

## FINANCIAL STATEMENTS

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## 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 2011.

#### 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 46 and 47 to the financial statements respectively.

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	62,777,324	11,446,754
Taxation	(24,724,257)	(3,520,378)
Net profit for the financial year	<u>38,053,067</u>	<u>7,926,376</u>
Attributable to:		
Owners of the parent	34,299,755	7,926,376
Non-controlling interest	3,753,312	-
	<u>38,053,067</u>	<u>7,926,376</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 have proposed a first and final gross dividend of 2.5 sen per ordinary share of RM1.00 each, less income tax of 25% in respect of the current financial year. The proposed first and final dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the financial statements for the current financial year. Such dividend when approved by shareholders will be accounted for in equity as an appropriation of retained earnings during the financial year ending 31 December 2012.

#### 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 2011, the total number of Warrants that remain unexercised were 154,076,578 (2010: 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 36 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 36 to the financial statements.

The list of employees 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	
	Eighteenth Grant	Nineteenth Grant
Annie Chin	120,000	-
Chong Pei Jin	120,000	-
Lau Sau Kheng	300,000	-
Wong Kah Yeen	100,000	-
Wong Tack Leong	150,000	160,000
Cheah Kah Foo	-	240,000
Lim Lit Chek	-	200,000
Ng Kian Lai	-	160,000
Tan Seng Teong	-	240,000

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 Utama (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. Dato' Mohamed Isa bin Che Kak (B)**,  
*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' 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 1.1.2011	Acquired	Disposed	At 31.12.2011
<b>LBS Bina Group Berhad</b>				
Direct interest				
Dato' Seri Lim Bock Seng	350,000	-	-	350,000
Dato' Lim Hock San	1,310,000	1,723,800	230,000	2,803,800
Maj. Jen. Dato' Mohamed Isa bin Che Kak (B)	54,284	-	20,000	34,284
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	100,000	-	492,900
Datuk Lim Hock Seong	164,500	100,000	80,000	184,500
Datuk Lim Hock Guan	-	2,607,100	-	2,607,100

No. of ordinary shares of RM1.00 each (cont'd)				
	At 1.1.2011	Acquired	Disposed	At 31.12.2011
<b>LBS Bina Group Berhad</b>				
Indirect interest				
Dato' Seri Lim Bock Seng <sup>1</sup>	3,750,000	100,000	194,500	3,655,500
Dato' Lim Hock San <sup>2</sup>	183,925,360	220,000	-	184,145,360
Datuk Lim Hock Guan <sup>2</sup>	183,840,360	220,000	-	184,060,360
Dato' Lim Hock Sing <sup>2</sup>	183,973,360	240,000	-	184,213,360
Datuk Lim Hock Seong <sup>2</sup>	184,023,360	220,000	100,000	184,143,360
Tan Sri Dato' Seri Utama (DR) Haji Abu Hassan bin Haji Omar <sup>1</sup>	548,000	-	-	548,000
Dato' Wong Woon Yow	-	500,000	-	500,000

No. of options over ordinary shares of RM1.00 each ("ESOS")				
	At 1.1.2011	Granted	Exercised	At 31.12.2011
<b>LBS Bina Group Berhad</b>				
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 Utama (DR) Haji Abu Hassan bin Haji Omar	1,000,000	-	-	1,000,000
Maj. Jen. Dato' Mohamed Isa bin Che Kak (B)	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

	At 1.1.2011	No. of Warrants 2008/2018		At 31.12.2011
		Acquired	Disposed	
<b>LBS Bina Group Berhad</b>				
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
Datuk Lim Hock Guan	-	1,192,960	-	1,192,960
<b>LBS Bina Group Berhad</b>				
Indirect interest				
Dato' Seri Lim Bock Seng <sup>1</sup>	704,000	200,000	-	904,000
Dato' Lim Hock San <sup>3</sup>	106,078,946	-	-	106,078,946
Datuk Lim Hock Guan <sup>3</sup>	106,078,946	-	-	106,078,946
Dato' Lim Hock Sing <sup>2</sup>	106,133,746	-	-	106,133,746
Datuk Lim Hock Seong <sup>3</sup>	106,078,946	-	-	106,078,946
Dato' Wong Woon Yow <sup>1</sup>	-	100,000	-	100,000

Note:

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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. Dato' Mohamed Isa bin Che Kak (B), Dato' Wong Woon Yow, Chia Lok Yuen, Mohd Fazil bin Shafie, Lim Mooi Pang, Datuk Lim Hock Seong and Datuk Lim Hock Guan 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 as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
- (i) the amount written off for bad debts or the amount of 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 or 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 or its subsidiary companies which have arisen since the end of the financial year.

#### **Significant Events**

The significant events are disclosed in Note 42 to the financial statements.

#### **Subsequent Events**

The subsequent events are disclosed in Note 43 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.

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

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CHIA LOK YUEN

KUALA LUMPUR  
30 April 2012

## **LBS Bina Group Berhad**

(Incorporated in Malaysia)

### **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 99 to 206 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 2011 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out in Note 23 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.

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

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CHIA LOK YUEN

KUALA LUMPUR  
30 April 2012

## **LBS Bina Group Berhad**

(Incorporated in Malaysia)

### **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 99 to 206 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 30 April 2012

\_\_\_\_\_  
LIM MOOI PANG

Before me,

\_\_\_\_\_  
COMMISSIONER FOR OATHS

TENGKU FARIDDUDIN BIN TENGKU SULAIMAN  
No W533

## 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 2011 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 99 to 206.

#### *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 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 2011 and of their financial performance and cash flows for the financial year then ended.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LBS BINA GROUP BERHAD (CONT'D)**

(Company No. : 518482-H)  
(Incorporated in Malaysia)

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

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

- (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 of which we have acted as auditors 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 47 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.

### **Other Reporting Responsibilities**

The supplementary information set out in Note 23 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

YEOH AIK CHUAN

Approved Number: 2239/07/12 (J)

Chartered Accountant

KUALA LUMPUR

30 April 2012



## STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

		Group		Company	
	Note	2011 RM	2010 RM	2011 RM	2010 RM
<b>Assets</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	3	214,116,458	208,475,410	-	-
Capital work-in-progress	4	6,744,696	4,269,087	-	-
Land and property development costs	5	484,574,939	483,325,222	-	-
Investment properties	6	5,250,849	5,200,029	-	-
Investment in subsidiary companies	7	-	-	393,366,006	393,466,349
Investment in associated companies	8	2,585,803	2,749,601	-	-
Trade receivables	9	23,520,000	26,620,000	-	-
Other receivables	10	22,271,340	21,643,440	-	-
Other investments	11	1,253,500	1,253,500	-	-
Goodwill on consolidation	12	120,487,772	126,634,316	-	-
		<u>880,805,357</u>	<u>880,170,605</u>	<u>393,366,006</u>	<u>393,466,349</u>
<b>Current Assets</b>					
Land and property development costs	5	70,517,684	104,314,365	-	-
Properties held for sale	13	-	1,091,593	-	-
Inventories	14	17,850,045	20,728,124	-	-
Amount owing by customers on contracts	15	411,541	158,931	-	-
Accrued billing in respect of property development costs		140,390,750	54,440,659	-	-
Trade receivables	9	134,689,207	72,999,145	-	-
Other receivables	10	87,538,718	84,410,902	10,586,198	10,422
Tax recoverable		5,449,921	3,163,254	2,846,043	2,152,542
Amount owing by subsidiary companies	16	-	-	134,234,568	82,348,038
Fixed deposits with licensed banks	17	28,900,452	4,049,214	27,510,000	1,530,000
Cash held under Housing Development Accounts	18	37,663,632	17,594,870	-	-
Cash and bank balances	19	65,269,134	41,306,852	3,951,566	3,148,158
		<u>588,681,084</u>	<u>404,257,909</u>	<u>179,128,375</u>	<u>89,189,160</u>
<b>Total Assets</b>		<u>1,469,486,441</u>	<u>1,284,428,514</u>	<u>572,494,381</u>	<u>482,655,509</u>

## STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011 (CONT'D)

		Group		Company	
	Note	2011 RM	2010 RM	2011 RM	2010 RM
<b>Equity and Liabilities</b>					
<b>Equity</b>					
Share capital	20	386,552,557	386,552,557	386,552,557	386,552,557
Share premium	21	16,945,016	16,945,016	16,945,016	16,945,016
Other reserves	22	(17,561,024)	19,708,379	15,513,236	15,290,017
Retained profits/ (Accumulated losses)	23	36,598,771	2,171,126	(119,741,415)	(127,667,791)
Equity attributable to owners of the parent		422,535,320	425,377,078	299,269,394	291,119,799
Non-controlling interest		84,014,510	106,934,994	-	-
<b>Total Equity</b>		<b>506,549,830</b>	<b>532,312,072</b>	<b>299,269,394</b>	<b>291,119,799</b>
<b>Non-Current Liabilities</b>					
Islamic Securities	24	135,000,000	75,000,000	135,000,000	75,000,000
Bank borrowings	25	245,268,985	179,071,240	107,582,436	91,556,010
Trade payables	26	23,970,259	12,500,000	-	-
Other payables	27	68,423,125	36,071,538	-	-
Hire purchase payables	28	2,168,310	2,220,314	-	-
Deferred tax liabilities	29	77,770,264	78,565,468	-	-
		<b>552,600,943</b>	<b>383,428,560</b>	<b>242,582,436</b>	<b>166,556,010</b>
<b>Current Liabilities</b>					
Amount owing to customers on contracts	15	2,702,911	-	-	-
Progress billing in respect of property development cost		18,387,391	11,593,089	-	-
Trade payables	26	109,295,686	134,408,440	-	-
Other payables	27	142,129,271	103,292,017	2,887,271	2,179,473
Bank overdrafts	30	39,845,877	50,827,214	7,941,107	10,915,162
Hire purchase payables	28	844,091	888,428	-	-
Bank borrowings	25	56,486,431	34,408,584	18,781,690	10,392,898
Amount owing to subsidiary companies	16	-	-	1,032,483	1,492,167
Tax payable		40,644,010	33,270,110	-	-
		<b>410,335,668</b>	<b>368,687,882</b>	<b>30,642,551</b>	<b>24,979,700</b>
<b>Total Liabilities</b>		<b>962,936,611</b>	<b>752,116,442</b>	<b>273,224,987</b>	<b>191,535,710</b>
<b>Total Equity and Liabilities</b>		<b>1,469,486,441</b>	<b>1,284,428,514</b>	<b>572,494,381</b>	<b>482,655,509</b>

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

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

		Group		Company	
	Note	2011 RM	2010 RM	2011 RM	2010 RM
Revenue	31	449,564,911	340,911,832	19,095,840	11,120,000
Cost of sales		(296,605,270)	( 243,094,861)	-	-
Gross profit		152,959,641	97,816,971	19,095,840	11,120,000
Other operating income		9,999,602	10,852,466	1,726,566	4,627,059
Operating expenses		(82,775,241)	(65,808,145)	(2,293,769)	(7,724,672)
Finance costs	32	(17,182,944)	(15,671,755)	(7,081,883)	(7,650,604)
Share of losses in associated companies		(223,734)	(188,148)	-	-
Profit before taxation	33	62,777,324	27,001,389	11,446,754	371,783
Taxation	34	(24,724,257)	(913,468)	(3,520,378)	(1,305,673)
Net profit/(loss) for the financial year		38,053,067	26,087,921	7,926,376	(933,890)
Other comprehensive income					
Foreign currency translation differences for foreign operation		17,859,169	(17,828,710)	-	-
Total comprehensive income for the financial year		55,912,236	8,259,211	7,926,376	(933,890)
Net profit/(loss) for the financial year attributable to:					
Owners of the parent		34,299,755	16,511,583	7,926,376	(933,890)
Non-controlling interest		3,753,312	9,576,338	-	-
		38,053,067	26,087,921	7,926,376	(933,890)

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

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011 (CONT'D)

	Note	Group		Company	
		2011 RM	2010 RM	2011 RM	2010 RM
Total comprehensive income for the financial year attributable to:					
Owners of the parent		46,388,243	1,223,779	7,926,376	(933,890)
Non-controlling interest		9,523,993	7,035,432	-	-
		<u>55,912,236</u>	<u>8,259,211</u>	<u>7,926,376</u>	<u>(933,890)</u>
Earnings per share attributable to the owners of the parent (sen)					
Basic	35(a)	<u>8.87</u>	<u>4.27</u>		
Fully diluted	35(b)	<u>8.87</u>	<u>4.27</u>		

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

## STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

Group	ATTRIBUTABLE TO OWNERS OF THE PARENT					Non-controlling Interest RM	Total Equity RM
	Non-distributable			Distributable			
	Share Capital RM	Share Premium RM	Other Reserves RM	Retained Profits/ (Accumulated Losses) RM	Total 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

Group	ATTRIBUTABLE TO OWNERS OF THE PARENT					Non- controlling Interest RM	Total Equity RM
	Non-distributable			Distributable			
	Share Capital RM	Share Premium RM	Other Reserves RM	Retained Profits RM	Total RM		
At 1 January 2011	386,552,557	16,945,016	19,708,379	2,171,126	425,377,078	106,934,994	532,312,072
Realisation of subsidiary company's reserve	-	-	(127,890)	127,890	-	-	-
Share based payment	-	-	223,219	-	223,219	-	223,219
Reserve from additional control in subsidiary companies	-	-	(49,453,220)	-	(49,453,220)	-	(49,453,220)
Dividend paid/payable	-	-	-	-	-	(2,352,000)	(2,352,000)
Acquisition of additional interest from non-controlling interest	-	-	-	-	-	(30,092,477)	(30,092,477)
Total comprehensive income for the financial year	-	-	12,088,488	34,299,755	46,388,243	9,523,993	55,912,236
At 31 December 2011	386,552,557	16,945,016	(17,561,024)	36,598,771	422,535,320	84,014,510	506,549,830



## STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011 (CONT'D)

Company	Share Capital RM	Non-distributable			Accumulated Losses RM	Total RM
		Share Premium RM	ESOS Reserve RM	Warrant Reserve RM		
At 1 January 2010	386,552,557	16,945,016	317,551	14,952,572	(126,733,901)	292,033,795
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
At 1 January 2011	386,552,557	16,945,016	337,445	14,952,572	(127,667,791)	291,119,799
Share based payment	-	-	223,219	-	-	223,219
Total comprehensive income for the financial year	-	-	-	-	7,926,376	7,926,376
At 31 December 2011	386,552,557	16,945,016	560,664	14,952,572	(119,741,415)	299,269,394

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

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	2011 RM	2010 RM
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	62,777,324	27,001,389
Adjustments for:		
Bad debts written off	3,376,882	3,957,144
Deposit written off	15,500	145,665
Depreciation of investment properties	113,374	148,872
Depreciation of property, plant and equipment	13,454,790	13,135,087
Development costs written off	290,992	-
Loss on disposal of other investments	-	1,417,799
Impairment on associated company	-	566
Impairment of goodwill arising on consolidation	5,586,866	4,964,464
Impairment on foreseeable loss on construction contract	-	46,035
Impairment on investment properties	610,793	-
Impairment on property, plant and equipment	-	6,053
Impairment on trade and other receivables	4,814,585	1,416,749
Inventories written down	1,704,674	-
Interest expense	17,182,944	15,671,755
(Gain)/Loss on disposal of property, plant and equipment	(79,132)	135,920
Gain on disposal of investment properties	(7,394)	(8,347)
Prepayment written off	-	3,706
Property, plant and equipment written off	370,875	119,085
Share of losses in associated companies	223,734	188,148
Share based payment	223,219	19,894
Gain on disposal of associated company	(149,936)	-
Gain on disposal of a subsidiary companies	(393,390)	(8,228)
Interest income	(2,039,738)	(1,100,062)
Reversal of contingency sum provided in prior years	-	(12,985,893)
Reversal of impairment on foreseeable loss on construction contract	(1,152)	-
Reversal of impairment on other investments	-	(1,417,799)
Reversal of impairment on trade and other receivables	(3,139,738)	(4,056,964)
Unrealised loss/(gain) on foreign exchange	7,801	(64,821)
Waiver of debts	(10,000)	-
Operating profit before working capital changes	104,933,873	48,736,217

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011 (CONT'D)

	Note	2011 RM	2010 RM
Decrease/(Increase) in working capital			
Inventories		1,187,874	5,301,731
Land and property development costs		40,653,244	8,859,361
Amount owing by/to customers on contracts		2,451,453	2,310,935
Accrued/Progress billing in respect of property development costs		(79,155,789)	(55,816,226)
Trade receivables		(59,212,607)	52,133,640
Other receivables		(6,197,266)	3,139,202
Trade payables		(13,767,721)	9,427,094
Other payables		15,864,332	(5,857,014)
Amount owing by associated companies		-	14,510
Foreign exchange reserve		6,984,210	(5,701,813)
		(91,192,270)	13,811,420
Cash generated from operations		13,741,603	62,547,637
Interest received		2,039,738	1,100,062
Interest paid		(25,383,727)	( 22,853,485)
Tax paid		(23,231,851)	( 16,011,075)
Tax refund		682,099	-
		(45,893,741)	( 37,764,498)
Net cash (used in)/generated from operating activities		(32,152,138)	24,783,139
<b>Cash Flows From Investing Activities</b>			
Additional investment in subsidiary companies		(26,972,500)	-
Additional investment in associated company		(45,000)	(500,000)
Proceeds from disposal of investment properties		324,000	134,000
Proceeds from disposal of property, plant and equipment		105,557	534,254
Proceeds from disposal of other investment		-	1
Proceeds from disposal of associated company		150,000	-
Net cash inflow/(outflow) from disposal of subsidiary companies	7(c)	1,019,839	(38)
Net cash outflow from acquisition of a subsidiary company	7(b)	-	(41,818,220)
Capital work-in-progress incurred	4	(2,179,991)	(2,234,591)
Purchase of investment properties		-	(477,600)
Purchase of property, plant and equipment	3(v)	(3,628,191)	(2,178,617)
Net cash used in investing activities		(31,226,286)	(46,540,811)

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011 (CONT'D)

	2011 RM	2010 RM
<b>Cash Flows From Financing Activities</b>		
(Increase)/Decrease in fixed deposit pledged	(25,192,029)	15,568,599
Decrease/(Increase) in cash and bank balances pledged	23,436,077	(31,340,874)
Drawdown of bank borrowings	124,851,231	86,029,684
Repayment of bank borrowings	(39,148,634)	(84,594,411)
Repayment of hire purchase payables	(949,341)	(1,072,604)
Release of money in sinking funds account	-	1,036,422
Proceeds from issuance of Islamic Securities	60,000,000	75,000,000
Redemption of Secured Serial Bonds	-	(35,000,000)
Dividend paid to non-controlling interest	(2,352,000)	(2,450,000)
Net cash from financing activities	140,645,304	23,176,816
<b>Net increase in cash and cash equivalents</b>	77,266,880	1,419,144
<b>Effect of exchange rate changes</b>	840,787	(3,165,140)
<b>Cash and cash equivalents at beginning of the financial year</b>	(22,925,575)	(21,179,579)
<b>Cash and cash equivalents at end of the financial year</b>	55,182,092	(22,925,575)
<b>Cash and cash equivalents at end of the financial year comprise:</b>		
Fixed deposits with licensed banks	28,900,452	4,049,214
Cash held under Housing Development Accounts	37,663,632	17,594,870
Cash and bank balances	65,269,134	41,306,852
Bank overdrafts	(39,845,877)	(50,827,214)
	91,987,341	12,123,722
Less: Fixed deposits pledged with licensed banks	(28,900,452)	(3,708,423)
Cash and bank balances pledged	(7,904,797)	(31,340,874)
	55,182,092	(22,925,575)

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

## COMPANY STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	2011 RM	2010 RM
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	11,446,754	371,783
Adjustments for:		
Impairment on investment in subsidiary companies	100,343	-
Interest expense	7,081,883	7,650,604
Share based payment	223,219	19,894
Unrealised loss on foreign exchange	-	3,819,449
Interest income	(1,726,471)	(4,626,835)
Dividend income	(18,975,840)	(11,000,000)
Operating loss before working capital changes	(1,850,112)	(3,765,105)
(Increase)/Decrease in working capital		
Other receivables	(906,896)	(170)
Other payables	707,798	982,048
Amount owing to/by subsidiary companies	(52,346,214)	168,577,734
	(52,545,312)	169,559,612
Cash (used in)/ generated from operations	(54,395,424)	165,794,507
Dividend received	4,563,000	-
Interest received	1,726,471	4,626,835
Interest paid	(7,081,883)	(7,650,604)
Tax refund	678,619	-
Tax paid	(148,538)	(51,000)
	(262,331)	(3,074,769)
Net cash (used in) /generated from operating activities	(54,657,755)	162,719,738
<b>Cash Flows From Investing Activity</b>		
Investment in subsidiary company	-	(195,335,998)
Net cash used in investing activity	-	(195,335,998)
<b>Cash Flows From Financing Activities</b>		
Increase in fixed deposit pledged	(25,980,000)	(43,122)
Decrease/(Increase) in cash and bank balances pledged	3,030,002	(3,130,548)
Drawdown of bank borrowings	27,236,025	-
Proceeds from issuance of Islamic Securities	60,000,000	75,000,000
Repayment of bank borrowings	(2,820,807)	(38,033,858)
Net cash from financing activities	61,465,220	33,792,472



## COMPANY STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011 (CONT'D)

	2011 RM	2010 RM
<b>Net increase in cash and cash equivalents</b>	6,807,465	1,176,212
<b>Cash and cash equivalents at beginning of the financial year</b>	(10,897,552)	(12,073,764)
<b>Cash and cash equivalents at end of the financial year</b>	(4,090,087)	(10,897,552)
<b>Cash and cash equivalents at end of the financial year comprise:</b>		
Fixed deposits with licensed banks	27,510,000	1,530,000
Cash and bank balances	3,951,566	3,148,158
Bank overdrafts	(7,941,107)	(10,915,162)
	23,520,459	(6,237,004)
Less: Fixed deposits pledged with licensed banks	(27,510,000)	(1,530,000)
Cash and bank balances pledged	(100,546)	(3,130,548)
	(4,090,087)	(10,897,552)

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 46 and 47 to the financial statements respectively.

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 preparation

The financial statements of the Group and of the Company have been prepared on the historical cost convention 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 the Company have adopted the following new Financial Reporting Standards ("FRSs"), revised FRSs, Issues Committee ("IC") Interpretations and amendments to FRSs, issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

FRS 1	First-time adoption of Financial Reporting Standards
FRS 3	Business Combinations
FRS 127	Consolidated and Separate Financial Statements
IC Interpretation 4	Determining Whether an Arrangement Contains a Lease
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investments in a Foreign Operations
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers
Amendments to FRS 1	Limited exemption from Comparative FRS 7 Disclosures for First-time Adopters and Additional Exemptions for First-time Adopters
Amendments to FRS 2	Group cash-settled Share-based Payment Transactions
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 132	Financial Instruments: Presentation – Classification of Rights Issues
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives

Amendments to FRSs contained in the document entitled "Improvements to FRSs (2010)"

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

### (a) Basis of preparation (cont'd)

Adoption of the above FRSs, IC Interpretations, Amendments to FRSs and IC Interpretations and "Improvements to FRSs (2010)" did not have any significant effect on the financial statements of the Group and Company, other than for the following:

#### (i) FRS 3 Business Combinations and FRS 127 Consolidated and Separate Financial Statements (Amendments)

The adoption of the two revised standards affects the way in which the Group accounts for business combinations and the preparation of its consolidated financial statements.

The revised FRS 127 replaces the current term "minority interest" with a new term "non-controlling interest" which is defined as the equity in a subsidiary that is not attributable, directly or indirectly, to a parent. Accordingly, total comprehensive income shall be attributed to the owners of the parent and to the non-controlling interest, even if this results in the non-controlling interest having a deficit balance. It also requires that changes in ownership interest which do not result in a loss of control be accounted for as equity transactions. If the changes in ownership interest results in loss of control, any remaining interest in the entity is remeasured at fair value and any resulting gains or losses is recognised in profit or loss.

Under the revised FRS 3, all acquisition-related costs are recognised as an expense in the profit or loss in the period in which they are incurred. All considerations transferred, including contingent considerations, are measured at fair value as at the acquisition date. Any equity interests held prior to the date control is obtained is remeasured at fair value, with the resulting gains or losses recognised in the profit or loss. There is now an option on a case to case basis to measure non-controlling interest either at fair value or at the non-controlling interest' proportionate share of the net identifiable assets of the assets acquired. Goodwill arising from the business combination is measured as the difference between the aggregate fair value of consideration transferred, any non-controlling interest in the acquiree and the fair value at acquisition date of any previously held equity interest in the acquiree, and the fair value of identifiable assets acquired and liabilities assumed (including contingent liabilities) at acquisition date.

The revised FRS 3 and FRS 127 were applied prospectively to acquisitions and/ or changes in ownership interest in subsidiary companies occurred during the financial year.

#### (ii) Amendments to FRS 7 Improving Disclosures about Financial Instruments

Amendments to FRS 7 require enhanced disclosures about fair value measurements in which a three-level fair value hierarchy was introduced. Each class of financial instrument is to be classified in accordance to this hierarchy which reflects the inputs used in making the fair value measurement. It also reinforces the existing principles for disclosures on liquidity and credit risks. The adoption of this amendment resulted in additional disclosures in the financial statements but did not have any financial impact on the Group and the Company.

#### (iii) Amendments to FRSs contained in the document entitled "Improvements to FRSs (2010)"

The amendments mainly provide guidance, clarify wordings and remove inconsistencies in existing FRSs. These amendments have extended some of the disclosure requirements under FRS 7, such as the quantification of the extent to which collateral and other credit enhancements mitigate credit risk; and remove certain disclosure requirements such as the

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

(a) Basis of preparation (cont'd)

carrying amount of renegotiated assets. These changes are only presentational in nature and did not have any financial impact on the Group and the Company.

The Group and the Company have not early adopted the following FRSs, IC Interpretations and amendments to FRSs, which have been issued as at the date of authorisation of this financial statements and will be effective for the financial periods as stated below:

		Effective date for financial periods beginning on or after
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
FRS 124	Related Party Disclosures (revised)	1 January 2012
Amendments to FRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2012
Amendments to FRS 7	Disclosures – Transfers of Financial Assets	1 January 2012
Amendments to FRS 112	Deferred Tax: Recovery of Underlying Assets	1 January 2012
Amendments to FRS 9 (IFRS 9 as issued by IASB in November 2009), FRS 9 (IFRS 9 as issued by IASB in October 2010) and FRS 7	Mandatory Effective Date of FRS 9 and Transition Disclosures	1 March 2012
Amendments to FRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
FRS 10	Consolidated Financial Statements	1 January 2013
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosure of Interests in Other Entities	1 January 2013
FRS 13	Fair Value Measurement	1 January 2013
FRS 119	Employee Benefits (revised)	1 January 2013
FRS 127	Separate Financial Statements	1 January 2013

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

### (a) Basis of preparation (cont'd)

		Effective date for financial periods beginning on or after
FRS 128	Investments in Associates and Joint Ventures	1 January 2013
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to FRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
FRS 9 (IFRS 9 as issued by IASB in November 2009)	Financial Instruments	1 January 2015*
FRS 9 (IFRS 9 as issued by IASB in October 2010)	Financial Instruments	1 January 2015*

\* Original effective date of 1 January 2013 deferred to 1 January 2015 via amendments issued by MASB on 1 March 2012.

The above new FRSs, revised FRSs, IC Interpretations and amendments to FRSs will be adopted in the annual financial statements of the Group and of the Company when they become effective and that the initial applications of these Standards and IC Interpretations will have no significant impact on the financial statements of the Group and the Company, except as discussed below:

#### (i) FRS 124 Related Party Disclosures

The revised FRS 124 simplify the definition of a related party, clarifies its intended meaning and eliminates inconsistencies from the definition and gives partial exemption from disclosure for government-related entities. These changes affect disclosures in the financial statements and did not have any impact on the financial results of the Group and the Company.

#### (ii) Amendments to FRS 112 Deferred Tax: Recovery of Underlying Assets

This amendment supersedes and introduces an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. FRS 112 currently requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in FRS 140 Investment Property. As a result of the amendments, IC Interpretation 121 Income Taxes – Recovery of Revalued Non-Depreciable Assets will be superseded and its guidance will be incorporated into FRS 112.



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

(a) Basis of preparation (cont'd)

(iii) Amendment to FRS 1 First-time Adoption on Fixed Dates and Hyperinflation

This amendment includes two changes to FRS 1. The first replaces references to a fixed date of '1 January 2006' with 'the date of transition to FRSSs', thus eliminating the need for entities adopting FRSSs for the first time to restate de-recognition transactions that occurred before the date of transition to FRSSs. The second amendment provides guidance on how an entity should resume presenting financial statements in accordance with FRSSs after a period when the entity was unable to comply with FRSSs because its functional currency was subject to severe hyperinflation.

(iv) Amendments to FRS 7 Disclosures – Transfers of Financial Assets

The amendment enhances the transparency in the reporting of transfer transactions and improves users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitisation of financial assets.

(v) Amendments to FRS 7 Disclosures - Offsetting Financial Assets and Financial Liabilities and Amendments to FRS 132 Offsetting Financial Assets and Financial Liabilities

The amendment requires financial assets and financial liabilities to be offset and present the net amount in the statement of financial position, only if the entity has an unconditional and legally enforceable right to set off the financial asset and financial liability, and it intends either to settle the financial asset and financial liability net or to realise the financial asset and settle the financial liability simultaneously.

(vi) FRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009) and FRS 9 Financial Instruments (IFRS 9 issued by IASB in October 2010)

FRS 9 (IFRS 9 issued by IASB in November 2009) specifies how an entity should classify and measure financial assets. This standard replaces the multiple classification and measurement models in FRS 139 with a single model that has only two classification categories: amortised cost and fair value. The basis of classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

FRS 9 (IFRS 9 issued by IASB in October 2010) specifies the requirements for the classification and measurement of financial liabilities, which are generally similar to the requirements of the existing FRS 139. However, this standard requires that for financial liabilities designated as at fair value through profit or loss, changes in fair value attributable to the credit risk of that liability are to be presented in Other Comprehensive Income ("OCI"). There is no subsequent recycling of the amounts in OCI to profit or loss, but accumulated gains or losses may be transferred within equity.

The guidance in FRS 139 on impairment of financial assets and hedge accounting continues to apply.

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

(a) Basis of preparation (cont'd)

(vii) FRS 10 Consolidated Financial Statements

FRS 10 will replace all the guidance on control and consolidation in FRS 127 Consolidated and Separate Financial Statements and IC Interpretation 112 Consolidation – Special Purpose Entities.

FRS 10 changes the definition of control. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. It establishes control as the basis for determining which entities are consolidated in the consolidated financial statements and sets out the accounting requirements for the preparation of consolidated financial statements.

(viii) FRS 11 Joint Arrangements

FRS 11 will supersede the existing FRS 131 Interests in Joint Ventures when effective. Under FRS 11, an entity accounts for its interest in a jointly controlled entity based on the type of joint arrangement, as determined based on an assessment of its rights and obligations arising from the arrangement.

(ix) FRS 12 Disclosure of Interests in Other Entities

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

(x) FRS 13 Fair Value Measurement

This standard defines fair value and sets out a framework for measuring fair value, and the disclosure requirements about fair value. This standard is intended to address the inconsistencies in the requirements for measuring fair value across different accounting standards. The definition of fair value under this standard emphasises the principle that fair value is a market-based measurement, not an entity specific measurement.

(xi) FRS 119 Employee Benefits (as amended in November 2011)

This revised FRS 119 will supersede the existing FRS 119 when effective. This new standard makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits. Actuarial gains and losses will no longer be deferred using the corridor approach. Past service costs, whether unvested or already vested, are recognised immediately in the profit or loss as incurred and the annual defined benefit costs in the profit or loss will include net interest expense/ income on the defined benefit asset/liability.

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

(a) Basis of preparation (cont'd)

(xii) FRS 127 Separate Financial Statements (as amended in November 2011)

Upon the adoption of FRS 10, the accounting requirements relating to the preparation of consolidated financial statements are no longer covered under FRS 127. This revised FRS 127 only cover the requirements relating to the accounting for investments in subsidiary companies, associated companies and joint ventures in the separate financial statements of the entity. In such cases, the entity should account for such investments either at cost, or in accordance with FRS 9.

(xiii) FRS 128 Investments in Associates and Joint Ventures (as amended in November 2011)

This revised FRS 128 incorporates the requirements for accounting for joint ventures, as well as associates, to be equity accounted following the issue of MFRS 11. However, the revised FRS 128 exempts the investor from applying equity accounting in certain circumstances, ie. where the investment in the associated company or joint venture is held indirectly via venture capital organisations or mutual funds and similar entities. In such cases, the entity shall measure the investment at fair value through profit or loss, in accordance with FRS 9.

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework"). The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture ("MFRS 141") and IC Interpretation 15 Agreements for Construction of Real Estate ("IC Interpretation 15"), including its parent, significant investor and venture (herein called "Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013.

Financial statements that are drawn up in accordance with the new MFRS framework will be equivalent to financial statements prepared by other jurisdictions which adopt IFRSs ("International Financial Reporting Standards").

The Group is subject to the application of IC Interpretation 15, therefore falls within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2013. In presenting the Group's first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group is currently assessing the implications and financial impact of transition to the MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 31 December 2011 could be different if prepared under the MFRS Framework.

## 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(j)(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 2011 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(l). 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 2011 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 2011 is disclosed in Note 5 to the financial statements.

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

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

(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 2011 is disclosed in Note 7 to the financial statements.

(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 2011 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 2011 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(m). 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 2011 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:

- (a) current prices in an active market for properties of a different nature, condition or location, adjusted to reflect those differences; or

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

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

(viii) Estimation of fair value of properties (cont'd)

- (b) 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 2011 is disclosed in Note 15 to the financial statements.

(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 36 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(t). 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

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

### (d) Basis of consolidation (cont'd)

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 acquisition method of accounting is used to account for the purchase of subsidiary companies. The consideration transferred for acquisition of a subsidiary is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, as well as any contingent consideration given. Acquisition related costs are expensed off in the profit or loss as incurred. 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.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired (ie. a bargain purchase), the gain is recognised in profit or loss. The accounting policy on goodwill on acquisition of subsidiary companies is set out in Note 2(m).

In a business combination achieved in stages, the previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

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

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interest are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in the consolidated statements of comprehensive income.

Non-controlling interest is the equity in a subsidiary not attributable, directly or indirectly, to the Group. On an acquisition-by-acquisition basis, the Group measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. At the end of reporting period, non-controlling interest consists of amount calculated on the date of combinations and its share of changes in the subsidiary's equity since the date of combination.

All earnings and losses of the subsidiary are attributed to the parent and the non-controlling interest, even if the attribution of losses to the non-controlling interest results in a debit balance in the shareholders' equity. Profit or loss attribution to non-controlling interest for prior years is not restated.

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

### (d) Basis of consolidation (cont'd)

#### (ii) Associates

Associates 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 associates are accounted for using the equity method of accounting. Investments in associates include goodwill identified on acquisition, net of any accumulated impairment loss in accordance with Note 2(t).

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

### (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.

#### (i) Classification

The Group and the Company classifies its financial assets in the following categories: at fair value through profit or loss (FVTPL), loans and receivables, available-for-sale (AFS) and held-to-maturity (HTM). The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

##### *Financial assets at FVTPL*

Financial assets at FVTPL are financial assets held for trading. A financial asset is classified in this category if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term. Derivatives are also categorised as held for trading unless they are designated as hedges.

##### *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.

##### *AFS Financial Assets*

AFS financial assets are 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.

##### *HTM investments*

HTM 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



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

### (e) Financial assets (cont'd)

to maturity. If the Group and Company were to sell other than an insignificant amount of HTM financial assets, the whole category would be tainted and reclassified as AFS.

HTM investment are classified as non-current assets, except for those having maturity date within 12 months after the end of the reporting period which are classified as current.

### (ii) Recognition and initial measurement

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

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.

### (iii) Subsequent measurement

Financial assets, both AFS and at FVTPL 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 which are classified as AFS 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.

Changes in the fair values of financial assets at FVTPL 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 AFS financial assets are recognised separately in the statements of comprehensive income. Changes in fair values of AFS equity securities (i.e. non-monetary items) are recognised in the statement of comprehensive income, except for impairment losses and foreign exchange gains and losses, which are recognised in the profit or loss.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

### (iv) 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 amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The asset's carrying amount is reduced and the amount of the loss is recognised in profit or loss.

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

### (e) Financial assets (cont'd)

If in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, it is written off against the related accumulated impairment losses account. Subsequent recoveries of amounts previously written off are recognised against the same line item in the statements of comprehensive income.

#### *AFS Financial Assets*

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 other comprehensive income shall be reclassified to the profit or loss. The amount of cumulative loss that is reclassified to profit or loss is the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss. Impairment losses recognised in the profit or loss on equity securities are not reversed through the profit or loss.

#### *HTM investments*

Impairment in respect of HTM investment carried at amortised cost are measured as the difference between the asset's carrying amount and the present values of their estimated future cash flows discounted at the HTM investments' original effective interest rate.

The asset's carrying amount is reduced and the amount of the loss is recognised in profit or loss. If in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

### (v) Reclassification of financial assets

The Group and the Company may choose to reclassify non-derivative assets out from the held-for-trading category, in rare circumstances, where the financial assets are no longer held for the purpose of selling or repurchasing in the short term. In addition, the Group and the Company may also choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or AFS categories if the Group and the Company have the intention and ability to hold the financial asset for the foreseeable future or until maturity.

If the Group or the Company were to sell or reclassify more than an insignificant amount of HTM investments before maturity, the entire category would be tainted and be reclassified to available-for-sale.

Reclassifications are made at fair value as at the reclassification date, whereby the fair value becomes the new cost or amortised cost, as applicable. Any fair value gains or losses previously recognised in the profit or loss is not reversed.

As at reporting date, the Group and the Company have not made any such reclassifications of financial assets.

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

(e) Financial assets (cont'd)

(vi) Derecognition

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 derecognition of a financial asset, the difference between the carrying amount and the sum of consideration received and any cumulative gains or loss that had been recognised in equity is recognised in the profit or loss.

(f) Determination of Fair value

All financial instruments are recognised initially at fair value. At initial recognition, the fair value of a financial instrument is the transaction price, i.e. the fair value of the consideration given or received. Subsequent to initial recognition, the fair value of financial instruments measured at fair value is measured in accordance with the valuation methodologies as set out in Note 41(g).

Investments in unquoted equity instruments whose fair value cannot be reliably measured are measured at cost, and assessed for impairment at each reporting date.

(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.

The Group and the Company classifies its financial liabilities in the following categories: at FVTPL or other financial liabilities. Management determines the classification of its financial liabilities at initial recognition.

All financial liabilities are initial recognised at fair value plus transaction cost and subsequently carried at amortised cost using the effective interest method, other than those categorised as FVTPL. Changes in the carrying value of these liabilities are recognised in the profit or loss.

Financial liabilities at FVTPL include financial liabilities held for trading, derivative (except for financial guarantee contracts or a designated and effective hedging instrument) and financial liabilities designated into this category upon initial recognition.

Other financial liabilities are non-derivatives financial liabilities. The Group's and the Company's other financial liabilities comprise trade and other payables and borrowings. Financial liabilities are classified as current liabilities; except for maturities more than 12 months after the reporting date, in which case they are classified as non-current liabilities.

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

### (i) 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.

### (j) Property, plant and equipment

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(t).

#### (i) Recognition and measurement

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. Purchase of 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).

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.

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

(j) Property, plant and equipment (cont'd)

(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:

Leasehold building	Remaining of the lease period
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.

(k) 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(t).

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.

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.

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

(k) Land and property development costs (cont'd)

(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.

(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(j).

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) Goodwill arising on consolidation

For acquisitions prior to 1 January 2006, goodwill acquired in a business combination represents the excess of the cost of the acquisition of subsidiary companies over the Group's interest in the

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

### (m) Goodwill arising on consolidation (cont'd)

fair values of the net identifiable assets (including intangible assets) at the date of acquisition. With the adoption of FRS 3 Business Combinations beginning 1 January 2006, goodwill arising on consolidation represents the excess of the costs of the acquisition over the fair value of the identifiable assets, liabilities and contingent liabilities of subsidiary companies acquired at the date of acquisition. If the cost of acquisition is less than the fair value of the net assets of the subsidiary company acquired, the difference is recognised directly in the statements of comprehensive income.

Upon adoption of the revised FRS 3 Business Combinations on 1 January 2011, goodwill is measured as the excess of consideration transferred, any non-controlling interest and the acquisition-date fair value of any previously-held equity interest in the subsidiary company over the fair value of the Group's share of the identifiable net assets acquired.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it 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(t).

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. Gains or losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

### (n) 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(t).

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.

### (o) 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.

### (p) 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.

### (q) 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

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

### (q) Construction costs (cont'd)

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.

### (r) 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.

### (s) 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.

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



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

(s) Current asset held for sale (cont'd)

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 associated company acquired exclusively with a view to resale.

(t) 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 is 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. 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.

(u) 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.

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

### (u) Borrowing costs (cont'd)

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.

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.

### (v) 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:

- (a) 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;
- (b) 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
- (c) 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.

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

(w) 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.

(x) 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)

### (y) 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.

### (z) 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.

### (aa) 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.

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

### (ab) 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.

### (ac) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the steering committee that makes strategic decisions. A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

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

### (ad) Provision for liabilities

Provisions for liabilities are recognised when the Group and the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

## 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
<b>Cost</b>								
At 1.1.2011	154,610,217	6,751,123	12,841,269	3,760,948	1,483,786	22,730,760	101,037,899	303,216,002
Additions	2,346,461	1,096,568	1,035,234	148,267	1,754,803	-	-	6,381,333
Disposals	-	(371,736)	(240,230)	-	(440)	-	-	(612,406)
Written off	-	(9,500)	(43,587)	-	(563,643)	-	-	(616,730)
Exchange differences	10,357,184	-	650,865	-	-	1,553,653	6,996,498	19,558,200
At 31.12.2011	167,313,862	7,466,455	14,243,551	3,909,215	2,674,506	24,284,413	108,034,397	327,926,399
<b>Accumulated depreciation</b>								
At 1.1.2011	11,271,873	3,275,150	9,148,247	2,738,995	477,440	8,032,964	59,789,870	94,734,539
Charge for the financial year	4,371,268	1,188,308	1,127,918	407,578	455,667	1,243,589	4,667,292	13,461,620
Disposals	-	(366,951)	(218,942)	-	(88)	-	-	(585,981)
Written off	-	(9,494)	(40,841)	-	(195,520)	-	-	(245,855)
Exchange differences	966,296	-	479,527	-	-	594,441	4,399,301	6,439,565
At 31.12.2011	16,609,437	4,087,013	10,495,909	3,146,573	737,499	9,870,994	68,856,463	113,803,888
<b>Accumulated impairment</b>								
At 1.1.2011/31.12.2011	-	6,053	-	-	-	-	-	6,053
<b>Carrying amount</b>								
At 31.12.2011	150,704,425	3,373,389	3,747,642	762,642	1,937,007	14,413,419	39,177,934	214,116,458

### 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
<b>Cost</b>								
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
<b>Accumulated depreciation</b>								
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
<b>Accumulated impairment</b>								
At 1.1.2010	-	-	-	-	-	-	-	-
Charge for the financial year	-	6,053	-	-	-	-	-	6,053
At 31.12.2010	-	6,053	-	-	-	-	-	6,053
<b>Carrying amount</b>								
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

### 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 RM6,433,839 (2010: RM4,301,194) have been pledged to licensed banks as security for credit facilities granted to the Company and certain subsidiary companies as disclosed in Notes 25 and 30 to the financial statements.

The remaining period of the leasehold land and buildings ranges from 32 to 98 (2010: 33 to 85) years.

- (ii) Included in the above is a leasehold land with carrying amount of RM144,159,956 (2010: RM139,037,150), 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 financing with carrying amount of RM2,870,633 (2010: RM3,371,948).
- (iv) Included in the property, plant and equipment of the Group are leasehold building under term loan financing with carrying amount of RM2,228,010 (2010: RMNil).
- (v) The aggregate additional cost for the property, plant and equipment of the Group during the financial year under hire purchase financing, term loan financing and cash payment are as follows:

	2011 RM	Group 2010 RM
Aggregate costs	6,381,333	3,509,297
Less: Hire purchase financing	(853,000)	(1,330,680)
Less: Term loan financing	(1,900,142)	-
Cash payment	3,628,191	2,178,617

- (vi) Included in the depreciation charged for the financial year is an amount of RM6,830 (2010: RM5,892) which were capitalised in land and property development costs.

### 4. Capital Work-In-Progress

	2011 RM	Group 2010 RM
At 1 January	4,269,087	2,294,653
Additions during the financial year	2,179,991	2,234,591
Exchange differences	295,618	(260,157)
At 31 December	6,744,696	4,269,087



## 5. Land and Property Development Costs

	2011 RM	Group 2010 RM
<b>Non-Current</b>		
<b>Freehold land, at cost</b>		
At 1 January	31,232,375	31,232,375
Additions during the financial year	5,368,090	-
Other movement	(18,378)	-
At 31 December	36,582,087	31,232,375
<b>Long term leasehold land, at cost</b>		
At 1 January	78,083,966	57,127,667
Additions during the financial year	1,019,635	19,606,002
Other movement	(1,034,165)	14,647,169
Transferred to current portion	(16,951,478)	(13,296,872)
At 31 December	61,117,958	78,083,966
<b>Property development costs</b>		
At 1 January	378,122,613	320,001,512
Additions during the financial year	35,993,424	57,142,107
Acquisition of subsidiary company	-	48,707,802
Transferred to current portion	(24,921,115)	(26,663,770)
Transferred to statements of comprehensive income	(4,700)	(117,190)
Other movement	1,052,543	(20,263,758)
Exchange differences	865,205	(684,090)
At 31 December	391,107,970	378,122,613
<b>Less: Accumulated impairment</b>		
At 1 January	4,113,732	4,247,605
Exchange differences	119,344	(133,873)
At 31 December	4,233,076	4,113,732
	484,574,939	483,325,222

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

	2011 RM	Group 2010 RM
<b>Current</b>		
<b>Long term leasehold land, at cost</b>		
At 1 January	28,671,377	25,298,334
Additions during the financial year	492,925	5,630,368
Transferred from non-current portion	16,951,478	13,296,872
Transferred to statements of comprehensive income	(24,568,351)	(10,458,872)
Written off	(14,800)	-
Other movement	-	(5,095,325)
At 31 December	21,532,629	28,671,377
<b>Property development costs</b>		
At 1 January	422,507,312	251,600,832
Additions during the financial year	219,238,783	214,865,958
Written off	(276,192)	-
Transferred from non-current portion	24,921,115	26,663,770
Transferred to inventories	(2,864,491)	(795,085)
Transferred to statements of comprehensive income	(181,790,572)	(74,909,757)
Other movement	-	5,081,594
At 31 December	481,735,955	422,507,312
Less: Costs recognised in the statements of comprehensive income		
At 1 January	346,864,324	155,114,629
Other movement	-	(9,039)
Recognised during the financial year	274,898,366	255,416,726
	621,762,690	410,522,316
Less: Portion related to completed projects	(189,011,790)	(63,657,992)
	432,750,900	346,864,324
	70,517,684	104,314,365

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

- (a) Certain parcels of land are pledged to licensed banks as security for credit facilities granted to certain subsidiary companies as disclosed in Notes 25 and 30 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 profits;
  - (ii) certain percentage of the respective sales proceeds from the development;
  - (iii) agreed contract sum as specified in the agreement; and/ or
  - (iv) certain units of completed properties erected thereon free from all encumbrances as the case may be.
- (c) Certain subsidiary companies (developers) entered into several joint venture agreements with its subsidiary companies (the landowners) to develop several lands, solely at the cost of the developers 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; and/or
  - (ii) certain percentage of the respective development profits.
- (d) Certain subsidiary companies entered into several agreements with a related party (project manager) to develop several lands, solely at the cost of the project manager and based on the agreements, the subsidiary companies are entitled to the following:
  - (i) agreed contract sum as specified in the agreement; and/or
  - (ii) certain units of completed properties erected thereon free from all encumbrances as the case may be.
- (e) The property development cost amounting to RM8,866,769 (2010: RM6,537,465) 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.

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

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

		2011 RM	Group 2010 RM
	Note		
Finance costs	32	8,200,783	7,181,730
Depreciation of property, plant and equipment	3(vi)	6,830	5,892
Company's Directors			
- salaries and other emoluments		-	922,522
- EPF		-	106,222
Other Directors			
-Salaries and other emoluments		653,928	597,059
- fee		-	86,000
Landowner consideration		21,524,079	55,577,827
Rental of premises		24,000	-
Staff costs	37	859,073	4,397,725

## 6. Investment Properties

	2011 RM	Group 2010 RM
<b>Cost</b>		
At 1 January	5,997,280	5,694,563
Additions	-	477,600
Disposals	(347,600)	(174,883)
Transfer from properties held for sale	1,091,593	-
At 31 December	6,741,273	5,997,280
<b>Accumulated depreciation</b>		
At 1 January	782,651	683,009
Charge for the financial year	113,374	148,872
Disposals	(30,994)	(49,230)
At 31 December	865,031	782,651

## 6. Investment Properties (Cont'd)

	2011 RM	Group 2010 RM
<b>Accumulated impairment</b>		
At 1 January	14,600	14,600
Impairment made during the financial year	610,793	-
At 31 December	625,393	14,600
<b>Carrying amount</b>	<b>5,250,849</b>	<b>5,200,029</b>
<b>Fair value</b>	<b>8,095,350</b>	<b>8,172,800</b>

Investment properties with carrying amount of RM4,191,010 (2010: RM4,607,837) have been pledged to licensed banks as security for credit facilities granted to the Company and subsidiary companies as disclosed in Notes 25 and 30 to the financial statements.

Certain investment properties have generated rental income during the financial year amounting to RM750,682 (2010: RM765,297)

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

Certain investment properties are leasehold properties with remaining lease period ranges from 80 to 91 (2010: 81 to 92) years.

## 7. Investment in Subsidiary Companies

### (a) Investment in subsidiary companies

	2011 RM	Group 2010 RM
Unquoted shares, at cost		
In Malaysia	393,554,395	393,554,395
Outside Malaysia	4,075	4,075
Less: Accumulated of impairment	(192,464)	(92,121)
	<u>393,366,006</u>	<u>393,466,349</u>

Details of the subsidiary companies are set out in Note 47 to the financial statements.

### (b) Acquisition of subsidiary companies

The subsidiary company acquired in previous financial year has no financial effects on the financial results of the Group in the financial year it was acquired.

	2011 RM	Group 2010 RM
Revenue	-	-
Profit for the financial year	<u>-</u>	<u>-</u>

No subsidiary company was acquired in the current financial year. If the subsidiary company acquired in the previous financial year had occurred on 1 January 2010, the contribution to the Group's revenue and loss for the previous financial year would have been RMNil and RM7,723 respectively.

## 7. Investment in Subsidiary Companies (Cont'd)

### (b) Acquisition of subsidiary companies (cont'd)

The assets and liabilities arising from the acquisition of subsidiary companies in the previous financial year are as follows:

	Group 2010 RM
Land and property development costs	48,707,802
Other receivables	1,200
Cash and bank balances	5,818
Trade and other payables	(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

The cash outflow arising from the acquisition is as follows:

	Group 2010 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:

	2011 RM	Group 2010 RM
Revenue	-	-
Other operating income	28,683	-
Administrative expenses	(6,971)	(1,392)
Profit/(Loss) for the financial year	21,712	(1,392)
Less: Non-controlling interest	242	-
	21,954	(1,392)

## 7. Investment in Subsidiary Companies (Cont'd)

### (c) Disposal of subsidiary companies (cont'd)

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

	2011 RM	Group 2010 RM
Goodwill on consolidation	618,894	-
Other receivables	33,560	-
Cash and bank balances	1,398	49
Other payables	(24,219)	(8,227)
Non-controlling interest	(9,977)	-
	<b>619,656</b>	<b>(8,178)</b>

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

	2011 RM	Group 2010 RM
Goodwill on consolidation	618,894	-
Trade and other receivables	32,957	-
Cash and bank balances	161	49
Other payables	(667)	(8,227)
Net assets/(liabilities)	<b>651,345</b>	<b>(8,178)</b>
Less: Net assets retained in investment in associates	(15,000)	10
Less : Non-controlling interest	(9,735)	(49)
	<b>626,610</b>	<b>(8,217)</b>
Gain on disposal of investment in subsidiary companies	<b>393,390</b>	<b>8,228</b>
	<b>1,020,000</b>	<b>11</b>

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

	2011 RM	Group 2010 RM
Disposal proceeds settled by cash	1,020,000	11
Less: Cash and cash equivalents of subsidiary companies disposed	(161)	(49)
Net cash inflow/ (outflow) from disposal of investment in subsidiary companies	<b>1,019,839</b>	<b>(38)</b>



## 8. Investment in Associated Companies

	2011	Group	2010
	RM		RM
Unquoted shares in Malaysia, at cost	3,800,070		3,890,070
Share of post acquisition reserves	(1,214,267)		(1,140,469)
	<u>2,585,803</u>		<u>2,749,601</u>

Details of the associated companies are set out in Note 48 to the financial statements.

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

	2011	Group	2010
	RM		RM
<b>Assets and liabilities</b>			
Non-current assets	-		1
Current assets	173,094		145,348
Total assets	<u>173,094</u>		<u>145,349</u>
Current liabilities	1,082,119		674,233
Total net liabilities	<u>(909,025)</u>		<u>(528,884)</u>
<b>Results</b>			
Revenue	-		-
Net loss for the financial year	<u>(619,499)</u>		<u>(868,212)</u>

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

	2011	Group	2010
	RM		RM
At 1 January	148,406		66,645
Additions during the financial year	18,158		81,761
Recover of losses restricted	(16,495)		-
At 31 December	<u>150,069</u>		<u>148,406</u>

The goodwill included within the Group's carrying amount of investment in associated companies is an amount of RM2,751,466 (2010: RM2,751,466).

## 9. Trade Receivables

	2011 RM	Group 2010 RM
<b>Non-current</b>		
Trade receivables	23,520,000	26,620,000
<b>Current</b>		
Trade receivables		
- Third parties	113,869,304	70,297,012
- Related parties	21,732,317	2,978,561
	135,601,621	73,275,573
Less : Accumulated impairment		
- Third parties	(912,414)	(276,428)
	134,689,207	72,999,145
<b>Total trade receivables</b>	<b>158,209,207</b>	<b>99,619,145</b>

- (i) Included in the non-current trade receivables is an amount of RM20,520,000 (2010: RM21,120,000) in relation to disposal of land to a third party. The amount shall be settled progressively from its property development proceeds. During the year, the customer has launched its project and progressive repayment is expected to commence from year 2012.
- (ii) Included in the non current trade receivables is an amount of RM3,000,000 (2010:RM5,500,000) pursuant to an earthwork and infrastructure agreement. A mutual agreement has been reached for progressive repayment of RM2,000,000 will be paid on or before 31 December 2012 and final settlement is expected on or before 31 December 2013.
- (iii) Included in the current trade receivables (related party) is an amount of RM9,500,000 (2010: RMNil) pertaining to land disposal which is pending loan disbursement by end financier.
- The balance sum of current trade receivables (related parties) is related to sales of properties and is pending loan approval and/or disbursement by end financier.
- (iv) The Group's normal trade credit terms range from 21 to 60 days (2010: 21 to 60 days). Other credit terms are assessed and approved on a case by case basis.

## 9. Trade Receivables (Cont'd)

Movements in impairment during the financial year are as follows:

	2011 RM	Group 2010 RM
At 1 January	276,428	3,802,892
Impairment during the financial year	895,986	276,428
Reversal on impairment	(260,000)	(3,802,892)
At 31 December	912,414	276,428

Analysis of the trade receivables ageing are as follows:

	2011 RM	Group 2010 RM
Neither past due nor impair	42,696,204	6,862,266
Past due less than 30 days not impaired	20,905,014	11,187,055
Past due for more than 31-60 days not impaired	11,645,603	16,723,484
Past due for more than 60 days not impaired	59,442,386	38,226,340
	134,689,207	72,999,145
Impaired	912,414	276,428
	135,601,621	73,275,573

Included in the past due more than 60 days not impaired of the Group is approximately RM9,997,020 (2010: RM11,107,800) which were due from customers in relation to land disposal. The collection is pending approval from relevant authorities which is expected to obtain before end of year 2012.

The balance sum of past due more than 60 days not impaired of the Group is approximately RM49,445,366 (2010: RM27,118,540) which were related to sales of properties. Collection is pending completion of loan documentation and/or approval from relevant authorities.

## 9. Trade Receivables (Cont'd)

The Group has not made any significant impairment on its past due receivables as the Directors are of the view that receivables were from property development and most of the purchasers have obtained end financing. The ownership of the titles will be transferred to the purchasers upon full settlement.

The currency exposure profile is as follows:

	Group	
	2011 RM	2010 RM
Chinese Yuan Renminbi	539,236	463,356

## 10. Other Receivables

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
<b>Non-current</b>				
Other receivables	22,271,340	21,643,440	-	-
<b>Current</b>				
Other receivables				
- Third parties	133,094,370	130,238,376	5,752	5,922
- Related parties	305,272	211,464	-	-
	133,399,642	130,449,840	5,752	5,922
Less: Impairment			-	-
- Third parties	(53,697,942)	(51,641,429)	-	-
	79,701,700	78,808,411	5,752	5,922
Deposits	5,947,345	5,521,658	4,500	4,500
Dividend receivables	-	-	9,668,880	-
Prepayments	1,889,673	80,833	907,066	-
	87,538,718	84,410,902	10,586,198	10,422
<b>Total other receivables</b>	<b>109,810,058</b>	<b>106,054,342</b>	<b>10,586,198</b>	<b>10,422</b>

## 10. Other Receivables (Cont'd)

- (i) The non-current other receivables amounting RM22,271,340 (2010: RM21,643,440) 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 RM95,239,704 (2010: RM82,116,309) represents unsecured, interest free advances and no fixed 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 RM38,660,337 (2010: RM36,951,994) on the advances given.

The directors are of the opinion that no further impairment is required as the former subsidiary companies possess a piece of land with fair value above the amount owing.

- (iii) Included in current other receivables of the Group is an amount of RM4,306,211 (2010: RM4,306,211) provided for settlement with the purchasers of a development project of a subsidiary company in accordance with the Workout Proposals of Instangreen Corporation Berhad. This amount will be settled upon receipt of claims from all the purchasers.

Movements in impairment during the financial year are as follows:

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
At 1 January	51,641,429	54,784,114	-	-
Impairment during the financial year	3,918,599	1,140,321	-	-
Disposal of subsidiary companies	(82,854)	-	-	-
Reversal on impairment	(2,879,738)	(254,072)	-	-
Exchange differences	1,100,506	(4,028,934)	-	-
At 31 December	53,697,942	51,641,429	-	-

## 10. Other Receivables (Cont'd)

Analysis of the other receivables ageing is as follows:

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Neither past due nor impair	2,887,979	2,656,924	-	5,922
Past due less than 30 days not impaired	11,167	1,664,523	-	-
Past due for more than 31-60 days not impaired	77,590	1,725,261	-	-
Past due for more than 60 days not impaired	76,724,964	72,761,703	5,752	-
	79,701,700	78,808,411	5,752	5,922
Impaired	53,697,942	51,641,429	-	-
	133,399,642	130,449,840	5,752	5,922

The Group and the Company have not recognised any impairment on certain receivables that are past due at the end of financial year, as there has not been significant change in credit quality and these amounts are still considered receivable.

The currency exposure profile is as follows:

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
United States Dollars	22,271,340	21,643,440	-	-
Hong Kong Dollars	5,994,056	6,573,886	-	-
Chinese Yuan Renminbi	54,366,973	42,126,471	-	-

Included in the past due more than 60 days not impaired of the Group mainly comprise the followings:

- (i) An amount of RM95,239,704 (2010: RM82, 116,309) whereby the Group has provided impairment of RM38,660,337 (2010: RM36,951,994). The directors are of the opinion that no further impairment is required as the former subsidiary companies possess a piece of land with fair value above the amount owing.
- (ii) An amount of RM4,306,211 (2010: RM4,306,211) provided for settlement with the purchasers of a development project of a subsidiary company in accordance with the Workout Proposals of Instangreen Corporation Berhad. This amount will be settled upon receipt of claims from all the purchasers.
- (iii) An amount of RM4,725,733 (2010: RM4,887,800) arising from cost sharing agreement which has been deposited with stakeholder lawyer. The loan documentation has been completed and collection is expected in year 2012.
- (iv) An amount of RM2,464,921 (2010: RM2,416,198) arising from a project management agreement signed with a developer. The project has been completed and collection is pending strata titles issuance and closure of housing developer accounts by the developer.

## 11. Other Investments

	2011	Group	2010
	RM		RM
Cost			
Transferable corporate club membership	1,253,500		1,253,500

Movements in impairment during the financial year are as follows:

	2011	Group	2010
	RM		RM
At 1 January	-		1,417,799
Reversal on impairment	-		(1,417,799)
At 31 December	-		-

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.

## 12. Goodwill on Consolidation

	2011	Group	2010
	RM		RM
At 1 January	126,634,316		90,125,101
Acquisition of subsidiary company	-		41,706,424
Disposal of subsidiary companies	(618,894)		-
Impairment recognised in statements of comprehensive income	(5,586,866)		(4,964,464)
Exchange differences	59,216		(232,745)
At 31 December	120,487,772		126,634,316

## 12. Goodwill on Consolidation (Cont'd)

### (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
2011			
Property development	104,464,646	16,023,126	120,487,772
2010			
Property development	110,670,405	15,963,911	126,634,316

### (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	31	28
Growth rate	N/A	N/A
Pre-tax discount rate	6.25	10

\* 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:

- 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.
- Growth rate - Not applicable as the cash flow projections made is for a period of 5 years, in accordance with the expected life cycle of the CGU.
- Pre-tax discount rate - Rate that reflect specific risks relating to the relevant CGU.



## 12. Goodwill on Consolidation (Cont'd)

### (c) Impairment recognised during the financial year

The Group recognised an impairment of RM5,586,866 (2010: RM4,964,464) 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 a decrease in development activities or other significant cash 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.

## 13. Properties Held for Sale

	2011 RM	Group 2010 RM
<b>At cost</b>		
At 1 January	1,091,593	1,091,593
Transferred to investment properties	(1,091,593)	-
At 31 December	-	1,091,593

## 14. Inventories

	2011 RM	Group 2010 RM
<b>At cost:</b>		
Unsold units of completed properties	16,350,045	20,728,124
<b>At net realisable value:</b>		
Unsold units of completed properties	1,500,000	-
	17,850,045	20,728,124

Included in the inventories above with carrying amount of RM12,911,049 (2010: RM11,389,943), which have been pledged to licensed banks as security for credit facilities granted to the Company and subsidiary companies as disclosed in Note 25 to the financial statements.

During the financial year, the inventories have been written down by RM1,704,674 (2010: RMNil).

## 15. Amount Owing by/(to) Customers on Contracts

	2011	Group	2010
	RM		RM
Aggregate cost incurred to date	49,346,612		37,567,923
Add: Attributable losses	(928,552)		(148,670)
Less: Allowance for foreseeable loss	(44,883)		(46,035)
	48,373,177		37,373,218
Less : Progress billings	(50,664,547)		(37,214,287)
	(2,291,370)		158,931
Represented by:			
Amount owing by customers on contracts	411,541		158,931
Amount owing to customers on contracts	(2,702,911)		-
	(2,291,370)		158,931

## 16. Amount Owing by/(to) Subsidiary Companies

(a) Amount owing by subsidiary companies

These represent unsecured advances and repayable on demand which bears interest at 6.25% (2010: range from 6.80% to 7.55%) per annum.

(b) Amount owing to subsidiary companies

These represent 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 are an amount of RM28,900,452 and RM27,510,000 (2010: RM3,708,423 and RM1,530,000) respectively pledged to licensed banks as security for banking facilities granted to the Company and certain subsidiary companies as disclosed in Notes 24 and 25 to the financial statements.

The interest rates and maturities of deposits range from 2.25% to 3.50% per annum and 1 to 365 days (2010: 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	
	2011 RM	2010 RM	2011 RM	2010 RM
Chinese Yuan Renminbi	364,390	340,791	-	-

## 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 1.90% to 2.00% per annum (2010: 1.10% to 1.20%) respectively.

## 19. Cash and Bank Balances

- (i) Included in cash and bank balances of the Group and of the Company are Sinking fund and Disbursement Accounts amounting to RM1,765,033 and RM100,656 (2010: RM31,340,874 and RM3,130,548) opened in accordance with the terms and conditions set out in Trust Deed dated 12 July 2010 as disclosed in Note 24 to the financial statements to meet redemption of maturing Islamic Securities and future disbursement.
- (ii) Included in cash and bank balances of the Group is excess redemption sum amounting to RM6,139,764 (2010: RMNil) which is pledged with financier.
- (iii) Included in cash and bank balances of the Group is interest earning deposits amounting to RM26,637,145 (2010: RM28,210,326). The interest rate of interest earning deposits is 0.1% (2010: 0.1%) per annum.

The currency exposure profile is as follows:

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
United States Dollars	17,107,730	16,799,919	-	-
Hong Kong Dollars	953,050	779,875	-	-
Chinese Yuan Renminbi	8,937,957	11,061,345	-	-

## 20. Share Capital

	Group/Company	
	2011	2010
	RM	RM
<b>Ordinary shares of RM1.00 each</b>		
Authorised	1,000,000,000	1,000,000,000
Issued and fully paid	386,552,557	386,552,557

## 21. Share Premium

	Group/Company	
	2011	2010
	RM	RM
At 1 January/31 December	16,945,016	16,945,016

## 22. Other Reserves

Group	Non-distributable					Total RM
	Revaluation reserve RM	Foreign exchange reserve RM	ESOS Reserves RM	Warrant Reserve RM	Other reserve RM	
At 1 January 2011	490,443	3,927,919	337,445	14,952,572	-	19,708,379
Share-based payment	-	-	223,219	-	-	223,219
Foreign exchange differences, representing net loss not recognised in statements of comprehensive income	-	12,088,488	-	-	-	12,088,488
Reserve from additional control in subsidiary companies	-	-	-	-	(49,453,220)	(49,453,220)
Realisation of subsidiary company's reserve	(127,890)	-	-	-	-	(127,890)
At 31 December 2011	362,553	16,016,407	560,664	14,952,572	(49,453,220)	(17,561,024)

Group	Non-distributable					Total RM
	Revaluation reserve RM	Foreign Exchange Reserve RM	ESOS Reserve RM	Warrant Reserve RM		
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

### Company

At 1 January 2011	-	-	337,445	14,952,572	15,290,017
Share based payment	-	-	223,219	-	223,219
At 31 December 2011	-	-	560,664	14,952,572	15,513,236
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

## 22. 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 2011, the total numbers of Warrants that remain unexercised were 154,076,578 (2010: 154,076,578).

## 23. Retained Profits/(Accumulated Losses)

	Group		Company
	2011 RM	2010 RM	2011 RM
Retained Profits / (Accumulated Losses)			
- Realised	170,133,482	114,539,013	(119,741,415)
- Unrealised	(16,616,756)	(11,312,831)	-
	153,516,726	103,226,182	(119,741,415)
Total share of accumulated losses from associated companies			
- Realised	(602,658)	(378,924)	-
	152,914,068	102,847,258	(119,741,415)
Less: Consolidation adjustments	(116,315,297)	(100,676,132)	-
	36,598,771	2,171,126	(119,741,415)

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.

## 24. Islamic Securities

	Group/Company	
	2011	2010
	RM	RM
<b>Secured</b>		
Nominal value		
4.00% Islamic Securities 2010/2014	35,000,000	35,000,000
4.15% Islamic Securities 2010/2015	40,000,000	40,000,000
4.05% Islamic Securities 2011/2013	20,000,000	-
3.90% Islamic Securities 2011/2013	20,000,000	-
4.05% Islamic Securities 2011/2016	20,000,000	-
	<b>135,000,000</b>	<b>75,000,000</b>
Analysed as:		
Repayable after twelve months	<b>135,000,000</b>	<b>75,000,000</b>

Maturities of Islamic Securities are as follows:

	Group/Company	
	2011	2010
	RM	RM
Within one year	-	-
Between one and two years	40,000,000	-
Between two and three years	35,000,000	-
Between three and four years	40,000,000	35,000,000
Between four and five years	20,000,000	40,000,000
	<b>135,000,000</b>	<b>75,000,000</b>

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:

- The Islamic Securities in multiples of RM1,000; and
- 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:

- First legal charge on certain subsidiary companies' lands;
- An assignment of residual proceeds in the Housing Development Accounts of certain subsidiary companies of the Company;
- A charge and/or assignment over the following accounts:
  - Disbursement Account ("DA")
  - Sinking Fund Account ("SFA")

## 24. Islamic Securities (Cont'd)

- (d) A pledge of the Company's fixed deposits as disclosed in Note 17 to the financial statements;
- (e) Specific debentures by certain subsidiary companies of the Company;
- (f) Corporate guarantees by certain subsidiary companies of the Company; and
- (g) Irrevocable power of attorney by certain subsidiary companies of the Company.

## 25. Bank Borrowings

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
<b>Secured</b>				
Floating rates:				
Bridging loans	108,151,235	61,020,429	53,844,014	31,641,303
Term loans	165,285,540	121,768,355	44,201,471	40,280,000
Revolving credits	28,318,641	30,691,040	28,318,641	30,027,605
<b>Total borrowings</b>	<b>301,755,416</b>	<b>213,479,824</b>	<b>126,364,126</b>	<b>101,948,908</b>
<b>Analysed as:</b>				
<b>Repayable within twelve months</b>				
Floating rates:				
Bridging loans	23,640,178	106,108	253,488	85,197
Term loans	14,326,786	23,611,340	8,735	280,000
Revolving credits	18,519,467	10,691,136	18,519,467	10,027,701
	<b>56,486,431</b>	<b>34,408,584</b>	<b>18,781,690</b>	<b>10,392,898</b>
<b>Repayable after twelve months</b>				
Floating rates:				
Bridging loans	84,511,057	60,914,321	53,590,527	31,556,106
Term loans	150,958,754	98,157,015	44,192,735	40,000,000
Revolving credits	9,799,174	19,999,904	9,799,174	19,999,904
	<b>245,268,985</b>	<b>179,071,240</b>	<b>107,582,436</b>	<b>91,556,010</b>
<b>Total borrowings</b>	<b>301,755,416</b>	<b>213,479,824</b>	<b>126,364,126</b>	<b>101,948,908</b>



## 25. Bank Borrowings (Cont'd)

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 certain subsidiary companies' 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 certain subsidiary companies' sales proceeds and balances in a Housing Development Accounts;
- (h) fixed and floating charge over certain subsidiary companies' present and future assets;
- (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.

Maturities of bank borrowings are as follows:

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Within one year	56,486,431	34,408,584	18,781,690	10,392,898
Between one and two years	96,792,429	40,726,309	67,991,853	10,000,000
Between two and three years	87,395,271	90,547,806	39,590,583	41,556,010
Between three and four years	52,225,087	47,627,402	-	40,000,000
Between four and five years	241,176	71,904	-	-
After five years	8,615,022	97,819	-	-
	301,755,416	213,479,824	126,364,126	101,948,908

## 25. Bank Borrowings (Cont'd)

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

	Group		Company	
	2011	2010	2011	2010
	%	%	%	%
Bridging loans	7.30 – 8.10	7.30 - 7.80	7.80 - 8.10	7.55
Term loans	4.60 - 8.60	5.10 - 8.30	7.80 - 8.10	7.55
Revolving credit	7.30 – 7.80	7.30 - 7.80	7.30 - 7.60	6.95

The currency exposure profile is as follows:

	Group	
	2011	2010
	RM	RM
United States Dollars	11,135,513	23,192,934

## 26. Trade Payables

	Group	
	2011	2010
	RM	RM
<b>Current</b>		
Trade payables		
- Third parties	76,448,238	107,251,030
- Related parties	7,298,562	5,015,282
	83,746,800	112,266,312
Retention sum payables		
- Third parties	17,044,510	18,814,466
- Related parties	8,504,376	3,327,662
	25,548,886	22,142,128
	109,295,686	134,408,440
<b>Non-current</b>		
Trade payable	23,970,259	12,500,000
<b>Total trade payables</b>	<b>133,265,945</b>	<b>146,908,440</b>

## 26. Trade Payables (Cont'd)

- (a) The non-current trade payable represents amount payable to landowner and joint venture partner for certain development project land. Payment will be made as stipulated in the agreements.
- (b) The normal trade credit term granted to the Group ranges from 30 to 60 days (2010: 30 to 60 days). Other credit terms are assessed and approved on a case by case basis.
- (c) The currency exposure profile is as follows:

	Group	
	2011 RM	2010 RM
Chinese Yuan Renminbi	1,035,400	793,861

## 27. Other Payables

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
<b>Current</b>				
Other payables				
- Third parties	97,584,090	67,329,880	679,179	528,233
- Related parties	26,110,622	22,441,129	-	167,392
	123,694,712	89,771,009	679,179	695,625
Accruals	9,045,749	4,842,167	2,208,092	1,483,848
Deposits				
- Third parties	4,388,810	8,678,841	-	-
- Related parties	5,000,000	-	-	-
	9,388,810	8,678,841	-	-
	142,129,271	103,292,017	2,887,271	2,179,473
<b>Non-current</b>				
Other payables				
- Third parties	50,767,500	36,071,538	-	-
- Related parties	17,655,625	-	-	-
	68,423,125	36,071,538	-	-
<b>Total other payables</b>	<b>210,552,396</b>	<b>139,363,555</b>	<b>2,887,271</b>	<b>2,179,473</b>

## 27. Other Payables (Cont'd)

- (a) The non-current other payables represents amount owing to certain former shareholders of subsidiary companies with fixed repayment schedules.
- (b) Included in current other payables is an amount of RM3,803,625 (2010: RM3,867,299) which represent advances from certain 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. The advances are unsecured, interest free and no fixed term of repayment.
- (c) Included in deposits is an amount received from Directors of the Company for purchase of properties amounting to RM5,000,000 (2010: RMNil).
- (d) The currency exposure profile is as follows:

	2011 RM	Group 2010 RM
Chinese Yuan Renminbi	7,069,106	3,826,195
Hong Kong Dollar	4,957,692	5,306,101
United Stated Dollar	157,823	188,499

## 28. Hire Purchase Payables

	2011 RM	Group 2010 RM
(a) Future minimum payments		
Payable within one year	988,866	1,042,178
Payable between one and five years	2,242,510	2,241,159
Payable after five years	136,980	226,748
	3,368,356	3,510,085
Less : Future finance charges	(355,955)	(401,343)
	3,012,401	3,108,742

## 28. Hire Purchase Payables (Cont'd)

	2011 RM	Group 2010 RM
(b) Present value of hire purchase liabilities		
Repayable within one year	844,091	888,428
Repayable between one and five years	1,970,307	2,015,233
Repayable after five years	198,003	205,081
	<u>3,012,401</u>	<u>3,108,742</u>
Analysed as:		
Repayable within twelve months	844,091	888,428
Repayable after twelve months	2,168,310	2,220,314
	<u>3,012,401</u>	<u>3,108,742</u>

Interest is charged at rates ranging from 2.24% to 3.80% (2010: 2.24% to 5.00%) per annum.

## 29. Deferred Tax Liabilities

	2011 RM	Group 2010 RM
At 1 January	78,565,468	83,681,947
Recognised in statements of comprehensive income	(3,146,320)	(2,440,223)
Exchange differences	2,351,116	(2,676,256)
At 31 December	<u>77,770,264</u>	<u>78,565,468</u>

## 29. Deferred Tax Liabilities (Cont'd)

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 2011	34,919,288	43,555,008	91,172	78,565,468
Recognised in statements of comprehensive income	(768,020)	(2,397,130)	18,830	(3,146,320)
Exchange differences	2,347,722	-	3,394	2,351,116
At 31 December 2011	36,498,990	41,157,878	113,396	77,770,264
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 differences	(2,671,967)	-	(4,289)	(2,676,256)
At 31 December 2010	34,919,288	43,555,008	91,172	78,565,468

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

	2011 RM	Group 2010 RM
Unused tax losses	62,359,522	62,543,835
Unabsorbed capital allowances	1,323,372	1,222,284
Deductible temporary differences	2,500,000	2,500,000
Accelerated capital allowances	(105,801)	(106,108)
	66,077,093	66,160,011

The unused tax losses and unabsorbed capital allowance of RM62,359,522 and RM1,323,372 (2010: RM62,543,835 and RM1,222,284) respectively are available indefinitely for offset against future taxable profits of the companies in which those items arose.

### 30. Bank Overdrafts

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
<b>Secured</b>				
Repayable within twelve months	39,845,877	50,827,214	7,941,107	10,915,162

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

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

Interest is charged at rates ranging from 7.80% to 8.55% (2010: 7.30% to 8.80%) per annum.

### 31. Revenue

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Property development	414,463,369	311,645,685	-	-
Construction contracts	10,319,193	6,597,638	-	-
Trading and others	279,488	258,759	-	-
Management fee from:				
- subsidiary companies	-	-	120,000	120,000
- third parties	233,100	17,402	-	-
Dividend from subsidiary companies	-	-	18,975,840	11,000,000
Golf courses and club house	24,269,761	22,392,348	-	-
	449,564,911	340,911,832	19,095,840	11,120,000

## 32. Finance Costs

		Group		Company	
		2011	2010	2011	2010
	Note	RM	RM	RM	RM
Interest expenses on:					
Term loans		8,875,715	7,938,925	3,081,982	2,826,244
Bank overdrafts		3,947,364	5,068,791	802,619	799,220
Bridging loans		4,006,043	4,384,912	-	-
Revolving credits		2,224,802	2,221,820	2,193,836	2,170,994
Hire purchase		176,577	158,038	-	-
Secured Serial Bonds		-	1,634,151	-	1,634,151
Islamic Securities		4,155,608	1,446,848	1,003,446	219,995
Others		1,997,618	-	-	-
		25,383,727	22,853,485	7,081,883	7,650,604
Less:					
Interest capitalised in property development costs	5	(8,200,783)	(7,181,730)	-	-
		17,182,944	15,671,755	7,081,883	7,650,604



### 33. Profit before Taxation

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

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Auditors' remuneration				
- statutory	251,972	231,764	35,000	30,000
- others	129,638	51,035	48,000	31,000
- under provision in prior year	24,200	24,450	5,000	-
Bad debt written off	3,376,882	3,957,144	-	-
Director remuneration				
Company's Directors				
- fee	428,860	410,547	237,600	216,000
- salaries and other emoluments	5,594,960	3,185,902	452,981	427,700
- EPF	781,137	493,556	-	-
- benefit-in-kind	445,157	272,521	-	2,236
Other Directors				
- fee	283,488	195,500	-	-
- salaries and other emoluments	1,053,511	337,751	-	-
- EPF	33,180	35,736	-	-
Deposit written off	15,500	145,665	-	-
Development costs written off	290,992	-	-	-
Depreciation of				
- property, plant and equipment	13,454,790	13,135,087	-	-
- investment properties	113,374	148,872	-	-
Impairment on				-
- trade receivables	895,987	276,428	-	-
- other receivables	3,918,598	1,140,321	-	-
Impairment on foreseeable loss on construction contract	-	46,035	-	-
Impairment of goodwill arising on consolidation	5,586,866	4,964,464	-	-
Impairment on investment in subsidiary companies	-	-	100,343	-
Impairment on associated company	-	566	-	-

### 33. Profit before Taxation (Cont'd)

	2011 RM	Group 2010 RM	2011 RM	Company 2010 RM
Impairment on property, plant and equipment	-	6,053	-	-
Impairment of investment properties	610,793	-	-	-
Inventories written down	1,704,674	-	-	-
Loss on disposal of other investments	-	1,417,799	-	-
(Gain)/Loss on disposal of property, plant and equipment	(79,132)	135,920	-	-
Prepayment written off	-	3,706	-	-
Property, plant and equipment written off	370,875	119,085	-	-
Rental of premises	108,750	136,800	6,243	-
Rental of office equipment	5,520	10,470	-	-
Share based payment	223,219	19,894	223,219	19,894
Reversal of impairment on				
- trade receivables	(260,000)	(3,802,892)	-	-
- other receivables	(2,879,738)	(254,072)	-	-
Reversal of impairment for foreseeable loss on construction contract	(1,152)	-	-	-
Gain on disposal of associated companies	(149,936)	-	-	-
Gain on disposal of investment property	(7,394)	(8,347)	-	-
Gain on disposal of subsidiary companies	(393,390)	(8,228)	-	-
Interest income on advance to subsidiary companies	-	-	(1,280,131)	(4,598,079)
Interest income	(2,039,738)	(1,100,062)	(446,340)	(28,756)
Receipt on unclaimed monies	(57,070)	(112,825)	-	-
Reversal on contingency sum provided in prior years	-	(12,985,893)	-	-

### 33. Profit before Taxation (Cont'd)

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Reversal of impairment on other investments	-	(1,417,799)	-	-
Rental income from:				
- investment properties	(750,682)	(765,297)	-	-
- others	(603,464)	(521,346)	-	-
Unrealised loss/(gain) on foreign exchange	7,801	(64,821)	-	3,819,449
Waiver of debts	(10,000)	-	-	-

### 34. Taxation

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Tax expense for the financial year:				
Current tax provision	27,834,094	10,839,766	3,251,813	1,834,463
Under/(Over) provision in prior years	36,483	(7,486,075)	268,565	(528,790)
	<u>27,870,577</u>	<u>3,353,691</u>	<u>3,520,378</u>	<u>1,305,673</u>
Deferred tax:				
Relating to origination and reversal of temporary differences	(3,302,693)	(1,062,944)	-	-
Under/(Over) provision in prior years	156,373	(1,377,279)	-	-
	<u>(3,146,320)</u>	<u>(2,440,223)</u>	<u>-</u>	<u>-</u>
	<u>24,724,257</u>	<u>913,468</u>	<u>3,520,378</u>	<u>1,305,673</u>

### 34. Taxation (Cont'd)

A reconciliation of income tax expense applicable to profit 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	
	2011 RM	2010 RM
Profit before taxation	62,777,324	27,001,389
Taxation at statutory tax rate of 25% (2010: 25%)	15,694,331	6,750,345
Effect on different tax rates in other countries	618,668	478,662
Subsidiary company domiciled in tax haven country	3,545	361,741
Income not subject to tax	(2,857,870)	(4,756,274)
Expenses not deductible for tax purposes	8,701,713	11,468,106
Deferred tax assets not recognised	5,674,883	3,740,329
Deferred tax liabilities not recognised	-	83,105
Utilisation of previous unrecognised tax losses and capital allowances	(1,579,166)	(3,617,555)
Reversal of deferred tax assets not recognised	(2,346,955)	(4,123,364)
Under/(Over) provision of taxation in prior years	36,483	(7,486,075)
Under/(Over) provision of deferred tax in prior years	156,373	(1,377,279)
Permanent loss not recognised during the financial year	611,419	307,037
Reversal of deferred tax assets	-	(915,310)
Others	10,833	-
Tax expense for the financial year	24,724,257	913,468

  

	Company	
	2011 RM	2010 RM
Profit before taxation	11,446,754	371,783
Taxation at statutory tax rate of 25% (2010: 25%)	2,861,688	92,946
Expenses not deductible for tax purposes	390,125	1,741,517
Under/(Over) provision of taxation in prior years	268,565	(528,790)
Tax expense for the financial year	3,520,378	1,305,673

### 34. Taxation (Cont'd)

The Group has estimated unused tax losses and unutilised capital allowances of RM62,359,522 (2010: RM62,543,835) and RM1,323,372 (2010: RM1,222,284) respectively carried forward available for set-off against future taxable profit.

### 35. Earnings Per Share

(a) Basic earnings per share

The earnings per share has been calculated based on the consolidated profit for the financial year attributable to the owners of the parent of RM34,299,755 (2010: RM16,511,583) and the weighted average number of ordinary shares in issue of 386,552,557 (2010: 386,552,557).

(b) Fully diluted earnings per share

Fully diluted earnings per share has been calculated based on the adjusted consolidated profit for the financial year attributable to the owners of the parent of RM34,299,755 (2010: RM16,511,583) and the adjusted weighted average number of ordinary shares issued and issuable of 386,552,557 (2010: 386,552,557) shares.

	2011 RM	Group 2010 RM
Profit for the financial year attributable to the owners of the parent	34,299,755	16,511,583
Weighted number of ordinary shares in issue	386,552,557	386,552,557
Adjusted for :		
Assumed exercise of ESOS at no consideration	*	*
Warrants	*	*
	386,552,557	386,552,557

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

### 36. Employees' Share Option Scheme

LBS Bina Group Berhad Employees' 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 administering 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.
- (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.
- (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.

### 36. Employees' Share Option Scheme (Cont'd)

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				
	At 1 January	Granted	Forfeited	At 31 December	Exercisable at 31 December
<b>2011</b>					
First Grant	9,610,000	-	(2,500)	9,607,500	9,607,500
Second Grant	68,500	-	-	68,500	68,500
Third Grant	515,500	-	(11,500)	504,000	504,000
Fourth Grant	253,500	-	-	253,500	253,500
Fifth Grant	628,000	-	(20,500)	607,500	607,500
Sixth Grant	1,127,000	-	(3,500)	1,123,500	1,123,500
Special Grant	3,227,500	-	(19,500)	3,208,000	3,208,000
Seventh Grant	203,000	-	-	203,000	203,000
Eighth Grant	2,397,500	-	(37,000)	2,360,500	2,360,500
Ninth Grant	3,421,500	-	-	3,421,500	3,421,500
Tenth Grant	650,500	-	(29,000)	621,500	621,500
Eleventh Grant	787,000	-	-	787,000	787,000
Twelfth Grant	576,500	-	(33,500)	543,000	543,000
Thirteenth Grant	852,500	-	(25,000)	827,500	827,500
Fourteenth Grant	804,500	-	(52,000)	752,500	752,500
Fifteenth Grant	2,225,000	-	(26,000)	2,199,000	2,199,000
Sixteenth Grant	2,080,500	-	(34,000)	2,046,500	2,046,500
Seventeenth Grant	1,273,500	-	(93,000)	1,180,500	1,180,500
Eighteenth Grant	-	1,910,500	(145,000)	1,765,500	1,765,500
Nineteenth Grant	-	1,822,500	-	1,822,500	1,822,500
	30,702,000	3,733,000	(532,000)	33,903,000	33,903,000
WAEP	1.01	1.00	1.01	1.01	1.01

### 36. Employees' Share Option Scheme (Cont'd)

	Number of share options over ordinary shares of RM1.00 each				
	At 1 January	Granted	Forfeited	At 31 December	Exercisable at 31 December
<b>2010</b>					
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
Seventeenth Grant	-	1,415,000	(141,500)	1,273,500	1,273,500
	<b>27,736,000</b>	<b>3,530,000</b>	<b>(564,000)</b>	<b>30,702,000</b>	<b>30,702,000</b>
<b>WAEP</b>	<b>1.01</b>	<b>1.00</b>	<b>1.02</b>	<b>1.01</b>	<b>1.01</b>



### 36. Employees' Share Option Scheme (Cont'd)

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

Share Options	Exercise prices	Exercise periods RM
<b>2011</b>		
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
Eighteenth Grant	1.00	30.06.2011 - 15.09.2012
Nineteenth Grant	1.00	31.12.2011 - 15.09.2012
<b>2010</b>		
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

### 36. Employees' Share Option Scheme (Cont'd)

Share Options	Exercise prices	Exercise periods RM
<b>2010</b>		
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

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:

	2011 RM	2010 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

### 36. Employees' Share Option Scheme (Cont'd)

	2011 RM	2010 RM
30 June 2009	0.012	0.012
31 December 2009	0.035	0.035
30 June 2010	0.027	0.027
31 December 2010	0.031	0.031
30 June 2011	0.106	-
31 December 2011	0.044	-
<hr/>		
Weighted average share price (RM)	0.59	0.65
Weighted average exercise price (RM)	1.01	1.01
Expected volatility (%)	41.00	38.00
Expected option life (years)	1 to 7	2 to 7
Risk-free interest rate, p.a. (%)	3.23	3.36
Expected dividend yield (%)	-	-
<hr/>		

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:

	2011 RM	Group 2010 RM
At 1 January	15,106,000	14,225,000
Additions*	3,195,500	-
Granted and accepted	1,660,000	881,000
At 31 December	19,961,500	15,106,000

\* Share options previously granted to additional members of key management during the financial year ended 31 December 2011

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

### 37. Staff Costs

		2011	Group	2010
	Note	RM		RM
Staff costs (excluding Directors) comprise:				
- charged to statements of comprehensive income		25,264,889		16,465,079
- capitalised in property development costs	5	859,073		4,397,725
Total staff costs for the financial year		26,123,962		20,862,804

Included in the total staff costs above are contributions made to the Employees Provident Fund for employees in Malaysia under a defined contribution plan for the Group amounting to RM1,465,544 (2010: RM987,380).

### 38. 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:

	2011	Group	2010
	RM		RM
Group			
Other related parties:			
* Sale of properties	55,266,047		17,571,511
* Contractors fee	25,716,481		9,780,113
* Rendering of services	110,962		22,323
* Rental income	7,200		7,200
* Rental expenses	85,800		34,800
* Provision of services as advocates and solicitors	601,104		819,649
Company			
Subsidiary companies:			
* Management fee	120,000		120,000
* Dividend income	18,975,840		11,000,000
* Interest income	1,280,131		4,598,079
* Provision of services as advocates and solicitors	34,000		-
Settlement of liabilities by the subsidiary companies	-		118,214,728

### 38. Related Party Disclosures (Cont'd)

\* 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 partner of the firm and a Director of a subsidiary company are the partner of the firm;
  - (iv) A Company in which one of the Directors of the Company have financial interest; and
  - (v) Directors 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 2011 is disclosed in Notes 9, 10, 16, 26, and 27 to the financial statements.
- (c) Information regarding compensation of key management personnel is as follows:

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Short-term employee benefits	11,958,904	7,951,091	384,000	426,900
Share based payments	104,159	47,722	104,159	47,722

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.

## 39. 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, industrial 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, 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.

## Geographical Segments

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

				2011		2010	
				RM		RM	
Malaysia				425,295,150		318,519,484	
The People's Republic of China				24,269,761		22,392,348	
				449,564,911		340,911,832	
	Property Development RM	Management and Investment RM	Trading RM	Construction RM	Golf Courses and Club House RM	Others RM	Total RM
<b>2011 Revenue</b>							
Sales	417,749,272	29,875,385	26,031,856	146,416,947	24,269,761	279,488	644,622,709
Less : Inter-segment sales	(3,285,903)	(29,642,285)	(26,031,856)	(136,097,754)	-	-	(195,057,798)
	414,463,369	233,100	-	10,319,193	24,269,761	279,488	449,564,911
<b>Results</b>							
Segment results	89,620,104	(4,670,875)	(115,226)	(3,127,374)	(3,650,152)	87,787	78,144,264
Interest income	1,433,897	605,841	-	-	-	-	2,039,738
Finance costs	(7,856,754)	(9,267,143)	-	(59,047)	-	-	(17,182,944)
Share of loss in associated companies	-	-	-	-	-	(223,734)	(223,734)
Profit/(Loss) before taxation	83,197,247	(13,332,177)	(115,226)	(3,186,421)	(3,650,152)	(135,947)	62,777,324
Taxation	(22,010,787)	(3,520,378)	(48,042)	(173,371)	1,028,321	-	(24,724,257)
Profit/(Loss) for the financial year	61,186,460	(16,852,555)	(163,268)	(3,359,792)	(2,621,831)	(135,947)	38,053,067
<b>Assets</b>							
Additional investment in associated companies	-	60,000	-	-	-	-	60,000
Additional to non-current assets	36,176,429	770,872	-	4,927,747	2,889,853	-	44,764,901
Segment assets	1,134,981,179	64,128,979	669,906	35,580,621	233,227,215	898,541	1,469,486,441

### 39. 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
<b>2011</b>							
<b>Other non-cash expenses</b>							
Bad debts written off	5,000	871,352	-	2,494,133	-	6,397	3,376,882
Depreciation	1,634,793	3,050	-	983,708	10,946,543	70	13,568,164
Development costs written off	290,992	-	-	-	-	-	290,992
Loss on unrealised foreign exchange	-	7,801	-	-	-	-	7,801
Impairment on investment properties	69,200	-	-	541,593	-	-	610,793
Impairment on receivables	3,881,132	-	-	894,262	39,191	-	4,814,585
Inventories written down	1,704,674	-	-	-	-	-	1,704,674
Property, plant and equipment written off	1,692	1,060	-	368,123	-	-	370,875
Deposit written off	15,500	-	-	-	-	-	15,500
Impairment on goodwill in subsidiary companies	5,586,866	-	-	-	-	-	5,586,866
Share based payment	-	223,219	-	-	-	-	223,219
<b>Other non-cash income</b>							
Gain on disposal of investment property	(7,394)	-	-	-	-	-	(7,394)
Gain on disposal of property, plant and equipment	(77,484)	-	-	(1,648)	-	-	(79,132)
Gain in disposal of subsidiary companies	-	(393,390)	-	-	-	-	(393,390)
Gain on disposal of associated company	-	(149,936)	-	-	-	-	(149,936)
Reversal of impairment on receivables	(385,604)	-	-	(2,754,134)	-	-	(3,139,738)
Reversal of impairment for foreseeable losses on construction contract	-	-	-	(1,152)	-	-	(1,152)
Waiver of debts	(10,000)	-	-	-	-	-	(10,000)



### 39. 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
<b>2010</b>							
<b>Revenue</b>							
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
<b>Results</b>							
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
<b>Assets</b>							
Additional investment in associated companies	-	500,000	-	-	-	-	500,000
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

### 39. 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
<b>2010</b>							
<b>Other non-cash expenses</b>							
Bad debts written off	3,957,144	-	-	-	-	-	3,957,144
Depreciation	1,642,634	6,127	-	664,474	10,968,494	2,230	13,283,959
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 on construction contract	-	-	-	46,035	-	-	46,035
Deposit and prepayment written off	140,300	6,371	-	2,700	-	-	149,371
Impairment on property, plant and equipment	-	-	-	6,053	-	-	6,053
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
<b>Other non-cash income</b>							
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)
Reversal of other investments	(1,417,799)	-	-	-	-	-	(1,417,799)

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

## 40. Contingent Liabilities

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Corporate guarantees given to the license banks for credit facility granted to subsidiary companies	-	-	171,239,861	112,974,851
Corporate guarantees given to the suppliers of goods for credit terms granted to subsidiary companies	-	-	826,049	1,451,114
Banker's guarantees in favour of the local authorities for the purpose of development projects				
- Secured	9,248,662	8,840,379	-	-

## 41. Financial Instruments

### (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:

## 41. 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
<b>Group</b>				
<b>2011</b>				
<b>Financial Assets</b>				
Other investments	-	1,253,500	-	1,253,500
Trade receivables	158,209,207	-	-	158,209,207
Other receivables	109,810,058	-	-	109,810,058
Fixed deposits with licensed banks	28,900,452	-	-	28,900,452
Cash held under Housing Development Accounts	37,663,632	-	-	37,663,632
Cash and bank balances	65,269,134	-	-	65,269,134
Total financial assets	399,852,483	1,253,500	-	401,105,983
<b>Financial Liabilities</b>				
Trade payables	-	-	133,265,945	133,265,945
Other payables	-	-	210,552,396	210,552,396
Hire purchase payables	-	-	3,012,401	3,012,401
Islamic Securities	-	-	135,000,000	135,000,000
Bank borrowings and overdrafts	-	-	341,601,293	341,601,293
Total financial liabilities	-	-	823,432,035	823,432,035
<b>2010</b>				
<b>Financial Assets</b>				
Other investments	-	1,253,500	-	1,253,500
Properties held for sale	-	1,091,593	-	1,091,593
Trade receivables	99,619,145	-	-	99,619,145
Other receivables	106,054,342	-	-	106,054,342

## 41. 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
<b>Group</b>				
<b>2010</b>				
<b>Financial Assets</b>				
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
<b>Financial Liabilities</b>				
Trade payables	-	-	146,908,440	146,908,440
Other payables	-	-	139,363,555	139,363,555
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
<b>Company</b>				
<b>2011</b>				
<b>Financial Assets</b>				
Other receivables	10,586,198	-	-	10,586,198
Amount owing by subsidiary companies	134,234,568	-	-	134,234,568
Fixed deposit with licensed banks	27,510,000	-	-	27,510,000
Cash and bank balances	3,951,566	-	-	3,951,566
Total financial assets	176,282,332	-	-	176,282,332

## 41. 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
<b>Company</b>				
<b>2011</b>				
<b>Financial Liabilities</b>				
Other payables	-	-	2,887,271	2,887,271
Bank borrowings and overdrafts	-	-	134,305,233	134,305,233
Amount owing to subsidiary companies	-	-	1,032,483	1,032,483
Islamic Securities	-	-	135,000,000	135,000,000
Total financial liabilities	-	-	273,224,987	273,224,987
<b>2010</b>				
<b>Financial Assets</b>				
Other receivables	10,422	-	-	10,422
Amount owing by subsidiary companies	82,348,038	-	-	82,348,038
Fixed deposits with licensed banks	1,530,000	-	-	1,530,000
Cash and bank balances	3,148,158	-	-	3,148,158
Total financial assets	87,036,618	-	-	87,036,618
<b>Financial Liabilities</b>				
Other payables	-	-	2,179,473	2,179,473
Amount owing to subsidiary companies	-	-	1,492,167	1,492,167
Bank borrowings and overdrafts	-	-	112,864,070	112,864,070
Secured Serial Bonds	-	-	75,000,000	75,000,000
Total financial liabilities	-	-	191,535,710	191,535,710

## 41. Financial Instruments (Cont'd)

(b) 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.

(c) 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.

(d) 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.

(e) 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.

## 41. Financial Instruments (Cont'd)

### (e) 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
<b>Group</b>					
<b>2011</b>					
Trade payables	109,295,686	5,524,513	18,445,746	-	133,265,945
Other payables	142,129,271	47,822,163	20,600,962	-	210,552,396
Islamic securities	-	40,000,000	95,000,000	-	135,000,000
Bank borrowings and overdrafts	96,332,308	96,792,429	139,861,534	8,615,022	341,601,293
Hire Purchase payables	844,091	862,922	1,107,385	198,003	3,012,401
	348,601,356	191,002,027	275,015,627	8,813,025	823,432,035
<b>2010</b>					
Trade payables	134,408,440	3,000,000	9,500,000	-	146,908,440
Other payables	103,292,017	36,071,538	-	-	139,363,555
Islamic securities	-	-	75,000,000	-	75,000,000
Bank borrowings and overdrafts	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
	323,824,683	80,473,694	224,086,497	302,901	628,687,775
<b>Company</b>					
<b>2011</b>					
Other payables	2,887,271	-	-	-	2,887,271
Islamic securities	-	40,000,000	95,000,000	-	135,000,000
Amount owing to subsidiary companies	1,032,483	-	-	-	1,032,483
Bank borrowings and overdrafts	26,722,797	67,991,853	39,590,583	-	134,305,233
	30,642,551	107,991,853	134,590,583	-	273,224,987
<b>2010</b>					
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 and overdrafts	21,308,060	10,000,000	81,556,010	-	112,864,070
	24,979,700	10,000,000	156,556,010	-	191,535,710



## 41. Financial Instruments (Cont'd)

(f) 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	Fixed deposits with licensed banks	Cash and bank balances	
	RM	RM	RM	
<b>Group 2011</b>				
USD	22,271,340	-	17,107,730	39,379,070
HKD	5,994,056	-	953,050	6,947,106
RMB	54,906,209	364,390	8,937,957	64,208,556
	83,171,605	364,390	26,998,737	110,534,732
<b>2010</b>				
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
	70,807,153	340,791	28,641,139	99,789,083

	Financial Liabilities		
	Trade and other payables	Bank borrowings	Total
	RM	RM	RM
<b>Group 2011</b>			
USD	157,823	11,135,513	11,293,336
HKD	4,957,692	-	4,957,692
RMB	8,104,506	-	8,104,506
	13,220,021	11,135,513	24,355,534
<b>2010</b>			
USD	188,499	23,192,934	23,381,433
HKD	5,306,101	-	5,306,101
RMB	4,620,056	-	4,620,056
	10,114,656	23,192,934	33,307,590

## 41. Financial Instruments (Cont'd)

(f) 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
<b>Group</b>			
<b>2011</b>			
Profit before taxation	(2,808,537)	(198,941)	(5,610,405)
<b>2010</b>			
Profit 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:

	2011 RM	2010 RM
<b>Group</b>		
<b>Financial Assets</b>		
Fixed deposits with licensed banks	28,900,452	4,049,214
Cash Held under Housing Development Accounts	37,663,632	17,594,870
	<u>66,564,084</u>	<u>21,644,084</u>
<b>Financial Liabilities</b>		
Bank borrowings and bank overdrafts	<u>341,601,293</u>	<u>264,307,038</u>
<b>Company</b>		
<b>Financial Assets</b>		
Fixed deposits with licensed banks	<u>27,510,000</u>	<u>1,530,000</u>
<b>Financial Liabilities</b>		
Bank borrowings and bank overdrafts	<u>134,305,233</u>	<u>112,864,070</u>

## 41. Financial Instruments (Cont'd)

(f) Market risks (cont'd)

(iii) Interest rate risk (cont'd)

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.

(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 RM2,750,372 and RM1,067,952 (2010: 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.

(g) Fair values of financial assets and financial liabilities

- (i) The fair values of financial instruments refer to the amounts at which the instruments could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction. Fair values have been arrived at based on prices quoted in an active, liquid market or estimated using certain valuation techniques such as discounted future cash flows based upon certain assumptions. Amount derived from such methods and valuation technique are inherently subjective and therefore do not necessarily reflect the amounts that would be received or paid in the event of immediate settlement of the instruments concerned.

On the basis of amount estimated from the methods and techniques as mentioned in the preceding paragraph, the carrying amount of the various financial assets and financial liabilities reflected on the statements of financial position approximate their fair values.

The methodologies used in arriving at the fair values of the principal financial assets and financial liabilities of the Company are as follows:

- Cash and cash equivalents, trade and other receivables, intercompany balances, trade and other payables.

The carrying amounts are considered to approximate the fair values as they are within the normal credit terms or they have short-term maturity period.

- Other financial assets

Marketable securities quoted in an active marker are carried at market value. Securities that are not quoted in an active market, for which there is no observable market data and fair value cannot be reliably measured, are carried at acquisition cost.

## 41. Financial Instruments (Cont'd)

(g) Fair values of financial assets and financial liabilities (cont'd)

- Long-term borrowings

Fair value which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

- (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:

	2011		2010	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
<b>Group</b>				
<b>Financial Asset</b>				
Other investment	1,253,500	*	1,253,500	*
<b>Financial liabilities</b>				
Trade payables	23,970,259	23,970,259	12,500,000	12,500,000
Other payables	68,423,125	68,423,125	36,071,538	36,071,538
Hire purchase payables	2,168,310	1,928,242	2,220,314	2,029,679
Islamic securities	135,000,000	123,661,283	75,000,000	59,272,814
Contingent liabilities	9,248,662	@	8,840,379	@
	2011		2010	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
<b>Company</b>				
<b>Financial liabilities</b>				
Islamic securities	135,000,000	123,661,283	75,000,000	59,272,814
Contingent liabilities	172,065,910	@	114,425,965	@

@ 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.

## 42. Significant Events

During the financial year, the following significant 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%.

On 19 April 2011, LBS acquired additional 95,000 ordinary shares of RM1.00 each in JGSB, a company incorporated in Malaysia, for a consideration of RM13,110,000. Consequently, LBS's shareholding in JGSB has increased from 81% to 100%.

- (ii) On 19 April 2011, LBS has disposed of its 20,000 ordinary shares of RM1.00 each representing 40% equity interest of Pristine Sunrise (M) Sdn Bhd ("PSSB"), a company incorporated in Malaysia for a total cash consideration of RM20,000 only. Consequently, LBS's shareholding in PSSB has reduced from 70% to 30% and PSSB ceased as subsidiary company of LBS.

- (iii) On 10 June 2011, LBS acquired additional 87,500 ordinary shares of RM1.00 each in Astana Modal (M) Sdn Bhd ("AMSB"), a company incorporated in Malaysia, for a consideration of RM25,825,962. Consequently, LBS's shareholding in AMSB has increased from 65% to 100%.

- (iv) On 20 June 2011, LBS has disposed of all its shareholding of 150,000 ordinary shares of RM1.00 each representing 30% equity interest in Seloka Kualiti Sdn Bhd ("SKSB"), a company incorporated in Malaysia for a total cash consideration of RM150,000.

- (v) On 15 July 2011, LBS acquired additional 245,000 ordinary shares of RM1.00 each in Azam Perspektif Sdn Bhd ("APSB"), a company incorporated in Malaysia, for a consideration of RM5,100,000. Consequently, LBS's shareholding in APSB has increased from 51% to 100%.

- (vi) On 19 October 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 had ceased to be its subsidiary company.

- (vii) On 13 December 2011, LBS acquired additional 3,000 ordinary shares of RM1.00 each in Jauhari Unggul Sdn Bhd ("JUSB"), a company incorporated in Malaysia, for a consideration of RM2,200,000. Consequently, LBS's shareholding in JUSB has increased from 70% to 100%.

(b) Sinaran Restu Sdn Bhd ("SRSB")

On 19 October 2011, SRSB has disposed of its entire shareholding of 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 has ceased to be its subsidiary company.

## 42. Significant Events (Cont'd)

(c) Kalimah Jaya Sdn Bhd ("KJSB")

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%.

(d) Cergas Asal (M) Sdn Bhd ("CASB")

On 10 October 2011, CASB, a wholly owned subsidiary of the LBS has increased its paid up share capital from 2,500,000 to 2,500,100 ordinary shares of RM1.00 each. LBS has subscribed all its shareholding in CASB by way of cash.

(e) Pelangi Homes Sdn Bhd ("PHSB")

On 10 October 2011, PHSB, a wholly owned subsidiary of the LBS has increased its paid up share capital from 2,500,000 to 2,500,100 ordinary shares of RM1.00 each. LBS has subscribed all its shareholding in PHSB by way of cash.

(f) Astana Modal (M) Sdn Bhd ("AMSB")

On 2 December 2011, AMSB, a wholly owned subsidiary of the LBS has increased its paid up share capital from 250,000 to 4,500,000 ordinary shares of RM1.00 each. LBS has subscribed all its shareholding in AMSB by way of capitalisation.

(g) Wirama Era Baru Sdn Bhd ("WEBSB")

On 8 December 2011, WEBSB, a 30% associated company of LBS has increased its paid up share capital from RM100,000 to RM250,000 ordinary share of RM1.00 each. LBS has subscribed for an additional of 45,000 ordinary share of RM1.00 each in WEBSB by way of cash. WEBSB still remains as 30% associated company of LBS.

(h) Jauhari Unggul Sdn Bhd ("JUSB")

On 14 December 2011, JUSB, a wholly owned subsidiary of the LBS has increase its paid up share capital from 10,000 to 250,000 ordinary shares of RM1.00 each. LBS has subscribed all its shareholding in JUSB by way of capitalisation.

### 43. Subsequent Events

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

(a) Astana Modal (M) Sdn Bhd ("AMSB")

On 18 January 2012, AMSB, a wholly owned subsidiary of the LBS has increased its paid up share capital from 4,500,000 to 12,500,000 ordinary shares of RM1.00 each. LBS has subscribed all its shareholding in AMSB by way of capitalisation.

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

On 27 January 2012, LBS has disposed of its shareholding of 12,250 ordinary shares of RM1.00 each in Prisma Kasturi Sdn Bhd ("PKSB") for cash consideration of RM1.00. Consequently PKSB become 51% subsidiary company of MITC Sdn Bhd.

(c) Pristine Sunrise (M) Sdn Bhd ("PSSB")

On 12 March 2012, PSSB, associated company of the LBS has increased its paid up share capital from 50,000 to 250,000 ordinary shares of RM1.00 each. LBS has subscribed for an additional of 60,000 ordinary share of RM1.00 each in PSSB by way of cash. PSSB still remains as 30% associated company of LBS.

(d) Casa Inspirasi Sdn Bhd ("CISB"),

On 13 March 2012, CISB associated company of LBS has increased its paid up share capital from 100,000 to 275,000 ordinary shares of RM1.00 each. LBS has subscribed for an additional of 70,000 ordinary share of RM1.00 each in CISB by way of cash. CISB still remains as 40% associated company of LBS.

(e) LBS Bina Group Berhad ("The Company")

On 18 April 2012, the Company announced to Bursa Malaysia that its wholly owned subsidiary, Intellplace Holdings Limited ("Intellplace") has signed a Memorandum of Understanding ("MoU") with Jiuzhou Technology Company Limited ("JDX"), a wholly owned subsidiary of Jiuzhou Development Company Limited ("JDCL") on the proposed disposal of at least 60% of Intellplace's equity interest in Dragon Hill Corporation Limited ("Dragon Hill").

Under the MoU, the indicative price for acquisition of the entire issued share capital in (and the related shareholder's loans) Dragon Hill is up to HK\$1.65 billion, and the final price is subject to agreement to be made by the parties.

### 44. Material Litigation

As at date of this report, there is no material litigation against the Company and its subsidiary companies.

## 45. 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
<b>Statements of financial position</b>			
<i>Current assets</i>			
Amount owing by customers on contracts	-	158,931	158,931
Accrued billing in respect of property development costs	-	54,440,659	54,440,659
Trade receivables	127,598,735	(54,599,590)	72,999,145
<i>Current liabilities</i>			
Progress billing in respect of property development costs	-	11,593,089	11,593,089
Trade payables	146,001,529	(11,593,089)	134,408,440
<b>Statements of Cash Flows</b>			
Amount owing by/to customers on contracts	-	(2,310,935)	(2,310,935)
Accrued/Progress billing in respect of property development costs	-	(55,816,226)	(55,816,226)
Trade receivables	15,099,445	37,034,195	52,133,640
Trade payables	(7,044,002)	16,471,096	9,427,094

## 46. List of Subsidiary Companies

Name of company	Country of incorporation	Effective interest		Principal activities
		2011	2010	
		%	%	
Direct holding				
Intellplace Holdings Limited	British Virgin Islands	100	100	Investment holding
LBS Landscape Sdn. Bhd.	Malaysia	100	100	Turfing and landscape contractor
LBS Bina Holdings Sdn. Bhd.	Malaysia	100	100	Property development and investment holding
Linkway Property Co., Ltd	British Virgin Islands	100	100	Dormant
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



## 46. List of Subsidiary Companies (Cont'd)

Name of company	Country of incorporation	Effective interest		Principal activities
		2011	2010	
		%	%	
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	100	65	Property development
Azam Perspektif Sdn. Bhd.	Malaysia	100	51	Property development
Cergas Asal (M) Sdn.Bhd.	Malaysia	100	100	Property development
Equal Alliance Sdn. Bhd.	Malaysia	100	100	Property development
Equal Sign Sdn. Bhd.	Malaysia	100	100	Property development
Focal Remedy Sdn. Bhd.	Malaysia	100	100	Property development
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	100	51	Property development
Jauhari Unggul Sdn. Bhd.	Malaysia	100	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	Temporary 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

## 46. List of Subsidiary Companies (Cont'd)

Name of company	Country of incorporation	Effective interest		Principal activities
		2011	2010	
		%	%	
Indirect holding (cont'd)				
Subsidiary companies of LBS Bina Holdings Sdn. Bhd. :				
Maju Kamabisa Sdn. Bhd.	Malaysia	100	100	Property development
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
Pelangi 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	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	Dormant
Utuh Aspirasi Sdn. Bhd.	Malaysia	51	51	Property development
Subsidiary companies of Sinaran Restu Sdn. Bhd. :				
Dolomite Sungai Siput Sdn. Bhd.	Malaysia	-	100	Dormant
Kenderong Sdn. Bhd.	Malaysia	100	100	Property development

## 46. List of Subsidiary Companies (Cont'd)

Name of company	Country of incorporation	Effective interest		Principal activities	
		2011	2010		
		%	%		
Indirect holding (cont'd)					
Subsidiary companies of Sinaran Restu Sdn. Bhd. :					
KerANJI Bina Sdn. Bhd.	Malaysia	100	100	Property development	
Lingkaran 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")	

## 46. List of Subsidiary Companies (Cont'd)

Name of company	Country of incorporation	Effective interest		Principal activities
		2011	2010	
		%	%	
Indirect holding (cont'd)				
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	81	51	Property development

## 46. List of Subsidiary Companies (Cont'd)

\* Subsidiary companies not audited by UHY.

@ 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 ("LGCCCL") 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. LGCCCL is entitled to a 60% profit share in Zhuhai Golf.

LGCCCL 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 be 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.

## 47. List of Associated Companies

Name of company	Country of incorporation	Effective interest		Principal activities
		2011	2010	
		%	%	
Bayu Cergas Sdn. Bhd.	Malaysia	40	40	Dormant
Casa Inspirasi Sdn. Bhd.	Malaysia	40	40	Dormant
Dataran Enigma Sdn Bhd	Malaysia	30	30	Dormant
Pristine Sunrise (M) Sdn.Bhd.	Malaysia	30	-	Dormant
Seloka Kualiti Sdn. Bhd.	Malaysia	-	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.

## 48. Date of authorisation for issue

The financial statements of the Group and of the Company for the financial year ended 31 December 2011 were authorised for issue in accordance with a resolution of the Board of Directors on 30 April 2012.

## LIST OF MAJOR PROPERTIES HELD as at 31 December 2011

Location	Description	Tenure / Expiry Date of Lease	Approximate age of building (Years)	Net Book Value RM'000	Remaining Land Area (Acres) / Built-up Area (Sq Ft)	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	12	197,576	337.97 acres	2.5.2008
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		64,873	192.41 acres	26.02.2004
Lot 353, Mukim of Tanah Rata, District of Cameron Highlands, Pahang Darul Makmur	Land held for development	Leasehold 99 years expiring on 10.4.2104		44,469	59.10 acres	19.09.2004
Mukim Linau, Daerah Batu Pahat, Johor Darul Takzim	Land held for development	Freehold		39,308	426.79 acres	20.09.2003
PT 14809, Mukim Dengkil, Daerah Sepang, Selangor Darul Ehsan	Land held for development	Leasehold 99 years expiring on 09.08.2106		27,751	100 acres	15.05.2007
Mukim of Tanah Rata, District of Cameron Highlands, Pahang Darul Makmur	Land held for development	Leasehold 99 years expiring on 19.11.2101		8,267	11.06 acres	29.11.2002
PT 48034, PT 48235 & PT 48036, Mukim of Petaling, District of Petaling, Selangor Darul Ehsan	Commercial Land	Leasehold 99 years expiring on 03.07.2099		7,548	3.49 acres	19.07.2004
Lot 47966 & 66102, Mukim of Hulu Kinta, District of Kinta, Perak Darul Ridzuan	Land held for development	Leasehold 99 years expiring on 06.02.2097		6,317	15.25 acres	30.05.2002
Part of Lot 336, Mukim Dengkil, Daerah Sepang, Selangor Darul Ehsan	Land held for development	Leasehold 99 years expiring on 24.11.2107		5,497	37.43 acres	25.11.2005 & 09.02.2006
Plaza Seri Setia, Petaling Jaya, Selangor Darul Ehsan	Corporate Office	Leasehold 99 years expiring on 03.05.2091	9	4,613	Ranging from 2,903 Sq Ft to 6,824 Sq Ft	22.2.2000 & 30.9.2003

## ANALYSIS OF SHAREHOLDINGS / WARRANTS HOLDINGS AS PER RECORD OF DEPOSITORY as at 18 May 2012

### 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	:	6,202
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

\* The issued and paid-up capital is as per Record of Depositors as at 18 May 2012 exclusive of 2,878,600 treasury shares.

### DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings		No. of Shareholders	Percentage (%) of Shareholders	No. of Shares Held	Percentage (%) of Issued Shares
1	- 99	123	1.983	4,834	0.001
100	- 1,000	2,186	35.246	834,017	0.217
1,001	- 10,000	2,437	39.293	13,334,580	3.475
10,001	- 100,000	1,183	19.074	42,159,776	10.988
100,001	- 19,183,696	269	4.337	239,105,065	62.319
19,183,697	AND ABOVE	4	0.064	88,235,685	22.997
(5% of Issued Securities)					
		6,202	100	383,673,957	100.00

### SUBSTANTIAL SHAREHOLDERS

Name of Shareholders	No. of Shares			
	Direct	%	Indirect	%
Intelrich Sdn Bhd	184,055,360	47.97	-	-
Dato' Lim Hock San	3,351,600	0.87	184,055,360 <sup>(1)</sup>	47.97
Datuk Lim Hock Guan	4,018,800	1.05	184,055,360 <sup>(1)</sup>	47.97
Dato' Lim Hock Sing	-	-	184,055,360 <sup>(1)</sup>	47.97
Datuk Lim Hock Seong	184,500	0.05	184,055,360 <sup>(1)</sup>	47.97

## DIRECTORS' INTEREST IN SHARES

Directors	No. of Shares			
	Direct	%	Indirect	%
Dato' Seri Lim Bock Seng	350,000	0.09	3,655,500 <sup>(2)</sup>	0.95
Dato' Kamaruddin bin Abdul Ghani	-	-	-	-
Dato' Lim Hock San	3,351,600	0.87	184,145,360 <sup>(3)</sup>	48.00
Datuk Lim Hock Guan	4,018,800	1.05	184,060,360 <sup>(3)</sup>	47.97
Dato' Lim Hock Sing	-	-	184,213,360 <sup>(3)</sup>	48.01
Datuk Lim Hock Seong	184,500	0.05	184,143,360 <sup>(3)</sup>	48.00
Lim Mooi Pang	492,900	0.13	-	-
Chia Lok Yuen	105,000	0.03	-	-
Tan Sri Dato' Seri Utama (Dr) Haji Abu Hassan bin Haji Omar	-	-	483,000 <sup>(2)</sup>	0.13
Maj Jen Dato' Mohamed Isa bin Che Kak (B)	54,284	0.01	-	-
Dato' Wong Woon Yow	150,000	0.04	600,000 <sup>(2)</sup>	0.16
Kong Sau Kian	-	-	-	-
Mohd Fazil bin Shafie	2,000,000	0.52	-	-

Notes:

(1) Deemed interested by virtue of their substantial shareholdings in Intelich 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 Intelich Sdn Bhd pursuant to Section 6A of the Act and by virtue of Section 134(12)(c) of the Act.



## 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	AMSEC NOMINEES (TEMPATAN) SDN BHD QUALIFIER : PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR INTEL RICH SDN BHD	25,800,000	6.724
2	EB NOMINEES (TEMPATAN) SENDIRIAN BERHAD QUALIFIER : PLEDGED SECURITIES ACCOUNT FOR INTEL RICH SDN BHD (SST)	23,220,000	6.052
3	HDM NOMINEES (TEMPATAN) SDN BHD QUALIFIER : HDM CAPITAL SDN BHD FOR INTEL RICH SDN BHD	20,000,000	5.213
4	KENANGA NOMINEES (TEMPATAN) SDN BHD QUALIFIER : PLEDGED SECURITIES ACCOUNT FOR INTEL RICH SDN BHD	19,215,685	5.008
5	JF APEX NOMINEES (TEMPATAN) SDN BHD QUALIFIER : PLEDGED SECURITIES ACCOUNT FOR INTEL RICH SDN BHD (MARGIN)	17,300,000	4.509
6	MAYBANK NOMINEES (TEMPATAN) SDN BHD QUALIFIER : PLEDGED SECURITIES ACCOUNT FOR INTEL RICH SDN BHD (51401138105A)	16,758,572	4.368
7	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD QUALIFIER : PLEDGED SECURITIES ACCOUNT FOR INTEL RICH SDN BHD (REM 622-MARGIN)	15,396,400	4.013
8	LIM SIN KHONG	12,247,400	3.192
9	PUBLIC NOMINEES (TEMPATAN) SDN BHD QUALIFIER : PLEDGED SECURITIES ACCOUNT FOR INTEL RICH SDN BHD (SSA)	11,500,000	2.997
10	MIDF AMANAH INVESTMENT NOMINEES (TEMPATAN) SDN BHD QUALIFIER : PLEDGED SECURITIES ACCOUNT FOR INTEL RICH SDN BHD (MGN-ISB0002M)	6,456,681	1.683
11	INTEL RICH SDN BHD	6,388,022	1.665
12	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD QUALIFIER : PLEDGED SECURITIES ACCOUNT FOR INTEL RICH SDN BHD (49519SFIN)	5,800,000	1.512
13	TAI TET CHUAN	5,175,217	1.349
14	ABB NOMINEE (TEMPATAN) SDN BHD QUALIFIER : PLEDGED SECURITIES ACCOUNT FOR INTEL RICH SDN BHD (SEA PARK)	4,900,000	1.277
15	M & A NOMINEE (TEMPATAN) SDN BHD QUALIFIER : PLEDGED SECURITIES ACCOUNT FOR TAN MENG HUI (PNG)	4,799,600	1.251
16	KENANGA NOMINEES (TEMPATAN) SDN BHD QUALIFIER : PLEDGED SECURITIES ACCOUNT FOR OH KIM SUN	4,563,000	1.189

## LIST OF THE THIRTY (30) LARGEST SHAREHOLDERS (cont'd)

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

	Holder Name	Shares Held	Percentage (%)
17	HDM NOMINEES (TEMPATAN) SDN BHD QUALIFIER : PLEDGED SECURITIES ACCOUNT FOR TOH PIK CHAI (M05)	4,198,900	1.094
18	MAYBANK NOMINEES (TEMPATAN) SDN BHD QUALIFIER : PLEDGED SECURITIES ACCOUNT FOR INTEL RICH SDN BHD (51401138106A)	4,170,000	1.087
19	MAYBANK NOMINEES (TEMPATAN) SDN BHD QUALIFIER : PLEDGED SECURITIES ACCOUNT FOR INTEL RICH SDN BHD (51401138104A)	4,170,000	1.087
20	HSBC NOMINEES (ASING) SDN BHD QUALIFIER : EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)	3,733,300	0.973
21	MAYBANK NOMINEES (TEMPATAN) SDN BHD QUALIFIER : PLEDGED SECURITIES ACCOUNT FOR BEH HANG KONG	3,592,200	0.936
22	LIEW BOON	3,442,500	0.897
23	OSK NOMINEES (ASING) SDN BERHAD QUALIFIER : EXEMPT AN (BP) FOR OSK SECURITIES HONG KONG LIMITED A/C CLIENTS (RETAIL)	3,039,000	0.792
24	MAYBANK NOMINEES (TEMPATAN) SDN BHD QUALIFIER : PLEDGED SECURITIES ACCOUNT FOR INTEL RICH SDN BHD (51401138107A)	2,780,000	0.725
25	CITIGROUP NOMINEES (TEMPATAN) SDN BHD QUALIFIER : PLEDGED SECURITIES ACCOUNT FOR BEH HANG KONG (474099)	2,662,400	0.694
26	CITIGROUP NOMINEES (TEMPATAN) SDN BHD QUALIFIER : PLEDGED SECURITIES ACCOUNT FOR DATO' LIM HOCK SAN (474173)	2,581,100	0.673
27	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD QUALIFIER : PLEDGED SECURITIES ACCOUNT FOR DATUK LIM HOCK GUAN	2,300,900	0.600
28	HDM NOMINEES (TEMPATAN) SDN BHD QUALIFIER : PLEDGED SECURITIES ACCOUNT FOR HDM CAPITAL SDN BHD FOR LO GA LUNG	2,208,600	0.576
29	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD QUALIFIER : PLEDGED SECURITIES ACCOUNT FOR MOHD FAZIL BIN SHAFIE (REM 444)	2,000,000	0.521
30	AMANAH RAYA TRUSTEES BERHAD QUALIFIER : DANA JOHOR	1,970,000	0.513
		<b>242,369,477</b>	<b>63.171</b>

## ANALYSIS OF SHAREHOLDINGS / WARRANTS HOLDINGS AS PER RECORD OF DEPOSITORY as at 18 May 2012

### WARRANTS

Type of Securities	:	Warrants 2008/2018
No. of Warrants Issued	:	RM154,076,578
No. of Warrants Holders	:	1,005
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	17	1.691	584	0.000
100	- 1,000	105	10.447	75,351	0.048
1,001	- 10,000	406	40.398	2,231,442	1.448
10,001	- 100,000	385	38.308	14,451,475	9.379
100,001	- 7,703,827	91	9.054	33,405,180	21.680
7,703,828	AND ABOVE	1	0.099	103,912,546	67.442
(5% of Issued Securities)					
		1,005	100.00	154,076,578	100.00

## DIRECTORS' INTEREST IN WARRANTS

Directors	No. of Warrants			
	Direct	%	Indirect	%
Dato' Seri Lim Bock Seng	140,000	0.09	904,000 <sup>(1)</sup>	0.59
Dato' Kamaruddin bin Abdul Ghani	-	-	-	-
Dato' Lim Hock San	-	-	106,078,946 <sup>(2)</sup>	68.85
Datuk Lim Hock Guan	1,326,160	0.86	106,078,946 <sup>(2)</sup>	68.85
Dato' Lim Hock Sing	-	-	106,133,746 <sup>(3)</sup>	68.88
Datuk Lim Hock Seong	-	-	106,078,946 <sup>(2)</sup>	68.85
Lim Mooi Pang	-	-	-	-
Chia Lok Yuen	50,000	0.03	-	-
Tan Sri Dato' Seri Utama (Dr) Haji Abu Hassan bin Haji Omar	-	-	-	-
Maj Jen Dato' Mohamed Isa bin Che Kak (B)	-	-	-	-
Dato' Wong Woon Yow	20,000	0.01	100,000 <sup>(1)</sup>	0.06
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.

## LIST OF THE THIRTY (30) LARGEST WARRANTS 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	4,506,400	2.925
3	INTEL RICH SDN BHD	2,166,400	1.406
4	LIM SIN KHONG	1,600,000	1.038
5	ECML NOMINEES (TEMPATAN) SDN BHD QUALIFIER : PLEDGED SECURITIES ACCOUNT FOR YEAP GEK @ YEAP POH CHIM (001)	1,229,000	0.798
6	JUNIOR KOH SIEW HUI	1,000,000	0.649
7	INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN BHD QUALIFIER : PLEDGED SECURITIES ACCOUNT FOR CHEAH TUCK HING (AC0048)	980,000	0.636
8	LIEW BOON	904,000	0.587
9	TAN HONG LAI	887,660	0.576
10	CHIM KIAN CHAI	824,100	0.535
11	DATUK LIM HOCK GUAN	803,200	0.521
12	SJ SEC NOMINEES (TEMPATAN) SDN BHD QUALIFIER : PLEDGED SECURITIES ACCOUNT FOR TAY AH KAM (SMT)	689,000	0.447
13	LENG SENG HENG @ LIM SIN HING	587,000	0.381
14	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD QUALIFIER : PLEDGED SECURITIES ACCOUNT FOR DATUK LIM HOCK GUAN	522,960	0.339
15	HLG NOMINEE (TEMPATAN) SDN BHD QUALIFIER : PLEDGED SECURITIES ACCOUNT FOR LIONEL KOH KOK PENG	500,000	0.325
16	ECML NOMINEES (TEMPATAN) SDN BHD QUALIFIER : PLEDGED SECURITIES ACCOUNT FOR GAN CHING HAN @ PAUL NGAN CHING HAN (011)	470,000	0.305
17	LEE SEOK BEE	422,000	0.274
18	MERSEC NOMINEES (TEMPATAN) SDN BHD QUALIFIER : PLEDGED SECURITIES ACCOUNT FOR TNTT REALTY SDN BHD	400,000	0.260

### LIST OF THE THIRTY (30) LARGEST WARRANTS HOLDERS (cont'd)

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

	Holder Name	Warrants Held	Percentage (%)
19	MERSEC NOMINEES (TEMPATAN) SDN BHD QUALIFIER : PLEDGED SECURITIES ACCOUNT FOR RENITRANS SDN BHD	400,000	0.260
20	ECML NOMINEES (TEMPATAN) SDN BHD QUALIFIER : PLEDGED SECURITIES ACCOUNT FOR IRENE OOI (001)	390,000	0.253
21	CHEW POH LING	385,000	0.250
22	CIMB COMMERCE TRUSTEE BERHAD QUALIFIER : EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD	355,000	0.230
23	LIM SWEE LEE	350,000	0.227
24	RHB NOMINEES (TEMPATAN) SDN BHD QUALIFIER : PLEDGED SECURITIES ACCOUNT FOR FOONG POH MEI	350,000	0.227
25	NG MEW LENG	330,000	0.214
26	KHOR THIAM TEEK	300,000	0.195
27	LEW LI LIANG	300,000	0.195
28	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR GOH POH ENG (MARGIN)	300,000	0.195
29	OSK NOMINEES (ASING) SDN BERHAD QUALIFIER : EXEMPT AN (BP) FOR OSK SECURITIES HONG KONG LIMITED A/C CLIENTS (RETAIL)	300,000	0.195
30	SHIRELY WONG	300,000	0.195
		<b>126,464,266</b>	<b>82.079</b>

## NOTICE OF TWELFTH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Twelfth Annual General Meeting of the Company will be held at Greens II, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 28 June 2012 at 9.00 a.m. for the following purposes :-

### AGENDA

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2011 together with the Reports of the Directors and Auditors thereon. **Resolution 1**
2. To approve the payment of First and Final Dividend of 2.5 sen per ordinary share of RM1.00 each less 25% income tax for the financial year ended 31 December 2011. **Resolution 2**
3. To approve the payment of Directors' Fees of RM237,600.00 for the financial year ended 31 December 2011. **Resolution 3**
4. 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 4**
  - ii) Maj Jen Dato' Mohamed Isa bin Che Kak (B) **Resolution 5**
  - iii) Dato' Wong Woon Yow **Resolution 6**
  - iv) Tan Sri Dato' Seri Utama (Dr) Haji Abu Hassan bin Haji Omar **Resolution 7**
5. To re-elect the following Directors who retire in accordance with Article 100 of the Company's Articles of Association :-
  - i) Dato' Kamaruddin bin Abdul Ghani **Resolution 8**
  - ii) Dato' Lim Hock San **Resolution 9**
  - iii) Lim Mooi Pang **Resolution 10**
6. To re-appoint Messrs. UHY as Auditors and to authorise the Directors to fix their remuneration. **Resolution 11**
7. 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 ("Bursa Securities") and THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

**Resolution 12**

**(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 Main Market Listing Requirements of Bursa Securities 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, Part A of the Circular to Shareholders dated 5 June 2012 (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 13**

**(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 Main Market Listing Requirements of Bursa Securities 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, Part A 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 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 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**

**(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 Main Market Listing Requirements of Bursa Securities 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, Part A 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 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 15**

**(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 Main Market Listing Requirements of Bursa Securities 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, Part A 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 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 16**

**(f) ORDINARY RESOLUTION  
PROPOSED RENEWAL SHARE BUY-BACK AUTHORITY**

“THAT, subject always to the provisions under the Act, the Companies Regulations 1966, the Memorandum and Articles of Association of the Company, Main Market Listing Requirements of Bursa Securities and the approvals of all relevant authorities (if any), the Company be and is hereby authorised to purchase such number of ordinary shares of RM1.00 each in the Company (“LBGB Shares”) as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution shall not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company as at point of purchase (“Proposed Renewal Share Buy-Back Authority”).

That the maximum amount of funds to be utilised for the purpose of the Proposed Renewal Share Buy-Back Authority shall not exceed the Company’s aggregate retained profits and/or share premium account.

That authority be and is hereby given to the Directors of the Company to decide at their discretion as may be permitted and prescribed by the Act and/or any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities for the time being in force to deal with any LBGB Shares so purchased (“Purchased Shares”) by the Company in the following manners:-

- i) to cancel the Purchased Shares; or
- ii) to retain the Purchased Shares as treasury shares held by the Company; or
- iii) to distribute the treasury shares as dividend to shareholders; or
- iv) to resell the treasury shares on Bursa Securities in accordance with the relevant rules of Bursa Securities; or
- v) any combination of the above.

That the authority conferred by this resolution will be effective immediately from the passing of this ordinary resolution until:-

- i) the conclusion of the next AGM of the Company, at which time the said authority will lapse unless by an ordinary resolution passed at a general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions;
- ii) the expiration of the period within which the next AGM after that date is required to be held; or
- iii) revoked or varied by ordinary resolution passed by the shareholders in a general meeting,

whichever occurs first.

And that the Directors of the Company be and are hereby authorised to take such steps to give full effect to the Proposed Renewal Share Buy-Back Authority with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and/or to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company."

**Resolution 17**

**(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 2	New Definition	Exempt Authorised Nominee  - An exempt authorised nominee refer to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provision of subsection 25A(1) of SICDA.
Article 84 (1)	Instrument appointing proxy to be in writing  The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation either under its common seal, or the hand of its officer or its duly authorised attorney. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand or join in demanding a poll on behalf of the appointor. A proxy may but need not be a Member of the Company and the provisions of Section 149(1) (b) of the Act shall not apply to the Company.	Instrument appointing proxy to be in writing  The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation either under its common seal, or the hand of its officer or its duly authorised attorney. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand or join in demanding a poll on behalf of the appointor.

Article No.	Existing Article	Amended Article
Article 84 (2)	Appointment of at least one proxy  Where a Member is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.	Appointment of multiple proxies  Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
Article 84 (4)	New Article	Qualification and rights of proxy to speak  A member of the Company entitled to attend and vote at a meeting of the Company, or at a meeting of any class of members of the Company, shall be entitled to appoint any person as his proxy to attend and vote instead of the member at the meeting. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.

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**

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

## NOTICE OF DIVIDEND ENTITLEMENT

**NOTICE IS HEREBY GIVEN THAT**, subject to the approval of the shareholders at the Twelfth Annual General Meeting, a First and Final dividend of 2.5 sen per ordinary share of RM1.00 each less tax of 25% in respect of the financial year ended 31 December 2011 will be paid on 27 September 2012 to depositors registered in the Record of Depositors on 30 August 2012.

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

- (a) shares transferred into the Depositor's Securities Account before 4.00 p.m. on 30 August 2012 in respect of transfer;
- (b) shares deposited into the Depositor's Securities Account before 12.30 p.m. on 28 August 2012 in respect of shares exempted from mandatory deposit; and
- (c) shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

By Order of the Board,

LEE CHING CHING

PHANG AI TEE

Company Secretaries

Petaling Jaya, Selangor

5 June 2012

### 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 Act, 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.
- (5) Only members whose names appear in the Record of Depository as at 22 June 2012 will be entitled to attend and vote at the meeting or appoint proxy (proxies) to attend and vote on their behalf.

### Explanatory Notes on Special Business

- (6) Ordinary Resolution 12  
The Ordinary Resolution proposed under Resolution 12 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 Eleventh Annual General Meeting held on 29 June 2011 and which will lapse at the conclusion of the Twelfth 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.

- (7) Ordinary Resolutions 13, 14, 15, and 16  
Ordinary Resolutions 13, 14, 15, and 16 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.
- (8) Ordinary Resolution 17  
Ordinary Resolution 17, if passed, will give the Directors of the Company authority to purchase its own shares up to ten per centum (10%) of the issued and paid-up share capital of the Company. This authority, unless revoked or varied by the shareholders of the Company in general meeting, will expire at the conclusion of the next Annual General Meeting.
- (9) 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 Securities.

## 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 Twelfth Annual General Meeting of the Company will be held at Greens II, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 28 June 2012 at 9.00 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		
Ordinary Resolution 17		
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 ..... 2012

No. of Shares Held	
CDS Account No.	

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.
- (5) Only members whose names appear in the Record of Depository as at 22 June 2012 will be entitled to attend and vote at the meeting or appoint proxy (proxies) to attend and vote on their behalf.

\_\_\_\_\_  
Signature/ Common Seal of Shareholder(s)



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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

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**LBS BINA GROUP BERHAD** (518482-H)

PLAZA SERI SETIA, LEVEL 1-4, NO.1, Jalan SS9/2, 47300 PETALING JAYA, SELANGOR DARUL EHSAN, MALAYSIA

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