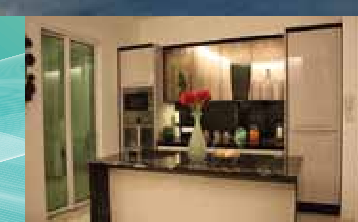
MITRAJAYA HOLDINGS BERHAD

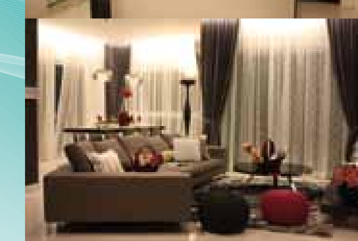
No. 9, Blok D, Pusat Perdagangan Puchong Prima,
Persiaran Prima Utama, Taman Puchong Prima,
47150 Puchong, Selangor Darul Ehsan.
Tel : (603) 8060 9999
Fax : (603) 8060 9998
Websites : www.mitrajaya.com.my
Email : mhb@mitrajaya.com.my

MITRAJAYA HOLDINGS BERHAD

Annual Report 2012

MITRAJAYA HOLDINGS BERHAD
(Company No. 268257–T)





Annual Report 2012

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280 PARK HOMES

IN HARMONY WITH NATURE YET PULSATING WITH URBAN LIFE

Mitrajaya has launched its 6-Storey Duplex project '**280 Park Homes**' in October 2012.

As one of the most exclusive residences in Puchong Prima, **280 Park Homes** is a low-density community that will appeal to a discerning group – homeowners who appreciate privacy, expect uncompromised security, yet long for an address where it's all happening.

- Single point of entry and exit with a guardhouse
- A treelined boulevard leading to a shimmering water fountain
- 7 acres of landscaped green and recreational area

Space & Function

- Large living, dining and breakfast areas designed as one space to give a sense of spaciousness
- Easy access to carpark

Green living

- Extensive use of glass windows to exploit natural lighting and enhance air ventilation
- North-South orientation to minimise heat

Exclusivity

- Top floor 2.5 storeys – complete with a rooftop entertainment pavilion that opens out to a timber deck and a private roof garden

Board of Directors

General Tan Sri Ismail Bin Hassan (R)
Independent Non-Executive Chairman

Tan Eng Piow
Managing Director

Foo Chek Lee
Executive Director

Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim
Independent Non-Executive Director

Ir Zakaria Bin Nanyan
Independent Non-Executive Director

Roland Kenneth Selvanayagam
Independent Non-Executive Director

Secretary

Leong Oi Wah
(MAICSA No. 7023802)

Registered Office

No. 9, Blok D
Pusat Perdagangan Puchong Prima
Persiaran Prima Utama
Taman Puchong Prima
47150 Puchong
Selangor Darul Ehsan
Tel : (603) 8060 9999
Fax: (603) 8060 9998

Auditors

Baker Tilly Monteiro Heng (AF 0117)
Level 10, Tower 1, Avenue 5,
Bangsar South City,
59200 Kuala Lumpur.

Principal Bankers

ABSA Bank Limited (South Africa)
Affin Bank Berhad
AmBank (M) Berhad
AmIslamic Bank Berhad
Bank of China (Malaysia) Berhad
CIMB Bank Berhad
Hong Leong Bank Berhad
HSBC Bank Malaysia Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad

Share Registrar

Tricor Investor Services Sdn Bhd (629261-T)
Level 17, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel: (603) 2264 3883
Fax: (603) 2282 1886

Solicitors

Joseph Ting & Co.
Suite 12, 13 & 14,
6th Floor, IOI Business Park
No.1, Persiaran Puchong Jaya Selatan
Bandar Puchong Jaya
47170 Puchong
Selangor Darul Ehsan

Tee Bee Kim & Partners
No. 25A & 27A (1st Floor)
Jalan 52/1, Merdeka Square
46200 Petaling Jaya
Selangor Darul Ehsan

Thilakan & Co.
7-2-2, Jalan Setia Prima H U13/H
Setia Alam
40170 Shah Alam
Selangor Darul Ehsan

Van Der Merwe Du Toit
Brooklyn Place, Cnr Bronkhors and Dey Streets
Brooklyn, Docex 110 Pretoria
Republic of South Africa

Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad
Stock Name : MITRA
Stock Code : 9571

CORPORATE STRUCTURE

MITRAJAYA HOLDINGS BERHAD
(Company No. 268257–T)

- Mitrajaya Development Sdn Bhd — 100%
  - Mitrajaya SA (Pty) Ltd — 100%
  - Mitrajaya Development SA (Pty) Ltd — 100%
    - Blue Valley Golf & Country Club (Pty) Ltd — 100%
  - Kyalami & Mitrajaya Civil Engineering (Pty) Ltd — 100%
  - Kyalami & Mitrajaya Builders (Pty) Ltd — 100%
- Pembinaan Mitrajaya Sdn Bhd — 100%
- Mitrajaya Homes Sdn Bhd — 100%
- Skyway Development Sdn Bhd — 72%
- Daya Asfalt Sdn Bhd — 100%
  - Maha-Mayang Sdn Bhd — 100%
- Optimax Eye Specialist Centre Sdn Bhd — 51%
  - Optimax Laser Eye Centre Sdn Bhd — 70%
  - Optimax Eye Specialist Centre (Shah Alam) Sdn Bhd (fka Global Dinamie Sdn Bhd) — 70%
    - Optimax Eye Specialist Centre (Sunway) Sdn Bhd (fka Visible Paradise Sdn Bhd) — 65%
    - Optimax Eye Specialist Centre (Seremban) Sdn Bhd (fka Prestige Zone Sdn Bhd) — 70%
  - Optimax Eye Specialist Centre (Kota Kinabalu) Sdn Bhd (fka Visual Brilliant Sdn Bhd) — 70%
  - Visual Series Sdn Bhd — 51%
  - Optimax Eye Specialist Centre (Kajang) Sdn Bhd (fka Sure Bright Sdn Bhd) — 70%
  - Optimax Eye Specialist Centre (Ampang) Sdn Bhd (fka Brighton Vision Sdn Bhd) — 70%
  - Optimax Eye Specialist Centre (Kuching) Sdn Bhd (fka Prestige Pace Sdn Bhd) — 75%
- Dutawani Sdn Bhd — 100%
- Kemajuan Sekim Baru Sdn Bhd — 100%
- Mitrajaya Equipment Resource Sdn Bhd — 100%
- Kina-Bijak Sdn Bhd — 100%
- Leo Vista Sdn Bhd — 100%
- Awana Prisma Sdn Bhd — 100%
- Primaharta Development Sdn Bhd — 100%
- Mitrajaya Home Decor Sdn Bhd — 100%

Construction
Property Development
Healthcare
Manufacturing & Trading
Others

From Left To Right:

Roland Kenneth Selvanayagam

Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim

Tan Eng Piow

General Tan Sri Ismail Bin Hassan (R)

Foo Chek Lee

Ir Zakaria Bin Nanyan

General Tan Sri Ismail Bin Hassan (R)

General Tan Sri Ismail Bin Hassan (R), aged 70, was appointed as an Independent Non-Executive Director of MHB on 9 August 2000. He was appointed the Chairman of the Company on 26 November 2009. He is also the Chairman of the Audit Committee and a member of the Nomination and Remuneration Committee. He is also a Director of Pembinaan Mitrajaya Sdn Bhd.

He graduated from the Universiti Sains Malaysia with a Bachelor of Social Sciences Degree (Hons in Politics). In the Military Professional Education, Tan Sri Ismail graduated from Command and General Staff College, Fort Leavenworth, Kansas, USA (on Commandant's List) in 1975, from Joint Services Staff College Canberra, Australia, in 1982 and he is also a graduate of the National Defense University, Washington, DC, USA in 1987. Later he was inducted into the NDU International Fellows Hall of Fame, in recognition of outstanding achievement accorded to the graduates of the University who had achieved the highest rank/ appointment in their respective Service.

Prior to joining MHB, Tan Sri Ismail has served as a Commission Officer in the Malaysian Army for 36 years and he held many key appointments at Field Command, Training Command and the Ministry of Defence levels before retiring as Chief of Army in December 1997.

Currently, he also holds directorships in Patimas Workgroup Technology Sdn. Bhd., and Asma Agro (M) Sdn Bhd.

Tan Eng Piow

Tan Eng Piow, aged 59, was appointed as the Managing Director of MHB on 9 September 1994. He is one of the founding members of Pembinaan Mitrajaya Sdn Bhd.

He holds a Bachelor of Civil Engineering (Honours) degree from University of Malaya, which was obtained in 1977. He is also a Member of the Institution of Engineers Malaysia.

He began his career as Works Engineer with Jabatan Kerja Raya – JKR (Public Works Department) from 1977 to 1979. From 1980 till 1985, he was a Project Manager with Perkuat Kuari Sdn Bhd (Quarry Operation).

He has over 35 years of extensive technical and management experience in the construction industry and has been actively involved in the management and operations of the MHB Group. He also oversees the Group's development, growth and expansion.

Foo Chek Lee

Foo Chek Lee, aged 58, was appointed as a Director of MHB on 1 August 1995. Currently, he is an Executive Director of MHB. He is also the Managing Director of Pembinaan Mitrajaya Sdn Bhd.

He graduated from University Technology Malaysia in 1978 with a Bachelor of Civil Engineering (Honours) degree.

Prior to joining MHB, he served with Jabatan Kerja Raya (Public Works Department) for a period of 14 years. He last served as Assistant Director of Roads, JKR Kelantan Darul Naim from 1989 to 1991, after which he joined Pembinaan Mitrajaya Sdn Bhd as General Manager. He has over 34 years of extensive technical and management experience which includes all aspects of civil engineering construction and project management.

He is also currently serving as Vice President of Master Builders Association Malaysia. He is also a council member of National Council of Occupational Safety and Health (NCOSH) and a Board member of NIOSH Certification Sdn Bhd.

Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim

Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim, aged 68, was appointed as an Independent Non-Executive Director of MHB on 26 February 2002. He is the Chairman of the Nomination and Remuneration Committee and a member of the Audit Committee.

He graduated with a Bachelor of Arts (Hons) from University of Malaya and joined the Malaysian civil service in 1968. He has held positions in the Government including State Secretary of Pulau Pinang, Kelantan Federal Development Director (Prime Minister's Department), Perak State Financial Officer, Director General of Kuala Lumpur City Hall, Under Secretary for Ministry of Defence and Ministry of Finance and Secretary General of Ministry of Domestic Trade and Consumer Affairs. His last post in the civil service was as the Secretary General of the Ministry of Home Affairs from 1998-2000.

Currently, he is Chairman of Prinsiptek Corporation Bhd and TSR Capital Berhad. He is also Independent Non-Executive Director of Pinehill Pacific Bhd (formerly known as Multi Vest Resources Bhd). He is currently a Vice President of The Olympic Council of Malaysia, a position held since 2011. He is also currently the Deputy President of Malaysian Tenpin Bowling Congress (MTBC). Recently, he was reappointed as an Advisory Board member of City Hall Kuala Lumpur (DBKL).

Ir Zakaria Bin Nanyan

Ir Zakaria Bin Nanyan, aged 70, was appointed as an Independent Non-Executive Director of MHB on 26 February 2002. He is also a member of the Audit Committee and the Nomination and Remuneration Committee.

He graduated with B.Sc in Mechanical Engineering from the University of Strathclyde U.K. in 1972 and later obtained Masters of Science in Industrial Hygiene from the University of Pittsburgh U.S.A. He is a Professional Engineer and a Member of The Institution of Engineers Malaysia.

Prior to joining MHB, he was the Director General of the Department of Occupational Safety and Health Malaysia from 1992 to 1998. He is also a Director of Pressure Care Sdn Bhd.

He is currently serving as Chairman of the Board of Examiners for the Site Safety Supervisors Course conducted by The Master Builders Association Malaysia.

Roland Kenneth Selvanayagam

Roland Kenneth Selvanayagam, aged 56, was appointed as an Executive Director of MHB on 23 April 1998. From 1 July 2008, he was redesignated as Non-Executive Director as he left full time employment to start his own business. On 28 March 2011 where having met the Listing Requirements' criteria for Independent Director, the Board re-designated him to be an Independent Non-Executive Director of the Company. He is also a member of the Audit Committee.

He is a professionally qualified accountant with over 30 years post qualifying commercial experience. Prior to his involvement with the MHB Group, he was employed variously within the British American Tobacco Group, Sears Roebuck Group and the PT Mayora Indah Group – where he was the pioneer General Manager for their Malaysian operations.

He was President of the Malaysian Division of the Chartered Institute of Management Accountants from June 1996 - May 1998. He is a recipient of the Institute's Bronze medal – awarded in recognition of services rendered to the Institute and the profession at large.

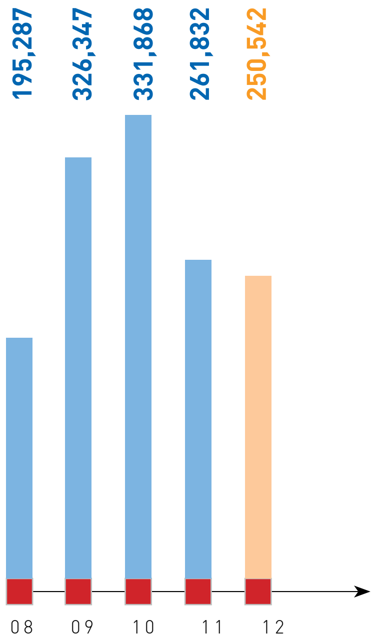
At various times, he has held directorships (listed & unlisted companies) in various countries including South Africa, Sri Lanka, Singapore, Thailand and Australia.

Notes:
- All Directors of MHB are Malaysian and do not have any conflict of interest with MHB.
- They have not been convicted for offences within the past 10 years other than traffic offences, if any.
- There is no family relationship amongst the Directors and major shareholders of MHB.

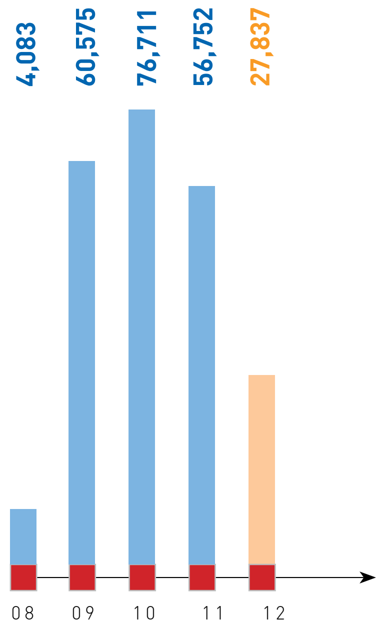
5 YEARS FINANCIAL HIGHLIGHTS

Year Ended 31 December	2008 RM,000	2009 RM,000	2010 RM,000	2011 RM,000	2012 RM,000
Revenue	195,287	326,347	331,868	261,832	250,542
Profit before taxation	4,083	60,575	76,711	56,752	27,837
Profit for the year attributable to equity holders of the Company	2,322	41,206	49,878	40,797	17,930
Shareholders' fund	214,818	260,933	296,268	329,220	332,395
Paid-up capital	127,989	127,989	127,989	198,766	198,766
Paid-up capital (weighted average)	Note1 127,695	Note1 122,613	Note1 120,399	Note2 386,283	Note2 394,557
Return on shareholders' fund (%)	1.08	15.8	16.8	12.4	5.4
Gross Proposed dividend per share (sen)	-	10.0	12.0	5.0	2.0
Basic earnings per share (sen)	1.82	33.61	41.43	10.56	4.54
Net assets per share (sen) Note3	168	206	235	89	84

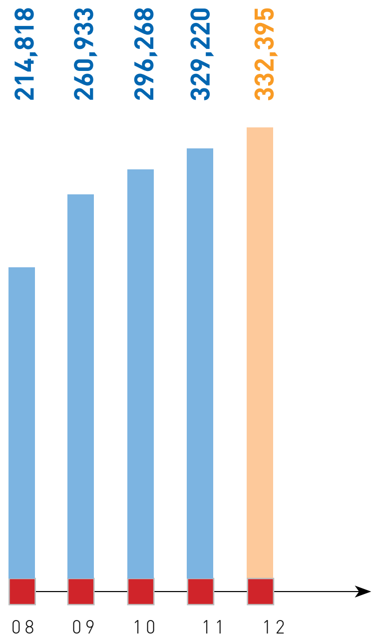
Note 1: *Shares of RM1.00*
Note 2: *Shares of RM0.50*
Note 3: *The computation of Net assets per share (NAPS) does not take into account the number of shares bought back and treasury shares as shown in the Statements of Financial Position. The Board is of the view that the NAPS will be overstated by reflecting the shares bought back in the computation.*



GROUP REVENUE
(RM'000)



GROUP PROFIT BEFORE TAXATION
(RM'000)



GROUP SHAREHOLDERS' FUND
(RM'000)

On behalf of the Board of Directors, it is my pleasure to present the Annual Report and Financial Statements of Mitrajaya Holdings Berhad ("The Company") and its subsidiary companies ("The Group") for the financial year ended 31 December 2012.

Overview

The year 2012 was a challenging year for the Group as it faced higher operational cost. Despite this, the Group managed to secure comparable revenue of RM250.5 million for the financial year ended 31 December 2012, 4.3% lower than the revenue of RM261.8 million reported in the previous financial year. On the back of lower revenue and higher operational cost, the Group achieved profit before tax of RM27.8 million in the financial year 2012 compared to RM56.8 million in the previous financial year. The significant reduction in profit before tax was attributable to reduced contribution from both the construction and local property development divisions.

Construction

The Construction division recorded higher revenue of RM159.5 million in 2012, an increase of 12.6% on the revenue of RM141.6 million reported in 2011 with the higher book orders that were in hand. However, with escalating material cost and project overhead cost putting a strain on the profit margin for the current on-going projects, this division saw its profit before tax reduced substantially from RM26.7 million reported in 2011 to RM11.8 million in 2012.

Local Property Development

The local property development division contributed lower revenue and profit before tax of RM60.4 million and RM8.6 million respectively for financial year ended 31 December 2012 as compared to RM86.9 million and RM21.5 million in 2011. The drop in profitability was attributed by the lower sales achieved in 2012 and the additional finance cost incurred in 2012 which saw it rise by RM4.7 million from RM2.2 million to RM6.9 million in 2012.

Dividend

The Board is pleased to recommend a first and final single tier dividend of 2 sen per share in respect of the financial year ended 31 December 2012. The dividend shall be subject to the shareholders' approval at the forthcoming Annual General Meeting.

Corporate Development

On 17 April 2013, the Company with other shareholders of Rawang Specialist Hospital Sdn Bhd ("RSHSB") has entered into a Sale and Purchase of Shares Agreement with Kumpulan Perubatan (Johor) Sdn Bhd ("KPJ"), a wholly owned subsidiary of KPJ Healthcare Berhad in connection with the sale of 30 million ordinary shares of RM1.00 each in RSHSB to KPJ for a total consideration of RM50,630,164 i.e. RM1.69 per share. Mitrajaya which holds 20% equity interest in RSHSB will divest its investment of 6.0 million shares for a cash consideration of RM10,126,032.80. The gain arising from this divestment is RM4,126,032.80 and will contribute to the Group' earning for financial year ending 31 December 2013.

Prospects

Malaysia's economic growth prospects will largely hinge on the global economic momentum, which at this juncture is still clouded by the prospects of the recovery in the Euro region. Nonetheless, the domestic demand will likely stay resilient amidst rising contributions from private investment and private consumption. Malaysia's GDP is forecast to grow by at least 4.5 per cent this year. The construction sector is envisaged to expand strongly by 11.2% in 2013 with all subsectors expected to register steady growth. The sector is expected to benefit from the acceleration of on-going construction activities, particularly from the Economic Transformation Program (ETP) and the second rolling plan (RP2) construction-related projects. Among the construction-based ETP projects are, MY Rapid Transit (MRT), River of

Life – revitalising the Klang River, Development of Bukit Bintang City Centre at the previous site of Pudu Jail, Tun Razak Exchange (TRX), Bandar Malaysia, Sungai Besi and Development of Rubber Research Institute of Malaysia land, Sungai Buloh. The timely award and implementation of these projects are necessary as the projects require a gestation period to generate the multiplier effect and contribute to the economy growth momentum.

Having undertaken and successfully completed large infrastructure and construction contracts for both the public and private sectors, the Group's construction division is at an advantage position to secure some of the works coming out from the ETP projects. Presently, the combined order book for our construction division stands at RM568.6 million. The implementation of the projects in-hand will contribute progressively to the Group's earnings until year 2015. We take cognisance that the construction cost for these projects in-hand will increase due to shortage of skilled labour and construction materials (particularly quarry product) when all the mega projects were to take off. Against the backdrop of possible high costs which pressure operating margins, the Management will adopt efficient project management to ensure the projects remain profitable.

The residential property sub-sector is expected to spearhead the property market and construction activity in 2013. Higher housing starts and building plans approval in the past year signify confidence of developers and investors in the development activity. The vacant space in the office and retail sub-sectors is foreseen to be absorbed as more space is taken up when the ETP projects move into its implementation phases. Development in the various regional economic corridors and Greater Kuala Lumpur/Klang Valley would continue to give positive impacts on property development and the market in the coming year.

Our local property development will be largely underpinned by our completed project in the Klang Valley at Kiara 9 and the 6-storey Park Homes, an on-going project in Puchong. Besides this, we are hopeful that our Blue Valley Golf Estate in South Africa will increase its contribution to the Group from the launching of new township within this year.

Corporate Social Responsibility

As a socially responsible corporate citizen, the Board recognises the importance of its corporate social responsibility towards the community. During the year, the Group had made contributions and sponsorships to various charitable and social organisation events.

In addition, our healthcare division has officially launched a Joint Community Programme for Free Cataract Treatment "HOPE FOR CLARITY" on the 5th April 2013 at Optimax Sunway. The campaign was successfully officiated by Dato' Sri Liow Tiong Lai. Optimax is deeply honoured to work with the Ministry of Health and sponsors from Alcon, Zeiss, Sena Group of Companies, Mah Sing Group, and NV Multi Asia Group to contribute to 100 senior citizens in needs of cataract surgery.

Within the workplace, the Group will continue to ensure a safe, healthy conducive working environment for its employee and construction workers. Preventive actions and risk mitigation measures such as site safety briefings are constantly conducted to cultivate safety and health awareness. Mitrajaya also has a Sport Club that regularly organizes activities and sport tournaments to promote teamwork and fellowship amongst staff.

"Hope for Clarity" Charity Campaign by Optimax

Acknowledgement

On behalf of the Board, I wish to place on record my heartfelt thanks to the Management team, staff and all our business associates for their continued support. Also, a special thanks to all our shareholders for placing their trust and confidence in our team.

General Tan Sri Ismail Bin Hassan (R)
Independent Non-Executive Chairman

For the financial year ended 31 December 2012, the Group recorded revenue of RM250.5 million, a decrease of 4.3% from previous year's revenue of RM261.8 million. Nonetheless, the Group's profit before tax has decreased significantly by 50.9% from RM56.8 million to RM27.8 million.

Construction

Pembinaan Mitrajaya Sdn Bhd ("PMSB"), the construction arm of the Group, contributed profit before tax of RM11.8 million from a revenue of RM159.5 million for financial year ended 31 December 2012. In 2012, PMSB has substantially completed the projects for construction of Rawang Specialist Hospital at Bandar Rawang, Selangor, public residential development of 82 units of 2-storey terrace houses and 4 units of 2-storey semi-detached houses at Precinct 11, Putrajaya and Freshwater Laboratory Complex (Package 1) at Tasik Chini, Pekan, Pahang.

As a result of the delay in implementation of the LRT extension projects, the 3 packages secured in 2011 & 2012 for construction of 7 LRT stations has yet to contribute to the Group's results. We expect the contribution from these 3 LRT stations packages to be recognised starting from 2013.

Rawang Specialist Hospital at Bandar Rawang

To-date, the Group's combined order book value for external construction projects stands at RM568.6 million. This includes 2 new projects secured in early 2013, namely the proposed construction of South Kelantan Agropolitan for a contract sum of RM61.3 million and the proposed construction of package 4 (Dairy Complex) of the Muadzam Shah Cattle Research and Innovation Centre for a contract sum of RM11.7 million. PMSB will continue to intensify its effort to replenish its order book by securing new projects in 2013.

Local Property Development

This division achieved a profit before tax of RM8.6 million on a turnover of RM60.4 million for the financial year ended 31 December 2012. These were primarily derived from completed projects in Puchong and Mont Kiara. The lower turnover and profits achieved in 2012 was mainly due to the lower demand of high end property as a result of more stringent approval process by the banks.

In October 2012, the Group has officially launched its phase one (148 units) of a new Duplex project located in Taman Puchong Prima. This project consists of 11 blocks of 280 units of 6-storey duplex apartments with lift, gated and guarded with clubhouse facilities with gross development value of RM330 million. The Group expects this project will contribute positively to the Group's earnings in 2013 as the take up rate has been satisfactory.

Besides this, the Group has also submitted development order application for the following 2 projects with gross development value in excess of RM1.0 billion:

a) 3 blocks of high-rise condominiums in Wangsa Maju which is strategically located opposite the Wangsa Walk Shopping Mall with nearby LRT facilities; and

b) Mixed development for a new township on a piece of land measuring 180-acre at Banting, Selangor.

The management is hopeful that the development order approval can be obtained by this year.

Property Development in South Africa

The Group's only overseas investment in South Africa, has contributed higher revenue of RM 13.4 million and profits before tax of RM 3.4 million for financial year ended 31 December 2012. The increase in both revenue and profits were mainly derived from the new township launched in July 2011. This new township offered 112 bungalow lots with smaller lot size that are more affordable for the local residents.

In addition, the Group is planning to launch further new townships within this year. The Group is positive that the take up rate of these new townships will be good and will contribute positively to the Group's earnings.

A view of our Blue Valley Golf and Country Estate in South Africa

Manufacturing

This division continue to report operational loss as the local demand of the quarry products within the vicinity of our quarry plant located at Lanchang, Pahang remain weak. For the year ended 31 December 2012, the manufacturing division incurred a loss of RM 0.2 million and loss after inter-company finance cost of RM 0.5 million. The viability of maintaining this division is being reviewed and the Group will take advantage of opportunities that may arise.

Healthcare

The Group's healthcare division reported a loss of RM2.1 million for financial year ended 31 December 2012, after taking into account the fixed assets written off amounted to RM0.6 million as a result of closure of 2 branches during the year. Besides this, the acquisition of new operation equipment and renovation cost on the new Penang Eye Hospital also increased the finance cost by RM0.3 million as compared to the previous year.

The Group is hopeful that this division will be able to improve its performance in the coming years in view of present internal restructuring to reduce its operating expenses.

Acknowledgement

On behalf of the management team, I would like to extend my sincere appreciation to our shareholders, various government department, regulatory authorities, customers, bankers, consultants and business associates for their continued trust and support to the Group. I would like to thank our Board members and employees for their strong commitment and dedication towards continued success of the Group.

Tan Eng Piow
Group Managing Director

AUDIT COMMITTEE REPORT

The Audit Committee of Mitrajaya Holdings Berhad comprises four (4) members, all of whom are Independent Non-Executive Directors and one Audit Committee Member is a member of the Malaysian Institute of Accountants ("MIA"). The current members of the Audit Committee are as follow:-

CHAIRMAN

General Tan Sri Ismail Bin Hassan (R) (Independent Non-Executive Director)

MEMBERS

Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim (Independent Non-Executive Director)
Ir Zakaria Bin Nanyan (Independent Non-Executive Director)
Mr Roland Kenneth Selvanayagam (Independent Non-Executive Director)

DUTIES

The duties of the Committee shall be:

- to consider the appointment of the external auditors, the audit fee, and any questions of resignation or dismissal.
- to discuss with the external auditors, the audit plan, the evaluation of the system of internal control, the audit report and the assistance given by the employees of the Company to the external auditors.
- to review the quarterly and annual financial statements before submission to the Board, focusing particularly on:
  - any changes in accounting policies and practices
  - significant and unusual events
  - major judgemental areas
  - significant adjustments arising from the audit
  - the going concern assumption
  - compliance with accounting standards
  - compliance with stock exchange and legal requirements
- to review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work.
- to review the internal audit programme, process, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function.
- to consider the major findings of internal investigations and management's response.
- to discuss problems and reservations arising from the audit and any matter the auditors may wish to discuss (in the absence of management where necessary).
- to recommend the nomination of a person or persons as external auditors.
- to consider any other functions or duties as may be agreed to by the Committee and the Board.

MEETING ATTENDANCE

The numbers of meetings attended by the Committee Members during the financial year ended 31 December 2012 were as follow :-

Members	No. of Attendance
General Tan Sri Ismail Bin Hassan (R)	5/5
Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim	4/5
Ir Zakaria Bin Nanyan	5/5
Roland Kenneth Selvanayagam	4/5

SUMMARY OF ACTIVITIES

During the financial year ended 31 December 2012, the Audit Committee carried out the following activities:

- Reviewed the report by External Auditors on the review of the financial statements for financial year ended 31 December 2011;
- Reviewed the Internal Audit Reports, which highlighted the audit issues on the auditable areas of project management, procurement, project tender cycle, vendor selection process and operation risk management in the construction division, human resource management and management information system;
- Reviewed and appraised the adequacy and effectiveness of management response in resolving the audit issues reported;
- Reviewed the findings of the External Auditors and follow-up on the recommendations;
- Reviewed the unaudited quarterly financial results of the Group and the audited financial statements of the Group and Company and recommended the same to the Board;
- Reviewed the Audit Planning Memorandum for the financial year 2012 presented by the External Auditors;
- Reviewed and approved the Internal Audit Plan;
- Reviewed the recurrent related parties transaction;
- Reviewed the Risk Management Committee report;
- Reviewed the Statement on Internal Control and Audit Committee Report for the financial year ended 31 December 2011;
- Recommended the External Auditors fees and the re-appointment of Auditors; and
- Reviewed the competency of the Internal Auditors.

The Independent members of the Audit Committee also held discussion with the External Auditors during the year without the presence of the Executive Directors and Senior Management.

Introduction

The Board of Directors ("Board") of Mitrajaya Holdings Berhad is pleased to present its Statement on Risk Management and Internal Control for the financial year ended 31 December 2012, which has been prepared pursuant to paragraph 15.26(b) of Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements and as guided by Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines"). This statement outlines the nature and state of the internal control of the Group.

Board's Responsibility

The Board is responsible for the Group's internal control and risk management system to safeguard shareholders' investment and the Group's assets as well as reviewing the adequacy and effectiveness of the said system.

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

The Group has an on-going process for identifying, evaluating and managing the significant risks it faces. The Board regularly reviews the results of this process, including measures taken by Management to address areas of key risks as identified. This process has been in place for the financial year under review and up to the date of approval of this Statement.

Risk Management

The Group has a structured risk management framework, which includes a risk management assessment process to identify significant risks and the mitigating measures thereof. The framework also addresses the compilation of risk register and specific risk profiles of each business divisions and the functional units in the Group. The risk action plans and internal controls that Management has taken and/or is taking are documented in the minutes of the Risk Management Committee ("RMC") meetings. The Risk Management Committee comprises key management staff and it is chaired by the Executive Director. Significant risks affecting the Group's Strategic and business plans are escalated to the Board at scheduled meetings.

The abovementioned risk management practices of the Group serves as the on-going process used to identify, evaluate and manage significant risks of the Group.

Internal Audit Function

The Audit Committee evaluates the internal audit function to assess its effectiveness in discharge of its responsibilities. The Group's internal audit function is outsourced to a professional services firm to assist the Board and Audit Committee in providing independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control systems. The Group internal audit function reports directly to the Audit Committee.

During the financial year ended 31 December 2012, audits were carried out in accordance to the internal audit plan that has been reviewed and approved by the Audit Committee. Observations from these audits are presented, together with Management's response and proposed action plans, to the Audit Committee for its review. The internal audit function also follows up and reports to the Audit Committee on the status of implementation of action plans by Management on the recommendations highlighted in the internal audit reports, especially on areas where material internal control deficiencies or lapses have been noted. Further details of the activities of the internal audit function are provided in the Audit Committee Report.

The total fees incurred for the outsourcing of the Internal Audit function for the financial year ended 31 December 2012 was RM51,000.

Other Key Elements of Internal Control

The key elements of the Group's internal control system are described below:

- **Limits of authority and responsibility**

  Clearly defined and documented lines and limits of authority, responsibility and accountability have been established through the relevant charters/terms of reference, organizational structures and appropriate authority limits.

- **Written policies and procedures**

  Clearly defined internal policies and procedures as set out in the Group's Standard Operating Procedures Manual are regularly updated to reflect changing risks or toaddress operational deficiencies.

- **Planning, monitoring and reporting**

  - The Audit Committee reviews the Group's quarterly financial performance, together with Management, which is subsequently reported to the Board;

  - Comprehensive information, which includes the monthly management reports covering all key financial and operational indicators, is provided to Senior Management for the monitoring of performance against strategic plan; and

- **International Standards Certification**

  The Group's ISO-quality policies and procedures are implemented by its 2 subsidiaries, Pembinaan Mitrajaya SdnBhd ("PMSB") and Optimax Eye Specialist Centre Sdn Bhd ("OESCSB").

  Both PMSB and OESCSB have been certified to ISO 9001:2008 and ISO 9001:2000 Quality Management System since year 2000 and 2007 respectively.

  In addition, PMSB has been certified to the following 2 standards in August 2010:

  (a) Environmental Management System to ISO 14001:2004 standard; and
  (b) Occupational Health and Safety Management System to OHSAS 18001:2007 standard and MS 1722: Part 1:2005.

  Internal and external audits are carried out to ensure the adherence and application of the policies implemented.

- **Related Party Transactions**

  Related party transactions are disclosed, reviewed, and monitored by the Board on a periodic basis.

Assurance provided by the Group Managing Director and Chief Financial Officer

In line with the Guidelines, the Group Managing Director and Chief Financial Officer have provided assurance to the Board in writing stating that the Group's risk management and internal control systems have operated adequately and effectively, in all material aspects, to meet the Group's objectives during the financial year under review.

The Board is of the view that the risk management and internal control systems are satisfactory and have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report. The Board continues to take pertinent measures to sustain and, where required, to improve the Group's risk management and internal control systems in meeting the Group's strategic objectives.

INTRODUCTION

The Board of Directors ("the Board") of Mitrajaya Holdings Berhad ("MHB") is committed to ensure the fulfillment of the highest standards of Corporate Governance as set out in the Malaysian Code on Corporate Governance 2012 ("the Code"), which highlights the principles and best practices on structures and processes that the Company may use in their operations towards achieving the optimal governance framework.

The Board welcomes the constructive recommendations of the Code and will always evaluate the MHB Group's corporate governance practice and procedures as a fundamental part of discharging its responsibilities to protect and enhance shareholder value and the financial performance of the Group.

During the financial year ended 31 December 2012, the Board considers that it has fundamentally applied the Principles and Recommendations of the Code save for the recommendation to limit the tenure of the Independent Directors and is pleased to report the actions taken by the Company to conform to the Code as set out below: -

THE BOARD OF DIRECTORS

The Board Charter is the key point of reference for the Directors of the Board in relation to its role, powers, duties and functions and there is also a formal schedule of matters reserved for its decision. MHB is led and managed by a competent Board, comprising members with a wide range of experience, knowledge and skills in relevant fields such as engineering, construction and finance. Together, the Directors contribute to successfully direct and supervise the Group's business activities, which are vital to the success of the Group and the enhancement of long-term shareholders' value.

During the financial year ended 31 December 2012, the Board met a total of five (5) times. Details of the attendance are as follow :

Directors	Position	Board Meetings Attended
1. General Tan Sri Ismail Bin Hassan (R)	Independent Non- Executive Chairman	5/5
2. Tan Eng Piow	Managing Director	5/5
3. Foo Chek Lee	Executive Director	5/5
4. Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim	Independent Non-Executive Director	4/5
5. Ir Zakaria Bin Nanyan	Independent Non-Executive Director	5/5
6. Roland Kenneth Selvanayagam	Independent Non- Executive Director	4/5

The Board has delegated specific responsibilities to 2 subcommittees namely, the Audit Committee and the Nomination and Remuneration Committee. These Committees have the authority to examine particular issues and report back to the Board with their recommendation. The ultimate responsibility for the final decision on all matters, however, lies with the entire Board.

BOARD BALANCE

The Board currently comprises six (6) Directors, categorised as follows:

- Four (4) Independent Non-Executive Directors ("INED")
- Two (2) Executive Directors ("ED")

A brief profile of the Directors is presented on pages 6 to 7 of the Annual Report.

The Board composition complies with paragraph 15.02 of the Listing Requirements which requires that at least one-third of the Board members comprise independent directors. The Board has taken note of Recommendation 2.2 of the Code pertaining to the establishment of policy formalizing its approach to boardroom diversity and will review its internal policy.

There is a clear division of responsibility at the head of the Company to ensure that there is a balance of power and authority. The Board is led by the Independent Non-Executive Chairman, General Tan Sri Ismail Bin Hassan (R) and Mr Tan Eng Piow, as the Managing Director who is in charge of running the business and implementing the policies and strategies adopted by the Board.

The Independent Non-Executive Directors participate at the Board Meetings and also contribute in Board Committees that have been set up as part of the practice of good corporate governance within the Company. They provide an objective and independent view of the performance of management in attempting to achieve the results to which the strategy of the Company is directed. The Nomination and Remuneration Committee have upon their assessment, concluded that each of the four Independent Non-Executive Directors continues to demonstrate conduct and behaviour that are essential indicators of independence and find that their length of service does not in any way interfere with their exercise of independent judgement and ability to act in the interest of the Company. The Board do not see a need to limit the tenure of the Independent Non-Executive Directors at this juncture.

The Executive Directors have been steeped in the infrastructure and property construction sector since the beginning of their respective careers, and have collectively extensive experience in engineering and construction.

The appointment of a senior independent non-executive director to whom concerns may be conveyed pursuant to the Best Practice Provision AA VII has not been made, given that the Board's composition has a majority of Independent Non-Executive Directors reflecting the strong and independent element on the Board and the Chairman maintains an active and objective dialogue with Board members and encourages full deliberation of all matters submitted to the Board and Board Committee Meetings. The Board does not consider it necessary at this juncture to identify a senior independent non-executive director.

The Board is satisfied that the current Board composition fairly reflects the investment of minority shareholders in the Company.

AUDIT COMMITTEE

Please refer to the Audit Committee Report for further details.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee ("NRC") comprise the following members who are all Independent Non-Executive Directors:

1. Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim (Chairman)
2. General Tan Sri Ismail Bin Hassan (R)
3. Ir Zakaria Bin Nanyan

The NRC was delegated with the following duties:

- To review regularly the Board structure, size and composition and make recommendations to the Board with regard to any adjustments that are deemed necessary.

- To propose new nominees for appointment to the Board of Directors. In making the recommendations, the NRC shall consider the candidates :
  - skills, knowledge, expertise and experience;
  - professionalism;
  - integrity; and
  - in the case of candidates for the position of independent directors, the NRC shall also evaluate the candidates' ability to discharge such responsibilities or functions as expected from independent non-executive directors.

- To assess Directors on an on-going basis, the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual Director.

- To recommend to the Board, Directors to fill the seats on the Board Committees.

- To review annually the Board's mix of skills and experience and other qualities including core competencies which Non-Executive Directors should bring to the Board.

- To recommend to the Board for the continuation (or not) in service of Executive Director(s) and Director(s) who are due for retirement by rotation.
- To orient and educate new Directors as to the nature of the business, current issues within the Company and the corporate strategy, the expectations of the Company concerning input from the Directors and the general responsibilities of Directors.
- To recommend the remuneration policy and review the payment of Directors' fees and allowance.

The NRC undertakes a formal and transparent process, upon the completion of every financial year, to assess the effectiveness of individual Directors, the Board as a whole and its committees.

SUPPLY OF INFORMATION

The Chairman ensures that each Director is provided with timely notices of every Board Meeting and board papers for each agenda item. This is to ensure that Directors have sufficient time to prepare for discussions, and to obtain further explanation or clarification to facilitate the decision process and discharge of their duties. The Board has unrestricted access to timely and accurate information in the furtherance of its duties.

The Board has formalized procedures for Directors, whether as a full Board or in their individual capacity, to take independent advice, where necessary, in the furtherance of their duties and at the Group's expense.

Every Director has access to the advice and services of the Company Secretary. The Board believes that the Company Secretary is capable of carrying out his/her duties to ensure the effective functioning of the Board and the terms of appointment of the Company Secretary permits his/her removal and appointment of a successor only by the Board as a whole.

DIRECTORS' TRAINING

The Directors are mindful that they should receive appropriate continuous training and they have attended seminars and briefings in order to broaden their perspectives and so that they keep abreast with developments in the market place and new statutory and regulatory requirements.

The Company conducted an in-house training attended by all Directors on the topic "Updates on Regulatory Requirements". The following Directors also attended the following training programs in 2012:

Name	Title of Course(s) attended
General Tan Sri Ismail Bin Hassan (R)	- Directors' & Officers' Guide on Liability, Duties & Obligations - MAICSA Annual Conference 2012
Tan Eng Piow	- Advocacy Sessions on Disclosure for Chief Executive Officers and Chief Financial Officers
Foo Chek Lee	- MAICSA Annual Conference 2012 - Conquas Assessment for Building Projects - CIDB Amendment Act 2011 - MBAM Annual Safety & Health Conference 2012
Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim	- Directors' & Officers' Guide on Liability, Duties & Obligations - MAICSA Annual Conference 2012 - Update on 2013 Tax Budget and MCCG 2012
Ir Zakaria Bin Nanyan	- MAICSA Annual Conference 2012 - MBAM Annual Safety Conference 2012
Roland Kenneth Selvanayagam	- Directors' & Officers' Guide on Liability, Duties & Obligations - MAICSA Annual Conference 2012 - The case for diversity in the boardroom

The Board is regularly updated by the Company Secretary on the latest update/amendments on the Bursa Securities Listing Requirements and other regulatory requirements relating to the discharge of the Directors' duties and responsibilities.

RE-ELECTION

The Company's Articles of Association provides for all Directors (including the Managing Director) to retire at least once in each three years at the annual general meeting and the retiring Director shall be eligible for re-election. The Directors who are due for re-election/re-appointment at the AGM will be first assessed by the NRC as to whether they meet the Board's expectations and have continued to perform in an exemplary manner, which will then submit its recommendation to the Board for deliberation and approval.

DIRECTORS' REMUNERATION

The NRC is entrusted under its terms of reference to assist the Board in determining the framework of Executive Directors' remuneration and the remuneration package for each Executive Director, drawing from outside advice as necessary. The NRC shall ensure that the level of remuneration is sufficient to attract and retain the Directors needed to run the Company successfully.

The Board as a whole shall determine the Non-Executive Directors' fees with the individual concerned abstaining from deliberations and voting on discussions in respect of his fee. The level of Directors' fee shall reflect the experience and responsibilities undertaken by the particular Non-Executive Director.

The breakdown of the remuneration of the Directors in the Company during the financial year is as follows:

	Fees	Salaries & Other Emoluments	Total RM
Executive Directors	-	1,622,873	1,622,873
Non-Executive Directors	100,000	156,400	256,400

The numbers of Directors whose remuneration fall into the following band are as follow:-

Range Of Remuneration (RM)	Executive	Non-Executive
50,000 and below	-	2
50,001 – 100,000	-	2
600,001 – 650,000	1	-
1,000,001-1,050,000	1	-

DIALOGUE BETWEEN THE COMPANY AND INVESTORS

The Board acknowledges the importance for shareholders to be informed of all key issues and major development affecting the Company. The dissemination of the information to shareholders and other stakeholders of the Company are made through the following:

- The Annual Report;
- The Annual General Meeting;
- The various disclosures and announcements made to the Bursa Securities including the Quarterly Results and Annual Results; and
- The Company's website, http://www.mitrajaya.com.my.

Briefings are held with analysts to clarify information in relation to the announcements. Dialogues with institutional investors and the press are held from time to time.

The Company has in place an Investor Relations Policy to ensure that shareholders, stakeholders, investors and the investment community are provided with relevant, timely and comprehensive information about the Company. This policy provides the guidance for communication through its designated spokespersons.

ANNUAL GENERAL MEETING

The Company's Annual General Meeting ("AGM") serves as a principal forum for dialogue with shareholders. Shareholders who are unable to attend are allowed to appoint proxies to attend and vote on their behalf. Members of the Board as well as the Auditors of the Company are present to answer questions raised at the meeting. The Executive Directors meet with members of the press after the AGM to answer any queries that may be raised.

FINANCIAL REPORTING

In presenting the financial statements, the Group has used appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates.

The quarterly financial results are reviewed by the Audit Committee and approved by the Board of Directors before its release to Bursa Securities.

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which have to be made out in accordance with the applicable approved accounting standards and give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors have selected and applied consistently suitable accounting policies and made reasonable and prudent judgements and estimates as on pages 29 to 101.

The Directors have the responsibility in ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy, the financial position of the Group and the Company, which will then enable them to ensure that the financial statements comply with the requirements of the Companies Act, 1965.

The Directors have the overall responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

INTERNAL CONTROL

Please refer to the Statement on Risk Management and Internal Control for further details.

RELATIONSHIP WITH THE AUDITORS

The External Auditors, Messrs. Baker Tilly Monteiro Heng has continued to report to the Audit Committee on their findings which are included as part of the Company's financial report with respect to each year's audit on the statutory financial statements. In doing so, the Company has established a transparent arrangement with the Auditors to meet their professional requirements.

The independent members of the Audit Committee make it a point to sit and discuss with the External Auditors without the presence of the Management Team to allow the External Auditors to broach issues in an uninhibited and private fashion.

INTERNAL AUDIT FUNCTION

The Group's internal audit functions are outsourced to an external professional internal audit firm which reports to the Audit Committee. The risk management is undertaken in house and is chaired by an executive director. The Internal Auditors serves to assists the Audit Committee in the discharge of its duties and responsibilities. Its role is to undertake independent, regular and systematic reviews of internal controls, so as to provide the Audit Committee with independent and objective feedback and reports to enable the internal control systems continue to operate satisfactorily and effectively. The Internal Auditor recommends actions to ensure that proper controls are in place for the key operational areas and regular follow-ups are made to ensure the actions are implemented as soon as possible.

OTHER INFORMATION

SHARE BUY-BACK

During the financial year ended 31 December 2012, the Company bought back a total of 20,000 ordinary shares of RM0.50 each, which are listed on the Main Market of Bursa Malaysia Securities Berhad on the open market. The details of the shares bought back during the year are as follows:

Monthly Breakdown	No. of Shares Bought Back & Retained as Treasury Shares	Buy-back Price Per Share (RM) Lowest	Buy-back Price Per Share (RM) Highest	Average Cost Per Share	Total cost (excluding commission and brokerage paid)
January	-	-	-	-	-
February	-	-	-	-	-
March	-	-	-	-	-
April	-	-	-	-	-
May	-	-	-	-	-
June	10,000	0.545	0.545	0.545	5,450.00
July	-	-	-	-	-
August	-	-	-	-	-
September	-	-	-	-	-
October	-	-	-	-	-
November	10,000	0.425	0.425	0.425	4,250.00
December	-	-	-	-	-

As at 31 December 2012, a total of 2,988,046 ordinary shares of RM0.50 each were held as treasury shares. None of the treasury shares held were resold or cancelled during the financial year.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

There were no issue of options, warrants or convertible securities during the financial year ended 31 December 2012.

AMERICAN DEPOSITORY RECEIPT (ADR) OR GLOBAL DEPOSITORY RECEIPT (GDR)

The Company did not sponsor any ADR or GDR programme.

SANCTION AND /OR PENALTY

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, directors or management by the regulatory bodies.

NON-AUDIT FEES

The amount of non-audit fees payable to external auditors by the Group for the financial year 2012 is RM15,100.00.

PROFIT GUARANTEE

The Company did not receive any profit guarantee during the financial year.

MATERIAL CONTRACTS INVOLVING DIRECTORS'/MAJOR SHAREHOLDERS' INTEREST

There were no material contracts of the Company and its subsidiaries involving directors' and major shareholders' interests for the financial year under review.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31st December 2012.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activity whilst the principal activities of the subsidiaries are as stated in Note 7 to the financial statements. There has been no significant change in the nature of these principal activities during the financial year.

RESULTS

	Group RM	Company RM
Net profit for the financial year	18,880,791	23,931,295
Other comprehensive loss, net of tax	(2,310,441)	-
Total comprehensive income for the year	16,570,350	23,931,295
Attributable to:-		
Owners of the parent	15,619,612	23,931,295
Non-controlling interests	950,738	-
	16,570,350	23,931,295

DIVIDENDS

The amounts of dividends paid by the Company since 31st December 2012 were as follows:-

	RM
In respect of the financial year ended 31st December 2011- First and final single tier dividend of 10% on 394,553,755 ordinary shares of RM0.50 each, paid on 4th September 2012	19,727,688

At the forthcoming Annual General Meeting, a first and final single tier dividend of RM0.02 per share will be proposed for shareholders' approval.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31st December 2013.

RESERVES AND PROVISIONS

All material transfers to and from reserves and provisions during the financial year have been disclosed in the financial statements.

BAD AND DOUBTFUL DEBTS

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 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 had satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts.

At the date of this report, the Directors are not aware of any circumstances that would render the amount written off for bad debts, or the amount of the allowance for doubtful debts, in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

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 to ensure that any current assets, other than debts, which were unlikely to be realised in the ordinary course of business, their values as shown in the accounting records of the Group and of the Company had been written down to an amount that they might be expected to be realised.

At the date of this report, the Directors are not aware of any circumstances that would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

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

(ii) any contingent liabilities in respect of the Group and of the Company that has arisen since the end of the financial year.

In the opinion of the Directors, no contingent liabilities or other liabilities of the Group and of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

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 and of the Company for the financial year in which this report is made.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company did not issue any shares or debentures.

WARRANTS

Warrants 2011/2016

By virtue of a Deed Poll executed on 21st June 2011 for the 47,729,947 Warrants 2011/2016 ("Warrants 2011/2016") issued in connection with the Share Split and Bonus Issue allotted and credited on 1st July 2011, each Warrants 2011/2016 entitles the registered holder the right at any time during the exercise period from 5th July 2011 to 4th July 2016 to subscribe in cash for one new ordinary share at an exercise price of RM0.90 each.

No Warrants 2011/2016 were exercised during the year.

TREASURY SHARES

The shareholders of the Company by an ordinary resolution passed in the fifteenth Annual General Meeting held on 17th June 2008, approved the mandate for the Company's plan to repurchase its own ordinary shares. On 7th June 2012, the shareholders of the Company at the nineteenth Annual General Meeting granted their mandate for the Company's renewal of authority to repurchase its own ordinary shares.

During the financial year, the Company repurchased 20,000 shares from the open market at an average price of RM0.49 per share. The total consideration paid for the repurchase, was RM9,794/- (2011: RM97,609/-) and they were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965 in Malaysia.

As at 31st December 2012, the Company held as treasury shares a total of 2,988,046 of its 397,531,801 issued ordinary shares. Such treasury shares are held at a carrying amount of RM817,707/- (2011: RM807,913/-) and further relevant details are disclosed in Note 16(b) to the financial statements.

EMPLOYEES' SHARE OPTION SCHEME

The Company's Employees' Share Option Scheme ("ESOS") is governed by the by-laws approved by the shareholders of the Company at an Extraordinary General Meeting held on 26th May 2004. The main features of the ESOS are:-

(a) the ESOS offers the eligible employees, including Executive Directors of the Group and of the Company, options to subscribe for new ordinary shares of RM0.50/- each in the Company. These eligible person(s) shall not participate in more than one ESOS implemented by any company within the Group at any one time;

(b) the ESOS is for a period of 5 years commencing from 2nd July 2004, subject to an extension for a further period of 5 years commencing from the expiration of the aforesaid 5 years;

(c) the maximum number of shares to be offered shall not exceed 10% of the issued and paid-up capital of the Company at any point in time during the existence of the ESOS and the number of shares of the Company that may be offered to each eligible employee is determined by a Committee appointed by the Board of Directors in accordance with the ESOS By-Laws;

(d) the options granted under the ESOS cannot be assigned, transferred or otherwise disposed of in any manner whatsoever; and

(e) the new shares allotted upon the exercise of the ESOS options shall rank pari passu with the existing issued ordinary shares of the Company.

No ESOS was granted during the current financial year.

DIRECTORS

The Directors in office since the date of the last report are:-

General Tan Sri Ismail Bin Hassan (R)
Tan Eng Piow
Foo Chek Lee
Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim
Ir Zakaria Bin Nanyan
Roland Kenneth Selvanayagam

DIRECTORS' INTERESTS

According to the register of directors' shareholdings kept by the Company under Section 134 of the Companies Act, 1965 in Malaysia, the interests of those Directors who held office at the end of the financial year in shares and warrants of the Company and its related corporations during the financial year ended 31st December 2012 are as follows:-

	Number of ordinary shares of RM 0.50 each			
	At 1.1.2012	**Bought**	**Sold**	**At 31.12.2012**
The Company				
Direct interest				
Tan Eng Piow	160,773,359	348,400	-	161,121,759
Foo Chek Lee	723,335	-	-	723,335
Indirect interest				
Tan Eng Piow	2,170,000	-	-	2,170,000
Foo Chek Lee	21,700	-	-	21,700

	Number of Warrants 2011/2016 Issued Pursuant To the Deed Poll dated 21.6.2011 exercisable at any time from 5.7.2011 to 4.7.2016			
	At 1.1.2012	**Granted**	**Exercised**	**At 31.12.2012**
The Company				
Direct interest				
Tan Eng Piow	19,448,390	-	-	19,448,390
Foo Chek Lee	87,500	-	-	87,500
Indirect interest				
Tan Eng Piow	262,500	-	-	262,500
Foo Chek Lee	2,625	-	-	2,625

By virtue of their interests in the shares and warrants of the Company, the Directors in the above are also deemed interested in the shares of the subsidiaries of the Company to the extent the Company has an interest.

Other than as disclosed above, none of the Directors in office at the end of the financial year had any interest in the shares and warrants of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during the year, did there subsist any arrangement to which the Company or a related corporation was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in, and/or debentures of the Company or any other body corporate, other than as may arise from the share options to be granted under the Company's ESOS.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in Note 27 to the financial statements or the fixed salary of a full time employee of the Company and its related corporations) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member or with a Company in which the Director has a substantial financial interest, except as disclosed in Note 34(c) to the financial statements.

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng, have expressed their willingness to continue in office.

On behalf of the Board,

……………………………………………………………
Tan Eng Piow
Director

……………………………………………………………
Foo Chek Lee
Director

Selangor Darul Ehsan

Date: 24th April 2013

	Note	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	41,041,679	33,557,229	1	1
Land held for property development	5(a)	120,834,236	120,998,806	-	-
Investment properties	6	9,680,724	37,938,782	-	-
Investment in subsidiaries	7	-	-	85,695,694	30,917,190
Investment in an associate	8	5,901,824	4,490,082	6,000,000	4,500,000
Goodwill on consolidation	9	3,130,524	3,074,550	-	-
Deferred taxation	10(a)	3,168,198	3,571,877	-	-
Total non-current assets		183,757,185	203,631,326	91,695,695	35,417,191
Current assets					
Amount due from customers for contract work	11	5,636,916	3,067,752	-	-
Property development costs	5(b)	67,034,213	185,451,299	-	-
Inventories	12	160,355,273	19,592,200	-	-
Trade and other receivables	13	120,153,618	76,302,751	1,720	1,710
Tax recoverable		4,035,482	3,186,002	-	162,022
Amount due from subsidiaries	14	-	-	143,738,610	208,179,740
Cash and bank balances	15	3,346,385	3,799,447	3,943	14,033
Total current assets		360,561,887	291,399,451	143,744,273	208,357,505
TOTAL ASSETS		544,319,072	495,030,777	235,439,968	243,774,696
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	16	198,765,901	198,765,901	198,765,901	198,765,901
Treasury shares	16(b)	(817,707)	(807,913)	(817,707)	(807,913)
Reserves	17	134,446,642	131,262,236	27,660,258	23,456,651
Shareholders' funds		332,394,836	329,220,224	225,608,452	221,414,639
Non-controlling interests		1,922,913	23,264,657	-	-
Total equity		334,317,749	352,484,881	225,608,452	221,414,639
Non-current liabilities					
Borrowings	19	24,582,126	29,477,871	-	-
Deferred taxation	10(b)	1,447,066	2,725,951	-	-
Total non-current liabilities		26,029,192	32,203,822	-	-
Current liabilities					
Amount due to customers for contract work	11	6,448,464	142,201	-	-
Trade and other payables	21	119,904,817	79,636,008	8,452,940	162,249
Amount due to subsidiaries	22	-	-	436,488	22,192,487
Borrowings	19	55,894,812	27,954,642	646,819	5,321
Provision for taxation		1,724,038	2,609,223	295,269	-
Total current liabilities		183,972,131	110,342,074	9,831,516	22,360,057
TOTAL LIABILITIES		210,001,323	142,545,896	9,831,516	22,360,057
TOTAL EQUITY AND LIABILITIES		544,319,072	495,030,777	235,439,968	243,774,696

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

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2012

	Note	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Revenue	23	250,542,407	261,831,926	22,705,000	30,200,000
Cost of sales	24	(189,974,788)	(163,428,679)	-	-
GROSS PROFIT		60,567,619	98,403,247	22,705,000	30,200,000
Other income		4,812,023	3,393,845	5,276,079	335,878
Administrative expenses		(19,026,167)	(20,195,257)	(394,697)	(432,847)
Other operating expenses		(14,976,898)	(22,408,685)	(48,627)	(347,104)
OPERATING PROFIT	25	31,376,577	59,193,150	27,537,755	29,755,927
Finance costs	28	(3,450,920)	(2,431,247)	(15,627)	(3,740)
Share of results of associate		(88,258)	(9,918)	-	-
PROFIT BEFORE TAXATION		27,837,399	56,751,985	27,522,128	29,752,187
Taxation	29	(8,956,608)	(15,742,713)	(3,590,833)	(96,477)
PROFIT NET OF TAX		18,880,791	41,009,272	23,931,295	29,655,710
Other comprehensive loss:					
Foreign currency translation		(2,310,441)	(5,318,416)	-	-
Other comprehensive loss for the year, net of tax		(2,310,441)	(5,318,416)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		16,570,350	35,690,856	23,931,295	29,655,710
Profit attributable to:					
Owners of the parent		17,930,053	40,796,560	23,931,295	29,655,710
Non-controlling interests		950,738	212,712	-	-
		18,880,791	41,009,272	23,931,295	29,655,710
Total comprehensive income attributable to:					
Owners of the parent		15,619,612	35,478,144	23,931,295	29,655,710
Non-controlling interests		950,738	212,712	-	-
		16,570,350	35,690,856	23,931,295	29,655,710
Earnings per share (sen)	30				
- basic		4.54	10.56		
- diluted		4.54	10.56		

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

Group	Note	Share capital RM	Share premium RM	Other reserves Total RM	Foreign Exchange reserves RM	Revaluation reserves RM	Treasury shares RM	Retained profits RM	Equity attributable to owners of the parent RM	Non-controlling interests RM	Total equity RM
		Attributable to owners of the parent									
At 1st January 2011		127,989,267	18,457,497	6,711,337	(7,103,651)	13,814,988	(4,146,852)	147,256,372	296,267,621	23,051,945	319,319,566
Total comprehensive income		-	-	(5,318,416)	(5,318,416)	-	-	40,796,560	35,478,144	212,712	35,690,856
		127,989,267	18,457,497	1,392,921	(12,422,067)	13,814,988	(4,146,852)	188,052,932	331,745,765	23,264,657	355,010,422
Transactions with owners											
Purchase of treasury shares	16(b)	-	-	-	-	-	(97,609)	-	(97,609)	-	(97,609)
Conversion of 2001/2011 warrants		7,136,500	5,709,200	-	-	-	-	-	12,845,700	-	12,845,700
Capitalisation for bonus issue	16	63,640,134	(24,166,697)	-	-	-	-	(39,473,437)	-	-	-
Dividends on ordinary shares	31	-	-	-	-	-	3,436,548	(18,710,180)	(15,273,632)	-	(15,273,632)
Total transactions with owners		70,776,634	(18,457,497)	-	-	-	3,338,939	(58,183,617)	(2,525,541)	-	(2,525,541)
At 31st December 2011		**198,765,901**	**-**	**1,392,921**	**(12,422,067)**	**13,814,988**	**(807,913)**	**129,869,315**	**329,220,224**	**23,264,657**	**352,484,881**

STATEMENTS OF CHANGES IN EQUITY (cont'd)
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2012

Group	Note	Share capital RM	Share premium RM	Other reserves Total RM	Foreign Exchange reserves RM	Revaluation reserves RM	Treasury shares RM	Retained profits RM	Equity attributable to owners of the parent RM	Non-controlling interests RM	Total equity RM
		Attributable to owners of the parent									
At 1st January 2012		198,765,901	-	1,392,921	(12,422,067)	13,814,988	(807,913)	129,869,315	329,220,224	23,264,657	352,484,881
Total comprehensive income		-	-	(2,310,441)	(2,310,441)	-	-	17,930,053	15,619,612	950,738	16,570,350
		198,765,901	-	(917,520)	(14,732,508)	13,814,988	(807,913)	147,799,368	344,839,836	24,215,395	369,055,231
Transactions with owners											
Purchase of treasury shares	16(b)	-	-	-	-	-	(9,794)	-	(9,794)	-	(9,794)
Dividends paid to non-controlling interests of subsidiary company		-	-	-	-	-	-	-	-	(6,750,000)	(6,750,000)
Acquisition of non-controlling interests	7	-	-	-	-	-	-	7,292,482	7,292,482	(15,542,482)	(8,250,000)
Dividends on ordinary shares	31	-	-	-	-	-	-	(19,727,688)	(19,727,688)	-	(19,727,688)
Total transactions with owners		-	-	-	-	-	(9,794)	(12,435,206)	(12,445,000)	(22,292,482)	(34,737,482)
At 31st December 2012		**198,765,901**	**-**	**(917,520)**	**(14,732,508)**	**13,814,988**	**(817,707)**	**135,364,162**	**332,394,836**	**1,922,913**	**334,317,749**

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

		← Attributable to owners of the Company →				
Company	**Note**	**Share capital RM**	**Share premium RM**	**Treasury shares RM**	**Retained profits RM**	**Total equity RM**
At 1st January 2011		127,989,267	18,457,497	(4,146,852)	51,984,558	194,284,470
Total comprehensive income		-	-	-	29,655,710	29,655,710
		127,989,267	18,457,497	(4,146,852)	81,640,268	223,940,180
Transactions with owners						
Purchase of treasury shares	16(b)	-	-	(97,609)	-	(97,609)
Conversion of 2001/ 2011 warrants		7,136,500	5,709,200	-	-	12,845,700
Capitalisation of bonus issue	16	63,640,134	(24,166,697)	-	(39,473,437)	-
Dividends on ordinary shares	31	-	-	3,436,548	(18,710,180)	(15,273,632)
Total transactions with owners		70,776,634	(18,457,497)	3,338,939	(58,183,617)	(2,525,541)
At 31st December 2011		**198,765,901**	**-**	**(807,913)**	**23,456,651**	**221,414,639**
Total comprehensive income		-	-	-	23,931,295	23,931,295
		198,765,901	-	(807,913)	47,387,946	245,345,934
Transactions with owners						
Purchase of treasury shares	16(b)	-	-	(9,794)	-	(9,794)
Dividends on ordinary shares	31	-	-	-	(19,727,688)	(19,727,688)
Total transactions with owners		-	-	(9,794)	(19,727,688)	(19,737,482)
At 31st December 2012		**198,765,901**	**-**	**(817,707)**	**27,660,258**	**225,608,452**

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2012

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
CASH FLOWS FROM OPERATING ACTIVITIES:				
Profit before taxation	27,837,399	56,751,985	27,522,128	29,752,187
Adjustments for:				
Depreciation of:				
- property, plant and equipment	7,094,382	5,948,554	-	-
- investment properties (Note 6)	415,507	360,181	-	-
Dividend income	-	-	(22,705,000)	(30,200,000)
Gain on disposal of:				
- property, plant and equipment	(611,281)	(460,793)	-	-
- investment property	-	(90,000)	-	-
Impairment losses on:				
- investment properties	-	2,082,172	-	-
Interest expense	3,450,920	2,431,247	15,627	3,740
Interest income	(286,820)	(211,828)	(5,276,079)	(335,878)
Property, plant and equipment written off	619,222	749,776	-	-
Reversal of impairment loss on trade receivable	(600)	(1,000)	-	-
Share of loss in an associate	88,258	9,918	-	-
Unrealised loss from foreign exchange	343,292	560,904	-	-
	38,950,279	68,131,116	(443,324)	(779,951)
Changes in working capital:				
Advances to/(from) subsidiaries	-	-	42,685,131	(22,367,225)
Amount due from/(to) customers on contract work	3,678,429	(6,779,443)	-	-
Inventories	(112,485,101)	10,154,810	-	-
Property development costs	115,858,385	(7,858,306)	-	-
Trade and other receivables	(27,838,363)	12,491,046	(10)	2,058
Trade and other payables	18,520,758	(8,186,063)	40,690	(22,048)
	36,684,387	67,953,160	42,282,487	(23,167,166)
Tax paid	(11,564,648)	(17,977,912)	(789,791)	(285,272)
Net Operating Cash Flows	25,119,739	49,975,248	41,492,696	(23,452,438)

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
CASH FLOWS FROM INVESTING ACTIVITIES:				
Dividend received	-	-	20,361,250	30,150,000
Interest received	286,820	211,828	5,276,079	335,878
Investment in an associate	(1,500,000)	(4,500,000)	(1,500,000)	(4,500,000)
Investment in subsidiaries	-	-	(46,528,504)	-
Proceeds from disposal of investment property	12,803	280,000	-	-
Proceeds from disposal of property,plant and equipment	1,332,056	582,520	-	-
Subsequent expenditure on land held for development	(2,105)	(6,347)	-	-
Purchase of property, plant and equipment (Note 4(b))	(7,727,486)	(8,176,682)	-	-
Net Investing Cash Flows	(7,597,912)	(11,608,681)	(22,391,175)	25,985,878
CASH FLOWS FROM FINANCING ACTIVITIES:				
Interest paid	(3,450,920)	(2,431,247)	(15,627)	(3,740)
Drawndown/(Repayment) of bankers' acceptance	6,429,000	(6,387,000)	-	-
Repayment of bank borrowings	(12,948,793)	(26,124,857)	-	-
Repayment of hire purchase	(2,895,381)	(1,684,118)	-	-
Drawndown/(Repayment) of short term revolving credit	13,000,000	(5,000,000)	-	-
Dividends paid to non-controlling interests of subsidiary company	(6,750,000)	-	-	-
Dividends paid to the shareholders of the Company	(19,727,688)	(15,273,632)	(19,727,688)	(15,273,632)
Proceeds from the exercise warrants	-	12,845,700	-	12,845,700
Purchase of treasury shares	(9,794)	(97,609)	(9,794)	(97,609)
Net Financing Cash Flows	(26,353,576)	(44,152,763)	(19,753,109)	(2,529,281)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(8,831,749)	(5,786,196)	(651,588)	4,159
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION	(2,199,641)	965,784	-	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	(7,586,735)	(2,766,323)	8,712	4,553
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	(18,618,125)	(7,586,735)	(642,876)	8,712
ANALYSIS OF CASH AND CASH EQUIVALENTS:				
Deposits with licensed banks	154,245	85,747	-	-
Cash and bank balances	3,192,140	3,713,700	3,943	14,033
Bank overdrafts	(21,964,510)	(11,386,182)	(646,819)	(5,321)
	(18,618,125)	(7,586,735)	(642,876)	8,712

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

1. GENERAL INFORMATION

The Company is principally engaged in investment holding activity whilst the principal activities of the subsidiaries are as stated in Note 7 to the financial statements. There has been no significant change in the nature of these principal activities during the financial year.

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

The registered office and principal place of business of the Company are located at No. 9, Blok D, Pusat Perdagangan Puchong Prima, Persiaran Prima Utama, Taman Puchong Prima, 47150 Puchong, Selangor Darul Ehsan.

The financial statements are expressed in Ringgit Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 24th April 2013.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Group and of the Company have been prepared in accordance with the Financial Reporting Standards ("FRSs") and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost basis, except as disclosed in the significant accounting policies in Note 2.3.

The preparation of financial statements in conformity with FRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reported period. It also requires Directors to exercise their judgment in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs")

(a) Adoption of Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int

The Group and the Company had adopted the following revised FRS, amendments/improvements to FRSs, new IC Int and amendments to IC Int that are mandatory for the current financial year:-

<u>Revised FRS</u>	
FRS 124	Related Party Disclosures
<u>Amendments/Improvements to FRSs</u>	
FRS 7	Financial Instruments: Disclosures
FRS 112	Income Taxes
<u>New IC Int</u>	
IC Int 19	Extinguishing Financial Liabilities with Equity Instruments
<u>Amendments to IC Int</u>	
IC Int 14	FRS 119-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (cont'd)

(a) Adoption of Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int (cont'd)

The adoption of the above revised FRS, amendments/improvements to FRSs, new IC Int and amendments to IC Int do not have any effect on the financial statements of the Group and of the Company except for those as discussed below:-

Revised FRS 124 Related Party Disclosures

The revised FRS 124 simplifies and clarifies the definition of related party and eliminates inconsistencies from the definition. The Revised FRS 124 expands the definition of a related party and would treat two entities as related to each other whenever a person (or a close member of that person's family) or a third party has control or joint control over the entity, or has significant influence over the entity. The revised standard also introduced a partial exemption from disclosures for government-related entities. Prior to this, no disclosure of transactions is required in financial statements of state-controlled entities of transactions with other state-controlled entities. The additional disclosures are intended to draw attention to users that such related party transactions have occurred and to give an indication of their extent. It requires disclosure of related party transactions between government-related entities only if the transactions are individually or collectively significant.

Amendments to FRS 7 Financial Instruments: Disclosures

These amendments to FRS 7 requires disclosures for all transferred financial assets that are not derecognised and for any continuing involvement in a transferred asset, existing at the reporting date, irrespective of when the related transfer transaction occurred. The additional disclosures will help users of financial statements to evaluate the risk of exposures relating to transfer of financial assets and the effect of those risks on an entity's financial position.

Amendments to FRS 112 Income Taxes

This amendment to FRS 112 addresses the measurement approach for deferred tax assets and liabilities in respect of investment properties which are measured at fair value. The amendment introduces a rebuttable presumption that the investment property is recovered entirely through sale. In such cases, deferred tax assets or liabilities are provided at tax rates applicable when recovering the property entirely through sale. If this presumption is rebutted, deferred tax assets or liabilities are provided based on tax rates applicable when consuming substantially the economic benefits embodied in the property over a period of time (for example via rental income).

New IC Int 19 Extinguishing Financial Liabilities with Equity Instruments

This Interpretation addresses the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor to extinguish all or part of the financial liability. It does not address the accounting by the creditor.

IC Int 19 will standardise practice among debtors applying FRSs to a debt for equity swap. This interpretation clarifies that the equity instruments issued shall be measured at their fair value. If the fair value cannot be reliably measured, the equity instruments shall be measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability (or part of a financial liability) extinguished, and the consideration paid, shall be recognised in profit or loss. When only part of the financial liability is extinguished and if part of the consideration paid does relate to a modification of the terms of the remaining part of the liability, the entity shall allocate the consideration paid between the part of the liability extinguished and the part of the liability that remains outstanding. A substantial modification of the terms of an existing financial liability or a part of it shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (cont'd)

(a) Adoption of Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int (cont'd)

Amendments to IC Int 14 FRS119-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The amendments to IC Int 14 apply in the limited circumstances when an entity is subject to minimum funding requirement and makes an early payment of contributions to cover those requirements. The amendments permit the entity to treat the benefit of such early payment as an asset.

(b) New and Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int that are issued, but not yet effective and have not been early adopted

The Group and the Company have not adopted the following new and revised FRSs, amendments/ improvements to FRSs, new IC Int and amendments to IC Int that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:-

		Effective for financial periods beginning on or after
New FRSs		
FRS 9	Financial Instruments	1 January 2015
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
Revised FRSs		
FRS 119	Employee Benefits	1 January 2013
FRS 127	Separate Financial Statements	1 January 2013
FRS 128	Investment in Associates and Joint Ventures	1 January 2013
Amendments/Improvements to FRSs		
FRS 7	Financial Instruments: Disclosures	1 January 2013
FRS 10	Consolidated Financial Statements	1 January 2013 and 1 January 2014
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosure of Interests in Other Entities	1 January 2013 and 1 January 2014
FRS 101	Presentation of Financial Statements	1 January 2013
FRS 116	Property, Plant and Equipment	1 January 2013
FRS 127	Separate Financial Statements	1 January 2014
FRS 132	Financial Instruments: Presentation	1 January 2013 and 1 January 2014
FRS 134	Interim Financial Reporting	1 January 2013
New IC Int		
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendment to IC Int		
IC Int 2	Members' Shares in Co-operative Entities & Similar Instruments	1 January 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (cont'd)

(b) New and Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int that are issued, but not yet effective and have not been early adopted (cont'd)

A brief discussion on the above significant new and revised FRSs, amendments/improvements to FRSs, IC Int and amendments to IC Int are summarised below. Due to the complexity of these new standards, the financial effects of their adoption are currently still being assessed by the Group and the Company.

FRS 9 Financial Instruments

FRS 9 specifies how an entity should classify and measure financial assets and financial liabilities.

This standard requires all financial assets to be classified based on how an entity manages its financial assets (its business model) and the contractual cash flow characteristics of the financial asset. Financial assets are to be initially measured at fair value. Subsequent to initial recognition, depending on the business model under which these assets are acquired, they will be measured at either fair value or at amortised cost.

In respect of the financial liabilities, the requirements are generally similar to the former 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, whereas the remaining amount of the change in fair value will be presented in the profit or loss.

FRS 10 Consolidated Financial Statements and FRS 127 Separate Financial Statements (Revised)

FRS 10 replaces the consolidation part of the former FRS 127 Consolidated and Separate Financial Statements. The revised FRS127 will deal only with accounting for investment in subsidiaries, joint ventures and associates in the separate financial statements of an investor and require the entity to account for such investments either at cost, or in accordance with FRS 9.

FRS 10 brings about convergence between FRS 127 and SIC-12, which interprets the requirements of FRS 10 in relation to special purpose entities. FRS 10 introduces a new single control model to identify a parent-subsidiary relationship by specifying that "an investor controls an investee when the investor 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 provides guidance on situations when control is difficult to assess such as those involving potential voting rights, or in circumstances involving agency relationships, or where the investor has control over specific assets of the entity, or where the investee entity is designed in such a manner where voting rights are not the dominant factor in determining control.

FRS 11 Joint Arrangements

FRS 11 supersedes the former FRS 131 Interests in Joint Ventures. 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. There are two types of joint arrangement namely joint venture or joint operation as specified in this new standard. A joint venturer recognises its interest in the joint venture as an investment and account for it using the equity method. The proportionate consolidation method is disallowed in such joint arrangement. A joint operator accounts for the assets, liabilities, revenue and expenses related to its interest directly.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (cont'd)

(b) New and Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int that are issued, but not yet effective and have not been early adopted (cont'd)

FRS 12 Disclosures of Interests in Other Entities

FRS 12 is a single disclosure standard for interests in subsidiary companies, joint ventures, associates 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.

FRS 13 Fair Value Measurement

FRS 13 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. As defined in this standard, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

FRS 128 Investments in Associates and Joint Ventures (Revised)

This revised FRS 128 incorporates the requirements for accounting for joint ventures into the same accounting standard as that for accounting for investments in associates, as the equity method was applicable for both investments in joint ventures and associates. However, the revised FRS 128 exempts the investor from applying equity accounting where the investment in the associate 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.

Amendments to FRS10, FRS12 and FRS127 Investment Entities

These amendments introduce an exception to consolidation for investment entities. Investment entities are entities whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. The amendments require investment entities to measure particular subsidiaries at fair value through profit or loss in accordance with FRS 139 Financial Instruments: Recognition and Measurement instead of consolidating them. In addition, the amendments also introduce new disclosure requirements related to investment entities in FRS 12 Disclosure of Interests in Other Entities and FRS 127 Separate Financial Statements.

(c) MASB Approved Accounting Standards, MFRSs

In conjunction with the planned convergence of FRSs with International Financial Reporting Standards as issued by the International Accounting Standards Board on 1st January 2012, the MASB had on 19th November 2011 issue a new MASB approved accounting standards, MFRSs ("MFRSs Framework") for application in the annual periods beginning on or after 1st January 2012.

The MFRSs Framework is mandatory for adoption by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 Agriculture and/or IC Int 15 Agreements for the Construction of Real Estate ("Transitioning Entities"). The Transitioning Entities are given an option to defer adoption of the MFRSs framework to financial periods beginning on or after 1 January 2014. Transitioning Entities also includes those entities that consolidate or equity account or proportionately consolidate another entity that has chosen to continue to apply the FRSs framework for annual periods beginning on or after 1 January 2012.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (cont'd)

(c) MASB Approved Accounting Standards, MFRSs (cont'd)

Accordingly, the Group and the Company which are Transitioning Entities have chosen to defer the adoption of the MFRSs framework to financial year beginning on 1 January 2014. The Group and the Company will prepare their first MFRSs financial statements using the MFRSs framework for the financial year ending 31 December 2014.

As at 31st December 2012, all FRSs issued under the existing FRSs framework are equivalent to the MFRSs issued under MFRSs framework except for differences in relation to the transitional provisions as well as differences in effective dates contained in certain of the existing FRSs. As such, except those as discussed below, the main effects arising from the transition to the MFRSs Framework has been discussed in Note 2.2 (b). The effect is based on the Group's and the Company's best estimates at the end of the reporting period. The financial effect may change or additional effects may be identified, prior to the completion of the Group's and the Company's first MFRSs based financial statements.

Application of MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards ("MFRS 1")

MFRS 1 requires comparative information to be restated as if the requirements of MFRSs effective for annual periods beginning on or after 1st January 2012 have always been applied, except when MFRS 1 allows certain elective exemptions from such full retrospective application or prohibits retrospective application of some aspects of MFRSs. The Group and the Company are currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. As at the date of authorisation of issue of the financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adoption of MFRS 1 cannot be determined and estimated reliably until the process is completed.

MFRS 141 Agriculture

MFRS 141 requires a biological asset shall be measured on initial recognition and at the end of each reporting period at its fair value less costs to sell, except where the fair value cannot be measured reliably. MFRS 141 also requires agricultural produce harvested from an entity's biological assets shall be measured at its fair value less costs to sell at the point of harvest. Gains or losses arising on initial recognition of a biological asset and the agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset shall be included in the profit or loss for the period in which it arises. The standard is not relevant to the Group based on the Group's nature of principal activities.

IC Int 15 Agreements for the Construction of Real Estate

IC Int 15 establishes that the developer will have to evaluate whether control and significant risks and rewards of the ownership of work in progress, can be transferred to the buyer as construction progresses before revenue can be recognised. The Group is currently assessing the impact of the adoption of this Interpretation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Significant Accounting Policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements:-

2.3.1 Basis of Consolidation

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

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

Acquisitions of subsidiaries are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in the other comprehensive income. The cost of a business combination is measured as the aggregate of the fair values, and equity instruments issued, plus any cost directly attributable to the business combination. Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statement of financial position. The accounting policy for goodwill is set out in Note 2.3.6. Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition. When the Group acquires a business, embedded derivatives separated from the host contract by the acquire are reassessed on acquisition date unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Transaction costs for acquisition between 1st January 2006 and 1st January 2011, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

Transaction costs for acquisition on or after 1st January 2011 will no longer be capitalised as part of the cost of acquisition but will be expensed immediately.

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

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

In the previous financial year, if the Group retained any interest in the previous subsidiary, such interest was measured at the carrying amount at the date that control was lost and this carrying amount would be regarded as cost on initial measurement of the investment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Significant Accounting Policies (cont'd)

2.3.2 Transactions with Non-Controlling Interests

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

The losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have deficit balance. The change in accounting policy is applied prospectively in accordance with the transitional provisions of the standard and does not have impact on earnings per share.

In the previous financial year, where losses applicable to the non-controlling interests exceed the Company's interests in the equity of a subsidiary, the excess, and any further losses applicable to the non-controlling interest, were charged against the Group's interest except to the extent that the non-controlling interests had a binding obligation to, and was able to, make additional investment to cover the losses. If the subsidiary subsequently reported profits, the Group's interest was allocated with all such profits until the non-controlling interests' share of losses previously absorbed by the Group had been recovered.

2.3.3 Foreign Currency

(i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

(ii) Foreign Currency Transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange difference arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in the profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Significant Accounting Policies (cont'd)

2.3.3 Foreign Currency (cont'd)

(iii) Foreign Operations

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

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

2.3.4 Property, Plant and Equipment and Depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Subsequent to recognition, property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is stated at valuation less impairment losses. Any revaluation increase is credited to equity as revaluation surplus, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is recognised in profit or loss to the extent of the decrease previously recognised. A revaluation decrease is first offset against unutilised previously recognised revaluation surplus in respect of the same asset and the balance is thereafter recognised as an expense. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

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

Buildings	2%
Fixtures, fittings and office equipment	10% - 50%
Renovations	10% - 20%
Plant and machinery	10% - 40%
Motor vehicles	20% - 25%

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss and the unutilised portion of the revaluation surplus on that item is taken directly to retained earnings.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Significant Accounting Policies (cont'd)

2.3.4 Property, Plant and Equipment and Depreciation (cont'd)

Depreciation of property, plant and equipment which are used for a specific project will be charged to that particular project. Depreciation of other property, plant and equipment are charged to profit or loss accordingly.

2.3.5 Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any identified impairment losses.

Freehold land of the Group under investment properties have not been revalued since they were first revalued in 1993. The Directors have not adopted a policy of regular revaluations of such assets. As permitted under the transitional provisions of International Accounting Standard No. 16 ("IAS16") (Revised), Property, Plant and Equipment, these assets continue to be stated at their 1993 valuation less accumulated depreciation. Surplus arising from revaluation is credited directly to revaluation reserve.

2.3.6 Intangible Assets

Goodwill

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

For acquisition prior to 1st January 2006, goodwill represents the excess of the cost of acquisition over the Group's interest in the fair values of the net identifiable assets and liabilities.

For acquisition between 1st January 2006 and 1st January 2012, goodwill represents the excess of the cost of the acquisition over the Group's net interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

For acquisition on or after 1st January 2011, the Group consider the following in measuring goodwill at the acquisition date:-

- The fair value of the consideration transferred;
- The recognised amount of any non-controlling interests in the acquisition;
- If the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; and
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Significant Accounting Policies (cont'd)

2.3.6 Intangible Assets (cont'd)

Goodwill (cont'd)

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

As permitted under the transitional provision of FRS 121: The Effects of Changes in Foreign Exchange Rates, goodwill and fair value adjustments arising on the acquisition of foreign operation before and after 1st January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.3.3 (iii).

2.3.7 Impairment of Non Financial Assets

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

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

In assessing value in use, the estimated future value cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of the assets exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

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

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

2.3.8 Subsidiaries

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Significant Accounting Policies (cont'd)

2.3.9 Associate

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investment in associate are accounted for using the equity method. Under the equity method, the investment in associates is measured in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of associate's profit or loss for the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

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

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

2.3.10 Joint Ventures

Joint ventures of the Group take the form of jointly controlled operations. The operation of jointly controlled operations involves the use of the assets and other resources of the venturers rather than the establishment of a corporation, partnership or other entity, or a financial structure that is separate from the venturers themselves. Each venturer uses its own property, plant and equipment and carries its own inventories. It also incurs its own expenses and liabilities and raises its own finance, which represent its own obligations. The joint venture activities may be carried out by the venturer's employees alongside the venturer's similar activities. The joint venture agreement usually provides a means by which the revenue from the sale of the joint product or service and any expenses incurred in common are shared among the venturers.

A venturer shall recognise the assets that it controls and the liabilities that it incurs and the expenses that it incurs and its share of the income that it earns from the sale of goods or services in its financial statements.

2.3.11 Financial Assets

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Significant Accounting Policies (cont'd)

2.3.11 Financial Assets (cont'd)

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

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

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

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

Financial asset at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current or non-current based on the settlement date.

(ii) Loans and receivables

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

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

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

(iii) Held-to-maturity investment

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortization process.

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

(iv) Available-for-sale financial assets

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Significant Accounting Policies (cont'd)

2.3.11 Financial Assets (cont'd)

(iv) Available-for-sale financial assets (cont'd)

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

Investment in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the end of the reporting period.

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

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

2.3.12 Impairment of Financial Assets

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Significant Accounting Policies (cont'd)

2.3.12 Impairment of Financial Assets (cont'd)

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

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

(ii) Unquoted equity securities carried at cost

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

(iii) Available-for-sale financial assets

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

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

Impairment losses on available-for-sale equity instruments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss of an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

2.3.13 Construction Contracts

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Significant Accounting Policies (cont'd)

2.3.13 Construction Contracts (cont'd)

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

2.3.14 Land Held for Property Development and Property Development Costs

(i) Land Held for Property Development

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

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(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.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the profit or loss 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.

Where 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 properties 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, is recognised as an expense immediately.

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

The excess of revenue recognised in the profit or loss over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in the profit or loss is classified as progress billings within trade payables.

2.3.15 Inventories

Inventories are stated at the lower of cost and net realisable value based on the following methods:-

Raw materials for premix	First-in-first-out
Medicine and consumables	First-in-first-out
Quarry stocks	Weighted Average

The cost of raw materials comprises costs of purchase. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and appropriate proportions of production overheads. The cost of unsold properties comprises cost associated with the acquisition of land, direct costs and appropriate proportions of common costs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Significant Accounting Policies (cont'd)

2.3.15 Inventories (cont'd)

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

2.3.16 Cash and Cash Equivalents

For the purposes of the statements of cash flows, cash and cash equivalents include cash in hand and at bank, deposits at call and short term highly liquid investments which subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

2.3.17 Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

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

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

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

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

(ii) Other financial liabilities

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

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Significant Accounting Policies (cont'd)

2.3.18 Financial Guarantee Contracts

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

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

2.3.19 Leases

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the statement of financial position as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in profit or loss 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 leased assets is in accordance with that for depreciable property, plant and equipment.

2.3.20 Provisions for Liabilities

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

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

2.3.21 Borrowing Costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Significant Accounting Policies (cont'd)

2.3.22 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.

(ii) Defined Contribution Plans

As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"). Some of the Group's foreign subsidiary companies make contributions to their respective countries' statutory pension schemes. Such contributions are recognised as an expense in profit or loss as incurred.

(iii) Share-based Compensation

The Mitrajaya Holdings Berhad Employee Share Options Scheme ("ESOS"), an equity-settled, share-based compensation plan, allows the Group's 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.

The Company recognised the impact of the estimate of the number of options that are expected to become exercisable on vesting date, 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 directly to retained profits.

The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

No ESOS option was granted to date.

2.3.23 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:-

(i) Dividend Income

Dividend income of the Group and of the Company is recognised when the right to receive payment is established.

(ii) Construction Contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2.3.13.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Significant Accounting Policies (cont'd)

2.3.23 Revenue Recognition (cont'd)

(iii) Rental Income

Rental income is recognised on a straight line basis over the term of the lease.

(iv) Sale of properties

Revenue from sale of development properties is accounted for by the stage of completion method as described in Note 2.3.14(ii).

(v) Sales of Goods

Revenue is recognised net of sales taxes and upon transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(vi) Golf Management, Photorefractive Keratectomy and Rental of Plant and Machinery

Revenue of the Group from golf management, photorefractive keratectomy and rental of plant and machinery are recognised when services are rendered.

(vii) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

2.3.24 Income Taxes

(i) Current Tax

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

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

(ii) Deferred Tax

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

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

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Significant Accounting Policies (cont'd)

2.3.24 Income Taxes (cont'd)

(ii) Deferred Tax (cont'd)

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

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

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

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

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

(iii) Sales Tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:-

- where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

2.3.25 Segment Reporting

For management purposes, the Group is organised into operating segments based on their products and services which are reviewed regularly by the chief operating decision maker, which is the Group Managing Director of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Significant Accounting Policies (cont'd)

2.3.26 Share Capital and Share Issuance Expenses

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

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

2.3.27 Treasury Shares

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

2.3.28 Contingencies

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

3.1 Judgements made in applying accounting policies

There were no significant judgements made by management in the process of applying the Group's accounting policies which have material effect on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

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

(i) Useful Lives of Property, Plant and Equipment

The cost of property, plant and machinery is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these property, plant and machinery to be within 2 to 50 years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(ii) Impairment of Goodwill

The Group determines whether goodwill is impaired on an annual basis. This requires an estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flow from the CGU and also choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the carrying value, the key assumptions applied in the impairment assessment of goodwill are given in Note 9.

As at the end of the reporting period, the Directors of the Company are of the opinion that there is no adjustment required resulting from the impairment review.

(iii) Impairment of Loans and Receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the end of the reporting period is disclosed in Note 35.

(iv) Property Development

The Group recognises property development revenue and expenses in the profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred to date bear to the estimated total property development costs and taking into consideration the actual sales made against the total estimated gross development value of the project.

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 property development costs. In making these judgements, the Group evaluates based on past experience and by relying on the work of specialists.

(v) Construction

The Group recognises contract revenue and expenses in the profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that the contract costs incurred for work performed to date bear to the estimated total contract costs.

Significant judgements is required in determining the stage of completion, the extent of contract costs incurred, the estimated total 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.

(vi) Income Tax

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognises liabilities for expected tax liabilities 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 impact the income tax and deferred tax provisions in the period in which such determination is made.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(vii) Deferred Tax Assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits.

(viii) Borrowing Cost on Advances to Subsidiary Companies

The Group estimates the borrowing cost on certain advances to subsidiary companies to be charged by reference to borrowing cost applied to loans from third parties. Details of the interest charged are as disclosed in Note 14. As at the end of the reporting period, the Directors are of the opinion that the borrowing cost applied are no less favourable than those arranged with third parties.

(ix) Impairment of Investment Properties

The Group assesses at the end of each reporting period whether there is any objective evidence that the investment properties are impaired. The Group considers internal and external factors such as market price and latest transacted price of properties within the same vicinity and nature.

The Group assessed the market price of the investment properties based on information available through internal research and Directors' best estimates.

Where there is objective evidence, impairment losses are recognised in profit or loss. As at the end of the reporting period, the Directors of the Company are of the opinion that there is no adjustment required to the financial statements.

(x) Net Realisable Values of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

As at the end of the reporting period, the Directors of the Company are of the opinion that there is no adjustment required resulting from the impairment review.

(xi) Impairment of Investment in Subsidiary Companies and Associate

The Group and the Company carried out the impairment test based on a variety of estimation including the value-in-use of the cash generating unit. 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.

As at the end of the reporting period, the directors of the Company are of the opinion that there is no adjustment required resulting from the impairment review.

(xii) Determination of Fair Value

The Directors are of the opinion that the long term financial liabilities approximates its fair value because they are floating rate instruments which are deemed to be re-priced at the current prevailing market rates.

4. PROPERTY, PLANT AND EQUIPMENT

Group 2011	Freehold land RM	Buildings RM	Fixtures, fittings and Office equipment RM	Renovations RM	Motor vehicles RM	Plant and machinery RM	Total RM
Cost or valuation							
At 1st January 2011	-	7,346,799	9,150,933	5,251,384	8,968,331	84,735,587	115,453,034
Additions	-	-	355,288	2,025,945	2,689,028	5,450,021	10,520,282
Disposals	-	-	(19,574)	-	(907,316)	(972,064)	(1,898,954)
Transfer from property development costs (Note 5(b))	1,612,957	-	-	-	-	-	1,612,957
Written off	-	-	(1,231,934)	(606,740)	(415,041)	(120,617)	(2,374,332)
Exchange differences	(161,485)	-	(94,701)	-	(115,899)	(326,160)	(698,245)
At 31st December 2011	1,451,472	7,346,799	8,160,012	6,670,589	10,219,103	88,766,767	122,614,742
Accumulated depreciation							
At 1st January 2011	-	950,254	6,825,840	2,906,512	6,468,138	69,868,286	87,019,030
Depreciation for the financial year	-	146,936	649,877	748,665	742,429	3,660,647	5,948,554
Disposals	-	-	(15,072)	-	(812,157)	(949,998)	(1,777,227)
Written off	-	-	(1,059,322)	(408,389)	(54,213)	(102,632)	(1,624,556)
Exchange differences	-	-	(82,863)	-	(114,578)	(310,847)	(508,288)
At 31st December 2011	-	1,097,190	6,318,460	3,246,788	6,229,619	72,165,456	89,057,513
Net book value at 31st December 2011	1,451,472	6,249,609	1,841,552	3,423,801	3,989,484	16,601,311	33,557,229

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group 2012	Freehold land RM	Buildings RM	Fixtures, fittings and Office equipment RM	Renovations RM	Motor vehicles RM	Plant and machinery RM	Total RM
Cost or valuation							
At 1st January 2012	1,451,472	7,346,799	8,160,012	6,670,589	10,219,103	88,766,767	122,614,742
Additions	-	420,000	354,158	729,336	809,907	14,295,356	16,608,757
Transfer to investment properties (Note 6)	-	(606,400)	-	-	-	-	(606,400)
Disposals	-	-	(46,000)	-	(1,066,748)	(4,749,805)	(5,862,553)
Written off	-	-	(691,309)	(874,067)	-	(977,748)	(2,543,124)
Exchange differences	(89,186)	-	(36,572)	-	(42,759)	(89,034)	(257,551)
At 31st December 2012	1,362,286	7,160,399	7,740,289	6,525,858	9,919,503	97,245,536	129,953,871
Accumulated depreciation							
At 1st January 2012	-	1,097,190	6,318,460	3,246,788	6,229,619	72,165,456	89,057,513
Transfer to investment properties (Note 6)	-	(12,128)	-	-	-	-	(12,128)
Depreciation for the financial year	-	140,408	534,291	383,556	1,222,917	4,813,210	7,094,382
Disposals	-	-	(43,937)	-	(1,016,748)	(4,081,093)	(5,141,778)
Written off	-	-	(511,103)	(471,707)	-	(941,093)	(1,923,903)
Exchange differences	(1,541)	-	(30,630)	-	(42,759)	(86,964)	(161,894)
At 31st December 2012	(1,541)	1,225,470	6,267,081	3,158,637	6,393,029	71,869,516	88,912,192
Net book value at 31st December 2012	1,363,827	5,934,929	1,473,208	3,367,221	3,526,474	25,376,020	41,041,679

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company	2012 RM	2011 RM
Office equipment		
Cost		
At 1st January/31st December	1,511	1,511
Accumulated Depreciation		
At 1st January	1,510	1,510
Depreciation for the financial year	-	-
At 31st December	1,510	1,510
Net Book Value at 31st December	1	1

(a) Net book value of plant and equipment held under hire purchase are as follows:-

	Group 2012 RM	Group 2011 RM
Plant and machinery	9,015,836	200,792
Motor vehicles	1,276,738	3,330,173
	10,292,574	3,530,965

(b) During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM16,608,757/- (2011: RM10,520,282/-) of which RM8,881,271/- (2011: RM2,343,600/-) were acquired by means of hire purchase.

(c) Included in property, plant and equipment is a leasehold building and certain plant and machinery with net book value of RM3,855,942/- (2011: RM2,714,579/-) which is pledged to a financial institution to secure the term loan facility granted to a subsidiary of the Company as disclosed in Note 19(c)(ii).

5. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

(a) Land held for property development

Group 2012	Freehold land RM	Leasehold land RM	Infrastructure cost RM	Total RM
Cost				
At 1st January 2012	55,323,762	62,423,317	3,951,727	121,698,806
Transfer to property development costs(Note 5(b))	-	-	(166,675)	(166,675)
Additions	-	-	2,105	2,105
At 31st December 2012	55,323,762	62,423,317	3,787,157	121,534,236
Accumulated impairment losses				
At 1st January/ 31st December 2012	700,000	-	-	700,000
Net carrying amount at 31st December 2012	54,623,762	62,423,317	3,787,157	120,834,236
2011				
Cost				
At 1st January 2011	55,323,762	58,294,142	3,311,522	116,929,426
Transfer from property development costs(Note 5(b))	-	4,129,175	633,858	4,763,033
Additions	-	-	6,347	6,347
At 31st December 2011	55,323,762	62,423,317	3,951,727	121,698,806
Accumulated impairment losses				
At 1st January/ 31st December 2011	700,000	-	-	700,000
Net carrying amount at 31st December 2011	54,623,762	62,423,317	3,951,727	120,998,806

5. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONT'D)

(b) Property development costs

	Group 2012 RM	Group 2011 RM
Cumulative property development costs		
At 1st January		
- freehold land	67,269,430	67,269,430
- leasehold land	22,129,229	26,258,404
- development costs	791,770,339	727,616,587
	881,168,998	821,144,421
Add:		
Costs incurred during the financial year		
- development costs	41,166,223	66,400,567
	41,166,223	66,400,567
Transfer from/(to):		
- property, plant and equipment (Note 4)	-	(1,612,957)
- land held for property development (Note 5(a))	166,675	(4,763,033)
- inventories (Note 12)	(122,847,806)	-
	(122,681,131)	(6,375,990)
At 31st December		
- freehold land	67,269,430	67,269,430
- leasehold land	22,129,229	22,129,229
- development costs	710,255,431	791,770,339
	799,654,090	881,168,998
Cumulative costs recognised in profit or loss		
At 1st January	689,169,124	642,143,305
Recognised during the financial year	33,949,510	47,025,819
At 31st December	723,118,634	689,169,124
Exchange difference	(9,501,243)	(6,548,575)
Property development costs at 31st December	67,034,213	185,451,299
Finance costs capitalised during the year	278,898	3,632,598

6. INVESTMENT PROPERTIES

	Group 2012 RM	2011 RM
Cost or valuation		
At 1st January		
At cost	40,974,082	36,619,210
At valuation (Note 6(a))	700,000	700,000
	41,674,082	37,319,210
Additions	-	4,604,872
Transfer from property, plant and equipment (Note 4)	594,272	-
Disposal	(12,803)	(250,000)
Transfer to inventories (Note 12)	(30,337,689)	-
At 31st December	11,917,862	41,674,082
Representing:		
At cost	11,217,862	40,974,082
At valuation	700,000	700,000
	11,917,862	41,674,082
Accumulated depreciation		
At 1st January	1,653,128	1,352,947
Depreciation for the financial year (Note 25)	415,507	360,181
Disposal	-	(60,000)
Transfer to inventories (Note 12)	(1,913,669)	-
At 31st December	154,966	1,653,128
Accumulated impairment losses		
At 1st January	2,082,172	-
Impairment losses for the financial year	-	2,082,172
At 31st December	2,082,172	2,082,172
Net carrying amount		
At cost	8,980,724	37,238,782
At valuation (Note 6(a))	700,000	700,000
At 31st December	9,680,724	37,938,782

(a) Certain freehold lands of the Group were revalued by the Directors in the financial year 1993 based on an independent valuation carried out on an existing use basis. The property has continued to be stated on the basis of the 1993 valuation, as allowed by the transitional provisions of IAS16 (Revised), Property, Plant and Equipment, issued by the Malaysian Accounting Standards Board by virtue of which a reporting enterprise is allowed to retain revalued amounts on the basis of their previous revaluations (subject to continuity in depreciation policy and the requirement to write an asset down to its recoverable amount).

The above-mentioned freehold lands were revalued on 25th October 1993.

6. INVESTMENT PROPERTIES (Cont'd)

(b) At 31st December 2012, had the revalued freehold lands of the Company been carried under the cost model, the carrying amount would have been RM360,044/- (2011: RM360,044/-).

(c) The market value for the above investment properties of approximately RM15.4 million (2011: RM10.9 million) are determined based on information available through internal research and Director's best estimate.

(d) The impairment losses of RM2.08 million was made in previous year based on information available through internal assessment and external quotation obtained.

7. INVESTMENT IN SUBSIDIARIES

	Company 2012 RM	Company 2011 RM
Unquoted shares - at cost		
At 1st January	30,917,190	30,917,190
Addition during the year	54,778,504	-
At 31st December	85,695,694	30,917,190

Details of the subsidiaries are as follows:-

Name of Company	Country of Incorporation	Equity interest 2012 %	Equity interest 2011 %	Principal activities
Held by the Company:				
Pembinaan Mitrajaya Sdn. Bhd.	Malaysia	100	100	Civil engineering, building and road construction works and supply of construction material
Daya Asfalt Sdn. Bhd.	Malaysia	100	100	Manufacturing and selling of premix
Dutawani Sdn. Bhd. #	Malaysia	100	100	Investment holding and maintenance of properties
Mitrajaya Homes Sdn. Bhd.	Malaysia	100	100	Construction and property development
Mitrajaya Equipment Resource Sdn. Bhd.	Malaysia	100	100	Renting of plant and machinery
Mitrajaya Development Sdn. Bhd.	Malaysia	100	100	Investment holding
Mitrajaya Home Décor Sdn. Bhd.	Malaysia	100	100	Renovations work
Primaharta Development Sdn. Bhd.	Malaysia	100	51	Property development
Leo Vista Sdn. Bhd.	Malaysia	100	100	Property development
Awana Prisma Sdn. Bhd.	Malaysia	100	100	Property development

7. INVESTMENT IN SUBSIDIARIES (cont'd)

Name of Company	Country of Incorporation	Equity interest 2012 %	Equity interest 2011 %	Principal activities
Held by the Company:				
Kina-Bijak Sdn. Bhd.	Malaysia	100	100	Property development
Skyway Development Sdn. Bhd. #	Malaysia	72	72	Property development
Optimax Eye Specialist Centre Sdn. Bhd. #	Malaysia	51	51	Photorefractive keratectomy and related services
Kemajuan Sekim Baru Sdn. Bhd.	Malaysia	100	-	Property development
Held through Daya Asfalt Sdn. Bhd.:				
Maha-Mayang Sdn. Bhd. #	Malaysia	100	100	Quarry operations
Held through Dutawani Sdn. Bhd.:				
Kemajuan Sekim Baru Sdn. Bhd.	Malaysia	-	100	Property development
Held through Mitrajaya Development Sdn. Bhd.:				
Mitrajaya SA (Pty) Ltd. *	South Africa	100	100	Civil engineering, building and road construction works and property development
Kyalami & Mitrajaya Civil Engineering(Pty) Ltd. *	South Africa	100	100	Civil engineering, building and road construction works and property development
Kyalami & Mitrajaya Builders (Pty) Ltd. *	South Africa	100	100	Builders
Mitrajaya Development SA (Pty) Ltd. *	South Africa	100	100	Property development
Held through Mitrajaya Development SA (Pty) Ltd.:				
Blue Valley Golf and Country Club (Pty) Ltd.*	South Africa	100	100	Golf management
Held through Optimax Eye Specialist Centre Sdn. Bhd.:				
Optimax Laser Eye Centre Sdn. Bhd. #	Malaysia	70	70	Photorefractive keratectomy and related services
Optimax Eye Specialist Centre (Shah Alam) Sdn. Bhd. #	Malaysia	70	70	Photorefractive keratectomy and related services

7. INVESTMENT IN SUBSIDIARIES (cont'd)

Name of Company	Country of Incorporation	Equity interest 2012 %	Equity interest 2011 %	Principal activities
Held through Optimax Eye Specialist Centre Sdn. Bhd.: (cont'd)				
Optimax Eye Specialist Centre (Kota Kinabalu) Sdn. Bhd. #	Malaysia	70	70	Photorefractive keratectomy and related services
Visual Series Sdn. Bhd. #	Malaysia	51	51	Photorefractive keratectomy and related services
Optimax Eye Specialist Centre (Kajang) Sdn.Bhd. #	Malaysia	70	70	Photorefractive keratectomy and related services
Optimax Eye Specialist Centre (Ampang) Sdn.Bhd. #	Malaysia	70	70	Photorefractive keratectomy and related services
Optimax Eye Specialist Centre (Kuching) Sdn. Bhd. #	Malaysia	75	75	Photorefractive keratectomy and related services
Held through Optimax Eye Specialist Centre (Shah Alam) Sdn. Bhd.:				
Optimax Eye Specialist Centre (Sunway) Sdn. Bhd. #	Malaysia	65	65	Photorefractive keratectomy and related services
Optimax Eye Specialist Centre (Seremban) Sdn. Bhd. #	Malaysia	70	70	Photorefractive keratectomy and related services

* *Audited by audit firm other than Baker Tilly Monteiro Heng. These subsidiaries are audited by Nexia SAB&T Chartered Accountants Incorporated.*

\# *The Auditors' Reports of these subsidiaries contain an emphasis of matter paragraph relating to the going concern basis of accounting used in the preparation of the financial statements.*

Additional investment in subsidiaries

(i) On 27th December 2012, the Company subscribed 19,500,000 new ordinary shares of RM1/- each of Mitrajaya Homes Sdn. Bhd. for a total cash consideration of RM19,500,000/-.

(ii) On 26th December 2012, the Company subscribed 21,200,000 new ordinary shares of RM1/- each of Pembinaan Mitrajaya Sdn. Bhd. for total cash consideration of RM21,200,000/-.

(iii) On 26th December 2012, the Company acquired an additional 49% equity interest in Primaharta Development Sdn. Bhd. ("PHSB") from its non-controlling interests for a cash consideration of RM8,250,000/-. As a result of this acquisition, PHSB became a wholly-owned subsidiary of the Company. On the date of acquisition, the carrying value of the additional interest acquired was RM15,542,482/-. The difference between the consideration and the book value of the interest acquired of RM7,292,482/- is reflected in equity as acquisition of non-controlling interest.

(iv) On 27th December 2012, the Company acquired an 100% equity interest in Kemajuan Sekim Baru Sdn. Bhd. ("KSBSB") from Dutawani Sdn. Bhd., a wholly owned subsidiary of the Company for a total cash consideration of RM453,504/-.

(v) On 27th December 2012, the Company subscribed 5,375,000 new ordinary shares of RM1/- each of KSBSB for a total cash consideration of RM5,375,000/-.

8. INVESTMENT IN AN ASSOCIATE

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Unquoted shares - at cost				
At 1st January	4,490,082	-	4,500,000	-
Acquisition during the year	1,500,000	4,500,000	1,500,000	4,500,000
Share of post-acquisition reserves	(88,258)	(9,918)	-	-
At 31st December	5,901,824	4,490,082	6,000,000	4,500,000

(a) Details of the associate is as follows:-

Name of Company	Country of Incorporation	Equity interest 2012 %	Equity interest 2011 %	Principal activities
Held by the Company:				
Rawang Specialist Hospital Sdn. Bhd.	Malaysia	20	20	Operating and managing a specialist hospital and to provide healthcare solutions

(b) The summarised financial information of the associate is as follows:-

	Group 2012 RM	Group 2011 RM
Assets and liabilities		
Total assets	53,474,976	21,176,989
Total liabilities	24,193,007	1,574,038
Results		
Revenue	-	-
Other income	66,751	-
Net loss for the financial period	(441,291)	(49,589)

(c) During the financial year, the Company subscribed additional 1,500,000 shares of RM1/- each in Rawang Specialist Hospital Sdn. Bhd. for a total consideration of RM1,500,000/-.

9. GOODWILL ON CONSOLIDATION

	Group 2012 RM	Group 2011 RM
At 1st January	3,074,550	2,536,189
Exchange differences	55,974	538,361
At 31st December	3,130,524	3,074,550

Goodwill has been allocated to the Group's cash generating units ("CGU") identified according to business segments as follows:-

	Property development RM	Others RM	Total RM
31st December 2012	2,172,651	957,873	3,130,524
31st December 2011	2,116,677	957,873	3,074,550

Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount. As the Directors are of the opinion that since all the CGU's are to be held on a long term basis, value in use would best reflect its recoverable amount. The value in use is determined by discounting future cash flows over a five-years period. The future cash flows are based on management's five-years business plan, which is the best estimate of future performance. The ability to achieve the business plan targets is a key assumption in determining the recoverable amount for each cash-generating unit.

There remains a risk that, due to unforeseen changes in the economies in which the cash-generating units operate and/or global economic conditions, the ability to achieve management's business plan will be adversely affected. In calculating the value in use for each cash-generating unit, management has applied a discount rate of 6.0% and a growth rate of 5% to 10%. The following describes each key assumption on which management has based its cash flow projections for the purposes of impairment testing of goodwill.

(a) The discount rate used reflected management's best estimate of return on capital employed required;
(b) Growth rate has been used based on industry outlook for that segment; and
(c) The profit margins used in the projections are based on the budgeted profit margins.

The management believes that no reasonable possible change in any of the above key assumptions would cause the carrying values of the CGU to materially exceed their recoverable amounts.

10. DEFERRED TAXATION

	Group 2012 RM	Group 2011 RM
At 1st January	(845,926)	(1,148,612)
Recognised in profit or loss (Note 29)	(875,206)	275,699
Exchange differences	-	26,987
At 31st December	(1,721,132)	(845,926)
Presented after appropriate offsetting:-		
Deferred tax assets	(3,168,198)	(3,571,877)
Deferred tax liabilities	1,447,066	2,725,951
	(1,721,132)	(845,926)

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

(a) Deferred tax assets

	Unrealised profit arising from development activities RM
At 1st January 2011	(3,694,123)
Recognised in profit or loss	122,246
At 31st December 2011/1st January 2012	(3,571,877)
Recognised in profit or loss	403,679
At 31st December 2012	(3,168,198)

(b) Deferred tax liabilities

	Revaluation of land RM	Accelerated capital allowances RM	Total RM
At 1st January 2011	-	2,545,511	2,545,511
Recognised in profit or loss	-	153,453	153,453
Exchange differences	-	26,987	26,987
At 31st December 2011/ 1st January 2012	-	2,725,951	2,725,951
Recognised in profit or loss	-	(1,278,885)	(1,278,885)
Exchange differences	-	-	-
At 31st December 2012	-	1,447,066	1,447,066

10. DEFERRED TAXATION (cont'd)

(b) Deferred tax liabilities (cont'd)

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

	Group 2012 RM	Group 2011 RM
Unused tax losses	11,585,630	7,505,447
Unabsorbed capital allowances	6,870,797	7,541,463
	18,456,427	15,046,910

The availability of the unused tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the respective subsidiaries are subject to no substantial changes in shareholdings of those subsidiaries under Section 44(5A) and (5B) of Income Tax Act,1967 and guidelines issued by the tax authorities.

11. AMOUNT DUE FROM/(TO) CUSTOMERS FOR CONTRACT WORK

	Group 2012 RM	Group 2011 RM
Aggregate construction contract costs incurred to date	305,979,178	543,843,533
Add: Attributable profits	66,520,980	83,343,042
	372,500,158	627,186,575
Less: Progress billings	(373,085,042)	(624,136,886)
	(584,884)	3,049,689
Exchange difference	(226,664)	(124,138)
	(811,548)	2,925,551
Amount due from customers for contract work	5,636,916	3,067,752
Amount due to customers for contract work	(6,448,464)	(142,201)
	(811,548)	2,925,551
Contract revenue recognised during the financial year (Note 23)	159,996,197	141,599,117
Contract costs charged to profit or loss during thefinancial year (Note 24)	139,544,305	104,284,924
Retention sums on contracts, included within trade receivables (Note 13)	11,468,859	4,667,819
Retention sums on contracts, included within trade payables (Note 21)	11,494,441	13,605,755

12. INVENTORIES

	Group 2012 RM	Group 2011 RM
At Cost		
Properties held for sale	129,663,760	17,020,643
Finished goods - quarry products	752,796	1,045,377
Leasehold Land (Note 6)	28,424,020	-
Raw materials	78,387	-
Medicine and consumables	1,413,895	1,503,766
Other stocks	22,415	22,414
	160,355,273	19,592,200

Included in the inventories are:

(a) Shop offices amounting to RM Nil (2011: RM5.0 million) which are pledged to a financial institution to secure the term loan facility granted to Primaharta Development Sdn. Bhd., a subsidiary of the Company as disclosed in Note 19(c)(iii). The term loan facility was fully settled upon the redemption from the proceeds on the disposal of these shop offices.

(b) Completed development units amounting to approximately RM80.0 million are pledged to financial institution to secure banking facilities as disclosed in Note 19(a)(i).

(c) Leasehold land ("Land") of RM28.4 million was transferred from investment properties due to the change in the management's intention in which the Land would be sold as inventories instead of utilising the Land for investment income or for capital appreciation.

13. TRADE AND OTHER RECEIVABLES

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Trade receivables				
Trade receivables	95,143,885	51,760,760	-	-
Retention sums on contracts (Note 11)	11,468,859	4,667,819	-	-
Stakeholder sums on property development	4,508,568	11,135,444	-	-
	111,121,312	67,564,023	-	-
Less:				
Allowance for impairment	(202,608)	(203,208)	-	-
	110,918,704	67,360,815	-	-
Other receivables				
Other receivables	3,877,698	6,123,485	1,720	1,710
Deposits	1,006,716	1,642,021	-	-
Prepayments	1,118,335	1,176,430	-	-
	6,002,749	8,941,936	1,720	1,710
Accrued billings in respect of property development costs	3,232,165	-	-	-
	120,153,618	76,302,751	1,720	1,710

13. TRADE AND OTHER RECEIVABLES (cont'd)

(a) Trade receivables

Trade receivables are non-interest bearing and the Group's normal trade credit terms ranging from 30 to 90 days (2011: 14 to 90 days). Other credit terms are assessed and approved on a case-by-case basis. The credit period varies from customers to customers after taking into consideration their payment track record, financial background, length of business relationship and size of transactions. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in trade receivables of the Group is amount of RM 2,217/- (2011: RM Nil) due from a company in which a Director has controlling interest in.

Stakeholder sums on property development are amounts held by the purchasers' solicitors.

Ageing analysis of trade receivables

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

	Group 2012 RM	Group 2011 RM
Neither past due nor impaired	73,497,831	40,703,501
1 to 30 days past due not impaired	8,748,767	5,668,514
31 to 90 days past due not impaired	11,843,319	10,295,696
91 to 120 days past due not impaired	468,379	620,090
More than 121 days past due not impaired	16,360,408	10,073,014
Total amount due but not impaired	37,420,873	26,657,314
Impaired	202,608	203,208
	111,121,312	67,564,023

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

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

Receivables that are past due but not impaired

The Company has trade receivables amounting to RM37,420,873/- (2011: RM26,657,314/) that are past due at the end of the reporting period but not impaired.

Included in the total amount due but not impaired are amount of approximately RM11.8 million (2011: RM7.12 million) in relation to contract works performed. Based on the opinion of the Directors, these balances due are within the normal operating cycle of the construction industry.

The Directors are of the opinion that no impairment is required based on past experience and the likelihood of recoverability of these receivables.

13. TRADE AND OTHER RECEIVABLES (cont'd)

(a) Trade receivables (cont'd)

Receivables that are impaired

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

	Group Individually impaired 2012 RM	2011 RM
Trade receivables		
- nominal value	202,608	203,208
Less : Allowance for impairment	(202,608)	(203,208)
	-	-

Movement in allowance accounts:-

	Group 2012 RM	2011 RM
As at 1st January	203,208	204,208
Charge for the year	-	-
Reversal of impairment loss	(600)	(1,000)
As at 31st December	202,608	203,208

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

(b) Other receivables

Included in other receivables of the Group are:-

(i) Refundable deposit for the purchase of land amounting to RM434,170/- (2011: RM3,234,170/-);
(ii) amount of RM Nil (2011: RM50,000/-) paid as advances to a joint-venture partner of which the balance is non-trade, unsecured and repayable on demand; and
(iii) amounts totalling RM Nil (2011: RM19,020/-) due from companies in which certain Directors have controlling interest in.

(c) The Group has no significant concentration of credit risk that may arise from exposures to a single or group of receivables.

14. AMOUNT DUE FROM SUBSIDIARIES

Included in the amount due from subsidiaries are amounts of RM143,017,765/- (2011: RM33,616,102/-) of which the balances are non-trade, unsecured, repayable on demand and bears interest rate at 3.10% to 5.60% (2011: Nil) per annum. The remaining balance of amount due from the other subsidiaries in the previous financial year is non-trade, unsecured, repayable on demand and bears no interest.

15. CASH AND BANK BALANCES

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Cash in hand and at banks	3,192,140	3,713,700	3,943	14,033
Deposits with licensed banks	154,245	85,747	-	-
	3,346,385	3,799,447	3,943	14,033

(a) Included in cash and bank balances for the Group is an amount of RM128,775/- (2011: RM212,033/- held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966.

(b) The average interest rates and maturities of deposits are as follows:-

	Average interest rates %	Average maturities Days
31st December 2012	2.85	30
31st December 2011	2.85	30

16. SHARE CAPITAL

	Group and Company 2012 Number of Shares Unit	2012 RM	2011 Number of Shares Unit	2011 RM
Ordinary shares of RM0.50 each				
Authorised:				
At the beginning/end of the financial year	1,000,000,000	500,000,000	1,000,000,000	500,000,000
Issued and fully paid:				
At the beginning of thefinancial year	397,531,801	198,765,901	127,989,267	127,989,267
Exercise of Warrants 2001/2011	-	-	7,136,500	7,136,500
Share split	-	-	135,125,767	-
Bonus issue	-	-	127,280,267	63,640,134
At the end of thefinancial year	397,531,801	198,765,901	397,531,801	198,765,901

(a) Free Warrants 2011/2016

Warrants 2011/2016 granted and issued to subscribe for new ordinary shares of the Company are as follows:-

	Expiry date	Exercise price 2011 RM	Number of unexercised warrants 2012	Number of unexercised warrants 2011
Warrants 2011/2016	4.7.2016	0.90	47,729,947	47,729,947

There were no warrants exercised during the financial year.

16. SHARE CAPITAL (cont'd)

(b) Treasury Shares

The shareholders of the Company by an ordinary resolution passed in the fifteenth Annual General Meeting held on 17th June 2008, approved the mandate for the Company's plan to repurchase its own ordinary shares. On 7th June 2012, the shareholders of the Company at the nineteenth Annual General Meeting granted their mandate for the Company's renewal of authority to repurchase its own ordinary shares.

During the financial year, the Company repurchased 20,000 shares from the open market at an average price of RM0.49 per share. The total consideration paid for the repurchase, was RM9,794/- (2011: RM97,609/-) and they were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965 in Malaysia.

The total issued and fully paid ordinary shares as at 31st December 2012 is 397,531,801 (2011: 397,531,801), out of which 2,988,046 (2011: 2,968,046) are held as treasury shares by the Company. Such treasury shares are held at a carrying amount of RM817,707/- (2011: RM807,913/-). As at 31st December 2012, the number of outstanding ordinary shares in issue and fully paid is therefore 394,543,755 (2011: 394,563,755) ordinary shares of RM0.50 each.

17. RESERVES

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Non-distributable:				
Share premium	-	-	-	-
Other reserves (Note 18)	(917,520)	1,392,921	-	-
	(917,520)	1,392,921	-	-
Distributable:				
Retained profits	135,364,162	129,869,315	27,660,258	23,456,651
	134,446,642	131,262,236	27,660,258	23,456,651

(a) Retained profits

Under the single tier system which came into effect from the year of assessment 2008, companies are not required to have tax credits under Section 108 of the Income Tax, 1967 for dividend payment purposes. Under this system, all the Company's retained profits are distributable by way of dividend and tax on the Company's profit is the final tax and dividend distributed to shareholders will be exempted from tax.

Since the Company has elected for the irrevocable option to disregard the Section 108 balance as at 31st December 2007, the Company is able to distribute dividends out of its entire retained profits under the single tier system.

18. OTHER RESERVES

Group	Exchange reserves RM	Revaluation reserves RM	Total RM
At 1st January 2011	(7,103,651)	13,814,988	6,711,337
Other comprehensive income:			
Foreign currency translation	(5,318,416)	-	(5,318,416)
At 31st December 2011	(12,422,067)	13,814,988	1,392,921
Other comprehensive income:			
Foreign currency translation	(2,310,441)	-	(2,310,441)
At 31st December 2012	(14,732,508)	13,814,988	(917,520)

(a) Exchange reserves

The exchange reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the Group's presentation currency.

(b) Revaluation reserves

The amount represents net revaluation surplus arising from valuation of freehold land.

19. BORROWINGS

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Current Liabilities				
Secured:				
Bank overdrafts (Note a)	21,317,691	11,380,861	-	-
Bankers' acceptance (Note b)	12,646,000	6,217,000	-	-
Term loans (Note c)	3,155,322	5,205,332	-	-
Bridging loan (Note d)	-	3,763,046	-	-
Short term revolving credit	13,000,000	-	-	-
Hire purchase and finance lease payables (Note 20)	5,128,980	1,383,082	-	-
	55,247,993	27,949,321	-	-
Unsecured:				
Bank overdrafts (Note a)	646,819	5,321	646,819	5,321
	55,894,812	27,954,642	646,819	5,321
Non-current Liabilities				
Secured:				
Term loans (Note c)	21,413,074	22,398,811	-	-
Bridging loan (Note d)	-	6,150,000	-	-
Hire purchase and finance lease payables (Note 20)	3,169,052	929,060	-	-
	24,582,126	29,477,871	-	-
Total Borrowings				
Secured:				
Bank overdrafts (Note a)	21,317,691	11,380,861	-	-
Bankers' acceptance (Note b)	12,646,000	6,217,000	-	-
Term loans (Note c)	24,568,396	27,604,143	-	-
Bridging loan (Note d)	-	9,913,046	-	-
Short term revolving credit	13,000,000	-	-	-
Hire purchase and finance lease payables (Note 20)	8,298,032	2,312,142	-	-
	79,830,119	57,427,192	-	-
Unsecured:				
Bank overdrafts (Note a)	646,819	5,321	646,819	5,321
	80,476,938	57,432,513	646,819	5,321

19. BORROWINGS (cont'd)

The repayment terms of the borrowings (excluding hire purchase and finance lease payables) are as follows:-

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Within the next twelve months	50,765,832	26,571,560	646,819	5,321
After the next twelve months				
- not later than two years	3,151,376	12,061,310	-	-
- later than two years but not later than five years	7,291,698	6,709,269	-	-
- later than five years	10,970,000	9,778,232	-	-
	21,413,074	28,548,811	-	-
	72,178,906	55,120,371	646,819	5,321

(a) Bank overdrafts

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Domestic	21,964,510	8,162,638	646,819	5,321
Foreign	-	3,223,544	-	-
	21,964,510	11,386,182	646,819	5,321

(i) The bank overdrafts for the subsidiary companies incorporated in Malaysia amounting to RM21,317,691/- (2011: RM8,157,318/-) bear interest rates ranging from 6.60% to 8.60% (2011: 7.30% to 9.00%) per annum are secured by:-

- Completed development units as disclosed in Note 12 (b); and
- Corporate Guarantee by the Company.

(b) Bankers' acceptance

The bankers acceptance bear interest rates ranging from 3.86% to 4.75% (2011: 3.65% to 4.38%) per annum and are secured by corporate guarantees provided by the Company.

(c) Term loans

	Group	
	2012 RM	2011 RM
Short term:-		
Optimax Eye Specialist Centre Sdn. Bhd. ("OESC")	1,826,666	1,817,312
Primaharta Development Sdn. Bhd. ("PDSB")	-	1,663,405
Mitrajaya Homes Sdn. Bhd. ("MHSB")	1,328,656	1,724,615
	3,155,322	5,205,332

19. BORROWINGS (cont'd)

(c) Term loans (cont'd)

	Group 2012 RM	2011 RM
Long term:-		
Kina-Bijak Sdn. Bhd. ("KBSB")	-	450,000
OESC	5,253,248	4,928,756
MHSB	16,159,826	17,020,055
	21,413,074	22,398,811
Total term loans	24,568,396	27,604,143

(i) The term loan of KBSB bear interest rates at 7.35% (2011: 7.05% to 7.35%) per annum and repayable by 36 months. The term loan is secured by:-

- first and second legal charge of RM7.8 million and RM7.2 million respectively, over a piece of land held under Lot 1897, Mukim Batu, District of Kuala Lumpur; and
- corporate guarantee by the Company.

The term loan was fully settled during the financial year.

(ii) The term loans of OESC consist of the following:-

- Islamic term financing amounting to RM6,442,538/- (2011: RM6,188,333/-) which bear profits ranging from 3.20% to 6.60% (2011: 3.20% to 6.60%) per annum and repayable by 60 and 84 (2011: 60 and 84) monthly instalments. The term loans are secured by:-
  - specific debentures created over certain plant and machinery as disclosed in Note 4(c); and
  - corporate guarantee by the Company.
- Housing term loan amounting to RM637,376/- (2011: RM557,735/-) which bear interest rates at 7.20% (2011: 6.90% to 7.20%) per annum and repayable by 180 (2011: 180) monthly instalments. The term loans are secured by:-
  - charge of leasehold premises, as disclosed in Note 4(c); and
  - corporate guarantee by the Company.

(iii) The term loan of PDSB bear interest rates ranging from 7.35% (2011: 7.05% to 7.35%) per annum and repayable by 36 months. The term loan is secured by first legal charge over certain shop offices as disclosed in Note 12(a) and a corporate guarantee by the Company for the principal sum, interest, charges and commission payable.

The term loan was fully settled during the financial year.

(iv) The term loan of MHSB bears interest rates at 5.60% (2011: 5.30% to 5.50%) per annum and repayable by 144 months. The term loan is secured by:-

- facility agreement of RM21.0 million;
- a first party first legal charge for RM21.0 million over a piece of land held under Lot PT29 'A' Seksyen 28, Daerah Petaling, Negeri Selangor; and
- corporate guarantee by the Company.

19. BORROWINGS (cont'd)

(d) Bridging loan

The bridging loan bear interest rates at 7.35% (2011: 7.05% to 7.35%) per annum and are secured by the following:-

(i) Third legal charge of RM50.0 million, over a piece of land held under Lot 1897, Mukim of Batu, District of Kuala Lumpur; and

(ii) Corporate guarantee by the Company for the principal sum, interest, charges and commission.

The bridging loan was fully settled during the financial year.

20. HIRE PURCHASE AND FINANCE LEASE PAYABLES

	Group	
	2012 RM	2011 RM
Minimum hire purchase payments:		
- not later than one year	5,434,543	1,454,729
- later than one year but not later than two years	3,238,246	966,493
	8,672,789	2,421,222
Less: Future finance charges	(374,757)	(109,080)
Present value of hire purchase payables	8,298,032	2,312,142
Represented by:		
Current		
- not later than one year	5,128,980	1,383,082
Non-current		
- later than one year but not later than five years	3,169,052	929,060
	8,298,032	2,312,142

The hire purchase bears interest rates ranging from 2.48% to 3.50% (2011: 1.98% to 4.75%) per annum.

21. TRADE AND OTHER PAYABLES

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Trade payables				
Trade payables	72,974,147	48,703,102	-	-
Retention sum				
- construction (Note 11)	11,494,441	13,605,755	-	-
	84,468,588	62,308,857	-	-
Other payables				
Other payables	30,117,745	13,247,461	8,318,540	48,149
Accruals	2,235,054	2,093,734	134,400	114,100
	32,352,799	15,341,195	8,452,940	162,249
Progress billings in respect of property development costs	3,083,430	1,985,956	-	-
	119,904,817	79,636,008	8,452,940	162,249

(a) Trade payables

Trade payables are non-interest bearing and the normal credit terms granted to the Group ranging from immediate to 90 days (2011: 90 days).

Included in trade payables of the Group are amounts totalling RM2,342,428/- (2011: RM1,800,186/-) due to companies in which certain Directors have interest in.

(b) Other payables

Included in other payables of the Group are amounts totalling RM1,159,313/- (2011: RM869,630/-) due to companies in which certain Directors have interest in.

22. AMOUNT DUE TO SUBSIDIARIES

Amount due to subsidiaries is non-trade, unsecured, repayable on demand and bear no interest.

23. REVENUE

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Revenue from construction works (Note 11)	159,996,197	141,599,117	-	-
Revenue from sales of development properties	68,004,127	95,384,162	-	-
Sales of quarry products	940,558	1,600,216	-	-
Photorefractive keratectomy services	18,384,250	20,108,616	-	-
Dividend income	-	-	22,705,000	30,200,000
Others	3,217,275	3,139,815	-	-
	250,542,407	261,831,926	22,705,000	30,200,000

24. COST OF SALES

	Group 2012 RM	Group 2011 RM
Construction costs (Note 11)	139,544,305	104,284,924
Development costs	40,627,617	48,366,768
Photorefractive keratectomy services	8,599,858	8,791,334
Others	1,203,008	1,985,653
	189,974,788	163,428,679

25. OPERATING PROFIT

Operating profit has been arrived at:-

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
After charging :				
- Audit fees				
- statutory audit:				
- current year	192,921	196,876	23,000	23,000
- prior year	7,700	21,794	-	-
- other services	7,500	7,000	7,500	7,000
Corporate exercise expenses	-	295,776	-	295,776
Depreciation of:				
- property, plant and equipment	7,094,382	5,948,554	-	-
- investment properties(Note 6)	415,507	360,181	-	-
Directors' remuneration (Note 27)	2,875,220	3,097,789	136,400	130,700
Employee benefits expense(Note 26)	26,309,641	23,036,772	-	-
Hire of plant and machinery	5,968,134	2,405,584	-	-
Impairment losses on investment properties	-	2,082,172	-	-
Loss from foreign exchange:				
- realised	-	13,695	-	-
- unrealised	343,292	560,904	-	-
Office rental	1,491,088	1,411,532	-	-
Property, plant and equipment written off	619,222	749,776	-	-
And crediting:-				
Gain on disposal of:				
- property, plant and equipment	611,281	460,793	-	-
- investment property	-	90,000	-	-
Gain from foreign exchange				
- realised	41,652	-	-	-
Interest income				
- subsidiaries	-	-	5,276,079	332,614
- other interest income	286,820	211,828	-	3,264
Rental income				
- building	1,460,990	1,558,507	-	-
- motor vehicle	-	7,421	-	-
- others	-	77,002	-	-
Reversal of impairment loss on trade receivable	600	1,000	-	-

26. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Wages and salaries	21,884,457	19,152,468	-	-
Social security costs	173,205	151,953	-	-
Defined contribution plans	2,242,158	1,981,957	-	-
Other staff related expenses	2,009,821	1,750,394	-	-
	26,309,641	23,036,772	-	-

The key management personnel cost is as disclosed in Note 34(c).

27. DIRECTORS' REMUNERATION

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Directors of the Company				
Executive				
- salaries and allowances	1,459,123	1,451,220	-	-
- bonuses	170,000	231,000	-	-
- others	33,750	29,167	-	-
	1,662,873	1,711,387	-	-
Non-Executive				
- salaries and allowances	156,400	170,700	36,400	50,700
- fees	100,000	80,000	100,000	80,000
Total	1,919,273	1,962,087	136,400	130,700
Directors of subsidiaries				
Executive				
- salaries and allowances	768,602	920,215	-	-
- bonuses	139,218	124,072	-	-
- others	48,127	91,415	-	-
	955,947	1,135,702	-	-
Non-Executive				
- fees	-	-	-	-
Total	955,947	1,135,702	-	-
Grand Total	2,875,220	3,097,789	136,400	130,700

27. DIRECTORS' REMUNERATION (cont'd)

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

	The number of Directors			
	2012		2011	
	Executive Directors	Non-Executive Directors	Executive Directors	Non-Executive Directors
Company				
Below RM100,000	-	4	-	4
RM100,001 - RM400,000	-	-	-	-
RM400,001 - RM800,000	1	-	1	-
RM800,001 - RM1,200,000	1	-	1	-
The Company and its subsidiaries				
Below RM100,000	1	4	2	4
RM100,001 - RM400,000	2	-	3	-
RM400,001 - RM800,000	2	-	2	-
RM800,001 - RM1,200,000	1	-	1	-

28. FINANCE COSTS

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Interest expenses				
- hire purchase	243,809	88,260	-	-
- bank borrowings	3,207,111	2,342,987	15,627	3,740
	3,450,920	2,431,247	15,627	3,740

29. TAXATION

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Income tax				
- current year				
- Malaysian income tax	8,558,552	13,723,575	3,602,024	94,477
- Foreign income tax	1,075,053	762,578	-	-
- prior years				
- Malaysian income tax	198,209	980,861	(11,191)	2,000
	9,831,814	15,467,014	3,590,833	96,477
Deferred taxation				
- current year	(835,129)	183,356	-	-
- prior years	(40,077)	92,343	-	-
	(875,206)	275,699	-	-
	8,956,608	15,742,713	3,590,833	96,477

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2011: 25%) of the estimated taxable profit for the fiscal year.

Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdiction.

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 the Company are as follows:-

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Profit before taxation	27,837,399	56,751,985	27,522,128	29,752,187
Tax at applicable statutory tax rate of 25% (2011: 25%)	6,959,350	14,187,996	6,880,532	7,438,047
Tax effects arising from				
- effect of different tax rates in other country	46,407	71,700	-	-
- non-deductible expenses	1,823,657	1,568,722	53,992	156,430
- non-taxable income	(497,705)	(1,284,783)	(3,332,500)	(7,500,000)
Deferred tax assets not recognised during the year	581,706	291,528	-	-
Utilisation of previous unrecognised tax losses and capital allowances	(55,074)	(92,245)	-	-
Deferred tax relating to reversal of temporary differences	(59,865)	(73,409)	-	-
Under-accrual in prior years	158,132	1,073,204	(11,191)	2,000
Tax expense for the year	8,956,608	15,742,713	3,590,833	96,477

30. EARNINGS PER SHARE

(a) Basic

Basic earnings per share are calculated by dividing the net profit for the financial year attributable to the owners of the parent by the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares held by the Company.

Comparative figures for the weighted average number of ordinary shares for the basic earnings per share had been restated to reflect the adjustment arising from the share split and bonus issue during the financial year.

	Group	
	2012 **RM**	**2011** **RM**
Profit for the year attributable to owners of the parent	17,930,053	40,796,560
Number of shares in issue as of 1st January	394,563,755	120,193,267
Effect of:		
Share buyback	(6,778)	(46,456)
Exercise of Warrants 2011/2016	-	6,366,826
Share split	-	129,501,588
Bonus issued	-	127,280,267
Share dividend	-	2,987,534
Weighted average number of ordinary shares in issue	394,556,977	386,283,026
Basic earnings per share (sen)	4.54	10.56

(b) Diluted

No consideration is taken for the Warrants 2011/2016 for financial year 2012 as the effect is not dilutive. In addition, there are no diluted earnings per share arising from ESOS as there is no ESOS granted and outstanding as at the end of the reporting period.

31. DIVIDENDS

	Amount		Net dividends per ordinary share	
	2012 RM	2011 RM	2012 RM	2011 RM
Recognised during the financial year:				
Dividend on ordinary shares:				
- First and final single tier dividend of 12% on 127,280,267 ordinary shares of RM1/- each paid for the year ended 31st December 2010	-	15,273,632	-	0.12
- Share dividend on the basis of one treasury share for every twenty existing ordinary shares of RM1/- each held in the Company on 1st July 2011, which was credited on 15th July 2011	-	3,436,548	-	0.03
- First and final single tier dividend of 10% on 394,553,755 ordinary shares of RM0.50 each paid for the year ended 31st December 2011	19,727,688	-	0.05	-

At the forthcoming Annual General Meeting, a first and final single tier dividend of RM0.02 per share will be proposed for shareholders' approval.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31st December 2013.

32. CONTINGENT LIABILITIES

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Corporate guarantees to financial institutions for:				
- banking facilities granted to subsidiaries	-	-	253,194,988	190,394,176
- hire purchase facilities granted to subsidiaries	-	-	6,689,779	185,467
Corporate guarantees to trade payables of subsidiaries	-	-	2,900,000	4,400,000
Performance guarantees extended to third parties - project related	12,201,951	13,728,455	10,103,825	10,103,825
	12,201,951	13,728,455	272,888,592	205,083,468

At the end of the reporting period, it was not probable that the counterparty to the financial guarantee contract will claim under the contract.

33. SEGMENT REPORTING

General Information

The Group identifies its operating segments on the basis of internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segments and assess their performance.

The information reported to the Group's chief operating decision maker to make decisions about resources to be allocated and for assessing their performance is based on the nature of the industry (business segments) and operational location (geographical segments) of the Group.

Measurement of Reportable Segments

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements.

Transactions between reportable segments are measured on the basis that is similar to those external customers.

Segment statements of comprehensive income are profit earned or loss incurred by each segment without allocation of central administrative costs, non-operating investment revenue, finance costs and income tax expense. There are no significant changes from prior financial year in the measurement methods used to determine reported segment statements of comprehensive income.

All the Group's assets are allocated to reportable segments other than assets used centrally for the Group, current and deferred tax assets. Jointly used assets are allocated on the basis of the revenues earned by individual segments.

All the Group's liabilities are allocated to reportable segments other than liabilities incurred centrally for the Group, current and deferred tax liabilities. Jointly incurred liabilities are allocated in proportion to the segment assets.

(a) Business Segments

The Group operates predominantly in the construction, property development, manufacturing and trading and healthcare industries involving various types of activities as disclosed in Note 7 to the financial statements.

33. SEGMENT REPORTING (cont'd)

(a) Business Segments (cont'd))

	Construction		Property development		Manufacturing and trading		Healthcare		Others		Eliminations		Consolidated	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Revenue														
External sales	159,996	141,599	68,004	95,384	941	1,600	18,384	20,109	3,217	3,140	-	-	250,542	261,832
Inter-segment sales	-	697	12,161	40,896	14	-	-	-	22,705	30,610	(34,880)	(72,203)	-	-
Total segment revenue	159,996	142,296	80,165	136,280	955	1,600	18,384	20,109	25,922	33,750	(34,880)	(72,203)	250,542	261,832
Segment results	12,581	27,202	17,757	34,392	(247)	(316)	(1,358)	(892)	128	(887)	2,515	(306)	31,376	59,193
Results from operating activities													31,376	59,193
Finance cost	(787)	(508)	(6,944)	(2,169)	(236)	(3)	(769)	(433)	(18)	(4)	5,303	686	(3,451)	(2,431)
Share of results of an associate													(88)	(10)
Taxation													(8,956)	(15,743)
Profit net of tax													18,881	41,009
Non-controlling interest													(951)	(212)
Net profit attributable to owners of the parent													17,930	40,797
Segments assests	144,776	67,643	364,910	386,813	1,679	2,104	19,799	24,003	13,155	14,467	-	-	544,319	495,030
Total assets													544,319	495,030
Segment liabilities	77,654	46,664	33,179	25,351	302	427	6,344	9,507	12,045	3,164	-	-	129,524	85,113
Unallocated corporate liabilities													80,477	57,432
Total liabilities													210,001	142,545
Investment in an associate	-	-	-	-	-	-	5,901	4,490	-	-	-	-	5,901	4,490
Capital expenditure	2,747	2,346	4,713	2,153	1	2	250	7,533	16	99	-	-	7,727	12,133
Depreciation	2,799	1,167	1,098	951	7	18	3,535	3,855	70	317	-	-	7,509	6,308
Impairment of investment properties	-	2,082	-	-	-	-	-	-	-	-	-	-	-	2,082
Non-cash expenses other than depreciation	(77)	174	309	564	-	(5)	603	281	(485)	(245)	-	-	350	769

33. SEGMENT REPORTING (cont'd)

(b) Geographical Information

The Group's five major business segments are operating in two principal geographical areas. In Malaysia, its home country, the Group is principally involved in the civil engineering, building and road construction works and property development. In South Africa, the Group is principally involved in civil engineering, construction works, property development and golf management.

	Malaysia		South Africa		Consolidated	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Total revenue from external customers	237,191	249,178	13,351	12,654	250,542	261,832
Segments assets	491,501	438,912	52,818	56,118	544,319	495,030
Segments liabilities	118,458	78,546	11,066	6,567	129,524	85,113
Capital expenditure	7,711	10,414	16	1,719	7,727	12,133

34. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Identification of Related Parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:-

(i) Direct subsidiaries; and

(ii) Key management personnel which comprise persons (including the Directors of the Company) having the authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly.

(b) Significant related party transactions and balances

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:-

Group	2012 RM	2011 RM
Transactions with companies in which Directors have substantial controlling interests:-		
Purchases of hardware by certain subsidiaries from Mitrajaya Trading Sdn. Bhd., a company in which a director of the Company has interest in	2,931,378	1,480,370

34. SIGNIFICANT RELATED PARTY TRANSACTIONS (cont'd)

(b) Significant related party transactions and balances (cont'd)

Group	2012 RM	2011 RM
Rent payable by certain subsidiaries to Modal Saujana Sdn. Bhd., a company in which a director of Optimax Eye Specialist Centre Sdn. Bhd. ("OESC") has interest in	205,000	222,000
Rent payable by OESC to E.C.P. Optometry Centre Sdn. Bhd., a company in which a director of OESC has interest in	39,846	59,770
Subcontract for electrical, telephone and SMATV services, air-conditioning and mechanical ventilation services and office rental payable by certain subsidiaries to Sena Letrik Sdn. Bhd., a company in which a director of OESC has interest in	1,087,877	5,268,224
Staff secondment payable by OESC to Sena Diecasting Industries Sdn. Bhd., a company in which a director of OESC has interest in	137,468	178,858
Subcontractor work, mobilisation cost, hire of plantand machinery and transportation charges payable by certain subsidiaries to Pembinaan Segamuda Sdn. Bhd. , a company in which a person connected to a director of theCompany has interest in	1,113,228	550,431
Doctor fees payable by OESC to See Well Services Sdn. Bhd., a company in which a director of OESC has interest in	1,513,057	1,319,628
Doctor fees payable by Optimax Eye Specialist Centre (Ampang) Sdn. Bhd. ("OESC-Ampang") to Windbond Properties Sdn. Bhd., a company in which a director of OESC- Ampang has interest in	119,988	159,984
Doctor fees payable by Visual Series Sdn. Bhd. ("VSSB") to Visual Omega Sdn. Bhd., a company in which a director of VSSB has interest in	441,306	226,679
Doctor fees payable by Optimax Eye Specialist Centre (Shah Alam) Sdn. Bhd. ("OESC-SA")to Azlina Eye Services Sdn. Bhd., a company in which a director of OESC-SA has interest in	489,414	508,948
Doctor fees payable by Optimax Eye Specialist Centre (Kajang) Sdn. Bhd. ("OESC-Kajang")to Aquiline Vision Sdn. Bhd., a company inwhich a director of OESC-Kajang has interest in	305,663	290,529
Doctor fees payable by Optimax Eye Specialist Centre (Ampang) Sdn. Bhd. ("OESC-Ampang")to Benih Istimewa Sdn. Bhd., a company inwhich a director of OESC-Ampang has interest in	1,100	-
Consultation fees payable by OESC to Optimax Healthcare Services Sdn. Bhd., a company in which a director of OESC has interest in	127,200	63,600
Rent payable by OESC to Optimax Healthcare Services Sdn. Bhd., a company in which a director of OESC has interest in	-	30,000

34. SIGNIFICANT RELATED PARTY TRANSACTIONS (cont'd)

(b) Significant related party transactions and balances (cont'd)

Company	2012 RM	2011 RM
Transactions with subsidiary companies:-		
Gross dividend income from:		
- Primaharta Development Sdn. Bhd.	(9,375,000)	-
Exempt dividend income from:		
- Daya Asfalt Sdn. Bhd.	(750,000)	(200,000)
- Pembinaan Mitrajaya Sdn. Bhd.	-	(30,000,000)
- Primaharta Development Sdn. Bhd.	(5,700,000)	-
- Mitrajaya Homes Décor Sdn. Bhd.	(180,000)	-
- Leo Vista Sdn. Bhd.	(2,800,000)	-
- Awana Prisma Sdn. Bhd.	(2,100,000)	-
- Mitrajaya Development Sdn. Bhd.	(1,800,000)	-
Interest income from:		
- Kina-Bijak Sdn. Bhd.	(1,462,305)	-
- Maha-Mayang Sdn. Bhd.	(235,818)	-
- Mitrajaya Homes Sdn. Bhd.	(1,686,140)	-
- Skyway Development Sdn. Bhd.	(1,891,816)	(332,614)

Individually significant outstanding balances arising during the financial year from transactions other than normal trade transactions with related parties are as follows:-

	Company	
	2012 RM	2011 RM
Amount due from subsidiaries	143,738,610	208,179,740
Amount due to subsidiaries	(436,488)	(22,192,487)

(c) Key management personnel remuneration

The remuneration of the key management personnel during the financial year is as follows:-

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Salaries and allowances	2,855,137	3,009,795	36,400	50,700
Bonuses	468,018	531,072	-	-
Fees	100,000	80,000	100,000	80,000
Others	101,379	132,682	-	-
Total	3,524,534	3,753,549	136,400	130,700

34. SIGNIFICANT RELATED PARTY TRANSACTIONS (cont'd)

(c) Key management personnel remuneration (cont'd)

Included in the key management personnel is:-

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Directors' remuneration	2,875,220	3,097,789	136,400	130,700

Key management personnel are defined as the members of Board of Directors of the Company and its subsidiaries whereby the authority and responsibility for planning, directing and controlling the activities of the Group and the Company, directly or indirectly lies.

35. 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 2.3 describe how 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:-

Group	Loans and receivables RM	Financial liabilities at amortised cost RM	Total RM
2012			
Financial Assets			
Trade and other receivables *	115,803,118	-	115,803,118
Cash and bank balances	3,346,385	-	3,346,385
	119,149,503	-	119,149,503
Financial Liabilities			
Borrowings	-	80,476,938	80,476,938
Trade and other payables #	-	116,821,387	116,821,387
	-	197,298,325	197,298,325
2011			
Financial Assets			
Trade and other receivables *	75,126,321	-	75,126,321
Cash and bank balances	3,799,447	-	3,799,447
	78,925,768	-	78,925,768
Financial Liabilities			
Borrowings	-	57,432,513	57,432,513
Trade and other payables #	-	77,650,052	77,650,052
	-	135,082,565	135,082,565

* *Accrued billings in respect of property development costs and prepayments were excluded from trade and other receivables.*

\# *Progress billings in respect of property development costs were excluded from trade and other payables.*

35. FINANCIAL INSTRUMENTS (cont'd)

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

Company	Loans and receivables RM	Financial liabilities at amortised cost RM	Total RM
2012			
Financial Assets			
Amount due from subsidiaries	143,738,610	-	143,738,610
Trade and other receivables	1,720	-	1,720
Cash and bank balances	3,943	-	3,943
	143,744,273	-	143,744,273
Financial Liabilities			
Amount due to subsidiaries	-	436,488	436,488
Borrowings	-	646,819	646,819
Trade and other payables	-	8,452,940	8,452,940
	-	9,536,247	9,536,247
2011			
Financial Assets			
Amount due from subsidiaries	208,179,740	-	208,179,740
Trade and other receivables	1,710	-	1,710
Cash and bank balances	14,033	-	14,033
	208,195,483	-	208,195,483
Financial Liabilities			
Amount due to subsidiaries	-	22,192,487	22,192,487
Borrowings	-	5,321	5,321
Trade and other payables	-	162,249	162,249
	-	22,360,057	22,360,057

(b) Financial Risk Management and Objectives

The Group seeks to manage effectively the various risks namely credit, interest rate, liquidity and foreign currency risks, to which the Group is exposed to in its daily operations.

(i) Credit Risk

Credit risks, or the risk of counterparties defaulting, are controlled by application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored by strictly limiting the Group's associations to customers with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group management reporting procedures. The Group through its Directors and management reviews all significant exposure to individual customers and counterparties and reviews any major concentration of credit risk related to any financial instruments.

The management has a credit procedure in place to monitor and minimise the exposure of default. Trade receivables and amount due from subsidiaries are monitored on a regular and an ongoing basis.

35. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial Risk Management and Objectives (cont'd)

(i) Credit Risk (cont'd)

As at the end of the reporting period, there were no significant concentrations of credit risk in the Group and the Company. The maximum exposure to credit risk for the Group and the Company is represented by the carrying amount of each financial instrument.

(ii) Interest Rate Risk

The Group's primary interest rate risk relates to interest-bearing debt; the Group had no substantial long term interest-bearing assets as at 31st December 2012. The investments in financial assets are mainly short term in nature and have been mostly placed in short term deposit and marketable securities.

The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings. The Group reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

The Group's primary interest rate risk relates to interest-bearing debts as at 31st December 2012.

	Effective Interest Rate %	Within 1 Year RM	Carrying Amount 1 - 5 Years RM	> 5 Years RM	Total RM
Group					
2012					
Financial Liabilities					
Bank overdrafts	6.60 - 8.60	21,964,510	-	-	21,964,510
Bankers' acceptances	3.86 - 4.75	12,646,000	-	-	12,646,000
Term loans	3.20 - 7.35	3,155,322	10,443,074	10,970,000	24,568,396
Short term revolving credit	4.45 - 5.41	13,000,000	-	-	13,000,000
Hire purchase liabilities	2.48 - 3.50	5,128,980	3,169,052	-	8,298,032
2011					
Financial Liabilities					
Bank overdrafts	7.30 - 9.00	11,386,182	-	-	11,386,182
Bankers' acceptances	3.65 - 4.38	6,217,000	-	-	6,217,000
Term loans	3.20 - 7.35	5,205,332	12,620,579	9,778,232	27,604,143
Bridging loans	7.05 - 7.35	3,763,046	6,150,000	-	9,913,046
Hire purchase liabilities	1.98 - 4.75	1,383,082	929,060	-	2,312,142
Company					
2012					
Financial Liabilities					
Bank overdrafts	7.60 - 8.60	646,819	-	-	646,819
2011					
Financial Liabilities					
Bank overdrafts	7.30 - 9.00	5,321	-	-	5,321

35. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial Risk Management and Objectives (cont'd)

(ii) Interest Rate Risk (cont'd)

Interest rate risk sensitivity

An increase in market interest rates by 1% on financial assets and financial liabilities of the Group which have variable interest rates at the end of the reporting period would decrease the profit before tax by RM721,789/- (2011: RM551,204/-). 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 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.

(iii) Liquidity Risk

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

Analysis of financial instruments by remaining contractual maturities

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

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
Group				
2012				
Financial liabilities				
Borrowings	55,894,812	13,612,126	10,970,000	80,476,938
Trade and other payables	116,821,387	-	-	116,821,387
	172,716,199	13,612,126	10,970,000	197,298,325
2011				
Financial liabilities				
Borrowings	27,954,642	19,699,639	9,778,232	57,432,513
Trade and other payables	77,650,052	-	-	77,650,052
	105,604,694	19,699,639	9,778,232	135,082,565

35. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial Risk Management and Objectives (cont'd)

(iii) Liquidity Risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
Company				
2012				
Financial liabilities				
Amount due to subsidiaries	436,488	-	-	436,488
Borrowings	646,819	-	-	646,819
Trade and other payables	8,452,940	-	-	8,452,940
	9,536,247	-	-	9,536,247
2011				
Financial liabilities				
Amount due to subsidiaries	22,192,487	-	-	22,192,487
Borrowings	5,321	-	-	5,321
Trade and other payables	162,249	-	-	162,249
	22,360,057	-	-	22,360,057

(iv) Foreign Currency Risk

The Group is exposed to currency translation risk arising from its net investments in subsidiaries in South Africa.

The Group does not hedge their investment in South Africa.

(c) Fair values

(i) Determination of Fair Value

The carrying amounts of cash and cash equivalents, receivables, deposits and prepayments, payables and accruals and short term borrowings approximate fair values due to the relatively short term nature of these financial instruments.

Other long term financial liabilities are reasonable approximation of fair values because they are floating rate instruments which are re-priced to market interest rates.

(ii) Fair Value Hierarchy

As the financial assets and liabilities of the Group and the Company are not carried at fair value by any valuation method, the fair value hierarchy analysis is not presented.

36. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31st December 2012 and 31st December 2011.

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

	Group	
	2012 RM	2011 RM
Borrowings (Note 19)	80,476,938	57,432,513
Trade and other payables (Note 21) #	116,821,387	77,650,052
Less: Cash and bank balances (Note 15)	(3,346,385)	(3,799,447)
Net debt	193,951,940	131,283,118
Equity attributable to the owners of the parent	332,394,836	329,220,224
Total capital	332,394,836	329,220,224
Capital and net debt	526,346,776	460,503,342
Gearing ratio	37%	29%

Progress billings in respect of property development costs were excluded from trade and other payables.

The Group is also required to comply with the disclosure and necessary capital requirements as prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

37. MATERIAL LITIGATION

On 4th January 2006, the Company, its wholly owned subsidiary, Dutawani Sdn. Bhd. ("DSB") and its Managing Director were served a writ and statement of claim by Pandan Perkasa Sdn. Bhd. ("PPSB") for the alleged breach of the Joint Venture Agreement and the Supplemental Agreement, both dated 12th April 2000 between PPSB and DSB primarily due to the alleged refusal, failure and neglect of the Company, DSB and its Managing Director from proceeding with the development of the Kuala Lumpur Sports City ("Proposed Privatisation Re-Development Project") on the site of the current Kampung Pandan Sports Complex at Jalan Kampung Pandan/ Jalan Perkasa.

PPSB has filed a claim, amongst others, on damages for breach of contract, special damages in the sum of RM195,844/- and loss of profit in the sum of RM10,029,935/- together with interest and cost.

The Company's solicitors are of the opinion that the allegations against the Company, DSB and its Managing Director are baseless due to the overriding decision of the Government of Malaysia in July 2004 to abort the Proposed Privatisation Re-Development Project and through no fault of the Company, DSB or its Managing Director.

37. MATERIAL LITIGATION (cont'd)

On 18th September 2007, the Learned Judge of the High Court dismissed the Company's striking out applications. Subsequently, lawyers on behalf of the Company lodged an appeal for the dismissal of the striking out applications in the Court of Appeal.

On 22nd July 2008, the Court of Appeal dismissed the appeal on the striking out applications and ordered that a trial should proceed.

At the Trial of the action on 22nd till 24th November 2011 and 1st December 2011, after close of the PPSB's Case, the High Court upheld Counsel's submission of no case to answer and the Court had dismissed PPSB's claim with costs on 23rd December 2011. The High Court awarded judgement in the sum of RM250,000/- against PPSB with interest thereon at 8% per annum from 23rd December 2011 until the date of full settlement and costs in relation to the DSB's counter-claim against PPSB.

PPSB had filed an appeal to the Court of Appeal against the decision of the High Court.

In November 2012, the solicitors of PPSB submitted their application to discharge themselves as solicitors of PPSB. On 28th February 2013, the Court granted the application and the discharge will take effect once the sealed order is processed and served on PPSB.

No provision for any contingency has been made in the financial statements of the Group as the Directors have been advised by their solicitors that the Group has reasonable prospect of success in resisting the Plaintiff's claims.

38. EVENT SUBSEQUENT TO THE REPORTING DATE

On 17 April 2013, the Company entered into a Sale and Purchase of Shares Agreement with Kumpulan Perubatan (Johor) Sdn. Bhd. ("KPJ") to dispose the investment of 6.0 million ordinary shares of RM1.00/- each in Rawang Specialist Hospital Sdn. Bhd. for a cash consideration of RM10,126,032/-.

SUPPLEMENTARY INFORMATION
ON THE DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

On 25th March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the retained profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20th December 2010, Bursa Malaysia further issued guidance on the disclosure and the format required.

Pursuant to the directive, the amounts of realised and unrealised profits or losses included in the retained profits of the Group and the Company as at 31st December 2012 are as follows:-

	Group		**Company**	
	2012 RM	**2011 RM**	**2012 RM**	**2011 RM**
Total retained profits:				
- Realised	133,898,064	129,574,375	27,660,258	23,456,651
- Unrealised	1,377,840	285,022	-	-
Total share of retained profits of an associate:				
- Realised	88,258	9,918	-	-
- Unrealised	-	-	-	-
At 31st December	135,364,162	129,869,315	27,660,258	23,456,651

The determination of realised and unrealised profits is based on the 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 by Malaysian Institute of Accountants on 20th December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 29 to 101 are drawn up in accordance with the 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 at 31st December 2012 and of their financial performance and the cash flows for the financial year then ended.

The supplementary information set out on page 102 have been prepared in accordance with the 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 by the Malaysian Institute of Accountants.

On behalf of the Board,

TAN ENG PIOW
Director

FOO CHEK LEE
Director

Selangor Darul Ehsan
Date: 24th April 2013

STATUTORY DECLARATION

I, CHO WAI LING, being the officer primarily responsible for the financial management of Mitrajaya Holdings Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 29 to 101 and the supplementary information set out on page 102 are 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, l960.

CHO WAI LING

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 24th April 2013.

Before me,

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MITRAJAYA HOLDINGS BERHAD
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Mitrajaya Holdings Berhad, which comprise the statements of financial position as at 31st December 2012 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 financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 29 to 101.

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 the Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal controls 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 the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company'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 Company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31st December 2012 and of their financial performance and cash flows for the financial year then ended in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

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

(a) In our opinion, the accounting and other records and the registers required by the Companies Act, 1965 in Malaysia to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provision of the Companies Act, 1965 in Malaysia.

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

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in a 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 auditor's reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Companies Act, 1965 in Malaysia.

Other Reporting Responsibilities

The supplementary information set out on page 102 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("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 contents of this report.

Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants

Lock Peng Kuan
No. 2819/10/14 (J)
Chartered Accountant

Kuala Lumpur

Date: 24th April 2013

SHAREHOLDING ANALYSIS

Authorised Share Capital	:	RM500,000,000
Issued & Paid-up Capital	:	RM198,765,900.50
Class of Shares	:	Ordinary shares of RM0.50 each
Voting Rights	:	One vote per share
No. of treasury shares held	:	2,988,046
No. of voting shares	:	394,543,755

ANALYSIS OF SHAREHOLDINGS AS AT 15 APRIL 2013

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	122	2.40	4,360	0.00
100 – 1,000	204	4.01	111,590	0.03
1,001 – 10,000	2,078	40.88	13,172,063	3.34
100,001 – 100,000	2,295	45.15	70,910,784	17.97
100,001 – less than 5% of issued shares	381	7.50	149,571,599	37.91
5% and above of issued share	3	0.06	160,773,359	40.75
Treasury shares	N/A	N/A	2,988,046	0.75
TOTAL	5,083	100	397,531,801	100.00

LIST OF THIRTY LARGEST SHAREHOLDERS AS AT 15 APRIL 2013
(excluding treasury shares)

No.	Name	No. of Shares	%
1.	AmBank (M) Berhad Pledged Securities Account for Tan Eng Piow	61,147,500	15.50
2.	Tan Eng Piow	53,125,859	13.46
3.	HDM Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Eng Piow	46,500,000	11.79
4.	Aw Eng Soon	8,309,168	2.11
5.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Li Cheng Thong @ Lee Chen Thung	4,050,000	1.03
6.	Tan Boon Hock	3,987,295	1.01
7.	Kok Yee Meng	2,914,100	0.74
8.	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund SD4N for Government of the Province of Alberta	2,345,000	0.59
9.	Tan Mei Yin	2,170,000	0.55
10.	Li Cheng Thong @ Lee Chen Thung	2,039,000	0.52
11.	HSBC Nominees (Asing) Sdn Bhd Exempt An for BSI SA	1,919,520	0.49
12.	Lim Hock Chai	1,863,400	0.47
13.	Loh Siew Choh	1,860,000	0.47

LIST OF THIRTY LARGEST SHAREHOLDERS AS AT 15 APRIL 2013 (cont'd)

No.	Name	No. of Shares	%
14.	Yeoh Kean Hua	1,833,500	0.46
15.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Liew Kon Sing @ Liew Kong	1,729,300	0.44
16.	Chen Kin Kuen	1,687,100	0.43
17.	Wong Shak On	1,680,000	0.43
18.	Chua Hock Chin	1,594,900	0.40
19.	Abdul Rashid Hussain	1,550,000	0.39
20.	Teo Swee Sek	1,550,000	0.39
21.	Geoffrey Lim Fung Keong	1,500,000	0.38
22.	Kok Siew Leng	1,488,000	0.38
23.	Mohamad Naim Bin Fateh Mohamed	1,360,000	0.34
24.	Tan Kia Loke	1,306,030	0.33
25.	Chee Sau Foong	1,270,000	0.32
26.	Chen Kin Kuen	1,212,000	0.31
27.	Goh Chin Chooi	1,200,000	0.30
28.	Kok Siew Leng	1,200,000	0.30
29.	Lee Chuan Lai	1,176,100	0.30
30.	Wong Choi Kim	1,133,670	0.29

SUBSTANTIAL SHAREHOLDERS AS AT 15 APRIL 2013

	No of Shares			
	Direct Interest	%	Indirect Interest	%
Tan Eng Piow	161,121,759	40.48	-	-

WARRANTHOLDING ANALYSIS

No of 2011/2016 warrants issued	:	47,729,947
No of 2011/2016 warrants outstanding	:	47,729,947
Voting Rights at Warrantholders' Meeting	:	One vote per warrant

	No. of 2011/2016 WARRANTHOLDER	%	No. of 2011/2016 WARRANTS	%
Less than 100	404	11.59	16,182	0.03
100 – 1,000	1,023	29.35	598,030	1.25
1,001 – 10,000	1,636	46.94	4,911,576	10.29
10,001 – 100,000	371	10.65	11,331,111	23.74
100,001 – less than 5% of issued warrants	48	1.38	12,924,658	27.09
5% and above of issued warrants	3	0.09	17,948,390	37.60
TOTAL	3,485	100.00	47,729,947	100.00

LIST OF THIRTY LARGEST 2011/2016 WARRANTHOLDERS AS AT 15 APRIL 2013

No.	Name	No. of Warrants	%
1.	AmBank (M) Berhad Pledged Securities Account for Tan Eng Piow	7,396,875	15.50
2.	Tan Eng Piow	6,426,515	13.46
3.	HDM Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Eng Piow	4,125,000	8.64
4.	Tan Eng Piow	1,500,000	3.14
5.	Aw Eng Soon	1,005,141	2.11
6.	Tan Boon Hock	870,543	1.82
7.	JF APEX Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chng Cheng Chuan	839,750	1.76
8,	Ow Pung Hock	549,500	1.15
9.	Sim Mui Khee	400,000	0.84
10.	Caroline Gan Ke Yin	350,000	0.73
11.	Kok Yee Meng	314,250	0.66
12.	Gan Ah Meng	300,700	0.63
13.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kok Siew Leng	266,950	0.56
14.	Tan Mei Yin	262,500	0.55
15.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chin Ming	258,900	0.54
16.	Gan Ah Meng	241,500	0.51
17.	Mohamad Naim Bin Fateh Mohamed	239,450	0.50

LIST OF THIRTY LARGEST 2011/2016 WARRANTHOLDERS AS AT 15 APRIL 2013 (cont'd)

No.	Name	No. of Warrants	%
18.	HSBC Nominees (Asing) Sdn Bhd Exempt An For BSI SA	232,200	0.49
19.	Yeoh Kean Hua	230,625	0.48
20.	Loh Siew Choh	225,000	0.47
21.	Chua Hock Chin	220,500	0.46
22.	Lim Hock Chai	218,250	0.46
23.	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ku Mun Foo	215,800	0.45
24.	ECML Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Cheong Yuen Khai	213,000	0.45
25.	Tan Phaik Ean	211,000	0.44
26.	Lee Bon Kiam	200,000	0.42
27.	Chen Kin Kuen	196,100	0.41
28.	Kok Siew Leng	187,575	0.39
29.	Abdul Rashid Hussain	187,500	0.39
30.	Teo Swee Sek	187,500	0.39

DIRECTORS' INTEREST AS AT 15 APRIL 2013

		INTEREST HELD							
		Ordinary Shares				Warrants			
No.	Directors	Direct	%	Indirect	%	Direct	%	Indirect	%
1.	Tan Eng Piow	161,121,759	40.84	2,170,000	0.55	19,448,390	40.75	262,500	0.55
2.	Foo Chek Lee	723,335	0.18	21,700	0.01	87,500	0.18	2,625	0.01

The other directors do not have interest.

Shares in related corporation

There is no change to the deemed interest of Directors in related companies as disclosed in the Directors' Report for the year ended 31 December 2012 on page 27 of this Annual Report.

LIST OF PROPERTIES

The details on the Mitrajaya Holdings Berhad Group's properties as at 31 December 2012 are set out below:

PROPRIETOR	LOCATION	DESCRIPTION	CURRENT USE	AGE OF BUILDING	TENURE	DATE OF EXPIRY	LAND AREA	BUILT-UP AREA	NET BOOK VALUE RM	DATE OF ACQUISITION/ REVALUATION*
PMSB	Lot 999, C.T. 3871 Mukim and District of Port Dickson, Negeri Sembilan.	Agricultural land	Planted with rubber trees	N/A	Freehold	N/A	10.71 acres	N/A	700,000	25.10.1993*
PMSB	Baiduri Apartments, Kijal Beach Resort Parcel No. 27B, South Block, Storey No. Two, Kijal, Kemaman, Terengganu D.I.	Apartment	Employees resort apartment	18 years	Freehold	N/A	N/A	850 sq.f.	124,080	28.06.1996
PMSB	D-01-09, Block D, Jalan Prima 5/1, Persiaran Prima Utama, Taman Puchong Prima, 47150 Puchong, Selangor.	Shoplot	Office	10 years	Freehold	N/A	N/A	1,498 sq.f.	319,298	07.07.2003
PMSB	D-02-03, Block D, Jalan Prima 5/1, Persiaran Prima Utama, Taman Puchong Prima, 47150 Puchong, Selangor.	Shoplot	Office	10 years	Freehold	N/A	N/A	663 sq.f.	116,000	14.10.2003
PMSB	5 units staff apartment Pangsapuri Teratai, Persiaran Prima Utama, Taman Puchong Prima, 47150 Puchong, Selangor. (E-04-04, F-04-05, A-04-06, F-04-07, A-04-08)	Apartment	Employees apartment	10 years	Freehold	N/A	N/A	4,000 sq.f.	310,780	07.04.2004
PMSB	29 units corporate office building Block D, Jalan Prima 5/1, Persiaran Prima Utama, Taman Puchong Prima, 47150 Puchong, Selangor. (D-02-02, D-02-04 to D-02-12, D-03-02 to D-03-12 & D-04-02 to D-04-09)	Shoplot	Office	10 years	Freehold	N/A	N/A	39,372 sq.f.	3,688,407	01.09.2004
PMSB	17-G, Blok D, Jaya 1, 72A Jalan Universiti, 46200 Petaling Jaya. Selangor.	Shoplot (Retail/Showroom)	Rented	5 years	Leasehold	12.04.2060	N/A	150 sq.m.	1,062,416	14.04.2006
PMSB	Apartment Mawar, Jalan Mawar 2, Prima Beruntung, 48300 Rawang. (E-305, F106-7, F206-7, F305-7)	Apartment	Vacant	11 years	Freehold	N/A	N/A	5,760 sq.f.	582,144	29.12.2010
PMSB	26 units of retail and office suites Menara Larkin Utama, Jalan Tun Abdul Razak Susur 5, Taman Dato'Onn, Johor Bahru, Johor.	Retail and office suites	Vacant	5 years	Leasehold	21.04.2093	N/A	13,082 sq.f.	2,472,246	15.12.2011

The details on the Mitrajaya Holdings Berhad Group's properties as at 31 December 2012 are set out below: (cont'd)

PROPRIETOR	LOCATION	DESCRIPTION	CURRENT USE	AGE OF BUILDING	TENURE	DATE OF EXPIRY	LAND AREA	BUILT-UP AREA	NET BOOK VALUE RM	DATE OF ACQUISITION/ REVALUATION*
APSB	HS (M) 26788, PT 40761 HS (M) 30054, PT 40366 HS (M) 30055, PT 40352 Kg Sri Aman Dalam, Mukim Petaling, Daerah Petaling, Selangor.	Residential Land	Vacant	N/A	99 years	22.05.2099 12.09.2106 25.09.2106	2.00 acres	N/A	1,085,320	25.07.2007
KBSB	HS (D) 95970, PT 6630 Mukim of Setapak, Daerah Kuala Lumpur, Wilayah Persekutuan.	Commercial land	Vacant	N/A	99 years	20.05.2097	31,675 sq.m.	N/A	17,526,139	01.03.1999
KSBSB	Various sub-divided lots in Sungai Buntu, Mukim Pengerang, Daerah Kota Tinggi, Johor.	Land for Development	Vacant	N/A	Freehold	N/A	10.76 acres	N/A	4,874,472	27.12.1996
LVSB	HS (D) 247474, PT 78442 HS (D) 247471, PT 78439 Kg Sri Aman Dalam, Mukim Petaling, Daerah Petaling, Selangor.	Residential Land	On-going development project	N/A	99 years	15.12.2107	19.46 acres	N/A	45,419,988	May 2004
LVSB	HS (D) 247472 & 247473, PT 78440 & 78441 HS (D) 247475 to 247479, PT 78443 to 78447 Kg Sri Aman Dalam, Mukim Petaling, Daerah Petaling, Selangor.	Residential Land	Vacant	N/A	99 years	15.12.2107	4.30 acres	N/A	3,519,489	May 2004
LVSB	PT 10725 to PT 11033, HS (D) 38483 to 38782 and HS (D) 38784 to 38792 Mukim Serendah, Daerah Hulu Selangor, Selangor.	309 parcels of residential lots	Vacant	N/A	Freehold	N/A	39,683 sq.m.	N/A	4,863,918	31.12.2006
PMSB	Lot no. PT2 to 93 and 367, Town of Kawasan Bandar XLIII, District of Melaka Tengah, State of Melaka.	92 parcels of bungalow lots	Vacant	N/A	99 years	09.11.2096	72,189 sq.m.	N/A	28,424,020	31.12.2006
MHSB	HS (D) 8178, PT 7100 HS (D) 27478, PT 7563 HS (D) 18253 to 18255, PT 767 to 769 Mukim Serendah, Daerah Hulu Selangor, Selangor.	Industrial land	Vacant	N/A	Freehold	N/A	7.08 acres	N/A	4,901,060	11.12.1997

The details on the Mitrajaya Holdings Berhad Group's properties as at 31 December 2012 are set out below: (cont'd)

PROPRIETOR	LOCATION	DESCRIPTION	CURRENT USE	AGE OF BUILDING	TENURE	DATE OF EXPIRY	LAND AREA	BUILT-UP AREA	NET BOOK VALUE RM	DATE OF ACQUISITION/ REVALUATION*
MHSB	HS (D) 97248, PT 29 'A' Seksyen 28, Mukim Bandar Petaling Jaya, Daerah Petaling, Selangor.	Industrial land	Vacant	N/A	99 years	11.04.2067	9.30 acres	N/A	41,947,522	28.08.2009
MDSA	Portion 251 & 252 of the farm Olievenhoutbosch 389, Registration Division J.R. Province of Gauteng, South Africa.	Land for Development	On-going development project	N/A	Freehold	N/A	62.49 hectares	N/A	26,759,095	07.04.2006*
OESC	Suite 1-9-E2, 9th Floor, CPS Tower, Centre Point Sabah, No. 1 Jalan Centre Point, 88000 Kota Kinabalu, Sabah.	Office unit	Office	15 years	99 years	31.12.2082	N/A	3,855 sq.f.	939,386	04.03.2005
PHSB	PT435 to PT489, PT1159 & PT1162 HS (D) 134624 to 134678, 135348 & 135351 Mukim of Pekan Puchong Perdana, Daerah Petaling, Selangor.	Land for Development	Vacant	N/A	Freehold	N/A	10.65 acre	N/A	19,469,763	17.05.1999
SDSB	Geran 25563, Lot 481, Mukim Tanjung Duabelas, Daerah Kuala Langat, Selangor.	Land for Development	Planted with oil palm	N/A	Freehold	N/A	198 acres	N/A	28,976,049	19.01.2007

Remarks:
Net book value of the development properties are stated at Group land cost together with the related development expenditure incurred to the remaining unsold properties.

KEY:
PMSB - Pembinaan Mitrajaya Sdn Bhd
APSB - Awana Prisma Sdn Bhd
KBSB - Kina-Bijak Sdn Bhd
KSBSB - Kemajuan Sekim Baru Sdn Bhd
LVSB - Leo Vista Sdn Bhd
MHSB - Mitrajaya Homes Sdn Bhd
MDSA - Mitrajaya Development SA (Proprietary) Limited
OESC - Optimax Eye Specialist Centre Sdn Bhd
SDSB - Skyway Development Sdn Bhd

NOTICE IS HEREBY GIVEN THAT the Twentieth Annual General Meeting of the Company will be held at Melati Room 1, Grand Dorsett Subang Hotel, Jalan SS 12/1, 47500 Subang Jaya, Selangor Darul Ehsan on Thursday, 13 June 2013 at 10.00 a.m for the following purposes:

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2012 and the Reports of the Directors and Auditors thereon.

2. To declare a first and final single tier cash dividend of 2 sen per share in respect of the financial year ended 31 December 2012. **Resolution 1**

3. To approve the payment of Directors' Fees of RM100,000 for the financial year ended 31 December 2012. **Resolution 2**

4. To re-elect the following Directors retiring pursuant to Article 84 of the Articles of Association of the Company:

   4.1 Roland Kenneth Selvanayagam **Resolution 3**
   4.2 Foo Chek Lee **Resolution 4**

5. To re-appoint Auditors and to authorise the Board of Directors to fix their remuneration. **Resolution 5**

6. As Special Business :

   To consider and if thought fit, pass the following Resolutions:

   ORDINARY RESOLUTION
   Re-Appointment of General Tan Sri Ismail Bin Hassan (R) as Director **Resolution 6**

   "**THAT** pursuant to Section 129(6) of the Companies Act, 1965, General Tan Sri Ismail Bin Hassan (R) be hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting."

   ORDINARY RESOLUTION
   Re-Appointment of Ir Zakaria Bin Nanyan as Director **Resolution 7**

   "**THAT** pursuant to Section 129(6) of the Companies Act, 1965, Ir Zakaria Bin Nanyan be hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting."

   ORDINARY RESOLUTION
   Authority to issue shares pursuant to Section 132D of the Companies Act, 1965 **Resolution 8**

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

ORDINARY RESOLUTION **Resolution 9**
Proposed Renewal of Authority for the Company to purchase its own shares of up to 10% of the Issued and Paid-Up Share Capital ("Proposed Renewal of Share Buy-Back")

"**THAT** subject to the provisions under the Companies Act, 1965 ("Act"), the Memorandum and Articles of Association of the Company, the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and all prevailing laws, rules, regulations, orders and guidelines as well as the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised to purchase such amount of ordinary shares of RM0.50 each in the Company ("MHB 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 MHB Shares purchased pursuant to this resolution or held as treasury shares does not exceed ten percent (10%) of the total issued and paid-up share capital of the Company at the time of purchase;

THAT the maximum amount of funds to be utilised for the purpose of the Proposed Renewal of Share Buy-Back shall not exceed the Company's aggregate retained profits 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 and guideline and requirements issued by any relevant authorities for the time being in force to deal with any MHB Shares so prescribed by the Company in the following manner:-

(i) to cancel the MHB Shares so purchased; or
(ii) to retain the MHB Shares so purchased as treasury shares for distribution as share dividends to the shareholders of MHB and/or be resold through Bursa Securities in accordance with the relevant rules of Bursa Securities and/or be cancelled subsequently; or
(iii) combination of (i) and (ii) 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 Company's next AGM following the general meeting at which such resolution was passed at which time the authority would lapse unless renewed by ordinary resolution;
(ii) the passing of the date on which the Company's next AGM is required by law to be held; or
(iii) the authority is revoked or varied by ordinary resolution that the shareholders pass in general meeting;

whichever occurs first.

AND THAT the Directors be and are hereby authorised to take all steps as are necessary and/or to do all such acts and things as the Directors deem fit and expedient in the interest of the Company to give full effect to the aforesaid Proposed Renewal of Share Buy-Back with full powers to assent to any condition, modification, variation and/or amendment (if any) as may be imposed by the relevant authorities."

By Order of the Board

LEONG OI WAH (MAICSA 7023802)
Company Secretary

22 May 2013

Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy/proxies who may but need not be a member/members of the Company to attend and vote in his/her stead. The provision of Section 149(1) (b) of the Act shall not apply to the Company.

2. When a member appoints more than one proxy (subject always to a maximum of two proxies at each meeting), the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.

3. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if such appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.

4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at No. 9, Blok D, Pusat Perdagangan Puchong Prima, Persiaran Prima Utama, Taman Puchong Prima, 47150 Puchong, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof.

5. Depositors who appear in the Record of Depositors as at 6 June 2013 shall be regarded as Member of the Company entitled to attend the Twentieth Annual General Meeting or appoint a proxy to attend and vote on his behalf.

6. Explanatory notes on Special Business:

   Ordinary Resolution No. 6 & 7

   The proposed Ordinary Resolutions, if passed will enable General Tan Sri Ismail Bin Hassan (R) and Ir Zakaria Bin Nanyan to continue in office until the conclusion of the next annual general meeting.

   Ordinary Resolution No. 8

   The proposed Ordinary Resolution will give powers to the Directors to issue up to a maximum ten per centum (10%) of the issued share capital of the Company for the time being for such purposes as the Directors would consider in the best interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting of the Company.

   The general mandate sought for issue of securities is a renewal of the mandate that was approved by the shareholders on 7 June 2012. The Company did not utilize the mandate that was approved last year. The renewal of the general mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital and/or acquisitions.

   Ordinary Resolution No. 9

   Please refer to Statement to the Shareholders dated 22 May 2013.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN THAT a first and final single tier cash dividend of 2 sen in respect of the financial year ended 31 December 2012, if so approved at the Twentieth Annual General Meeting, will be paid on 12 September 2013 to Shareholders whose names appear in the Records of Depositors at the close of business on 30 August 2013.

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

a) Shares transferred into the depositor's securities account before 4.00 p.m. on 30 August 2013 in respect of ordinary transfers; and

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

By Order of the Board

LEONG OI WAH (MAICSA 7023802)
Company Secretary

22 May 2013

MITRAJAYA HOLDINGS BERHAD
(Company No. 268257–T)

FORM OF PROXY

I/We, ______________________________(NRIC/ Co. No ______________________)

of ____

being a *member/members of **MITRAJAYA HOLDINGS BERHAD** hereby ______________________

______________________ (NRIC/ Co.No ______________________) of ______________

____

and/or failing him/her ______________________ (NRIC/ Co.No ______________________)

of ____

or the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Twentieth Annual General Meeting of the Company to be held at Melati Room 1, Grand Dorsett Subang Hotel, Jalan SS 12/1, 47500 Subang Jaya, Selangor Darul Ehsan on Thursday, 13 June 2013 at 10.00 a.m. and at any adjournment thereof.

*My/Our proxy(ies) is/are to vote as indicated below:-

	Resolutions	**For**	**Against**
Resolution 1	To declare a first and final single tier cash dividend of 2 sen per share in respect of the financial year ended 31 December 2012		
Resolution 2	To approve the payment of Directors' Fees of RM100,000		
Resolution 3	To re-elect Roland Kenneth Selvanayagam as Director		
Resolution 4	To re-elect Foo Check Lee as Director		
Resolution 5	To re-appoint Auditors and to authorise the Board of Directors to fix their remuneration		
Resolution 6	To re-appoint General Tan Sri Ismail Bin Hassan (R) as Director		
Resolution 7	To re-appoint Ir Zakaria Bin Nanyan as Director		
Resolution 8	To approve the authority to allot shares pursuant to Section 132D of the Companies Act, 1965		
Resolution 9	To approve the proposed renewal of authority for the Company to purchase its own shares of up to 10% of the issued and paid-up share capital		

(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 discretion).

Dated this ______________ of ____________________ 2013

CDS Account No:	
Number of Shares	

____

[Signature/Common Seal of Shareholder(s)]
[*Delete if not applicable]

Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy/proxies who may but need not be a member/members of the Company to attend and vote in his/her stead. The provision of Section 149(1) (b) of the Act shall not apply to the Company.

2. When a member appoints more than one proxy (subject always to a maximum of two proxies at each meeting), the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.

3. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if such appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.

4. The instrument appointing a proxy must be deposited at the Registered Office at No. 9, Blok D, Pusat Perdagangan Puchong Prima, Persiaran Prima Utama, Taman Puchong Prima, 47150 Puchong, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof.

5. Depositors who appear in the Record of Depositors as at 6 June 2013 shall be regarded as Member of the Company entitled to attend the Twentieth Annual General Meeting or appoint a proxy to attend and vote on his behalf.

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AFFIX STAMP

MITRAJAYA HOLDINGS BERHAD **(Company No: 268257-T)**
No. 9 Blok D
Pusat Perdagangan Puchong Prima
Persiaran Prima Utama
Taman Puchong Prima
47150 Puchong
Selangor Darul Ehsan
Malaysia

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