGB GROUP AND STEVEN TAI, WONG & PARTNERS

"THAT approval be and is hereby given pursuant to Chapter 10.09 of the Listing Requirements of Bursa Malaysia Securities Berhad for the Company, its subsidiaries or any one of them to enter into the specified recurrent transactions of a revenue or trading nature with the related parties specified as stated in Section 2.3 of the Circular which is necessary for its day-to-day operations, in its ordinary course of business, made on an arm's length basis and on normal commercial terms of the Group and on such terms which are no more favourable to the related party than those generally available to the public and which are not detrimental to the minority shareholders of the Company;

AND THAT the approval given in the aforesaid paragraph, unless revoked or varied by the shareholders of the Company in its general meeting, shall continue to be in force until the conclusion of the next Annual General Meeting of the Company, following this general meeting at which this mandate is passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed or the expiration of the period within which the next Annual General Meeting after the date it is required to be held pursuant to Section 143 (1) of the Companies Act, 1965 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 143 (2) of the Act), whichever is earlier;

Notice of Eleventh Annual General Meeting

AND THAT the aggregate value of the transactions conducted pursuant to Proposed Shareholders' Mandate during the financial year of the Company be disclosed in the annual report by providing a breakdown of the aggregate value of the transaction, amongst others, based on the following information:-

- (a) the type of transactions made; and
- (b) the names of the related parties involved in each type of transactions made and their relationship with the Company and its subsidiaries

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required or approved or permitted by the relevant authorities) as they may consider expedient or necessary or in the interests of the Company to give effect to the Proposed Shareholders' Mandate described in the Circular and/or this Resolution.”

Resolution 14

(e) ORDINARY RESOLUTION

PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE INVOLVING LBGB GROUP AND DIRECTORS AND MAJOR SHAREHOLDERS OF LBGB GROUP AND PERSONS CONNECTED TO THEM

“THAT approval be and is hereby given pursuant to Chapter 10.09 of the Listing Requirements of Bursa Malaysia Securities Berhad for the Company, its subsidiaries or any one of them to enter into the specified recurrent transactions of a revenue or trading nature with the related parties stated in Section 2.3 of the Circular which is necessary for its day-to-day operations, in its ordinary course of business, made on an arm's length basis and on normal commercial terms of the Group and on such terms which are no more favourable to the related party than those generally available to the public and which are not detrimental to the minority shareholders of the Company;

AND THAT the approval given in the aforesaid paragraph, unless revoked or varied by the shareholders of the Company in its general meeting, shall continue to be in force until the conclusion of the next Annual General Meeting of the Company, following this general meeting at which this mandate is passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed or the expiration of the period within which the next Annual General Meeting after the date it is required to be held pursuant to Section 143 (1) of the Companies Act, 1965 (“Act”) (but shall not extend to such extension as may be allowed pursuant to Section 143 (2) of the Act), whichever is earlier;

AND THAT the aggregate value of the transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year of the Company be disclosed in the annual report by providing a breakdown of the aggregate value of the transaction, amongst others, based on the following information:-

- (a) the type of transactions made; and
- (b) the names of the related parties involved in each type of transactions made and their relationship with the Company and its subsidiaries

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required or approved or permitted by the relevant authorities) as they may consider expedient or necessary or in the interests of the Company to give effect to the Proposed Shareholders' Mandate described in the Circular and/or this Resolution.”

Resolution 15

Notice of Eleventh Annual General Meeting

(f) PROPOSED ALLOCATION OF OPTIONS GRANTED TO LIM MOOI PANG, EXECUTIVE DIRECTOR OF LBGB PURSUANT TO THE EMPLOYEE SHARE OPTION SCHEME (“ESOS”) OF THE COMPANY

“THAT, conditional upon the approval from the shareholders of LBGB and any other relevant authorities (if required) being obtained, the Company and the Board be and are hereby authorised at anytime and from time to time specifically to offer and grant to Lim Mooi Pang, Executive Director of LBGB, the options to subscribe for up to a maximum of 300,000 new ordinary shares in the Company pursuant to the ESOS of the Company, subject always to any adjustments which may be made in accordance with the provisions of the Bye-Laws of the ESOS.”

Resolution 16

**(g) SPECIAL RESOLUTION
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY**

“THAT, in line with the amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the following proposed amendments to the Articles of Association of the Company, be and are hereby approved:-

Article No.	Existing Article	Amended Article
Article 136(1)	Dividends payable by cheque Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post to the last registered address of the Member or person entitled thereto. Every such cheque or warrant shall be payable to the order of the person to whom it is sent and payment of the cheque shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.	Mode of Payment of Dividend Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post to the last registered address of the Member or person entitled thereto or via electronic means to such account as designated by such holder or the person entitled to such payment. Every such cheque or warrant or payment via electronic means shall be made payable to the order of the person to whom it is sent and payment of the cheque or warrant or electronic means shall be a good discharge to the Company. Every such cheque or warrant or electronic payment shall be sent at the risk of the person entitled to the money represented thereby.

AND THAT the Directors and the Secretaries of the Company be and are hereby authorised to carry out all the necessary formalities in effecting the Proposed Amendments to the Articles of Association.”

Special Resolution

Notice of Eleventh Annual General Meeting

7. To consider any other business of which due notice shall have been given.

By Order of the Board,

LEE CHING CHING

PHANG AI TEE

Company Secretaries

Petaling Jaya, Selangor

7 June 2011

Notes:

- (1) *A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149(1) (b) of the Companies Act, 1965 shall not apply to the Company.*
- (2) *In the case of a corporate member, the instrument appointing a proxy shall be under its Common Seal or under the hand of a duly authorised officer or attorney.*
- (3) *Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.*
- (4) *Any alteration to the instrument appointing a proxy must be initialled. The instrument appointing a proxy must be deposited at the Company's Registered Office at Plaza Seri Setia, Level 1-4, No. 1, Jalan SS9/2, 47300 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time fixed for the meeting.*

Explanatory Notes on Special Businesses

- (5) *Ordinary Resolution 11*

The Ordinary Resolution proposed under Resolution 11 above for the renewal of general mandate in relation to the authorisation for issuance of shares by the Directors, if passed, will enable the Directors to issue up to 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority unless revoked or varied at a General Meeting will expire at the next Annual General Meeting.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the Tenth Annual General Meeting held on 30 June 2010 and which will lapse at the conclusion of the Eleventh Annual General Meeting.

The renewed General Mandate 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, working capital and/or acquisition.

- (6) *Ordinary Resolutions 12, 13, 14 and 15*

Ordinary Resolutions 12, 13, 14 and 15 if passed, will allow the Group to enter into the recurrent related party transactions in the ordinary course of business and the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such recurrent related party transactions occur would not arise. This would reduce substantial administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group. The shareholders' mandate is subject to renewal on an annual basis.

- (7) *Ordinary Resolution 16*

Ordinary Resolution proposed under Resolution 16, if passed, will enable the Company to offer and grant to Lim Mooi Pang, Executive Director of the Company additional options to subscribe for up to a maximum of 300,000 new ordinary shares in the Company pursuant to Bye-Laws of the ESOS of the Company.

- (8) *Special Resolution*

The Proposed Special Resolution if passed, will enable the Company to align the Articles of Association of the Company with the recent amendments in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad in relation to implementation of electronic dividend payment system.

Form of Proxy



I/We NRIC No. / Company No.
of
being a member/members of **LBS BINA GROUP BERHAD**, hereby appoint
.....
of
or failing him/her
of

or failing him/her, the Chairman of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at Eleventh Annual General Meeting of the Company to be held at Putra Room, Kelab Golf Sultan Abdul Aziz Shah, No.1, Rumah Kelab, Jalan Kelab Golf 13/6, 40100 Shah Alam, Selangor Darul Ehsan on Wednesday, 29 June 2011 at 10.00 a.m. or at any adjournment thereof.

RESOLUTIONS	For	Against
Ordinary Resolution 1		
Ordinary Resolution 2		
Ordinary Resolution 3		
Ordinary Resolution 4		
Ordinary Resolution 5		
Ordinary Resolution 6		
Ordinary Resolution 7		
Ordinary Resolution 8		
Ordinary Resolution 9		
Ordinary Resolution 10		
Ordinary Resolution 11		
Ordinary Resolution 12		
Ordinary Resolution 13		
Ordinary Resolution 14		
Ordinary Resolution 15		
Ordinary Resolution 16		
Special Resolution		

Please indicate with (X) how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.

Dated this day of 2011

No. of Shares Held	
CDS Account No.	

Signature/ Common Seal of Shareholder(s)

Notes:-

- (1) A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149(1) (b) of the Companies Act, 1965 shall not apply to the company.
- (2) In the case of a corporate member, the instrument appointing a proxy shall be under its Common Seal or under the hand of a duly authorised officer or attorney.
- (3) Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
- (4) Any alteration to the instrument appointing a proxy must be initialled. The instrument appointing a proxy must be deposited at the Company's Registered Office at Plaza Seri Setia, Level 1-4, No.1, Jalan SS9/2, 47300 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time fixed for meeting.

Fold here

STAMP

The Company Secretary

LBS BINA GROUP BERHAD (518482-H)

Plaza Seri Setia, Level 1-4

No. 1 Jalan SS9/2

47300 Petaling Jaya

Selangor Darul Ehsan

Malaysia

Fold here



LBS BINA GROUP BERHAD (518482-H)

Plaza Seri Setia, Level 1-4, No. 1, Jalan SS9/2, 47300 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel 603 7877 7333 Fax 603 7877 7111

www.lbs.com.my