Annual Report
2010

Menang Corporation (M) Berhad

Company No. 5383-K

Contents

Corporate Information

BOARD OF DIRECTORS

Group Executive Chairman
YBhg Dato' Abdul Mokhtar Ahmad

Group Managing Director/
Group Chief Executive Officer
YBhg Dato' Shun Leong Kwong

Non-Executive Group Deputy Chairman
YBhg Datin Mariam Eusoff

Non-Independent, Non-Executive Director
Dr. Christopher Shun Kong Leng, CFP®, RFP™

Independent Non-Executive Directors
Mr Chiam Tau Meng
Mr Too Kok Leng

SECRETARY

Mr Ng Ah Wah
(MIA No. 10366)

REGISTERED OFFICE

8th Storey South Block
Wisma Selangor Dredging
142-A Jalan Ampang
50450 Kuala Lumpur
Tel: (603) 2161 3366
Fax: (603) 2161 3393

REGISTRAR

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

AUDITORS

BDO
Chartered Accountants
12th Floor, Menara Uni.Asia
1008, Jalan Sultan Ismail
50250 Kuala Lumpur

PRINCIPAL BANKERS

AmBank (M) Berhad
United Overseas Bank (Malaysia) Bhd

SOLICITORS

Cheah Teh & Su
L-3-1, No. 2
Jalan Solaris
Solaris Mont' Kiara
50480 Kuala Lumpur

Rahman Too & Co
5, Jalan Wolff
70000 Seremban
Negeri Sembilan Darul Khusus

STOCK EXCHANGE LISTING

Main Market of the
Bursa Malaysia Securities Berhad

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Forty Seventh (47th) Annual General Meeting ("AGM") of the Company will be held at the Meeting Room, Kelab Sultan Sulaiman, Jalan Dewan Sultan Sulaiman, 50300 Kuala Lumpur on Thursday, 30 June 2011 at 10.00 a.m. for the transaction of the following businesses:

Ordinary Business

1. To receive and adopt the Directors' Report, Audited Financial Statements and the Auditors' Report for the financial year ended 31 December 2010. ***(Ordinary Resolution 1)***

2. To approve the payment of Directors' fees of RM30,000.00 for the financial year ended 31 December 2010. ***(Ordinary Resolution 2)***

3. To re-elect the following Directors who retire by rotation in accordance with Article 112 of the Articles of Association of the Company and being eligible, offer themselves for re-election:

   (a) Mr. Chiam Tau Meng ***(Ordinary Resolution 3)***
   (b) Mr. Too Kok Leng ***(Ordinary Resolution 4)***

4. To re-appoint the following Directors who retire pursuant to Section 129(6) of the Companies Act, 1965 and to hold office until the next Annual General Meeting:

   (a) Dato' Abdul Mokhtar Ahmad ***(Ordinary Resolution 5)***
   (b) Dato' Shun Leong Kwong ***(Ordinary Resolution 6)***

5. To re-appoint Messrs BDO as Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration. ***(Ordinary Resolution 7)***

Special Business

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

6. **Authority to issue shares pursuant to Section 132D of the Companies Act, 1965** ***(Ordinary Resolution 8)***

   "THAT pursuant to Section 132D of the Companies Act, 1965 and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby authorised to issue shares in the Company at any time until the conclusion of the next AGM and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares to be issued 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 and quotation of the additional shares so issued on the Bursa Malaysia Securities Berhad."

7. **Proposed Renewal of General Mandate for Substantial Property Transactions Involving Directors pursuant to Section 132E of the Companies Act, 1965** ***(Ordinary Resolution 9)***

   "THAT pursuant to Section 132E of the Companies Act, 1965, authority be and is hereby given to the Company or its related corporations to enter into arrangements or transactions with the Directors of the Company or any person connected with such Directors (within the meaning of Section 122A, Companies Act, 1965) whereby the Company or its related corporations may acquire from or dispose to such Directors or connected persons non-cash assets including but not limited to services, land, development properties, capital equipment and machineries and/or any other assets or products of the Company or its related corporations provided that such acquisitions or disposals are on commercial terms and in the ordinary course of business, such authority will continue to be in force until conclusion of the next Annual General Meeting."

8. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965 and the Articles of Association of the Company.

Notice Of Annual General Meeting (Cont'd)

NOTICE IS ALSO HEREBY GIVEN THAT a Depositor shall be eligible to attend this meeting only in respect of:

(a) Shares deposited into the Depositor's Securities Account before 12.30 p.m. on 23 June 2011 (in respect of shares which are exempted from mandatory deposit);

(b) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 23 June 2011 (in respect of ordinary transfers);

(c) 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

Ng Ah Wah (MIA No. 10366)
Company Secretary

Kuala Lumpur
8 June 2011

NOTES:

1. *A member of the Company entitled to attend and vote at the abovementioned meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.*

2. *The Proxy form must be signed by the appointer or his/her attorney duly authorised in writing or in the case of a corporate member, the instrument appointing a proxy shall be under its Common Seal or under the hand of a duly authorised officer or attorney.*

3. *Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.*

4. *Any alteration to the instrument appointing a proxy must be initialed. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 8th Storey, South Block, Wisma Selangor Dredging, 142-A Jalan Ampang, 50450 Kuala Lumpur not less than 48 hours before the time fixed for the meeting or any adjournment thereof.*

5. *Explanatory Notes on Special Business:*

(i) Ordinary Resolution 8 – Authority to Allot and Issue Shares

The proposed Ordinary Resolution 8, if passed, will empower the Directors to issue shares in the capital of the Company up to an aggregate amount not exceeding 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority unless revoked or varied by the Company in a general meeting will expire at the next Annual General Meeting.

The general mandate sought for issue of shares is a renewal to the general mandate sought in the preceding year. As at the date of Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the 46th AGM held on 30 June 2010 and hence no proceeds were raised therefrom.

The renewal of the general mandate is to provide flexibility to the Company to issue new shares 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 and to avoid any delays and further cost involved in convening such general meeting to approve such issue of shares.

Notice Of Annual General Meeting (Cont'd)

(ii) Ordinary Resolution 9 –Proposed Renewal of General Mandate for Substantial Property Transactions involving Directors pursuant to Section 132E of the Companies Act, 1965

Section 132E of the Companies Act, 1965 prohibits a company or its subsidiaries from entering into any arrangement or transaction with its directors or persons connected with such directors in respect of the acquisition from or disposal to such directors or connected persons any non-cash assets of the "requisite value" without prior approval of the Company in general meeting. According to the Act, a non-cash asset is considered to be of the "requisite value" if, at the time of the arrangement or transaction for the acquisition or disposal of the asset, its value is greater than Ringgit Malaysia Two Hundred and Fifty Thousand (RM250,000.00) or ten per centum (10%) of the net assets of the Company, subject to minimum of Ringgit Malaysia Ten Thousand (RM10,000.00).

The proposed Ordinary Resolution 9, if passed, will authorise the Company or its related corporations to acquire from or dispose to such Directors or connected persons non-cash assets including but not limited to services, land, development properties, capital equipment and machineries and/or any other assets or products of the Company or its related corporations which may fall within the definition of "requisite value", provided that such acquisitions or disposals are on commercial terms and in the ordinary course of business.

Statement Accompanying Notice Of Annual General Meeting

Pursuant to Paragraph 8.27 (2) of the Listing Requirements of Bursa Malaysia Securities Berhad

1. The Directors who are standing for re-election pursuant to the Article 112 of the Articles of Association at the Forty Seventh Annual General Meeting of the Company are as follows:

   (a) Mr. Chiam Tau Meng; and
   (b) Mr. Too Kok Leng

2. The Director who is standing for re-appointment pursuant to Section 129 (6) of the Companies Act, 1965 at the Forty Seventh Annual General Meeting of the Company are as follows:

   (a) Dato' Abdul Mokhtar Ahmad; and
   (b) Dato' Shun Leong Kwong.

   The details of the Directors standing for re-election and re-appointment at the forthcoming Forty Seventh Annual General Meeting are set out in the Directors' Profile on page 6 to 8 of the Annual Report.

Directors' Profile

Dato' Abdul Mokhtar Ahmad, a Malaysian and a Bumiputra entrepreneur, aged 71, was appointed to the Board of Menang since 23 May 1989.

He has extensive experience in the building and construction industry. In fact, he has helmed a Bumiputra Class 'A' construction company that has successfully constructed several high-rise buildings in the heart of Kuala Lumpur in the 80's, such as the 34-storey Menara Bank Bumiputra (now known as Bank Muamalat), the 22-storey Bangunan Bank Rakyat, the 26-storey Bangunan Sri Mara, 24-storey Wisma Angkasa Raya and the Kota Raya Complex. In addition the said company has also acted as the local consultant/advisor to the South Korean main contractor for Malayan Banking Berhad's 58-storey Head Office building (known as Menara Maybank).

Dato' Ahmad Mokhtar has been the Group Executive Chairman of Menang Corporation (M) Berhad for the last 17 years. As a pioneer Bumiputra contractor with such illustrious track record and iconic developments under his belt, he has been an industry veteran and the driving force behind the Group's property construction and development projects todate. Responding to the changing landscape of property development in Malaysia, he has been a strong advocate of the Government's current push for Private Public Partnership (PPP) as the engine of growth. In this regard he has been actively involved in identifying and creating opportunities to utilise the Group's land bank for potential PPP projects. This has culminated in three Private Finance Initiatives (PFI) projects of which one project is already under construction phase (and is expected to be completed by the end of 2013). Meanwhile the Group is now negotiating seriously with the Government to implement two (2) other projects on a similar PFI basis. It is expected that these imminent PFI projects under his leadership will set a benchmark for future PPP opportunities and also serve as the impetus to add values to the Group's strategic land banks, and enhance the Group's future revenues and profitability.

Dato' Shun Leong Kwong, a Malaysian, aged 72, was appointed to the Board of Menang on 29 June 1989 after an outstanding career in senior positions in the banking industry.

He holds a B.A. Econs. (Hons) from the University of Malaya.

Dato' Shun is the Group Managing Director/Group Chief Executive Officer of Menang Group of Companies (Non-Independent Director) and is the father of Non-Executive Director, Dr. Christopher Shun Kong Leng, CFP®, RFP™.

Datin Mariam Eusoff, a Malaysian, aged 65, started her career as a lecturer at the Institut Teknologi Mara in 1969 before she joined Citibank NA, Malaysia in 1973 where she was Manager in the Public Sector Lending Division. In 1977, she was recruited by Bank Bumiputra Malaysia Berhad to head the International Banking Department covering foreign currency lending, overseas branch operations as well as correspondent banking. She was appointed on 1 July 1989 as Managing Director of Maztri Padu Sdn Bhd, the privatised developer for Kelana Jaya Urban Centre. She holds a B.A. (Hons) from the University of Malaya and a Master degree in Communications from the University of Washington, U.S.A.

Datin Mariam was appointed to the Board of Menang on 25 February 1991 and was subsequently appointed as Group Executive Director of Menang on 1 January 1992 (Non-Independent Director) and later became the Non-Executive Group Deputy Chairman on 1 July 2005. She was the alternate chairperson of the Group Management Committee in the absence of the Group Executive Chairman. As Non-Executive Group Deputy Chairman, she supervises legal, corporate and public communications of the Group. One of her principal responsibilities is in strategic planning and implementation of new property projects besides providing general administration of Group operations.

She is also a member of the Audit Committee of the Company.

Mr Chiam Tau Meng, a Malaysian, aged 57, graduated with a Bachelor of Commerce Degree majoring in Accountancy from University of Otago, Dunedin, New Zealand in 1976. He was admitted as an Associate Chartered Accountant of the Institute of Chartered Accountants of New Zealand in 1980. He is also a Chartered Accountant of the Malaysian Institute of Accountants.

He started his career in 1976 as a Finance Manager of Tolley Industries Ltd (New Zealand) and in 1979, he joined Malaysian Containers (1974) Berhad as a Finance Manager cum Company Secretary. In 1984, he joined Menang Corporation (M) Berhad as a General Manager of Corporate Services.

Directors' Profile (Cont'd)

In 1989, he joined Bee Hin Holdings Sdn Bhd as General Manager-Corporate Finance in charge of the reconstruction scheme under Section 176 of the Companies Act, 1965 on Kuala Lumpur Industries Berhad.

In 1992, he joined the management consultancy practice of an international accounting organisation and in 1994, he set up his own consulting practice namely CTM Consulting.

He was appointed as an Independent Non-Executive Director of Menang on 21 October 2005. He is the Chairman of the Audit Committee and the Nominating Committee and a Member of the Remuneration Committee of Menang. He also sits on the Board of the following companies listed on the Bursa Malaysia Securities Berhad :-

Success Transformer Corporation Berhad	(Independent & Non-Executive)
KYM Holdings Berhad	(Independent & Non-Executive)
Seremban Engineering Berhad	(Independent & Non-Executive)
Syarikat Kayu Wangi Berhad	(Independent & Non-Executive)

Mr Too Kok Leng, a Malaysian, aged 52, holds a B.A (Hons) in Law and was admitted to the Malaysian Bar in 1983. He started his own practice in 1988 and was practising under the name and style of Rahman, Too & Co. in Seremban and Kuala Lumpur. He specialised in the corporate and banking fields rendering legal advice to several banks and public listed companies. He has since ventured into his own private business in property and other related activities.

Mr Too was appointed as an Independent Non-Executive Director of Menang on 1 August 1995. He is also the Chairman of the Remuneration Committee and member of the Audit Committee and Nominating Committee of the Company.

He also sits on the Board of Ramunia Holdings Berhad listed on the Bursa Malaysia Securities Berhad as an Independent Non-Executive Director.

Dr. Christopher Shun Kong Leng, CFP®, RFP™, a Malaysian, aged 45, graduated from Boston University with a Bachelor of Science in Business Administration with Summa Cum Laude and Bachelor of Arts in Economics with Magna Cum Laude in May 1987. He pursued a Merchant Banking career with Hill Samuel Bank, London from 1987 to 1989. In 1991, he obtained his Master of Science in Management from the MIT Sloan School of Management, U.S.A. He subsequently joined Bankers Trust London as a Merger and Acquisition Associate. He was awarded the Advanced Postgraduate Diploma in Management Consultancy (Adv.Dip.C) from Henley Management College, United Kingdom in April 2000. He secured the Certified Financial Planner (CFP®) qualification by examination in February 2003. He was awarded the designation Registered Financial Planner (RFP™) on 18 July 2006. He completed his Doctor of Business Administration (D.B.A) from Henley Management College, Brunel University, United Kingdom in 2004.

Dr. Christopher Shun had been invited to undertake practitioner research at the Wharton School of Finance at the University of Pennsylvania, U.S.A.

Dr. Christopher Shun is the only Malaysian Public Company Director to have obtained an approval from the Securities Commission as a qualified licensed Financial Planner on 16 August 2005.

Dr. Christopher Shun was appointed in 2007 onto the National Property Research Economic Council (NAPREC) think tank under the oversight of the Ministry of Finance (MOF). Together with other illustrious personalities, they advise the Government of Malaysia (GOM) on all matters pertaining to Real Estate policies and Macroeconomic impacts on the Malaysian economy.

Dr. Christopher Shun was appointed to the Board of Menang on 25 February 1991 and was made Executive Director on 1 April 1991 (Non-Independent Director). Subsequently, he was appointed as Group Executive Director on 1 January 1992 and he was promoted to Deputy Group Managing Director on 1 July 2005. On 31 December 2007, Dr. Christopher Shun was re-designated as Non-Executive Director. He is also a member of the Remuneration Committee of the Company.

Dr. Christopher Shun is the son of Dato' Shun Leong Kwong.

Directors' Profile (Cont'd)

Notes:

1. Family relationship with Director and/or major shareholder

Save as hereinabove disclosed, none of the Directors has any family relationship with the other directors and/or major shareholders of Menang Corporation (M) Berhad.

2. Conflict of Interest

None of the Directors has any conflict of interest in the Company except for those transactions disclosed in Note 32 to the financial statements.

3. Conviction for Offence

None of the Directors has been convicted of any offence within the past ten (10) years.

4. Other Directorship of Public Companies

None of the Directors hold any directorship in any public listed company except for Mr Chiam Tau Meng and Mr Too Kok Leng.

Mr Chiam Tau Meng was appointed as Directors of Success Transformer Corporation Berhad, KYM Holdings Berhad, Seremban Engineering Berhad and Syarikat Kayu Wangi Berhad on 15 August 2008, 27 April 2009, 10 May 2010 and 11 January 2011 respectively while Mr Too Kok Leng was appointed as Director of Ramunia Holdings Berhad on 28 January 2008.

5. Securities Holdings in the Company

Details of the Directors' securities holdings in the Company, and its subsidiaries are set out on pages 116 to 121 of the Annual Report.

Chairman's Statement

On behalf of the Board of Directors, I am pleased to present the Annual Report of Menang Corporation and Audited Financial Statements of the Group and the Company for the financial year ended 31 December 2010.

FINANCIAL REVIEW

The Group recorded a hefty increase in revenue of RM40.136 million for the year 2010 compared to RM14.653 million in the financial year 2009. The significant increase in revenue was mainly due to the sale of 3 parcels of land measuring 21.1095 hectares to the Government for the proposed UiTM campus at Seremban 3.

The Group recorded a modest profit of RM0.474 million compared to RM3.550 million in the previous year. However, it is to be noted the bulk of the profit recorded in the previous year was not from normal operations but predominantly due to the write-back of RM17.67 million of deferred liabilities charges in respect of an Al-Bai Bithaman Ajil Facility. Net of this write-back, the operational loss would have been RM 14.12 million for 2009.

The sale of land for the UiTM Campus amounting to RM35.4 million provided much needed liquidity. It allowed the Company to pay off substantial outstanding debts and took us out of PN1 status.

The Group's assets and shareholders' fund stood at RM263.900 million and RM157.196 million respectively as at 31 December 2010. The gearing ratio of the Group improved from 0.71 times as at 31 December 2009 to 0.66 times during the year under review.

CORPORATE DEVELOPMENTS

In view of the difficult and saturated Seremban property market conditions, the Group diversified into big ticket construction items and participated in Private Finance Initiatives (PFI) or Design, Build, Lease, Transfer and Maintain projects. The Group is now working hard on the implementation of the RM300.0 million UiTM Campus at Seremban 3 awarded to a subsidiary company via a Concession Agreement dated 4 May 2010. Construction works have commenced on 30 November 2010 and todate earthworks have been completed and piling and foundation works have also started. The spillover effects from the 3 year construction period are expected to be significant. The ensuing cash flows on completion will provide stable and quality income streams over 20 years from the lease of the facility and maintenance charges.

With a small population base, the Seremban housing market continues to be sluggish and over-supplied. Besides normal developments, we are currently working on two other major PFI projects. Negotiations are at an advanced level we are optimistic of locking them in before the year 2011 is over. We believe better times are ahead of us in the coming years, especially with the procurement of these PFI projects from the Government.

APPRECIATION

On behalf of the Board of Directors, I would like to convey my deep and sincere appreciation to our valued shareholders, business associates, consultants, bankers, customers, government agencies, local authorities for their continuing support.

I would also like to extent my sincere thanks and gratitude to my fellow members on the Board, management team and staff of the Group for their continuous dedication and contributions.

Dato' Abdul Mokhtar Ahmad
Executive Chairman

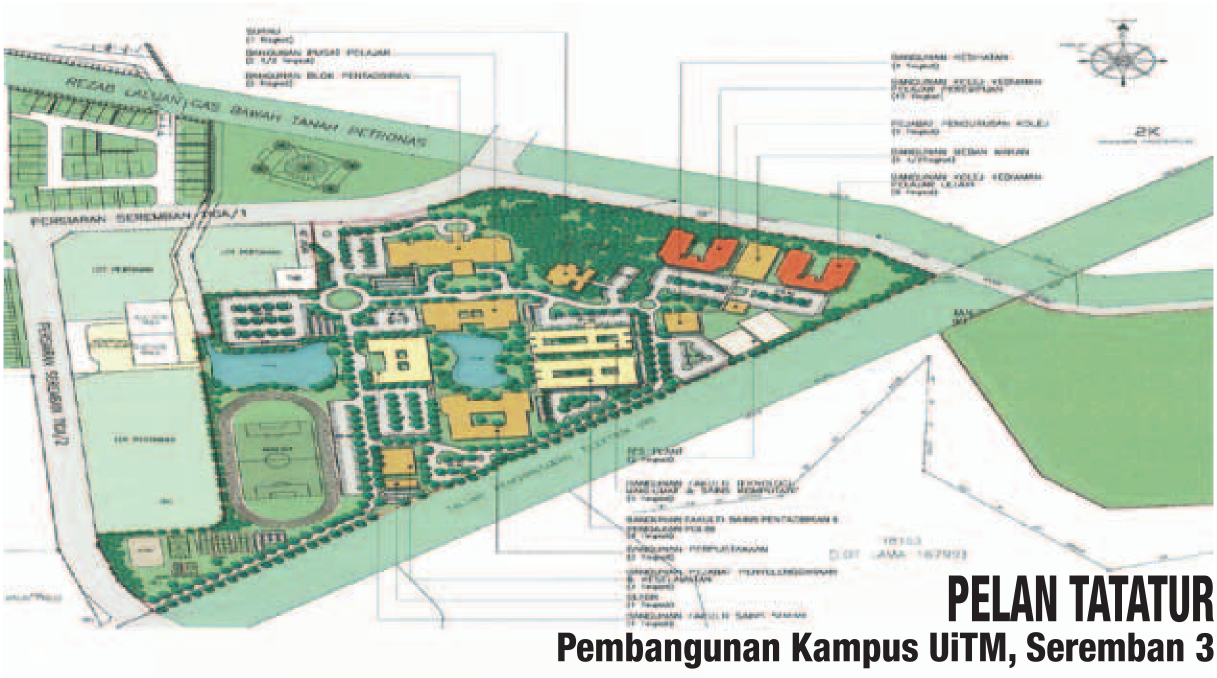
19 May 2011
Kuala Lumpur

Chairman's Statement (Cont'd)

PROPOSED UiTM CAMPUS AT SEREMBAN3

The Masterplan or Layout Plan of the proposed UiTM Campus at Seremban 3 together with some photographs of actual construction at site are shown as follow:-

AERIAL VIEW OF SEREMBAN 3 TOWNSHIP



Chairman's Statement (Cont'd)


View Before Construction Of
UiTM Campus, Seremban 3


UiTM Campus, Seremban 3
Progress Status At 10 May 2011


UiTM Campus, Seremban 3
Progress Status At 10 May 2011

Audit Committee report

CHAIRMAN	:	**Mr Chiam Tau Meng** *(Independent Non-Executive Director)*
MEMBERS	:	**Mr Too Kok Leng** *(Independent Non-Executive Director)*
		YBhg Datin Mariam Eusoff *(Non-Executive Group Deputy Chairman)*

TERMS OF REFERENCE

Constitution

The Audit Committee of the Company comprising all non-executive directors, a majority of who are independent, has been established since 22 March 1994.

Objective

The primary objectives of the Audit Committee are:

1. to assist in the fiduciary duties of the Board in matters pertaining to business ethics, policies, financial management, internal controls, accounting policies and financial reporting of the Company and its subsidiaries;

2. to maintain and enhance a line of communication and independence between the Group and the external auditors;

3. to ensure a system of internal controls which will mitigate the likelihood of fraud or error.

The appointment of a properly constituted Audit Committee is an important step to assist the Board of Directors in raising the standard of Corporate Governance and observance of good Corporate Governance practices.

Composition

1. The Audit Committee shall be appointed by the directors from amongst themselves and this fulfils the following requirements:

    (a) the Audit Committee shall comprise of no fewer than three (3) members;

    (b) all the Audit Committee must be non-executive directors, with a majority of them being independent directors;

    (c) the Chairman of the Audit Committee shall be an independent director; and

    (d) at least one (1) member of the Audit Committee:

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

        or

        (ii) if he is not a member of the MIA, he must have at least three (3) years' working experience and:

            (aa) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or

            (bb) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.

Audit Committee report (Cont'd)

or

(iii) fulfils such other requirements as prescribed or approved by the Exchange.

2. No alternate director shall be appointed as a member of the Audit Committee.

3. In the event of any vacancy in the Audit Committee resulting in the non-compliance of subparagraph 15.09(1) of the Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements, the Company must fill the vacancy within three (3) months.

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

Secretary to the Audit Committee

The Company Secretary shall be the Secretary to the Audit Committee.

Meetings

1. The Audit Committee shall meet at least four (4) times a year or more frequently as circumstances require with due notice of issues to be discussed and shall record its conclusions in discharging its duties and responsibilities.

2. The majority of members present must be independent directors to form a quorum.

3. The Group Accountant or the Finance Director and representative of external auditors shall normally attend the meeting.

4. The Committee may ask members of management or others to attend the meetings and provide pertinent information as necessary.

5. The Company must ensure that other directors and employees attend any particular Audit Committee meeting only at the audit committee's invitation, specific to the relevant meeting.

6. The Committee shall meet with the external auditors without the executive Board at least twice a year.

7. The Committee actions shall be reported to the Board of Directors with such recommendations, as the Committee deemed appropriate.

Procedure of Audit Committee

The Audit Committee may regulate its own procedure, in particular:

(a) the calling of meetings;

(b) the notice to be given of such meetings;

(c) the voting and proceedings of such meetings;

(d) the keeping of minutes; and

(e) the custody, production and inspection of such minutes.

Audit Committee report (Cont'd)

Authority

The Audit Committee was appointed under Chapter 15, Part C, paragraph 15.09 of the Bursa Securities Listing Requirements. The Committee is given the authority to investigate any matter of the Company and its subsidiaries within its terms of reference, the resources which are required to perform its duties, the authority to have full and unrestricted access to any information of the Company and the authority to have direct communication channels with the external auditors and person(s) carrying out the internal audit function. The Committee shall obtain independent/external professional advice and to be able to convene meetings with the external auditors, internal auditors or both excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

Functions and Duties

The functions of the Audit Committee are as follows:

1. To consider the appointment of the external auditors, the audit fee and any questions of resignation or dismissal and on whether there is reason (supported by grounds) to believe that the Company's external auditors are not suitable for re-appointment;

2. To discuss with the external auditors before the audit commences, the nature and scope of the audit and ensure co-ordination where more than one audit firm is involved;

3. To review:

   (a) with the external auditors, their audit plan;

   (b) with the external auditors, the overall scope of the external audit and discuss the results of their examination and their evaluation of the internal control system;

   (c) with the external auditors, the audit report;

   (d) the assistance given by the employees of the Company to the external auditors;

   (e) the quarterly results and year end financial statements of the Company, prior to the approval by the board of directors, focusing particularly on :

      (i) any changes in or implementation of major accounting policies and practices;

      (ii) significant adjustments arising from the audit and unusual events;

      (iii) the going concern assumption;

      (iv) compliance with accounting standards, other statutory and legal requirements;

   (f) any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of control that raises questions of management integrity;

   (g) the external and internal auditor's management letter and management's response; and

   (h) any letter of resignation from the external auditors of the Company.

4. To recommend the nomination of a person or persons as external auditors;

5. To discuss problems and reservations arising from the interim and final audits and any other matters the auditors may wish to discuss;

Audit Committee report (Cont'd)

6. To do the following where an internal audit function exists:

   (a) 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 on its work;

   (b) to review the internal audit programme, processes, 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;

   (c) to review any appraisal or assessments of the performance of members of the internal audit function;

   (d) to approve any appointments or terminations of senior staff members of the internal audit function;

   (e) to inform itself of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his/her reasons for resignation;

7. To consider the major findings of internal investigations and management's response;

8. To report promptly such matter to the Bursa Securities where the audit committee is of the view that a matter reported by it to the Board of Directors of the Company has not been satisfactorily resolved resulting in a breach of the Listing Requirements; and

9. To consider other topics as defined by the Board.

NUMBER OF MEETINGS AND DETAILS OF ATTENDANCE

Five (5) Audit Committee meetings were held on 22 February 2010, 23 April 2010, 26 May 2010, 12 August 2010 and 12 November 2010 during the financial year ended 31 December 2010. The attendance record of each member during the financial year is as follows:

Audit Committee Members	Date of Meetings Held/Attended					Total Meetings Attended
	22.02.2010	23.04.2010	26.05.2010	12.08.2010	12.11.2010	
Mr Chiam Tau Meng	√	√	√	√	√	5/5
Mr Too Kok Leng	√	√	√	√	√	5/5
Y Bhg Datin Mariam Eusoff	√	√	√	√	√	5/5

During the year, the external auditors have attended three (3) meetings, i.e. on 22 February 2010, 23 April 2010 and 12 November 2010.

ACTIVITIES

During the financial year under review, a summary of the activities undertaken by the Audit Committee in discharging their duties and responsibilities were as follows:

(i) Reviewed the external auditors' scope of work and their audit plan for the year;

(ii) Reviewed with the external auditors the results of their audit, the audit report, the management letter, including management's response and internal control recommendations in respect of control weaknesses noted in the course of their audit;

(iii) Reviewed the audited financial statements before recommending it for Board's approval;

(iv) Reviewed and recommended the audit fees payable to the external auditors for the Board's approval;

Audit Committee report (Cont'd)

(v) Reviewed the Company's compliance with the Listing Requirements of the Bursa Securities, applicable approved accounting standards issued by the Malaysian Accounting Standards Board ("MASB") and other relevant legal and regulatory requirements;

(vi) Reviewed the quarterly unaudited financial results, announcements and audited financial statements of the Company prior to submission for the Board's consideration and approval to ensure that the audited financial statements are drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards approved by the MASB;

(vii) Reviewed the internal audit function and risk management needs, programme and plan for the financial year under review and annual assessment of the internal audit function and risk management performance;

(viii) Reviewed the audit reports presented by internal audit function and risk management on findings and recommendations with regard to system and controls weaknesses noted in the course of their audit and management's responses thereto and ensuring material findings are adequately addressed by management;

(ix) Reviewed the Company's status of compliance with the provisions set out under the Malaysian Code on Corporate Governance for the purpose of preparing the Corporate Governance Statement pursuant to the requirement of paragraph 15.25 of the Bursa Malaysia Securities Berhad Revamped Listing Requirements before recommending them to the Board action plans and the prescribed corporate governance principles and best practices under the Code; and

(x) Reviewed and verified the allocation of Employees Share Option Scheme ("ESOS") made in the financial year ended 31 December 2010 and confirmed that the allocation complied with the allocation criteria determined by the ESOS Committee and in accordance with the ESOS Bye-Laws.

(xi) Reviewed the Audit Committee Report, Corporate Governance Statement and Statement on Internal Control and its recommendation to the Board for inclusion in the Annual Report.

(xii) Reviewed related party transactions if any that may arise within the Group.

INTERNAL AUDIT FUNCTION

The Company had outsourced the internal audit function to CGRM Infocomm Sdn Bhd ("CGRM"). The principal role of CGRM is to undertake independent regular and systematic reviews of the system of internal controls so as to provide reasonable assurance that such systems continued to operate satisfactorily and effectively. It is the responsibility of CGRM to provide the Audit Committee with independent and objective reports on the extent of compliance of the various operating units within the Group's established policies and procedures as well as relevant statutory requirements.

The total costs incurred for internal audit function of the Group in respect of the financial year ended 31 December 2010 amounted to RM27,657.20.

Further details of the activities of Internal Audit Function are set out in the Statement on Internal Control on page 22 to 24 of the Annual Report.

STATEMENT BY THE AUDIT COMMITTEE IN RELATION TO ESOS ALLOCATION

The Audit Committee confirms that the criteria of allocation of ESOS have been made in accordance with the Company's ESOS Bye-Laws.

Corporate Governance Statement

INTRODUCTION

The Board of Directors ("the Board") of Menang Corporation (M) Berhad ("Menang" or "the Company") fully subscribes to the principles and recommendations embodied in the Malaysian Code on Corporate Governance ("the Code") and appreciates the importance of adopting high standards of corporate governance within the Group. Hence, the Board strives to adopt the substance behind corporate governance prescriptions and not merely the form. The Board is thus fully committed to maintain a high standard of corporate governance by ensuring full application of all the principles and best practices set out in Parts 1 and 2 of the Code.

The Board is pleased to report that various affirmation steps and the outlines of how the Group has applied the principles laid down in the Code. Except of matters specifically identified, the Board has complied with the best practices set out in the Code throughout the financial year ended 31 December 2010.

A. DIRECTORS

A1. The Board

Board Responsibilities / Principle Duties

The Board takes full responsibility for the overall performance of the Company and the Menang Group by setting the vision and objectives, establishing goals for management and monitoring its achievement, directing the policies, strategic action plans and ultimately the enhancement of long term shareholders value. The Board focuses mainly on the following specific areas:

- The strategic action plans for the Group
- Evaluation of Company's business performance
- Identifying and management of principal risks
- Succession planning for senior management
- Developing and implementing an investor relations programme and shareholder communications policy
- Reviewing adequacy and integrity of Company's internal control systems and management information systems

Composition of the Board

The Board is made up of six (6) members, comprising the Group Executive Chairman, the Group Managing Director/Group Chief Executive Officer, Non-Executive Group Deputy Chairman, Non-Independent Non-Executive Director and two (2) Independent Non-Executive Directors.

Board Committee

The Board of Directors delegates certain responsibilities to the Board Committees in order to enhance business and operational efficiency. Currently, the Company has three (3) committees namely Audit, Nomination and Remuneration Committees to assist the Board in the execution of its duties. These three (3) committees consist of members from the Board. All the committees have their own written terms of reference and operating procedures. They report directly to the Board, the outcome of the Committee meetings as well as their recommendations.

Corporate Governance Statement (Cont'd)

Meeting

The Board meets at least four (4) times a year at quarterly intervals with additional meetings for particular matter convened as and when necessary. Six (6) Board meetings were held during the financial year to deliberate upon and considered a variety of matters including Group's financial results, issues of strategy, performance and resources, strategic decisions, business plan and direction of the Group.

The attendance record of each Director is as follows:

	No. of Meetings Attended/Held
Executive Directors	
Dato' Abdul Mokhtar Ahmad	6/6
Dato' Shun Leong Kwong	6/6
Non-Executive Directors:	
Datin Mariam Eusoff	6/6
Dr. Christopher Shun Kong Leng, CFP®, RFP™	6/6
Mr Chiam Tau Meng	6/6
Mr Too Kok Leng	6/6

A2. Board Balance

The current Board composition of two (2) Executive Directors, two(2) Non-Independent Non-Executive Directors and two (2) Independent Non-Executive Directors complies with Para 15.02 of the Bursa Malaysia Securities Berhad Listing Requirements which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, are independent directors.

The Directors, with their different backgrounds and specializations, equipped with a wide range of knowledge and experience and with the support of the management team is responsible for implementing the policies and decisions of the Board, overseeing the operations and managing the Group's business and resources.

There is a balance in the Board membership with the presence of the Independent Non-Executive Directors who are credible individuals with vast and varied experience. Both the Independent Non-Executive Directors are independent of management and free of any relationship, which could interfere with the exercise of independent judgment or the ability to act in the best interest of the Company.

The Independent Non-Executive Directors are actively involved in various Board committees. They bring to bear objective and independent assessment and opinion to the decision making of the Board and provide a capable check and balance to the executive directors. Together with the executive directors who have intimate knowledge of the business, they provide an effective blend of entrepreneurship, business and professional expertise in general management and areas of the industries the Group is involved in.

The role of the Group Executive Chairman and the Group Managing Director/Group Chief Executive Officer are separate and each has a clearly accepted division of responsibilities to ensure that there is a balance of power and authority. The Board has identified Mr. Chiam Tau Meng as the Senior Independent Non-Executive Director of the Board to whom concerns may be conveyed. The specific areas of responsibilities of each director is shown in the Directors' profile on pages 6 to 8 of the Annual Report.

Representatives of a significant shareholder are also members of the Board.

The Board is satisfied that the current composition fairly reflects the investment of minority shareholders in the Company through the representation of the two (2) Independent Non-Executive Directors.

Corporate Governance Statement (Cont'd)

A3. Supply of Information

All the Board members have full and timely access to all information within the Group. Board papers are distributed prior to the Board Meeting to enable the Directors to obtain relevant information and have sufficient time to deliberate on the issues to be raised at the meeting so as to discharge their duties diligently.

The Board papers which include the agenda and reports covering amongst others, areas of strategic, financial, operational, regulatory compliance matters that require the Board's approval.

Detailed periodic briefings on industry outlook, company performance and previews are also conducted for the Directors to ensure that the Board is well informed on the latest market and industry trends and development.

The Board or the individual director has unfettered access to the advice and services of the Company Secretary who ensure effective functioning of the Board and compliance of applicable rules and regulations. In the event that the Company Secretary fails to fulfill his/her duties effectively, the terms of appointment permits his/her removal and appointment of a successor by the Board as a whole.

The Board of Directors, whether as a full board or in their individual capacities, is entitled to obtain independent professional advice or opinion where necessary and in appropriate circumstances, in furtherance of their duties at the Group's expense.

A4. Appointment to the Board

The Nomination Committee of the Company comprises exclusively of Independent Non-Executive Directors with the responsibility of recommending a suitable candidate with the necessary skills, experience and competences to be filled in the Board and Board Committees. Any new nomination received is put to the full Board for assessment and endorsement on an ongoing basis. The Company Secretary will ensure that all appointments are properly made and that all necessary information is obtained, as well as legal and regulatory obligations are met.

The Nomination Committee had a process to assess the performance and contribution of each Director and effectiveness of the Board as a whole and at the same time had reviewed the required mix of skills and experience of the Board. The Committee also keeps under review the Board structure, size and composition as well as considering the Board's succession planning.

There is a formal training programme for new directors as it is the Company's policy to appoint to the Board individuals of sufficient caliber and experience to carry out the necessary duties of a director. The Board is mindful of the code of best practice in this regard and will review the necessity for formal training from time to time.

All the Directors have successfully completed the Mandatory Accreditation Programme prescribed by the Bursa Malaysia Securities Berhad ("Bursa Securities"). The Directors will continue to undergo relevant courses and seminars accredited by Bursa Securities under the Continuing Education Programme for directors of public listed companies to keep abreast with industry, regulatory and compliance issues, trends and best practices.

Trainings and seminars attended by Directors in 2010 comprised the following: -

- Perception of Risks, Integrated Performance and Risk Management
- Board Effectiveness: Redefining the Roles and Functions of An Independent Director
- What every Director should know about Fraud: A New Approach Towards the Prevention and Detection of FRAUD.

Corporate Governance Statement (Cont'd)

A5. Re-election

In accordance with the Company's Articles of Association, all the Directors who are appointed by the Board are subject to retirement and are eligible for re-election by the shareholders at the next Annual General Meeting ("AGM") held following their appointments. There was no new appointment made during the financial year.

The articles also provide that at least one-third (1/3) of the Directors shall retire from the office at each AGM and shall be eligible to offer themselves for re-election provided always that all Directors including the Managing Director shall retire from office and stand for re-election at least once every three(3) years.

B. DIRECTORS' REMUNERATION

The Remuneration Committee of the Company comprises the following Directors:

Mr Too Kok Leng	-	Independent Non-Executive Director *(Chairman)*
Mr Chiam Tau Meng	-	Independent Non-Executive Director
Dr. Christopher Shun Kong Leng, CFP®, RFP™	-	Non Independent Non-Executive Director

The Remuneration Committee responsible for recommending the remuneration packages of the Executive Directors in accordance with the Company's policy and with reference to external benchmark reports to the full Board for consideration and approval. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by them. The Board as a whole determines the remuneration of the Non-Executive Directors with the individual director affected abstaining from discussion and determination of his/her own remuneration package.

The remuneration package is necessary to attract, retain and motivate Directors of the quality required to manage the business of the Company and to align the interest of the Directors with those of the shareholders.

The details of the remuneration for Directors received / receivable from the Company during the financial year are as follows:

(a) aggregate remuneration of Directors categorised into appropriate components:

	Fees RM'000	Salaries RM'000	Bonus & Incentives RM'000	Benefits -in-Kind RM'000	Others RM'000	Total RM'000
Executive Directors	10.000	24.000	–	74.811	–	108.811
Non-Executive Directors	20.000	252.00	–	2.607	–	274.607

(b) The number of Directors whose total remuneration falls within the following bands:

Range of remuneration (RM)	Number of Directors Executive	Non-Executive
Not more than 50,000	1	–
50,001 to 100,000	1	4

Corporate Governance Statement (Cont'd)

C. SHAREHOLDERS

The Company recognizes the importance of accountability to its shareholders through an effective and constructive communication policy that enables both the board and management to communicate effectively with its shareholders, stakeholders and the public generally about performance, corporate governance and other matters affecting shareholders' interest. The Company reaches out to its shareholders through its distribution of the annual reports and other explanatory circulars. Each year, the Company strives to produce a comprehensive annual report, which is not only informative with facts and figures but also reader-friendly. Timely announcement are made to the public with regards to the Company's corporate proposal, financial results and other required announcements.

All shareholders are encouraged to attend the Company's Annual General Meeting and to participate in the proceedings. Shareholders' suggestions received during the Annual General Meetings are reviewed and considered for implementation wherever possible. The shareholders are given every opportunity to enquire, raise questions and seek clarification on the business and performance of the Group. These would give investors a better appreciation of the Company's objectives, its potential problems, the quality of its management, enhance better understanding of corporate strategies while also making the Company aware of the expectations and concerns of the shareholders. This process helps to create a more stable shareholders base.

D. ACCOUNTABILITY AND AUDIT

D1. Financial Reporting

The Board aims to present a balanced, clear and meaningful assessment of the Group's financial positions and prospects in all their reports to the shareholders, investors and regulatory authorities. This assessment is primarily provided in the Annual Report through the Chairman's Statement and the Statement by Directors to enhance shareholders' understanding of the business operations of the Group.

The quarterly results announcements on these results also reflect the Board's commitment to give regular updated assessments on the Group's performances.

D2. Internal Control

The information on the Group's internal control is presented in the Statement on Internal Control on pages 22 to 24 of the Annual Report.

D3. Relationship with the Auditors

The Board through its Audit Committee maintains a formal and transparent arrangement with the Company's external auditors. A summary of activities of the Audit Committee during the financial year are included in the Audit Committee Report as detailed on pages 12 to 16 of the Annual Report.

Statement On Internal Control

1. INTRODUCTION

The Malaysian Code on Corporate Governance stipulated that the listed companies should maintain a sound system of internal controls to safeguard shareholder's investments and the Group's assets. This Statement on Internal Control is made in accordance with the Malaysia Code on Corporate Governance and paragraph 15.26(b) of the Bursa Malaysia Securities Berhad ("Bursa Malaysia") Listing Requirements that requires the Board of Directors to includes a statement about the state of internal control, as a group, in its annual reports.

The Board of Directors of Menang Corporation (M) Berhad ("the Board") is taking appropriate initiatives to maintain and further strengthen the transparency, accountability and efficiency of the Group operations. The Board believes the practice of good corporate governance is an important continuous process and not just a matter to be covered as compliance in its Annual Report. Hence, the Board endeavours to maintain an adequate system of internal control that is designed to manage, rather than eliminate risk, and to improve the governance process of the Group.

2. RESPONSIBILITY FOR RISK AND INTERNAL CONTROLS

The Board and the senior management places importance on, and is aware and committed its overall responsibility to maintain a sound system of internal control and had established processes for identifying, evaluating and managing the significant risks faced by the Group.

Therefore, the Group's system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives. It follows, that the system of internal control can only provide reasonable but not absolute assurance against material misstatement or loss.

The Group has in place an on-going process of identifying, evaluating, monitoring and managing the key risks affecting the achievement of its business objectives throughout the year. The Board and the management have regularly reviewed this process. The Board also, throughout the current financial year, has identified, evaluated and managed the significant risks faced by the Group through monitoring of the Group's operational efficiency and profitability at its Board Meetings.

However, material joint venture and associated company have not been dealt with as part of the Group for purposes of applying the above guidance as the joint venture and associated company have their own systems of internal controls in place. Nevertheless, the Board convenes regular Board and operations meetings with the joint venture and associated company to monitor these investments.

3. RISK MANAGEMENT

The Group maintained its risk management policy and framework to continually update and identify the various factors that could have a potentially significant impact on the Group's mid to long term business objectives.

The Board was also assisted by the senior management in ensuring that there is an on-going and systematic risk management process undertaken by management to identify, assess and evaluate principal risks. The senior management ensures that appropriate risk treatments are in place to mitigate those risks affecting the achievement of the Group's business objectives.

4. INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to CGRM Infocomm Sdn Bhd ("CGRM"). CGRM, an independent professional firm, was appointed to support the Audit Committee, and by extension, the Board, by providing an independent assurance on the effectiveness of the Group's system of internal control.

In particular, CGRM appraises and contributes towards improving the Group's risk assessment and control systems and reports to the Audit Committee twice a year. In assessing the adequacy and effectiveness of the system of internal control and financial control procedures of the Group, the Audit Committee reports to the Board on its activities, significant audit results or findings and the necessary recommendations or actions needed to be taken by management to rectify those issues.

Statement On Internal Control (Cont'd)

4. INTERNAL AUDIT FUNCTION (Continued)

The internal audit work plan is risk-based and reflects the Group's major business activities identified by management through the risk assessment process. This plan is reviewed and approved by the Audit Committee. The scope of CGRM's function covered the audit and review of governance, risk assessment, compliance, operational and financial control of major business units and operations except those of the joint venture and associate companies.

The internal audit reviews were conducted with reference to the Guidelines on the Internal Audit function issued by The Institute of Internal Auditors Malaysia in July 2002, the International Professional Practices Framework issued by The Institute of Internal Auditors Research Foundation and the principles of the COSO (Committee of the Sponsoring Organizations of the Treadway Commission) framework, a globally accepted internal control and governance model.

5. INTERNAL CONTROL SYSTEM

A system of internal control that reflects the Group's control environment which encompasses its organisational structure was designed to facilitate achievement of the Group's business objectives. It comprises the underlying control environment, risk assessment, control activities, information and communication as well as monitoring systems.

The organisational structure has clear defined lines of responsibility, delegation of authority and segregation of duties across its business units. The Group has in place a comprehensive budgeting process for all operating units.

Pertinent information and reports are identified, captured and utilised at all levels of the Group. These are distributed in a form with time frame that supports the achievement of financial reporting objectives.

There are on-going processes embedded within the Group's overall business operations and addressed by the Management, Audit Committee, and Internal Auditors to monitor the effective application of the policies, processes and activities related to internal control and risk management.

6. OTHER KEY ELEMENTS OF INTERNAL CONTROL

The following are other key elements of the Group's internal control systems:

- An effective Board which retains control over the Group with appropriate management reporting mechanisms which enable the Board to review the Group's progress.
- The Board has delegated the responsibilities to various committees, which includes the Audit Committee, Remuneration Committee and Nomination Committee to implement and monitor the Board's policies and controls within its major business units.
- Executive Management Committee, Audit Committee and the Board approved annual budgets prepared by each operating subsidiary and consolidated by the Group Finance function.
- Periodic management meetings involving discussion on operational issues at the respective subsidiary levels.
- Standard operating procedures that provide guidelines on, and authority limits over various operating, financial and human resources matters.

All these functions provide their respective degree of assurance to the operations and existence of the system of the internal control.

Statement On Internal Control (Cont'd)

7. CONCLUSION

There were some internal control weaknesses identified during the financial year ended 31 December 2010. These control weaknesses identified have been, or are being, addressed to ensure the integrity of internal controls. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require mention in the Group's annual report.

The Management of the Group continues to take measures to strengthen the internal control environment. The development of the system of internal control is an ongoing process and the Board maintains an ongoing commitment to strengthen the Group's internal control environment and processes.

The external auditors have reviewed this Statement on Internal Control for the inclusion in the annual report of the Group for the year ended 31 December 2010.

This statement was made in accordance with a resolution of the Board dated 26 May 2011.

Other Compliance Statements

1. UTILISATION OF PROCEEDS

There were no proceeds raised from any proposal during the financial year.

2. SHARE BUY-BACKS

There were no Share Buy-Backs during the financial year.

3. OPTIONS OR CONVERTIBLE SECURITIES

There were no Warrants or Employee Share Option Scheme exercised during the financial year.

4. DEPOSITORY RECEIPT PROGRAMME

There were no depository receipt programmes sponsored by the Company during the financial year.

5. SANCTIONS AND/OR PENALTIES

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

6. NON-AUDIT FEES

There were no non-audit fees paid to external auditors during the financial year.

7. VARIATION IN RESULTS

There were no variance between the results of the financial year and the unaudited results previously announced.

8. PROFIT GUARANTEE

There was no profit guarantee given by the Company during the financial year.

9. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries which involved directors' and major shareholders' interest either still subsisting at the end of the financial year ended 31 December 2010 or entered into since the end of the previous financial year.

10. REVALUATION POLICY ON LANDED PROPERTIES

The Company revalues its landed properties every five (5) years and shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value.

11. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE NATURE

There were no recurrent related party transactions of a revenue nature during the financial year.

12. CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The Group did not undertake any corporate social responsibility activities during the financial year ended 31 December 2010.

Statement Of Directors' Responsibilities

In Respect Of The Audited Financial Statements

The Directors are required to ensure that financial statements for each financial year are properly drawn up in accordance with the provisions of the Companies Act, 1965 and approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs and results of the Group and the Company for the financial year then ended.

In preparing the financial statements, the Directors have:

- adopted suitable accounting policies and then apply them consistently;
- made judgments and estimates that are prudent and reasonable in the circumstances; and
- ensured all applicable accounting standards have been followed.

The Directors are responsible for ensuring proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the Companies Act, 1965.

The Directors have a general responsibility for taking such reasonable steps as are reasonably open to them: -

(a) to safeguard the assets of the Group and the Company; and

(b) to prevent and detect fraud and other irregularities.

This statement is made in accordance with a resolution of the Board of Directors dated 26 May 2011.

Financial Statements

Directors' Report

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

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding, letting out of properties and the provision of management services. The principal activities of the subsidiaries are set out in Note 10 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Loss for the financial year	(832)	(2,622)
Profit/(Loss) attributable to:		
Owners of the parent	474	(2,622)
Minority interest	(1,306)	–
	(832)	(2,622)

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors also do not recommend any dividend payment in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

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

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issue of warrants and options pursuant to the Employees' Share Option Scheme.

Warrants 2006/2011

Pursuant to a deed poll dated 17 May 2001 ("Deed Poll"), the Company had renounceable rights of 40,070,400 warrants 2001/2006 issued on a renounceable basis to the Minority Shareholders of the Company upon the Completion of the Capital Reconstruction. The registered holders are entitled to subscribe for one (1) new ordinary share of RM1.00 each in the Company at a price of RM1.00 per ordinary share for every warrant held. The conversion ratio is subject to the aforesaid Deed Poll and can be exercised at any time during the initial five-year subscription period which expired on 15 October 2006. On 30 June 2006, pursuant to the Extraordinary General Meeting and the Meeting of the Warrant holders in relation to the Warrants Extension, the Warrants have been extended by an additional five (5) years, from 16 October 2006 up to and including 15 October 2011. The other terms and conditions of the original deed poll dated 17 May 2001 shall remain unchanged. As at the date of the Report, none of the warrants has been exercised.

Directors' Report (Cont'd)

OPTIONS GRANTED OVER UNISSUED SHARES (Continued)

Warrants 2006/2011 (continued)

The exercise price of the Warrants was adjusted from RM1.00 to RM0.50 per share on 17 February 2011 on the implementation of the capital reduction of the issued and paid-up share capital of the Company via the cancellation of RM0.50 of par value of each unit of ordinary share.

Employees' Share Option Scheme ("ESOS")

At an Extraordinary General Meeting ("EGM") held on 15 January 2002, the Company's shareholders approved the establishment of an Employees' Share Option Scheme to eligible Executive Directors and employees of the Group whereby:

(i) not more than fifty per cent (50%) of the ordinary shares available under the ESOS should be allocated, in aggregate, to Executive Directors and senior management; and

(ii) not more than ten per cent (10%) of the ordinary shares available under the ESOS should be allocated to any individual Executive Director or Eligible Employee, who either singly or collectively through his/her associates hold twenty per cent (20%) or more of the issued and paid-up share capital of the Company.

The options offered under ESOS to take up unissued ordinary shares of RM1.00 each and the subscription prices are as follows:

		-Number of options over ordinary shares of RM1.00 each -			
Exercise period	**Subscription price RM**	**Balance as at 1.1.2010**	**Granted**	**Lapsed**	**Balance as at 31.12.2010**
25.1.2002 - 23.1.2012	1.00	8,633,000	–	–	8,633,000
2.5.2002 - 23.1.2012	1.00	10,000	–	–	10,000
10.1.2003 - 23.1.2012	1.00	146,000	–	–	146,000
25.2.2004 - 23.1.2012	1.00	478,000	–	–	478,000
7.1.2005 - 23.1.2012	1.00	710,000	–	–	710,000
21.2.2005 - 23.1.2012	1.00	92,000	–	–	92,000
		10,069,000	–	–	10,069,000

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the list of employees and their option holdings which is less than 1,000,000 ordinary shares of RM1.00 each on 12 January 2011.

The subscription price of one (1) option of the ESOS had been adjusted from RM1.00 to RM0.50 of each unit of ordinary share with effect from 17 February 2011 as a consequence of reduction of the issued and paid-up share of the Company via the cancellation of RM0.50 of par value of each unit of ordinary share.

The salient features of the ESOS are as follows:

(i) the maximum number of ordinary shares to be issued and allotted by the Company under the ESOS as approved by the Securities Commission shall not exceed ten percent (10%) of the total issued and paid-up share capital of the Company at any point in time during the duration of the ESOS;

(ii) Executive Directors and eligible employees are those who have been confirmed in writing as employees of the Group on or prior to the date of the offer;

(iii) the option is personal to the grantee and shall not be transferred, assigned or disposed of by the grantee save and except in the event of the death of the grantee as provided under Bye-Law 14.6;

(iv) no offer shall be made to any Executive Director of the Company unless such offer and the related allotment of shares have previously been approved by the shareholders of the Company in general meeting;

Directors' Report (Cont'd)

OPTIONS GRANTED OVER UNISSUED SHARES (Continued)

Employees' Share Option Scheme ("ESOS") (continued)

The salient features of the ESOS are as follows:(continued)

(v) the subscription price at which the employees are offered to take up shares under the ESOS is either at a discount of not more than ten percent (10%) from the weighted average market price of the shares as shown in the daily official list issued by Bursa Malaysia Securities Berhad for five (5) market days immediately preceding the date of offer or at par value of the shares of the Company of RM1.00, whichever is higher;

(vi) the options granted may be exercised at any time within the option period and the option may be fully exercised after the acceptance under Bye-Law 10.1; and

(vii) the options granted may be exercised in full or in lesser number of ordinary shares provided that the number shall be in multiples of 1,000 shares.

The persons to whom the options have been granted have no right to participate by virtue of the options in any share issue of any other company.

On 26 December 2006, the Company had extended its existing ESOS which expired on 23 January 2007 for another five (5) years effective from 24 January 2007 up to and including 23 January 2012 in accordance with the provision of the Company's ESOS Bye-Law. No ESOS has been exercised or granted during the current financial year.

DIRECTORS

The Directors who have held for office since the date of the last report are:

Y. Bhg. Dato' Abdul Mokhtar Ahmad
Y. Bhg. Dato' Shun Leong Kwong
Y. Bhg. Datin Mariam Eusoff
Dr. Christopher Shun Kong Leng, CFP®, RFP™
Too Kok Leng
Chiam Tau Meng

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares and options of the Company and of its related corporations during the financial year ended 31 December 2010 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 were as follows:

	-- Number of ordinary shares of RM1.00 each --			
Shares in the Company	**Balance as at 1.1.2010**	**Bought**	**Sold**	**Balance as at 31.12.2010**
Direct interests:				
- Y. Bhg. Dato' Shun Leong Kwong	9,400	–	–	9,400
- Y. Bhg. Datin Mariam Eusoff	4,200	–	–	4,200
Indirect interests:				
- Y. Bhg. Dato' Abdul Mokhtar Ahmad	95,945,130	–	–	95,945,130
- Y. Bhg. Dato' Shun Leong Kwong	95,945,130	–	–	95,945,130
- Y. Bhg. Datin Mariam Eusoff	95,945,130	–	–	95,945,130

Directors' Report (Cont'd)

DIRECTORS' INTERESTS (Continued)

	--- Number of options over ordinary shares of RM1.00 each--			
	Balance as at 1.1.2010	Offered and accepted	Exercised	Balance as at 31.12.2010
ESOS in the Company				
Y. Bhg. Dato' Abdul Mokhtar Ahmad	1,000,000	–	–	1,000,000
Y. Bhg. Dato' Shun Leong Kwong	1,000,000	–	–	1,000,000
Y. Bhg. Datin Mariam Eusoff	1,000,000	–	–	1,000,000
Dr. Christopher Shun Kong Leng, CFP®, RFP™	1,000,000	–	–	1,000,000

By virtue of their interests in the ordinary shares of the Company, Y. Bhg. Dato' Abdul Mokhtar Ahmad, Y. Bhg. Dato' Shun Leong Kwong, Y. Bhg. Datin Mariam Eusoff and Dr. Christopher Shun Kong Leng, CFP®, RFP™, are also deemed to be interested in the ordinary shares of the subsidiaries to the extent the Company has an interest.

None of the other Directors holding office at the end of the financial year held any interest in the ordinary shares and options of the Company or of its related corporations during the financial year.

None of the Directors holding office at the end of the financial year held any interest in the warrants of the Company during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than the following:

(a) remuneration received by certain Directors as directors/executives of certain companies in the Group;

(b) purchase of certain properties by certain Directors as disclosed in Note 32; and

(c) rental payable to certain Directors as disclosed in Note 32.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate apart from the Directors' entitlement to subscribe for new ordinary shares in the Company under the ESOS of the Company.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

(a) Before the statements of financial positions and statements of comprehensive income of the Group and of the Company were made out, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that there are no known bad debts and that adequate provision had been made for doubtful debts; and

Directors' Report (Cont'd)

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (Continued)

(I) AS AT THE END OF THE FINANCIAL YEAR (continued)

(a) Before the statements of financial positions and statements of comprehensive income of the Group and of the Company were made out, the Directors took reasonable steps: (continued)

(ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

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

(i) effect arising from the write back of deferred liabilities charges in respect of Al-Bai Bithaman Ajil Facility resulting in an increase in the Group's result for the financial year by RM1,043,000 as disclosed in Note 27 to the financial statements; and

(ii) effect arising from the impairment loss on receivables resulting in a decrease in the Company's result for the financial year by RM719,000 as disclosed in Note 27 to the financial statements.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

(c) The Directors are not aware of any circumstances:

(i) which would necessitate the writing off of bad debts or render the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent; or

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) In the opinion of the Directors:

(i) there has not arisen any item, transaction or event of a material and unusual nature 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; and

(ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

(e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.

(f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.

(g) The Directors are not aware of any circumstances not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

Directors' Report (Cont'd)

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(i) On 11 March 2009, the Board of Directors of the Company announced to Bursa Malaysia Securities Berhad on the default in payment in respect of Al-Bai Bithaman Ajil Facility ("Islamic Facility") granted by Bank Islam Malaysia Berhad ("Bank Islam") to its wholly owned subsidiary, Menang Development (M) Sdn. Bhd. ("MDSB") pursuant to Practice Note 1/2001 of Bursa Malaysia Securities Berhad Listing Requirements ("PN1"). MDSB has been served with an Originating Summons with an Affidavit in Support ("Summons") on 10 March 2009 by Bank Islam claiming an indebtedness amount of RM26,396,000.

On 9 June 2010, the total amount owing to Bank Islam has been fully settled.

(ii) On 26 March 2010, a Consortium Agreement was signed between the Company and third parties ("Consortium") for the purpose of joint venture development on certain parcels of land that were previously charged to Bank Islam as securities for the Islamic Facility. These land had been discharged during the financial year following the settlement of the Islamic Facility as disclosed in (i) above.

Pursuant to the Consortium Agreement, the Company shall negotiate to secure a private finance initiative ("PFI") project to be developed on the aforesaid land within twelve (12) months from the date of the Consortium Agreement, failing which, these land shall be sold and transferred to a certain member of the Consortium free from all encumbrances and with vacant possession.

On 24 March 2011, the Company has been granted extension of time until 31 December 2011 to secure the PFI project.

(iii) On 29 March 2010 and 1 November 2010 respectively, the Group took up the allotment of 69 and 3,550,000 ordinary shares of RM1.00 each in the issued and paid-up capital of a subsidiary, Inovatif Mewah Sdn. Bhd. ("IMSB"), for a cash consideration of RM69 and RM3,550,000 respectively.

(iv) On 4 May 2010, IMSB entered into a Concession Agreement with the Government of Malaysia under a PFI basis to build, lease, maintain and transfer a UiTM Campus at Seremban 3 for a contract sum RM293,000,000.

Upon completion of the building, the Campus will be leased to the Government/UiTM for a period of 20 years. During the lease period of 20 years, IMSB will also be maintaining the Facilities and Infrastructure of the Campus. The Concession Period of the Project is therefore 23 years (inclusive of the 3 years of construction period).

(v) On 22 September 2010, IMSB had accepted the offer from the State Government of Negeri Sembilan to compulsorily acquire three (3) pieces of land measuring a total area of approximately 21.1095 hectares pursuant to the Land Acquisition Act, 1960 for a total consideration of RM35,470,000. The said land acquired by the State Government of Negeri Sembilan was for the proposed construction of the UiTM Campus as disclosed in paragraph (iv) above.

(vi) On 21 December 2010, the Group has fully repaid and settled its term loan liabilities under PN1 status. On 13 January 2011, the Group announced that the Group had regularised its PN1 status.

(vii) The Directors of the Company have proposed to implement a capital reduction of the issued and paid-up share capital of the Company ("the Proposal") via the cancellation of RM0.50 of the par value of each unit of ordinary share. At an EGM held on 12 November 2010, the shareholders of the Company have approved the Proposal.

On 28 January 2011, the High Court of Malaya ("the Court") had granted order-in-terms in respect of the application by the Company for the Proposal. On 16 February 2011, the sealed order of the Court confirming the capital reduction has been lodged with the Companies Commission of Malaysia. Accordingly, the capital reduction will take immediate effect, whereby the par value of each ordinary share in the Company will be reduced from RM1.00 to RM0.50 per ordinary share.

In accordance with the Deed Poll dated 17 May 2001 constituting the Warrants, the exercise price of the Warrants will be adjusted from RM1.00 to RM0.50 per ordinary share with effect from 17 February 2011 as a consequence of the capital reduction.

Directors' Report (Cont'd)

SIGNIFICANT EVENT SUBSEQUENT TO END OF THE REPORTING PERIOD

On 8 April 2011, the Company acquired the entire equity interest of Rumpun Positif Sdn. Bhd. ("RP") comprising two (2) ordinary shares of RM1 each for a total cash consideration of RM2. RP is a company incorporated in Malaysia and is currently dormant.

AUDITORS

The auditors, BDO, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors.

Y. Bhg. Dato' Abdul Mokhtar Ahmad
Director

Y. Bhg. Dato' Shun Leong Kwong
Director

Kuala Lumpur
22 April 2011

Statements By Directors

In the opinion of the Directors, the financial statements set out on pages 39 to 113 have been drawn up in accordance with applicable approved Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial positions of the Group and of the Company as at 31 December 2010 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Y. Bhg. Dato' Abdul Mokhtar Ahmad
Director

Y. Bhg. Dato' Shun Leong Kwong
Director

Kuala Lumpur
22 April 2011

Statutory Declaration

I, Ng Kim Fong, being the officer primarily responsible for the financial management of Menang Corporation (M) Berhad, do solemnly and sincerely declare that the financial statements set out on pages 39 to 113 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the abovenamed at)
Kuala Lumpur this) **Ng Kim Fong**
22 April 2011)

Before me:

Robert Lim Hock Kee (No. W092)
Commissioner for Oaths
Lot 2.10, Tingkat 2, Bangunan Angkasa Raya
Jalan Ampang
50450 Kuala Lumpur.

Independent Auditors' Report

To The Members Of Menang Corporation (M) Berhad

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Menang Corporation (M) Berhad, which comprise the statements of financial positions as at 31 December 2010 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 39 to 113.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

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

EMPHASIS OF MATTER

Without qualifying our opinion, we draw attention to Note 4.1 to the financial statements which discloses the premise upon which the Group and the Company have prepared their financial statements by applying the going concern assumption, notwithstanding that the Group's current liabilities exceeded its current assets by RM28,539,000 as of 31 December 2010 and that the Group and the Company incurred a net loss of RM832,000 and RM2,622,000 respectively for the financial year ended 31 December 2010. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as going concerns.

The continuation of the Group and the Company as going concerns is dependent upon the successful completion and implementation of the UiTM project, the successful disposal of certain assets of the Group in order to repay their borrowings and to have adequate working capital to finance their development activities so as to generate future profits and cash inflows, as well as the successful formulation of loans repayment plan with a financial institution.

Independent Auditors' Report (Cont'd)

To The Members Of Menang Corporation (M) Berhad

EMPHASIS OF MATTER (Continued)

As disclosed in Note 37(iv) to the financial statements, the Group entered into a concession agreement under a private finance initiative basis to build, lease, maintain and transfer a UiTM Campus for a total contract sum of RM293,000,000 ("UiTM project"). The Directors are confident that the UiTM project will be successfully completed and implemented. The UiTM project is also expected to enhance the value of the Group's landed properties located in the vicinity of the project, which will facilitate the Group's assets disposal programme.

As disclosed in Note 22.1 to the financial statements, the Al-Bai Bithaman Ajil Facility ("Islamic Facility") had been fully settled during the financial year. This was completed pursuant to a Consortium Agreement dated 26 March 2010, where the Consortium agreed to proceed with the redemption of the properties charged to Bank Islam Malaysia Berhad ("Bank Islam") to settle the Islamic Facility with an amount outstanding of RM27,567,000. The assets disposal programme involves, among others, the disposal of the above properties redeemed from Bank Islam in order to repay an amount of RM28,568,000 owing to a third party as disclosed in Note 21(f) to the financial statements, which arose from the settlement of the Islamic Facility pursuant to the abovementioned Consortium Agreement.

In addition, as disclosed in Note 22.2(a) to the financial statements, the financial institution for Term Loans I and II of the Group has also granted indulgence of time till 31 December 2011 for the Group to formulate a repayment plan.

The Directors are of the opinion that the Group and the Company will be able to operate profitably in the foreseeable future, successfully dispose off certain assets of the Group and repay their borrowings, obtain continuing financial support from the lenders to have adequate working capital to finance their development activities and therefore continue as going concerns and accordingly, realise their assets and discharge their liabilities in the normal course of business.

In view of the foregoing, the Directors consider it appropriate to prepare the financial statements of the Group and of the Company on a going concern basis, and accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to amounts and classification of liabilities that may be necessary should the going concern basis for the preparation of the financial statements of the Group and of the Company be not appropriate.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 10 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 form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

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

Independent Auditors' Report (Cont'd)

To The Members Of Menang Corporation (M) Berhad

OTHER REPORTING RESPONSIBILITY

The supplementary information set out in Note 19(b) to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ('MIA Guidance') and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO
AF : 0206
Chartered Accountants

Chan Wai Leng
2893/08/11 (J)
Chartered Accountant

Kuala Lumpur
22 April 2011

Statements Of Financial Positions

As At 31 December 2010

	Note	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	7	821	829	23	43
Investment properties	8	51,689	51,851	11,628	11,790
Land held for property development	9	134,937	145,781	–	–
Investments in subsidiaries	10	–	–	85,159	85,165
Investment in associate	11	–	–	–	–
Other investments	12	2	2	–	–
		187,449	198,463	96,810	96,998
Current assets					
Property development costs	13	60,815	57,189	–	–
Inventories	14	6,267	6,632	–	–
Trade and other receivables	15	8,551	2,040	131,750	141,567
Cash and cash equivalents	16	818	3,591	337	15
		76,451	69,452	132,087	141,582
Non-current assets classified as held for sale	17	–	5,092	–	–
TOTAL ASSETS		263,900	273,007	228,897	238,580

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

Statements Of Financial Positions (Cont'd)

As At 31 December 2010

		Group		Company	
	Note	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	18	267,107	267,107	267,107	267,107
Reserves	19	(110,055)	(110,529)	(48,550)	(45,928)
		157,052	156,578	218,557	221,179
Minority interest		144	–	–	–
TOTAL EQUITY		157,196	156,578	218,557	221,179
LIABILITIES					
Non-current liabilities					
Deferred tax liabilities	20	1,714	1,488	–	–
Current liabilities					
Trade and other payables	21	43,117	26,066	8,240	10,275
Borrowings (secured)	22	61,873	85,124	2,100	3,601
Amount owing to former holder of Redeemable Convertible Secured Loan Stocks	23	–	3,441	–	3,441
Current tax liabilities		–	84	–	84
		104,990	114,715	10,340	17,401
Liability attributed to non-current assets classified as held for sale	17	–	226	–	–
TOTAL LIABILITIES		106,704	116,429	10,340	17,401
TOTAL EQUITY AND LIABILITIES		263,900	273,007	228,897	238,580

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

Statements Of Comprehensive Income
For The Financial Year Ended 31 December 2010

		Group		Company	
		2010	2009	2010	2009
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	24	40,136	14,653	18	18
Cost of sales	25	(27,989)	(13,042)	–	–
Gross profit		12,147	1,611	18	18
Other operating income		1,490	18,898	404	1,970
Administrative expenses		(7,125)	(6,929)	(1,704)	(1,497)
Other operating expenses		(666)	(4,821)	(900)	(1,244)
Finance costs	26	(6,678)	(6,061)	(440)	(606)
Profit/(Loss) before tax	27	(832)	2,698	(2,622)	(1,359)
Tax income/(expense)	28	–	852	–	(166)
(Loss)/Profit for the financial year		(832)	3,550	(2,622)	(1,525)
Other comprehensive income		–	–	–	–
Total comprehensive income		(832)	3,550	(2,622)	(1,525)
Profit/(Loss) attributable to:					
Owners of the parent		474	3,550	(2,622)	(1,525)
Minority interest		(1,306)	–	–	–
		(832)	3,550	(2,622)	(1,525)
Total comprehensive income attributable to:					
Owners of the parent		474	3,550	(2,622)	(1,525)
Minority interest		(1,306)	–	–	–
		(832)	3,550	(2,622)	(1,525)
Earnings per ordinary share attributable to equity holders of the parent (sen):					
Basic and diluted	29	0.18	1.33		

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

Statement Of Changes In Equity

For The Financial Year Ended 31 December 2010

Group

	Share capital RM'000	Capital reserve RM'000	Accumulated losses RM'000	Total attributable to owners of the parent RM'000	Minority interest RM'000	Total equity RM'000
Balance as at 31 December 2008	267,107	960	(115,039)	153,028	–	153,028
Total comprehensive income	–	–	3,550	3,550	–	3,550
Balance as at 31 December 2009	267,107	960	(111,489)	156,578	-	156,578
Total comprehensive income	–	–	474	474	(1,306)	(832)
Transaction with owners						
Ordinary shares contributed by minority shareholders of a subsidiary	–	–	–	–	1,450	1,450
Balance as at 31 December 2010	267,107	960	(111,015)	157,052	144	157,196

Company

	Share capital RM'000	Capital reserve RM'000	Accumulated losses RM'000	Total equity RM'000
Balance as at 31 December 2008	267,107	960	(45,363)	222,704
Total comprehensive income	–	–	(1,525)	(1,525)
Balance as at 31 December 2009	267,107	960	(46,888)	221,179
Total comprehensive income	–	–	(2,622)	(2,622)
Balance as at 31 December 2010	267,107	960	(49,510)	218,557

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

Statements Of Cash Flows

For The Financial Year Ended 31 December 2010

	Note	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
(Loss)/Profit before tax		(832)	2,698	(2,622)	(1,359)
Adjustments for:					
Impairment loss on receivables		–	–	719	415
Bad debts written off		–	2	–	–
Depreciation of investment properties	8	162	649	162	649
Depreciation of property, plant and equipment	7	174	266	11	62
Impairment loss on non-current assets classified as held for sale	9	–	3,636	–	–
Land held for property development written off	9	463	–	–	–
Forfeited income		(7)	(3)	–	–
Impairment loss on investments in subsidiaries	10	–	–	6	101
Interest expenses		6,678	6,061	440	606
Interest income		(97)	(21)	(403)	(623)
Gain on disposal of property, plant and equipment	27	(1)	(31)	(1)	–
Deposit written off		1	–	–	–
Property, plant and equipment written off	7	4	18	–	–
Write back of deferred liabilities charges in respect of Al-Bai Bithaman Ajil Facility	22.1	(1,043)	(17,671)	–	–
Operating profit before working capital changes		5,502	(4,396)	(1,688)	(149)
Decrease/(Increase) in inventories		365	(39)	–	–
Decrease in land held for property development and property development cost		19,594	9,718	–	–
(Increase)/Decrease in trade and other receivables		(7,807)	(2)	3	(2)
Decrease/(Increase) in amount owing by joint venture project		1,399	(291)	–	–
(Decrease)/Increase in trade and other payables		(10,137)	1,684	(1,493)	75
Decrease in amounts owing to corporate shareholders		(185)	(35)	–	–
(Decrease)/Increase in amounts owing to Directors		(1,195)	1,230	(340)	135
Cash from/(used in) operations		7,536	7,869	(3,518)	59
Tax paid		(84)	(45)	(84)	(45)
Interest received		–	7	–	–
Net cash from/(used in) operating activities		7,452	7,831	(3,602)	14

Statements Of Cash Flows (Cont'd)

For The Financial Year Ended 31 December 2010

		Group		Company	
		2010	2009	2010	2009
	Note	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Additions in property development costs	13	(7,747)	(3,662)	–	–
Issue of shares to minority interest		1,450	–	–	–
Additions in non-current assets classified as held for sale	17	–	(2,245)	–	–
Repayments by subsidiaries		–	–	9,498	–
Proceed from previous disposal of an associate		–	371	–	–
Proceeds from disposal of property, plant and equipment		11	31	11	–
Purchase of property, plant and equipment	7	(180)	(136)	(1)	(1)
Repayments to subsidiaries		–	–	(202)	(862)
Net cash (used in)/from investing activities		(6,466)	(5,641)	9,306	(863)
CASH FLOWS FROM FINANCING ACTIVITIES					
Advances from third party		28,568	–	–	–
Payments of deferred liability charges in respect of Al-Bai Bithaman Ajil Facility		(26,524)	–	–	–
Drawdown of term loan		2,500	490	2,510	490
Interest paid		(782)	(9)	(371)	(1)
Repayments of hire purchase		–	(33)	–	(2)
Repayment of term loans		(4,080)	–	(4,080)	–
Repayment to former holder of redeemable convertible secured loan stocks		(3,441)	–	(3,441)	–
Net cash used in financing activities		(3,759)	448	(5,382)	487
Net (decrease)/increase in cash and cash equivalents		(2,773)	2,638	322	(362)
Cash and cash equivalents at beginning of financial year		3,591	953	15	377
Cash and cash equivalents at end of financial year	16	818	3,591	337	15

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

Notes To The Financial Statements
31 December 2010

1. CORPORATE INFORMATION

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

The registered office and principal place of business of the Company are located at 8th Storey, South Block, Wisma Selangor Dredging, 142-A, Jalan Ampang, 50450 Kuala Lumpur.

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 22 April 2011.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding, letting out of properties and the provision of management services. The principal activities of the subsidiaries are set out in Note 10 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with applicable approved Financial Reporting Standards ("FRSs") and the provisions of the Companies Act, 1965 in Malaysia except that Note 19(b) to the financial statements has been prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ('MIA Guidance') and the directive of Bursa Malaysia Securities Berhad.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of accounting

The Group's current liabilities exceeded its current assets by RM28,539,000 as of 31 December 2010 and the Group and the Company incurred a net loss of RM832,000 and RM2,622,000 respectively for the financial year ended 31 December 2010. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as going concerns.

Notwithstanding the above, as of 31 December 2010, the Group's and the Company's total assets exceeded their total liabilities by RM157,196,000 and RM218,557,000 respectively.

The continuation of the Group and the Company as going concerns is dependent upon the successful completion and implementation of the UiTM project, the successful disposal of certain assets of the Group in order to repay their borrowings and to have adequate working capital to finance their development activities so as to generate future profits and cash inflows, as well as the successful formulation of loans repayment plan with a financial institution.

As disclosed in Note 37(iv) to the financial statements, the Group entered into a concession agreement under a private finance initiative basis to build, lease, maintain and transfer a UiTM Campus for a total contract sum of RM293,000,000 ("UiTM project"). The Directors are confident that the UiTM project will be successfully completed and implemented. The UiTM project is also expected to enhance the value of the Group's landed properties located in the vicinity of the project, which will facilitate the Group's assets disposal programme.

Notes To The Financial Statements (Cont'd)

31 December 2010

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.1 Basis of accounting (continued)

As disclosed in Note 22.1 to the financial statements, the Al-Bai Bithaman Ajil Facility ("Islamic Facility") had been fully settled during the financial year. This was completed pursuant to a Consortium Agreement dated 26 March 2010, whereby the Consortium agreed to proceed with the redemption of the properties charged to Bank Islam Malaysia Berhad ("Bank Islam") to settle the Islamic Facility with an amount outstanding of RM27,567,000. The assets disposal programme involves, among others, the disposal of the above properties redeemed from Bank Islam in order to repay an amount of RM28,568,000 owing to a third party as disclosed in Note 21(f) to the financial statements, which arose from the settlement of the Islamic Facility pursuant to the abovementioned Consortium Agreement.

In addition, as disclosed in Note 22.2(a) to the financial statements, the financial institution for Term Loans I and II of the Group has also granted indulgence of time till 31 December 2011 for the Group to formulate a repayment plan.

The Directors are of the opinion that the Group and the Company will be able to operate profitably in the foreseeable future, successfully dispose off certain assets of the Group and repay their borrowings; obtain continuing financial support from lenders to have adequate working capital to finance their development activities and therefore continue as going concerns and accordingly, realise their assets and discharge their liabilities in the normal course of business.

In view of the foregoing, the Directors consider it appropriate to prepare the financial statements of the Group and of the Company on a going concern basis, and accordingly the financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to amounts and classification of liabilities that may be necessary should the going concern basis for the preparation if the financial statements of the Group and of the Company be not appropriate.

The preparation of financial statements requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 6 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

4.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries made up to the end of the financial year using the purchase method of accounting.

Under the purchase method of accounting, the cost of a business combination is measured at the aggregate of fair values at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued plus any costs directly attributable to the business combination.

At the acquisition date, the cost of a business combination is allocated to identifiable assets acquired, liabilities assumed and contingent liabilities in the business combination which are measured initially at their fair values at the acquisition date. The excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill. If the cost of the business combination is less than the interest in the net fair value of the identifiable assets, liabilities and contingent liabilities, the Group will:

(a) reassess the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the business combination; and

(b) recognise immediately in profit or loss any excess remaining after that reassessment.

Notes To The Financial Statements (Cont'd)

31 December 2010

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.2 Basis of consolidation (continued)

When a business combination includes more than one exchange transaction, any adjustment to the fair values of the subsidiary's identifiable assets, liabilities and contingent liabilities relating to previously held interests of the Group is accounted for as a revaluation.

Subsidiaries are consolidated from the acquisition date, which is the date on which the Group effectively obtains control, until the date on which the Group ceases to control the subsidiaries. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the existence and effect of potential voting rights that are currently convertible or exercisable are taken into consideration.

Intragroup balances, transactions and unrealised gains and losses on intragroup transactions are eliminated in full. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. If a subsidiary uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to its financial statements in preparing the consolidated financial statements.

The gain or loss on disposal of a subsidiary, which is the difference between the net disposal proceeds and the Group's share of its net assets as of the date of disposal including the carrying amount of goodwill and the cumulative amount of any exchange differences that relate to the subsidiary, is recognised in the consolidated statement of comprehensive income.

Minority interest is that portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the Group. It is measured at the minority's share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minority's share of changes in the subsidiaries' equity since that date.

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

Minority interest is presented in the consolidated statement of financial position within equity and is presented in the consolidated statement of changes in equity separately from equity attributable to owners of the Company.

Minority interest in the results of the Group is presented in the consolidated income statement as an allocation of the total profit or loss for the financial year between minority interest and equity holders of the Company.

Transactions with minority interests are treated as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in profit or loss. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary.

4.3 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Notes To The Financial Statements (Cont'd)

31 December 2010

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.3 Property, plant and equipment and depreciation (continued)

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has a different useful life, is depreciated separately.

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

Depreciation is calculated to write off the cost of the assets to their residual values on a straight-line basis over their estimated useful lives. The principal depreciation rates are as follows:

Buildings	2%
Plant and machinery	10% - 25%
Motor vehicles	20%
Furniture, fittings and equipment	10% - 25%
Site office, renovations and signboards	10% - 20%

Freehold land has unlimited useful life and is not depreciated.

At the end of each reporting period, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 4.8 to the financial statements on impairment of non-financial assets).

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and the expected pattern of consumption of the future economic benefits are embodied in the items of property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of property, plant and equipment is derecognised on 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 carrying amount is included in profit or loss.

4.4 Leases and hire purchase

(a) Finance leases and hire purchase

Assets acquired under finance leases and hire purchase which transfer substantially all the risks and rewards of ownership to the Group are recognised initially at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the leases, if this is practicable to determine; if not, the Group's incremental borrowing rate is used. Any initial direct costs incurred by the Group are added to the amount recognised as an asset. The assets are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. The property, plant and equipment capitalised are depreciated on the same basis as owned assets.

The minimum lease payments are apportioned between finance charges and a reduction of the outstanding liability. The finance charges are recognised in profit or loss over the period of the lease term so as to produce a constant periodic rate of interest on the remaining lease and hire purchase liabilities.

Notes To The Financial Statements (Cont'd)

31 December 2010

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.4 Leases and hire purchase (continued)

(b) Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term.

(c) Lease of land and building

For lease of land and building, the land and building elements are considered separately for the purpose of lease classification and these leases are classified as operating or finance leases in the same way as leases of other assets.

The minimum lease payments including any lump-sum upfront payments made to acquire the interest in the land and buildings are allocated between the land and the buildings elements in proportion to the relative fair values for leasehold interest in the land element and the building element of the lease at the inception of the lease.

Leasehold land that normally has an indefinite economic life and where the lease does not transfer substantially all the risk and rewards incidental to ownership is treated as an operating lease. The lump-sum upfront payments made on entering into or acquiring leasehold land is accounted for as prepaid lease payments and are amortised over the lease term on a straight-line basis except for leasehold land that is classified as an investment property or an asset held under property development.

The buildings element is classified as a finance or operating lease in accordance with Note 4.4(a) or Note 4.4(b) to the financial statements.

If the lease payments cannot be allocated reliably between these two elements, the entire lease is classified as a finance lease, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease.

For a lease of land and building in which the amount that would initially be recognised for the land element is immaterial, the land and building are treated as a single unit for the purpose of lease classification and is accordingly classified as a finance or operating lease. In such a case, the economic life of the buildings is recognised as the economic life of the entire lease asset.

4.5 Investment properties

Investment properties comprise freehold land and building which are held to earn rental yields or for capital appreciation or for both and are not occupied by the Group. Investment properties also include properties that are being constructed or developed for future use as investment properties. Investment properties are initially measured at cost, which includes transactions costs. After the initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

For building, depreciation is charged to the profit or loss on a straight-line basis over the estimated useful lives of 50 years. Freehold land is not depreciated.

Investment properties are derecognised when either they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in profit or loss in the period of the retirement or disposal.

Notes To The Financial Statements (Cont'd)

31 December 2010

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.6 Property development activities

(a) Land held for property development

Land held for property development is stated at cost less impairment losses, if any. Such land is classified as non-current asset when no significant development work has been carried out or where development activities are not expected to be completed within the normal operating cycle.

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

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.

(b) Property development costs

Property development costs comprise all cost that are directly attributable to the development activities or that can be allocated on a reasonable basis to such activities. They comprise the cost of land under development, construction costs and other related development costs common to the whole project including professional fees, stamp duties, commissions, conversion fees and other relevant levies as well as borrowing costs.

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

When revenue recognised in the profit or loss exceeds progress billings to purchasers, the balance is classified as accrued billings under current assets. When progress billings exceed revenue recognised in the profit or loss, the balance is classified as progress billings under current liabilities.

4.7 Investments

(a) Subsidiaries

A subsidiary is an entity in which the Group and the Company have power to control the financial and operating policies so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

An investment in subsidiary, which is eliminated on consolidation, is stated in the Company's separate financial statements at cost less impairment losses, if any. On disposal of such an investment, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

(b) Associates

An associate is an entity over which the Group and the Company have significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

In the Company's separate financial statements, an investment in associate is stated at cost less impairment losses, if any.

Notes To The Financial Statements (Cont'd)

31 December 2010

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.7 Investments (continued)

(b) Associates (continued)

An investment in associate is accounted for in the consolidated financial statements using the equity method of accounting. The investment in associate in the consolidated statement of financial position is initially recognised at cost and adjusted thereafter for the post acquisition change in the Group's share of net assets of the investments.

The interest in the associate is the carrying amount of the investment in the associate under the equity method together with any long term interest that, in substance, forms part of the Group's net investment in the associate.

The Group's share of the profit or loss of the associate during the financial year is included in the consolidated financial statements, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. Distributions received from the associate reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the Group's proportionate interest in the associate arising from changes in the associate's equity that have not been recognised in the associate's profit or loss. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The Group's share of those changes is recognised directly in equity of the Group.

Unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate; unrealised losses are eliminated unless the transaction provides evidence on the impairment of the asset transferred.

When the Group's share of losses in the associate equals to or exceeds its interest in the associate, the carrying amount of that interest is reduced to nil and the Group does not recognise further losses unless it has incurred legal or constructive obligations or made payments on its behalf.

The most recent available financial statements of the associate are used by the Group in applying the equity method. When the end of the reporting periods of the financial statements are not coterminous, the share of results is arrived at using the latest financial statements for which the difference in end of the reporting periods is no more than three (3) months. Adjustments are made for the effects of any significant transactions or events that occur between the intervening periods.

Upon disposal of an investment in associate, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

(c) Jointly controlled entities

A jointly controlled entity is a joint venture that involves the establishment of a corporation, partnership or other entities over which there is contractually agreed sharing of joint control over the economic activity of the entity. Joint control exists when the strategic financial and operational decisions relating to the activity require the unanimous consent of all the parties sharing control.

In the Company's separate financial statements, an investment in jointly controlled entities is stated at cost less impairment losses, if any.

The investment in jointly controlled entity is accounted for in the consolidated financial statements using the proportionate consolidation method. The Group's share of the profit or loss of the jointly controlled entity during the financial year is included in the consolidated financial statements, after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases.

Notes To The Financial Statements (Cont'd)

31 December 2010

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.7 Investments (continued)

(c) Jointly controlled entities (continued)

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other venturers. The Group does not recognise its share of profits or losses from the joint venture that result from the purchase of assets by the Group from the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss. When necessary, adjustments are made to the financial statements of the jointly controlled entity to ensure consistency of accounting policies with those of the Group.

Unrealised gains on transactions between the Group and its jointly controlled entity are eliminated to the extent of the Group's interest in the jointly controlled entity; unrealised losses are also eliminated unless the transaction provides evidence on impairment of the asset transferred.

Adjustments to the carrying amount may also be necessary for changes in the Group's proportionate interest in the jointly controlled entity arising from changes in the jointly controlled entity's equity that have not been recognised in the jointly controlled entity's profit or loss. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The Group's share of those changes is recognised directly in equity of the Group.

Upon disposal of such investment, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

(d) Other investments

Non-current investments, other than investments in subsidiaries, associate and jointly controlled entities and investment properties, are stated at cost less impairment losses, if any.

Upon disposal of such investment, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

4.8 Impairment of non-financial assets

The carrying amounts of the assets, except for financial assets (excluding investments in subsidiaries, associate and jointly controlled entity), inventories, property development costs and non-current assets held for sale, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ("CGU") to which the asset belongs.

Following the adoption of FRS 8 *Operating Segments* as disclosed in Note 4.20 to the financial statements, the consequential amendment to FRS 136 *Impairment of Assets* is also mandatory for financial periods beginning on or after 1 July 2009. This amendment requires goodwill acquired in a business combination to be tested for impairment as part of the impairment testing of CGU to which it relates. The CGU to which goodwill is allocated shall represent the lowest level within the Group at which the goodwill is monitored for internal management purposes and not larger than an operating segment determined in accordance with FRS 8.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

Notes To The Financial Statements (Cont'd)

31 December 2010

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.8 Impairment of non-financial assets (continued)

In estimating value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal 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 for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated, first, to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU.

The impairment loss is recognised in profit or loss immediately.

An impairment loss for assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Such reversals are recognised as income immediately in profit or loss.

4.9 Inventories

(a) Completed properties

Completed properties held for sale are stated at the lower of cost and net realisable value.

The cost of completed properties held for sale comprises cost associated with the acquisition of land, direct costs and appropriate proportions of common costs.

(b) Other inventories

Cost of other inventories is stated at the lower of cost and net realisable value. Cost is determined on weighted average cost basis.

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

4.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Group.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Group.

Financial instruments are recognised in the statement of financial position when the Group has become a party to the contractual provisions of the instrument. At initial recognition, a financial instrument is recognised at fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of the financial instrument.

Notes To The Financial Statements (Cont'd)

31 December 2010

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.10 Financial instruments (continued)

An embedded derivative is separated from the host contract and accounted for as a derivative if, and only if the economic characteristics and risks of the embedded derivative is not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative meets the definition of a derivative, and the hybrid instrument is not measured at fair value through profit or loss.

(a) Financial assets

A financial asset is classified into the following four categories after initial recognition for the purpose of subsequent measurement:

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

Financial assets at fair value through profit or loss comprise financial assets that are held for trading (i.e. financial assets acquired principally for the purpose of resale in the near term), derivatives (both, freestanding and embedded) and financial assets that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial assets classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as at fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial assets classified as at fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

However, derivatives that are linked to and must be settled by delivery of unquoted equity instruments that do not have a quoted market price in an active market are recognised at cost.

(ii) Held-to-maturity investments

Financial assets classified as held-to-maturity comprise non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity.

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

(iii) Loans and receivables

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

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

Notes To The Financial Statements (Cont'd)

31 December 2010

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.10 Financial instruments (continued)

(a) Financial assets (continued)

(iv) Available-for-sale financial assets

Financial assets classified as available-for-sale comprise non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Subsequent to initial recognition, financial assets classified as available-for-sale are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised directly in other comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss. However, interest calculated using the effective interest method is recognised in profit or loss whilst dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payment is established.

Cash and cash equivalents include cash and bank balances, bank overdrafts, deposits and other short term, highly liquid investments with original maturities of three (3) months or less, which are readily convertible to cash and are subject to insignificant risk of changes in value.

A financial asset is derecognised when the contractual right to receive cash flows from the financial asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised directly in other comprehensive income shall be recognised in profit or loss.

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention.

(b) Financial liabilities

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. A financial liability is classified into the following two categories after initial recognition for the purpose of subsequent measurement:

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

Financial liabilities at fair value through profit or loss comprise financial liabilities that are held for trading, derivatives (both, freestanding and embedded) and financial liabilities that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial liabilities classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial liabilities classified as at fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial liabilities classified as at fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

Notes To The Financial Statements (Cont'd)
31 December 2010

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.10 Financial instruments (continued)

(b) Financial liabilities (continued)

(ii) Other financial liabilities

Financial liabilities classified as other financial liabilities comprise non-derivative financial liabilities that are neither held for trading nor initially designated as at fair value through profit or loss.

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

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

The Group designates corporate guarantees given to banks for credit facilities granted to subsidiaries as insurance contracts as defined in FRS 4 *Insurance Contracts*. The Group recognises these insurance contracts as recognised insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

At the end of every reporting period, the Group shall assess whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If this assessment shows that the carrying amount of the insurance liabilities is inadequate, the entire deficiency shall be recognised in profit or loss.

Recognised insurance liabilities are only removed from the statement of financial position when, and only when, it is extinguished via a discharge, cancellation or expiration.

(c) Equity

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 classified as equity instruments.

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

Dividends to shareholders are recognised in equity in the period in which they are declared.

Notes To The Financial Statements (Cont'd)

31 December 2010

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.10 Financial instruments (continued)

(c) Equity (continued)

If the Company reacquires its own equity instruments, the consideration paid, including any attributable transaction costs is deducted from equity as treasury shares until they are cancelled. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Where such shares are issued by resale, the difference between the sales consideration and the carrying amount is shown as a movement in equity.

Following the adoption of FRS 139 during the financial year, the Company reassessed the classification and measurement of financial assets and financial liabilities as at 1 January 2010. There is no effect arising from the adoption of FRS 139 and therefore the opening statements of financial position as at 1 January 2010 of the Group and of the Company are not presented.

4.11 Impairment of financial assets

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

Loans and receivables

The Group collectively considers factors such as the probability of bankruptcy or significant financial difficulties of the receivable and default or significant delay in payments to determine whether there is objective evidence that an impairment loss on loans and receivables has occurred. Other objective evidence of impairment include historical collection rates determined on an individual basis and observable changes in national or local economic conditions that are directly correlated with the historical default rates of receivables.

If any such objective evidence exists, the amount of impairment loss is measured as the difference between the financial 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 loans and receivables are reduced through the use of an allowance account.

If in a subsequent period, the amount of the impairment loss decreases and it objectively relates 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 impairment reversed is recognised in profit or loss.

4.12 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expenses is charged to profit or loss. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted.

The amount of borrowing cost eligible for capitalisation is the actual borrowing cost incurred on the borrowing during the period less any investment income on the temporary investment of the borrowing.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Notes To The Financial Statements (Cont'd)
31 December 2010

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.13 Income taxes

Income taxes include all domestic taxes on taxable profit. Income taxes also include other taxes such as real property gains taxes payable on disposal of properties.

Taxes in the statement of comprehensive income comprise current tax and deferred tax.

(a) Current tax

Current tax is the amount of income taxes payable or receivable in respect of the taxable profit or loss for a period.

Current tax for the current and prior periods is measured at the amount expected to be recovered from or payable to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted by the end of the reporting period.

(b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statement of financial position and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be realised, the carrying amount of the deferred tax asset will be reduced accordingly. When it becomes probable that sufficient taxable profit will be available, such reductions will be reversed to the extent of the taxable profits.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority on either:

(i) the same taxable entity; or

(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax will be recognised as income or expense and included in profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax will be charged or credited directly to equity.

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

Notes To The Financial Statements (Cont'd)

31 December 2010

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.14 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the effect of the time value of money is material, the amount of a provision will be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision will be reversed.

Provisions are not recognised for future operating losses. If the Group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

4.15 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise this contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise a contingent asset but discloses its existence where the inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest.

4.16 Employee benefits

(a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the financial year when employees have rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

Notes To The Financial Statements (Cont'd)

31 December 2010

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.16 Employee benefits (continued)

(b) Defined contribution plans

The Company and its subsidiaries incorporated in Malaysia make contributions to a statutory provident fund. The contributions are recognised as a liability after deducting any contributions already paid and as an expense in the period in which the employees render their services.

(c) Share-based payment

The Group operates an equity-settled share-based compensation plan, allowing the employees of the Group to acquire ordinary shares of the Company at predetermined prices. The total fair value of share options granted to employees is recognised as an expense with a corresponding increase in the share options 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 the vesting date.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in profit or loss, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share options reserve until the options are exercised, upon which it will be transferred to share premium, or until the options expires, upon which it will be transferred directly to retained earnings.

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

4.17 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable net of discounts and rebates.

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Group, and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be reliably measured and specific recognition criteria have been met for each of the Group's activities as follows:

(a) Property development

Property development revenue is recognised in respect of all development units that have been sold. Revenue recognition commences when the sale of the development unit is effected, upon the commencement of development and construction activities and when the financial outcome can be reliably estimated. The attributable portion of property development cost is recognised as an expense in the period in which the related revenue is recognised. The amount of such revenue and expenses recognised is determined by reference to the stage of completion of development activity at the end of the reporting period. The stage of completion is measured by reference to the proportion that property development costs incurred for work performed to date bear to the estimated total property development cost.

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

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

Notes To The Financial Statements (Cont'd)
31 December 2010

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.17 Revenue recognition (continued)

(b) Sale of properties

Revenue from sale of properties is recognised upon signing of the sale and purchase agreement, and completion of the agreement.

(c) Recreational facilities

Revenue from recreational facilities consists of the following:

(i) Registration fees

Revenue from registration fees are recognised upon registration and cash receipts.

(ii) Food and beverages and tournament fees

Revenue from food and beverages and tournament fees received are recognised upon the sale of goods and services rendered.

(d) Dividend income

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

(e) Management fees

Management fee is recognised on an accrual basis.

(f) Rental income

Rental income is accounted for on a straight-line basis over the lease term of an ongoing lease.

(g) Interest income

Interest income is recognised on the accrual basis.

4.18 Earnings per share

The Group presents basic earnings per share ('EPS') data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period and ordinary shares that will be issued upon the conversion of mandatorily convertible instruments from the date the contract is entered into.

4.19 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the assets (or disposal groups) must be available for immediate sale in their present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and their sale must be highly probable.

The sale is expected to qualify for recognition as a completed sale within one (1) year from the date of classification. However, an extension of the period required to complete the sale does not preclude the assets (or disposal groups) from being classified as held for sale if the delay is caused by events or circumstances beyond the control of the Group and there is sufficient evidence that the Group remains committed to its plan to sell the assets (or disposal groups).

Notes To The Financial Statements (Cont'd)
31 December 2010

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.19 Non-current assets (or disposal groups) held for sale (continued)

Immediately before the initial classification as held for sale, the carrying amounts of the non-current assets (or all the assets and liabilities in a disposal group) are measured in accordance with applicable FRSs. On initial classification as held for sale, non-current assets or disposal groups (other than investment properties, deferred tax assets, employee benefits assets and financial assets carried at fair value) are measured at the lower of carrying amount before the initial classification as held for sale and fair value less costs to sell. The differences, if any, are recognised in profit or loss as impairment loss.

Non-current assets (or disposal groups) held for sale are classified as current assets (and current liabilities, in the case of non-current liabilities included within disposal groups) in the statement of financial position and are stated at the lower of carrying amount immediately before initial classification and fair value less costs to sell and are not depreciated. Any cumulative income or expense recognised directly in equity relating to the non-current asset (or disposal group) classified as held for sale is presented separately.

If the Group has classified an asset (or disposal group) as held for sale but subsequently the criteria for classification is no longer met, the Group ceases to classify the asset (or disposal group) as held for sale. The Group measures a non-current asset that ceases to be classified as held for sale (or ceases to be included in a disposal group classified as held for sale) at the lower of:

(a) its carrying amount before the asset (or disposal group) was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset (or disposal group) not been classified as held for sale; and

(b) its recoverable amount at the date of the subsequent decision not to sell.

4.20 Operating segments

During the previous financial year, segment reporting was presented based on business segments of the Group. Business segments provide information about products or services that are subject to risks and returns that are different from those of other business segments.

Following the adoption of FRS 8 *Operating Segments* during the current financial year, operating segments are defined as components of the Group that:

(a) engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);

(b) whose operating results are regularly reviewed by the Group's chief operating decision maker (i.e. the Group's Chief Executive Officer) in making decisions about resources to be allocated to the segment and assessing its performance; and

(c) for which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenues.

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds:

(a) Its reported revenue, including both sales to external customers and intersegment sales or transfers, is ten (10) per cent or more of the combined revenue, internal and external, of all operating segments.

Notes To The Financial Statements (Cont'd)
31 December 2010

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.20 Operating segments (continued)

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds: (continued)

(b) The absolute amount of its reported profit or loss is ten (10) per cent or more of the greater, in absolute amount of:

(i) the combined reported profit of all operating segments that did not report a loss; and

(ii) the combined reported loss of all operating segments that reported a loss.

(c) Its assets are ten (10) per cent or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Total external revenue reported by operating segments shall constitute at least seventy five (75) per cent of the Group's revenue. Operating segments identified as reportable segments in the current financial year in accordance with the quantitative thresholds would result in a restatement of prior period segment data for comparative purposes.

5. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs

5.1 New FRSs adopted during the current financial year

(a) FRS 8 and the consequential amendments resulting from FRS 8 are mandatory for annual financial periods beginning on or after 1 July 2009.

FRS 8 sets out the requirements for the disclosure of information on the Group's operating segments, products and services, the geographical areas in which it operates and its customers.

The requirements of this Standard are based on the information about the components of the Group that management uses to make decisions about operating matters. This Standard requires the identification of 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 segment and assess its performance, as elaborated in Note 4.20 to the financial statements.

The Group concluded that the operating segments defined by the Group under FRS 8 were the same as the business segments defined previously under FRS 114_{2004}. Likewise, the measures used to assess the performance of the segments correspond to those previously presented under FRS 114_{2004}. Consequently, the adoption of FRS 8 has no significant impact on the presentation of the Group's reportable segments and impairment on cash-generating units based on the new definition of operating segments.

The adoption of this Standard will only impact the form and content of disclosures and presentation of the Group's financial statements.

(b) FRS 7 *Financial Instruments*: *Disclosures* and the consequential amendments resulting from FRS 7 are mandatory for annual financial periods beginning on or after 1 January 2010. FRS 7 replaces the disclosure requirements of the existing FRS 132 *Financial Instruments*: *Disclosure and Presentation*.

This Standard applies to all risks arising from a wide array of financial instruments and requires the disclosure of the significance of financial instruments for the Group's financial position and performance.

Notes To The Financial Statements (Cont'd)

31 December 2010

5. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs (Continued)

5.1 New FRSs adopted during the current financial year (continued)

(c) FRS 123 *Borrowing Costs* and the consequential amendments resulting from FRS 123 are mandatory for annual periods beginning on or after 1 January 2010.

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

There is no impact upon adoption of this Standard during the financial year.

(d) FRS 139 *Financial Instruments*: *Recognition and Measurement* and the consequential amendments resulting from FRS 139 are mandatory for annual financial periods beginning on or after 1 January 2010.

This Standard establishes the principles for the recognition and measurement of financial assets and financial liabilities including circumstances under which hedge accounting is permitted.

There is no impact upon adoption of this Standard during the financial year.

(e) Amendments to FRS 2 *Share-based Payment: Vesting Conditions and Cancellations* are mandatory for annual financial periods beginning on or after 1 January 2010.

These amendments clarify that vesting conditions comprise service conditions and performance conditions only. Cancellations by parties other than the Group are accounted for in the same manner as cancellations by the Group itself and features of a share-based payment that are non-vesting conditions are included in the grant date fair value of the share-based payment.

There is no impact upon adoption of these amendments during the financial year.

(f) Amendments to FRS 1 F*irst-time Adoption of Financial Reporting Standards* and FRS 127 *Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate* is mandatory for annual periods beginning on or after 1 January 2010.

These amendments allow first-time adopters to use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements. The cost method of accounting for an investment has also been removed pursuant to these amendments.

There is no impact upon adoption of these amendments during the financial year.

(g) IC Interpretation 9 *Reassessment of Embedded Derivatives* is mandatory for annual financial periods beginning on or after 1 January 2010.

This Interpretation prohibits the subsequent reassessment of embedded derivatives unless there is a change in the terms of the host contract that significantly modifies the cash flows that would otherwise be required by the host contract.

There is no impact upon adoption of this Interpretation during the financial year.

(h) IC Interpretation 10 *Interim Financial Reporting and Impairment* is mandatory for annual financial periods beginning on or after 1 January 2010.

This Interpretation prohibits the reversal of an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost.

There is no impact upon adoption of this Interpretation during the financial year.

Notes To The Financial Statements (Cont'd)

31 December 2010

5. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs (Continued)

5.1 New FRSs adopted during the current financial year (continued)

(i) IC Interpretation 11 *FRS 2 – Group and Treasury Share Transactions* is mandatory for annual periods beginning on or after 1 January 2010.

This Interpretation requires share-based payment transactions in which the Company receives services from employees as consideration for its own equity instruments to be accounted for as equity-settled, regardless of the manner of satisfying the obligations to the employees.

If the Company grants rights to its equity instruments to the employees of its subsidiaries, this Interpretation requires the Company to recognise the equity reserve for the obligation to deliver the equity instruments when needed whilst the subsidiaries shall recognise the remuneration expense for the services received from employees.

If the subsidiaries grant rights to equity instruments of the Company to its employees, this Interpretation requires the Company to account for the transaction as cash-settled, regardless of the manner the subsidiaries obtain the equity instruments to satisfy its obligations.

There is no impact upon adoption of this Interpretation during the financial year.

The Group would like to draw attention to the withdrawal of this Interpretation for annual periods beginning on or after 1 January 2011 as disclosed in Note 5.2(l) to the financial statements.

(j) IC Interpretation 13 *Customer Loyalty Programmes* is mandatory for annual periods beginning on or after 1 January 2010.

This Interpretation requires the separation of award credits as a separately identifiable component of sales transactions involving the award of free or discounted goods or services in the future. The fair value of the consideration received or receivable from the initial sale shall be allocated between the award credits and the other components of the sale.

If the Group supplies the awards itself, the consideration allocated to the award credits shall only be recognised as revenue when the award credits are redeemed. If a third party supplies the awards, the Group shall assess whether it is acting as a principal or agent in the transaction.

If the Group is acting as the principal in the transaction, it shall measure its revenue as the gross consideration allocated to the award credits. If the Group is acting as an agent, it shall measure its revenue as the net amount retained on its own account, and recognise the net amount as revenue when the third party becomes obliged to supply the awards and entitled to receive the consideration for doing so.

There is no impact upon adoption of this Interpretation during the financial year.

(k) IC Interpretation 14 *FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* is mandatory for annual periods beginning on or after 1 January 2010.

This Interpretation applies to all post-employment defined benefits and other long-term employee defined benefits. This Interpretation clarifies that an economic benefit is available if the Group can realise it at some point during the life of the plan or when the plan liabilities are settled, and that it does not depend on how the Group intends to use the surplus.

A right to refund is available to the Group in stipulated circumstances and the economic benefit available shall be measured as the amount of the surplus at the end of the reporting period less any associated costs. If there are no minimum funding requirements, the economic benefit available shall be determined as a reduction in future contributions as the lower of the surplus in the plan and the present value of the future service cost to the Group. If there is a minimum funding requirement for contributions relating to the future accrual of benefits, the economic benefit available shall be determined as a reduction in future contributions at the present value of the estimated future service cost less the estimated minimum funding required in each financial year.

There is no impact upon adoption of this Interpretation during the financial year.

Notes To The Financial Statements (Cont'd)

31 December 2010

5. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs (Continued)

5.1 New FRSs adopted during the current financial year (continued)

(l) FRS 101 *Presentation of Financial Statements* is mandatory for annual periods beginning on or after 1 January 2010.

FRS 101 sets out the overall requirements for the presentation of financial statements, guidelines for their structure and minimum requirements for their content.

This Standard introduces the titles 'statement of financial position' and 'statement of cash flows' to replace the current titles 'balance sheet' and 'cash flow statement' respectively. A new statement known as the 'statement of comprehensive income' is also introduced in this Standard whereby all non-owner changes in equity are required to be presented in either one statement of comprehensive income or in two statements (i.e. a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity.

This Standard also introduces a new requirement to present a statement of financial position as at the beginning of the earliest comparative period if there are applications of retrospective restatements that are defined in FRS 108, or when there are reclassifications of items in the financial statements.

Additionally, FRS 101 requires the disclosure of reclassification adjustments and income tax relating to each component of other comprehensive income, and the presentation of dividends recognised as distributions to owners together with the related amounts per share in the statement of changes in equity or in the notes to the financial statements.

This Standard introduces a new requirement to disclose information on the objectives, policies and processes for managing capital based on information provided internally to key management personnel as defined in FRS 124 *Related Party Disclosures*. Additional disclosures are also required for puttable financial instruments classified as equity instruments.

Following the adoption of this Standard, the Group has reflected the new format of presentation and additional disclosures warranted in the primary financial statements and relevant notes to the financial statements.

(m) Amendments to FRS 139, FRS 7 and IC Interpretation 9 are mandatory for annual periods beginning on or after 1 January 2010.

These amendments permit reclassifications of non-derivative financial assets (other than those designated at fair value through profit or loss upon initial recognition) out of the fair value through profit or loss category in rare circumstances. Reclassifications from the available-for-sale category to the loans and receivables category are also permitted provided there is intention and ability to hold that financial asset for the foreseeable future. All of these reclassifications shall be subjected to subsequent reassessments of embedded derivatives.

These amendments also clarifies the designation of one-sided risk in eligible hedged items and streamlines the terms used throughout the Standards in accordance with the changes resulting from FRS 101.

There is no impact upon adoption of these amendments during the financial year.

(n) Amendments to FRS 132 *Financial Instruments: Presentation* is mandatory for annual periods beginning on or after 1 January 2010.

These amendments require certain puttable financial instruments, and financial instruments that impose an obligation to deliver to counterparties a pro rata share of the net assets of the entity only on liquidation to be classified as equity.

Puttable financial instruments are defined as financial instruments that give the holder the right to put the instrument back to the issuer for cash, or another financial asset, or are automatically put back to the issuer upon occurrence of an uncertain future event or the death or retirement of the instrument holder.

There is no impact upon adoption of these amendments during the financial year.

Notes To The Financial Statements (Cont'd)

31 December 2010

5. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs (Continued)

5.1 New FRSs adopted during the current financial year (continued)

(o) *Improvements to FRSs (2009)* are mandatory for annual periods beginning on or after 1 January 2010.

Amendment to FRS 5 *Non-current Assets Held for Sale and Discontinued Operations* clarifies that the disclosure requirements of this Standard specifically apply to non-current assets (or disposal groups) classified as held for sale or discontinued operations. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 8 clarifies the consistency of disclosure requirement for information about profit or loss, assets and liabilities. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 107 *Statement of Cash Flows* clarifies the classification of cash flows arising from operating activities and investing activities. Cash payments to manufacture or acquire assets held for rental to others and subsequently held for sale, and the related cash receipts, shall be classified as cash flows from operating activities. Expenditures that result in a recognised asset in the statement of financial position are eligible for classification as cash flows from investing activities. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 108 clarifies that only Implementation Guidance issued by the MASB that are integral parts of FRSs is mandatory. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 110 *Events after the Reporting Period* clarifies the rationale for not recognising dividends declared after the reporting period but before the financial statements are authorised for issue. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 116 *Property, Plant and Equipment* removes the definition pertaining the applicability of this Standard to property that is being constructed or developed for future use as investment property but do not yet satisfy the definition of 'investment property' in FRS 140 *Investment Property*. This amendment also replaces the term 'net selling price' with 'fair value less costs to sell', and clarifies that proceeds arising from routine sale of items of property, plant and equipment shall be recognised as revenue in accordance with FRS 118 *Revenue* rather than FRS 5. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 117 *Leases* removes the classification of leases of land and of buildings, and instead, requires assessment of classification based on the risks and rewards of the lease itself. The reassessment of land elements of unexpired leases shall be made retrospectively in accordance with FRS 108. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 118 clarifies reference made on the term 'transaction costs' to the definition in FRS 139. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 119 *Employee Benefits* clarifies the definitions in this Standard by consistently applying settlement dates within twelve (12) months in the distinction between short-term employee benefits and other long-term employee benefits. This amendment also provides additional explanations on negative past service cost and curtailments. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 120 *Accounting for Government Grants and Disclosure of Government Assistance* streamlines the terms used in this Standard in accordance with the new terms used in FRS 101. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 123 clarifies that interest expense calculated using the effective interest rate method described in FRS 139 qualifies for recognition as borrowing costs. There is no impact upon adoption of this amendment during the financial year.

Notes To The Financial Statements (Cont'd)

31 December 2010

5. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs (Continued)

5.1 New FRSs adopted during the current financial year (continued)

(o) *Improvements to FRSs (2009)* are mandatory for annual periods beginning on or after 1 January 2010. (continued)

Amendment to FRS 127 *Consolidated and Separate Financial Statements* clarifies that investments measured at cost shall be accounted for in accordance with FRS 5 when they are held for sale in accordance with FRS 5. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 128 *Investments in Associates* clarifies that investments in associates held by venture capital organisations, or mutual funds, unit trusts and similar entities shall make disclosures on the nature and extent of any significant restrictions on the ability of associates to transfer funds to the investor in the form of cash dividends, or repayment of loans or advances. This amendment also clarifies that impairment loss recognised in accordance with FRS 136 *Impairment of Assets* shall not be allocated to any asset, including goodwill, that forms the carrying amount of the investment. Accordingly, any reversal of that impairment loss shall be recognised in accordance with FRS 136. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 129 *Financial Reporting in Hyperinflationary Economies* streamlines the terms used in this Standard in accordance with the new terms used in FRS 101. This amendment also clarifies that assets and liabilities that are measured at fair value are exempted from the requirement to apply historical cost basis of accounting. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 131 *Interests in Joint Ventures* clarifies that ventures' interests in jointly controlled entities held by venture capital organisations, or mutual funds, unit trusts and similar entities shall make disclosures on related capital commitments. This amendment also clarifies that a listing and description of interests in significant joint ventures and the proportion of ownership interest held in jointly controlled entities shall be made. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS134 *Interim Financial Reporting* clarifies the need to present basic and diluted earnings per share for an interim period when the entity is within the scope of FRS133 *Earnings Per Share*. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 136 clarifies the determination of allocation of goodwill to each cash-generating unit whereby each unit shall not be larger than an operating segment as defined in FRS 8 before aggregation. This amendment also requires additional disclosures if the fair value less costs to sell is determined using discounted cash flow projections. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 138 *Intangible Assets* clarifies the examples provided in this Standard in measuring the fair value of an intangible asset acquired in a business combination. This amendment also removes the statement on the rarity of situations whereby the application of the amortisation method for intangible assets results in a lower amount of accumulated amortisation than under the straight-line method. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 140 clarifies that properties that are being constructed or developed for future use as investment property are within the definition of 'investment property'. This amendment further clarifies that if the fair value of such properties cannot be reliably determinable but it is expected that the fair value would be readily determinable when construction is complete, the properties shall be measured at cost until either its fair value becomes reliably determinable or construction is completed, whichever is earlier. There is no impact upon adoption of this amendment during the financial year.

(p) Amendments to FRS 132 is mandatory for annual periods beginning on or after 1 January 2010 in respect of the transitional provisions in accounting for compound financial instruments.

These amendments remove the transitional provisions in respect of accounting for compound financial instruments issued before 1 January 2003 pursuant to FRS 132_{2004} *Financial Instruments*: *Disclosure and Presentation*. Such compound financial instruments shall be classified into its liability and equity components when FRS 139 first applies.

There is no impact upon adoption of these amendments during the financial year.

Notes To The Financial Statements (Cont'd)
31 December 2010

5. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs (Continued)

5.1 New FRSs adopted during the current financial year (continued)

(q) Amendments to FRS 139 is mandatory for annual periods beginning on or after 1 January 2010.

These amendments remove the scope exemption on contracts for contingent consideration in a business combination. Accordingly, such contracts shall be recognised and measured in accordance with the requirements of FRS 139.

There is no impact upon adoption of these amendments during the financial year.

5.2 New FRSs that have been issued, but not yet effective and not yet adopted

(a) Amendments to FRS 132 is mandatory for annual periods beginning on or after 1 March 2010 in respect of classification of rights issues.

The amendments clarifies that rights, options or warrants to acquire a fixed number of the Group's own equity instruments for a fixed amount of any currency shall be classified as equity instruments rather than financial liabilities if the Group offers the rights, options or warrants pro rata to all of its own existing owners of the same class of its own non-derivative equity instruments.

The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

(b) FRS 1 *First-time Adoption of Financial Reporting Standards* is mandatory for annual periods beginning on or after 1 July 2010.

This Standard supersedes the existing FRS 1 and shall be applied when the Group adopts FRSs for the first time via the explicit and unreserved statement of compliance with FRSs. An opening FRS statement of financial position shall be prepared and presented at the date of transition to FRS, whereby:

(i) All assets and liabilities shall be recognised in accordance with FRSs;
(ii) Items of assets and liabilities shall not be recognised if FRSs do not permit such recognition;
(iii) Items recognised in accordance with previous GAAP shall be reclassified in accordance with FRSs; and
(iv) All recognised assets and liabilities shall be measured in accordance with FRSs.

All resulting adjustments shall therefore be recognised directly in retained earnings at the date of transition to FRSs.

The Group does not expect any impact on the financial statements arising from the adoption of this Standard.

(c) FRS 3 *Business Combinations* is mandatory for annual periods beginning on or after 1 July 2010.

This Standard supersedes the existing FRS 3 and now includes business combinations involving mutual entities and those achieved by way of contract alone. Any non-controlling interest in an acquiree shall be measured at fair value or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The time limit on the adjustment to goodwill due to the arrival of new information on the crystallisation of deferred tax benefits shall be restricted to the measurement period resulting from the arrival of the new information. Contingent liabilities acquired arising from present obligations shall be recognised, regardless of the probability of outflow of economic resources.

Acquisition-related costs shall be accounted for as expenses in the periods in which the costs are incurred and the services are received. Consideration transferred in a business combination, including contingent consideration, shall be measured and recognised at fair value at acquisition date.

Notes To The Financial Statements (Cont'd)

31 December 2010

5. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs (Continued)

5.2 New FRSs that have been issued, but not yet effective and not yet adopted (continued)

(c) FRS 3 *Business Combinations* is mandatory for annual periods beginning on or after 1 July 2010. (continued)

In business combinations achieved in stages, the acquirer shall remeasure its previously held equity interest at its acquisition date fair value and recognise the resulting gain or loss in profit or loss.

The Group does not expect any impact on the financial *statements* arising from the adoption of this Standard.

(d) FRS 127 *Consolidated and Separate Financial Statements* is mandatory for annual periods beginning on or after 1 July 2010.

This Standard supersedes the existing FRS 127 and replaces the current term 'minority interest' with a new term 'non-controlling interest' which is defined as the equity in a subsidiary that is not attributable, directly or indirectly, to a parent. Accordingly, total comprehensive income shall be attributed to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. If the Group losses control of a subsidiary, any gains or losses are recognised in profit or loss and any investment retained in the former subsidiary shall be measured at its fair value at the date when control is lost.

As at the end of the reporting period, the Group reports minority interests of RM144,000. The Group expects to reclassify this as non-controlling interests and remeasure the non-controlling interests prospectively in accordance with the transitional provisions of FRS 127.

(e) Amendments to FRSs are mandatory for annual periods beginning on or after 1 July 2010.

Amendments to FRS 2 *Share-based Payments* clarifies that transactions in which the Group acquired goods as part of the net assets acquired in a business combination or contribution of a business on the formation of a joint venture are excluded from the scope of this Standard. The Group does not expect any impact on the financial statements arising from the adoption of this amendment.

Amendments to FRS 5 clarifies that non-current asset classified as held for distribution to owners acting in their capacity as owners are within the scope of this Standard. The amendment also clarifies that in determining whether a sale is highly probable, the probability of shareholders' approval, if required in the jurisdiction, shall be considered. In a sale plan involving loss of control of a subsidiary, all assets and liabilities of that subsidiary shall be classified as held for sale, regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale. Discontinued operations information shall also be presented. Non-current asset classified as held for distribution to owners shall be measured at the lower of its carrying amount and fair value less costs to distribute. The Group does not expect any impact on the financial statements arising from the adoption of this amendment.

Amendments to FRS 138 clarifies that the intention of separating an intangible asset is irrelevant in determining the identifiability of the intangible asset. In a separate acquisition and acquisition as part of a business combination, the price paid by the Group reflects the expectations of the Group of an inflow of economic benefits, even if there is uncertainty about the timing or the amount of the inflow. Accordingly, the probability criterion is always considered to be satisfied for separately acquired intangible assets. The useful life of a reacquired right recognised as an intangible asset in a business combination shall be the remaining contractual period of the contract in which the right was granted, and do not include renewal periods. In the case of a reacquired right in a business combination, if the right is subsequently reissued to a third party, the related carrying amount shall be used in determining the gain or loss on reissue. The Group does not expect any impact on the financial statements arising from the adoption of this amendment.

5. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs (Continued)

5.2 New FRSs that have been issued, but not yet effective and not yet adopted (continued)

(e) Amendments to FRSs are mandatory for annual periods beginning on or after 1 July 2010. (continued)

Amendments to IC Interpretation 9 clarifies that embedded derivatives in contracts acquired in a business combination, combination of entities or business under common controls, or the formation of a joint venture are excluded from this Interpretation. The Group does not expect any impact on the financial statements arising from the adoption of this amendment.

(f) IC Interpretation 12 *Service Concession Arrangements* is mandatory for annual periods beginning on or after 1 July 2010.

This Interpretation applies to operators for public-to-private service concession arrangements, whereby infrastructure within the scope of this Interpretation shall not be recognised as property, plant and equipment of the operator. The operator shall recognise and measure revenue in accordance with FRS 111 *Construction Contracts* and FRS 118 for the services performed. The operator shall also account for revenue and costs relating to construction or upgrade services in accordance with FRS 111.

Consideration received or receivable by the operator for the provision of construction or upgrade services shall be recognised at its fair value. If the consideration consists of an unconditional contractual right to receive cash or another financial asset from the grantor, it shall be classified as a financial asset. Conversely, if the consideration consists of a right to charge users of the public service, it shall be classified as an intangible asset.

Presently, the Group does not expect any impact on the consolidated financial statements arising from the adoption of this Interpretation. However, the Group is in the process of assessing the impact of the adoption of this Interpretation since the effects would only be observable in the next annual financial statements.

(g) IC Interpretation 16 *Hedges of a Net Investment in a Foreign Operation* is mandatory for annual periods beginning on or after 1 July 2010.

This Interpretation applies to hedges undertaken on foreign currency risk arising from net investments in foreign operations and the Group wishes to qualify for hedge accounting in accordance with FRS 139.

Hedge accounting is applicable only to the foreign exchange differences arising between the functional currency of the foreign operation and the functional currency of any parent (immediate, intermediate or ultimate parent) of that foreign operation. An exposure to foreign currency risk arising from a net investment in a foreign operation may qualify for hedge accounting only once in the consolidated financial statements.

Hedging instruments designated in the hedge of a net investment in a foreign operation may be held by any companies within the Group, as long as the designation, documentation and effectiveness requirements of FRS 139 are met. The Group does not expect any impact on the financial statements arising from the adoption of this Interpretation.

(h) IC Interpretation 17 *Distributions of Non-cash Assets to Owners* is mandatory for annual periods beginning on or after 1 July 2010.

This Interpretation applies to non-reciprocal distributions of non-cash assets by the Group to its owners in their capacity as owners, as well as distributions that give owners a choice of receiving either non-cash assets or a cash alternative. This Interpretation also applies to distributions in which all owners of the same class of equity instruments are treated equally.

Notes To The Financial Statements (Cont'd)

31 December 2010

5. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs (Continued)

5.2 New FRSs that have been issued, but not yet effective and not yet adopted (continued)

(h) IC Interpretation 17 *Distributions of Non-cash Assets to Owners* is mandatory for annual periods beginning on or after 1 July 2010. (continued)

The liability to pay a dividend shall be recognised when the dividend is appropriately authorised and is no longer at the discretion of the Group. The liability shall be measured at the fair value of the assets to be distributed. If the Group gives its owners a choice of receiving either a non-cash asset or a cash alternative, the dividend payable shall be estimated by considering the fair value of both alternatives and the associated probability of the owners' selection.

At the end of each reporting period, the carrying amount of the dividend payable shall be remeasured and any changes shall be recognised in equity. At the settlement date, any difference between the carrying amounts of the assets distributed and the carrying amount of the dividend payable shall be recognised in profit or loss. The Group does not expect any impact on the financial statements arising from the adoption of this Interpretation.

(i) Amendment to FRS 1 *Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters* is mandatory for annual periods beginning on or after 1 January 2011.

This amendment permits a first-time adopter of FRSs to apply the exemption of not restating comparatives for the disclosures required in Amendments to FRS 7.

The Group does not expect any impact on the financial statements arising from the adoption of this amendment.

(j) Amendments to FRS 1 *Additional Exemptions for First-time* Adopters are mandatory for annual periods beginning on or after 1 January 2011.

These amendments permits a first-time adopter of FRSs to apply the exemption of not restating the carrying amounts of oil and gas assets determined under previous GAAP.

The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

(k) Amendments to FRS 7 *Improving Disclosures about Financial Instruments* are mandatory for annual periods beginning on or after 1 January 2011.

These amendments require enhanced disclosures of fair value of financial instruments based on the fair value hierarchy, including the disclosure of significant transfers between Level 1 and Level 2 of the fair value hierarchy as well as reconciliations for fair value measurements in Level 3 of the fair value hierarchy.

By virtue of the exemption provided under paragraph 44G of FRS 7, the impact of applying these amendments on the financial statements upon first adoption of FRS 7 as required by paragraph 30(b) of FRS 108 are not disclosed.

(l) Amendments to FRS 2 *Group Cash-settled Share-based Payment Transactions* are mandatory for annual periods beginning on or after 1 January 2011.

These amendments clarify the scope and the accounting for group cash-settled share-based payment transactions in the separate financial statements of the entity receiving the goods or services when that entity has no obligation to settle the share-based payment transaction.

Consequently, IC Interpretation 8 *Scope of FRS 2* and IC Interpretation 11 have been superseded and withdrawn.

Notes To The Financial Statements (Cont'd)

31 December 2010

5. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs (Continued)

5.2 New FRSs that have been issued, but not yet effective and not yet adopted (continued)

(l) Amendments to FRS 2 *Group Cash-settled Share-based Payment Transactions* are mandatory for annual periods beginning on or after 1 January 2011. (continued)

The Group does not expect any impact on the financial statements arising from the adoption of these amendments. The effects of adopting IC Interpretation 11 have been disclosed in Note 5.1(i) to the financial statements.

(m) IC Interpretation 4 *Determining whether an Arrangement contains a Lease* is mandatory for annual periods beginning on or after 1 January 2011.

This Interpretation requires the determination of whether an arrangement is, or contains, a lease based on an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and whether the arrangement conveys a right to use the asset. This assessment shall be made at the inception of the arrangement and subsequently reassessed if certain condition(s) in the Interpretation is met.

The Group does not expect any impact on the financial statements arising from the adoption of this amendment because there are no arrangements dependent on the use of specific assets in the Group.

(n) IC Interpretation 18 *Transfers of Assets from Customers* is mandatory for annual periods beginning on or after 1 January 2011.

This Interpretation applies to agreements in which an entity receives from a customer an item of property, plant and equipment that must be used to either connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services. The entity receiving the transferred item is required to assess whether the transferred item meets the definition of an asset set out in the Framework. The credit entry would be accounted for as revenue in accordance with FRS 118.

The Group does not expect any impact on the financial statements arising from the adoption of this Interpretation because there are no such arrangements in the Group.

(o) IC Interpretation 15 *Agreements for the Construction of Real Estate* is mandatory for annual periods beginning on or after 1 January 2012.

This Interpretation applies to the accounting for revenue and associated expenses by entities undertaking construction or real estate directly or via subcontractors. Within a single agreement, the Group may contract to deliver goods or services in addition to the construction of real estate. Such an agreement shall therefore, be split into separately identifiable components.

An agreement for the construction of real estate shall be accounted for in accordance with FRS 111 if the buyer is able to specify the major structural elements of the design of the real estate before construction begins and/or specify major structural changes once construction is in progress. Accordingly, revenue shall be recognised by reference to the stage of completion of the contract.

An agreement for the construction of real estate in which buyers only have limited ability to influence the design of the real estate or to specify only minor variations to the basic designs is an agreement for the sale of goods in accordance with FRS 118. Accordingly, revenue shall be recognised by reference to the criteria in paragraph 14 of FRS 118 (e.g. transfer of significant risks and rewards, no continuing managerial involvement nor effective control, reliable measurement, etc.).

The Group is in the process of assessing the impact of implementing this Interpretation since the effect would only be observable for the financial year ending 31 December 2012.

Notes To The Financial Statements (Cont'd)

31 December 2010

5. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs (Continued)

5.2 New FRSs that have been issued, but not yet effective and not yet adopted (continued)

(p) *Improvements to FRSs (2010)* are mandatory for annual periods beginning on or after 1 January 2011.

Amendments to FRS 1 clarifies that FRS 108 does not apply to changes in accounting policies made upon adoption of FRSs until after the first FRS financial statements have been presented. If changes in accounting policies or exemptions in this FRS are used, an explanation of such changes together with updated reconciliations shall be made in each interim financial report. Entities whose operations are subject to rate regulation are permitted the use of previously revalued amounts as deemed cost. The Group does not expect any impact on the financial statements arising from the adoption of this amendment.

Amendments to FRS 3 clarifies that for each business combination, the acquirer shall measure at the acquisition date non-controlling interests that consists of the present ownership interests and entitle holders to a proportionate share of the entity's net assets in the event of liquidation. Un-replaced and voluntarily replaced share-based payment transactions shall be measured using the market-based measurement method in accordance with FRS 2 at the acquisition date. The Group does not expect any impact on the consolidated financial statements arising from the adoption of these amendments.

Amendments to FRS 7 clarifies that quantitative disclosures of risk concentrations are required if the disclosures made in other parts of the financial statements are not readily apparent. The disclosure on maximum exposure to credit risk is not required for financial instruments whose carrying amount best represents the maximum exposure to credit risk. The Group expects to improve the disclosures on maximum exposure to credit risk upon adoption of these amendments.

Amendments to FRS 101 clarify that a statement of changes in equity shall be presented as part of a complete set of financial statements. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Amendments to FRS 121 *The Effects of Changes in Foreign Exchange Rates* clarify that the accounting treatment for cumulative foreign exchange differences in other comprehensive income for the disposal or partial disposal of a foreign operation shall be applied prospectively. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Amendments to FRS 128 clarify that the accounting treatment for the cessation of significant influence over an associate shall be applied prospectively. The Group does not expect any impact on the consolidated financial statements arising from the adoption of these amendments.

Amendments to FRS 131 clarify that the accounting treatment for the cessation of joint control over an entity shall be applied prospectively. The Group does not expect any impact on the consolidated financial statements arising from the adoption of these amendments.

Amendments to FRS 132 clarify that contingent consideration from a business combination that occurred before the effective date of the revised FRS 3 of 1 July 2010 shall be accounted for prospectively. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Amendments to FRS 134 clarify that updated information on significant events and transactions since the end of the last annual reporting period shall be included in the Group's interim financial report. Although the Group does not expect any impact on the financial statements rising from the adoption of these amendments, it is expected that additional disclosures would be made in the quarterly interim financial statements of the Group.

Amendments to FRS 139 clarify that contingent consideration from a business combination that occurred before the effective date of the revised FRS 3 of 1 July 2010 shall be accounted for prospectively. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Notes To The Financial Statements (Cont'd)

31 December 2010

5. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs (Continued)

5.2 New FRSs that have been issued, but not yet effective and not yet adopted (continued)

(p) *Improvements to FRSs (2010)* are mandatory for annual periods beginning on or after 1 January 2011. (continued)

Amendments to IC Interpretation 13 clarify that the fair value of award credits takes into account, amongst others, the amount of the discounts or incentives that would otherwise be offered to customers who have not earned award credits from an initial sale. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

(q) Amendments to IC Interpretation 14 FRS 119 – *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* are mandatory for annual periods beginning on or after 1 July 2011.

These amendments clarify that if there is a minimum funding requirement for contributions relating to future service, the economic benefit available as a reduction in future contributions shall include any amount that reduces future minimum funding requirement contributions for future service because of the prepayment made.

The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

(r) IC Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments* is mandatory for annual periods beginning on or after 1 July 2011.

This Interpretation applies to situations when equity instruments are issued to a creditor to extinguish all or part of a recognised financial liability. Such equity instruments shall be measured at fair value, and the difference between the carrying amount of the financial liability extinguished and the consideration paid shall be recognised in profit or loss.

The Group does not expect any impact on the financial statements arising from the adoption of this Interpretation.

(s) FRS 124 *Related Party Disclosures* and the consequential amendments to FRS 124 are mandatory for annual periods beginning on or after 1 January 2012.

This revised Standard simplifies the definition of a related party and eliminates certain inconsistencies within the superseded version. In addition to this, transactions and balances with government-related entities are broadly exempted from the disclosure requirements of the Standard.

The Group expects to reduce related party disclosures in respect of transactions and balances with government-related entities upon adoption of this Standard.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparing the financial statements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

6.1 Critical judgements made in applying accounting policies

The following are judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

Notes To The Financial Statements (Cont'd)

31 December 2010

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

6.1 Critical judgements made in applying accounting policies (continued)

(a) Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on FRS 140 *Investment Property* in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

The Group has a club house and recreational facilities known as Paradise Valley Golf Resort Clubhouse ("PVGRC"). PVGRC is not treated as property, plant and equipment because it is the Group's intention to hold it for capital appreciation or for rental, and not for use as owner occupied properties. The Group is in the midst of sourcing for external parties to manage PVGRC. As such, the Group has classified it as an investment property.

(b) Contingent liabilities

The determination and treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies for matters in the ordinary course of business.

(c) Non-current assets held for sale

In the previous financial year, certain non-current assets and liabilities had been classified as non-current assets held for sale as the management had committed to a plan to sell the assets and liabilities. However, during the current financial year, the contracted buyer had not fulfilled certain conditions precedent and the Group's commitment to sell did not materialise. Therefore these non-current assets and liabilities had been reclassified to land held for property development, property development costs and deferred tax liability as at the end of the reporting period.

6.2 Key sources of estimation uncertainty

The following are 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.

(a) Impairment test on investments in subsidiaries and impairment of amounts owing by subsidiaries

The Directors review the investments in subsidiaries for impairment when there is an indication of impairment and assess the impairment of amounts owing by subsidiaries when the receivables are long outstanding. The recoverable amounts of the investments in subsidiaries and amounts owing by subsidiaries are assessed by reference to the fair value of the underlying assets as at the end of the reporting period, which comprised mainly investment properties, land held for property development and property development costs. The fair value of these assets are estimated by the Directors based on information on the current market values of similar properties in the vicinity of these properties. Changes in the economic outlook of the properties market may significantly affect the fair value of these assets.

Notes To The Financial Statements (Cont'd)
31 December 2010

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

6.2 Key sources of estimation uncertainty (continued)

(b) 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. Significant 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 together with future tax planning strategies.

(c) Impairment on investment properties and land held for property development

The Group determines whether there is any impairment of investment properties ("IP") and land held for property development ("LHPD") as at the end of the reporting period. This requires an estimation of the fair value of the IP and LHPD by the Directors based on information of the current market value of similar properties in the vicinity of these properties.

(d) Impairment of assets

The Group determines whether an asset is impaired by evaluating the extent to which the recoverable amount of an asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country.

Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value in use. Value in use is the net present value of the projected future cash flows derived from that asset discounted at an appropriate discount rate. For such discounted cash flow method, it involves the use of estimated future results and a set of assumptions to reflect its income and cash flows. Judgment has been used to determine the discount rate for the cash flows and the future growth of the business.

(e) Depreciation 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 equipment to be within the period as disclosed in Note 4.3 to the financial statements. These are common life expectancies applied in the industry the Group operates. 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.

Notes To The Financial Statements (Cont'd)

31 December 2010

7. PROPERTY, PLANT AND EQUIPMENT

Group 2010	Balance as at 1.1.2010 RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Balance as at 31.12.2010 RM'000
At cost					
Freehold land	10	–	–	–	10
Buildings	689	–	–	–	689
Plant and machinery	1,543	–	–	(17)	1,526
Motor vehicles	848	131	(50)	–	929
Furniture, fittings and equipment	2,511	49	(1)	(11)	2,548
Site office and signboards	326	–	–	–	326
Renovations	201	–	–	–	201
	6,128	180	(51)	(28)	6,229

Group 2010	Balance as at 1.1.2010 RM'000	Charge for the financial year RM'000	Disposals RM'000	Written off RM'000	Balance as at 31.12.2010 RM'000
Accumulated depreciation					
Buildings	359	14	–	–	373
Plant and machinery	1,220	74	–	(16)	1,278
Motor vehicles	839	27	(40)	–	826
Furniture, fittings and equipment	2,363	54	(1)	(8)	2,408
Site office and signboards	317	5	–	–	322
Renovations	201	–	–	–	201
	5,299	174	(41)	(24)	5,408

Notes To The Financial Statements (Cont'd)

31 December 2010

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

Group 2009	Balance as at 1.1.2009 RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Reclassi-fication RM'000	Balance as at 31.12.2009 RM'000
At cost						
Freehold land	10	–	–	–	–	10
Buildings	689	–	–	–	–	689
Plant and machinery	1,473	70	–	–	–	1,543
Motor vehicles	785	–	–	–	63	848
Motor vehicles acquired under hire purchase	256	–	(193)	–	(63)	–
Furniture, fittings and equipment	2,509	66	–	(64)	–	2,511
Site office and signboards	326	–	–	–	–	326
Renovations	201	–	–	–	–	201
	6,249	136	(193)	(64)	–	6,128

Group 2009	Balance as at 1.1.2009 RM'000	Charge for the financial year RM'000	Disposals RM'000	Written off RM'000	Reclassi-fication RM'000	Balance as at 31.12.2009 RM'000
Accumulated depreciation						
Buildings	345	14	–	–	–	359
Plant and machinery	1,100	120	–	–	–	1,220
Motor vehicles	765	11	–	–	63	839
Motor vehicles acquired under hire purchase	256	–	(193)	–	(63)	–
Furniture, fittings and equipment	2,292	117	–	(46)	–	2,363
Site office and signboards	313	4	–	–	–	317
Renovations	201	–	–	–	–	201
	5,272	266	(193)	(46)	–	5,299

Notes To The Financial Statements (Cont'd)

31 December 2010

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

Company 2010	Balance as at 1.1.2010 RM'000	Additions RM'000	Disposals RM'000	Balance as at 31.12.2010 RM'000
At cost				
Motor vehicles	183	–	(50)	133
Furniture, fittings and equipment	1,027	1	–	1,028
Renovations	27	–	–	27
	1,237	1	(50)	1,188

Company 2010	Balance as at 1.1.2010 RM'000	Charge for the financial year RM'000	Disposals RM'000	Balance as at 31.12.2010 RM'000
Accumulated depreciation				
Motor vehicles	173	–	(40)	133
Furniture, fittings and equipment	994	11	–	1,005
Renovations	27	–	–	27
	1,194	11	(40)	1,165

Company 2009	Balance as at 1.1.2009 RM'000	Additions RM'000	Reclassi-fication RM'000	Balance as at 31.12.2009 RM'000
At cost				
Motor vehicles	120	–	63	183
Motor vehicles acquired under hire purchase	63	–	(63)	–
Furniture, fittings and equipment	1,026	1	–	1,027
Renovations	27	–	–	27
	1,236	1	–	1,237

Notes To The Financial Statements (Cont'd)

31 December 2010

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

Company 2009	**Balance as at 1.1.2009 RM'000**	**Charge for the financial year RM'000**	**Reclassi-fication RM'000**	**Balance as at 31.12.2009 RM'000**
Accumulated depreciation				
Motor vehicles	100	10	63	173
Motor vehicles acquired under hire purchase	63	–	(63)	–
Furniture, fittings and equipment	942	52	–	994
Renovations	27	–	–	27
	1,132	62	–	1,194

	Group		**Company**	
	2010 RM'000	**2009 RM'000**	**2010 RM'000**	**2009 RM'000**
Net book value				
Freehold land	10	10	–	–
Buildings	316	330	–	–
Plant and machinery	248	323	–	–
Motor vehicles	103	9	–	10
Furniture, fittings and equipment	140	148	23	33
Site office and signboards	4	9	–	–
	821	829	23	43

Freehold land and building of the Group with a total net book value of RM326,000 (2009 : RM340,000) have been charged to a financial institution to secure a term loan facility granted to the Group as disclosed in Note 22.2(b) to the financial statements. The term loan has been fully settled during the financial year and the process to discharge the securities is currently in progress.

Notes To The Financial Statements (Cont'd)

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8. INVESTMENT PROPERTIES

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
At cost				
Balance as at 1 January				
- Freehold land	59,942	59,942	4,325	4,325
- Building	8,114	8,114	8,114	8,114
- Development expenditure	6,730	6,730	–	–
Balance as at 31 December	74,786	74,786	12,439	12,439
Less: Accumulated depreciation				
Balance as at 1 January	649	–	649	–
Add: Depreciation charge for the financial year	162	649	162	649
Balance as at 31 December	(811)	(649)	(811)	(649)
Less: Accumulated impairment losses				
Balance as at 1 January/ 31 December	(22,286)	(22,286)	–	–
	51,689	51,851	11,628	11,790

The fair value of the investment properties of the Group and of the Company was derived from the Directors' assessment based on the current market value of similar properties in the vicinity, and where relevant, adjusted to reflect the different condition and location of these properties. Based on the Directors' assessment, the fair value of the investment properties approximate their carrying amounts as at 31 December 2010.

Certain freehold land and building of the Group and of the Company with a total carrying amount of RM11,628,000 (2009: RM11,790,000) have been charged to a financial institution to secure term loans facilities granted to the Group as disclosed in Note 22.2(a) to the financial statements.

Direct operating expenses arising from the above investment properties not generating rental income during the financial year are as follows:

	Group	
	2010 RM'000	2009 RM'000
Repairs and maintenance	127	180
Quit rent and assessment	115	182

Notes To The Financial Statements (Cont'd)

31 December 2010

9. LAND HELD FOR PROPERTY DEVELOPMENT

	Note	Group 2010 RM'000	Group 2009 RM'000
Freehold land, at cost			
Balance as at 1 January		156,656	164,806
Add : Reclassified from property development costs	13	16,305	–
Reclassified from non-current assets classified as held for sale	17	1,063	–
Less : Disposals during the financial year		(4,003)	(3,451)
Reclassified to non-current assets classified as held for sale		–	(1,063)
Impairments losses on non-current assets classified as held for sale	27	–	(3,636)
Reclassified to property development costs	13	(25,392)	–
Balance as at 31 December		144,629	156,656
Leasehold land, at cost			
Balance as at 1 January		9,765	9,765
Less : Reclassified to property development costs	13	(9,765)	–
Balance as at 31 December		–	9,765
Development expenditure			
Balance as at 1 January		9,397	11,231
Add : Reclassified from property development costs	13	340	–
Reclassified from non-current assets classified as held for sale	17	1,784	–
Less : Disposals during the financial year		(109)	(50)
Written off during the financial year	27	(463)	–
Reclassified to non-current assets classified as held for sale		–	(1,784)
Reclassified to property development costs	13	(3,338)	–
Balance as at 31 December		7,611	9,397
		152,240	175,818
Less : Accumulated impairment losses			
Balance as at 1 January		30,037	30,037
Less : Reclassified to property development costs	13	(12,734)	–
Balance as at 31 December		(17,303)	(30,037)
		134,937	145,781

Notes To The Financial Statements (Cont'd)

31 December 2010

9. LAND HELD FOR PROPERTY DEVELOPMENT (Continued)

Certain freehold land with a total carrying amount of RM47,975,000 (2009: RM81,299,000) are pledged to a financial institution to secure term loans facilities granted to the Group as disclosed in Note 22.2(a) to the financial statements.

In 2009, the assets pledged included RM19,519,000 and RM5,445,000 charged as securities for the Islamic Facility and Redeemable Convertible Secured Loan Stocks as disclosed in Notes 22.1 and 23 to the financial statements respectively.

Certain freehold land with a total carrying amount of RM5,000,000 and RM8,293,000 which were pledged to financial institutions are in the process of being discharged as disclosed in Notes 22.2(b) and 23 to the financial statements respectively.

10. INVESTMENTS IN SUBSIDIARIES

	Company 2010 RM'000	Company 2009 RM'000
Unquoted shares, at cost	222,034	222,034
Less: Impairment losses	(136,875)	(136,869)
	85,159	85,165

The details of the subsidiaries are as follows:

Name of company	Country of incorporation	Interest in equity held by Company 2010 %	Company 2009 %	Subsidiaries 2010 %	Subsidiaries 2009 %	Principal activities
Subsidiaries						
Menang Development (M) Sdn. Bhd. #	Malaysia	100	100	–	–	Property development
Menang Leasing and Credit (M) Sdn. Bhd.	Malaysia	100	100	–	–	Leasing and hire purchase
Menang Management Services (M) Sdn. Bhd. #	Malaysia	100	100	–	–	Management services
Menang Properties (M) Sdn. Bhd.	Malaysia	100	100	–	–	Property investment
Menang Aquatics Sdn. Bhd.	Malaysia	100	100	–	–	Investment holding and undertaking of landscaping projects
Menang Construction (M) Sdn. Bhd.	Malaysia	100	100	–	–	Property construction
Equitiplus Sdn. Bhd. #	Malaysia	100	100	–	–	Investment holding
Hitung Panjang Sdn. Bhd.*#	Malaysia	100	100	–	–	Investment holding

Notes To The Financial Statements (Cont'd)

31 December 2010

10. INVESTMENTS IN SUBSIDIARIES (Continued)

Name of company	Country of incorporation	Interest in equity held by Company 2010 %	Company 2009 %	Subsidiaries 2010 %	Subsidiaries 2009 %	Principal activities
Subsidiaries						
Temeris Holdings Sdn. Bhd.#	Malaysia	100	100	–	–	Property investment
Menang Industries (M) Sdn. Bhd. #	Malaysia	100	100	–	–	Dormant
Menang Plantations (M) Sdn. Bhd.	Malaysia	100	100	–	–	Dormant
Seremban 3 Paradise Valley Golf Resort Sdn. Bhd.*#	Malaysia	100	100	–	–	Operating recreational facilities
Protokal Elegan Sdn. Bhd.	Malaysia	100	100	–	–	Dormant
Subsidiary of Menang Leasing and Credit (M) Sdn. Bhd.						
Menang Finservices (M) Sdn. Bhd.	Malaysia	-	-	100	100	Licensed money-lender
Subsidiary of Menang Land (M) Sdn. Bhd.						
Menang Saujana Sdn. Bhd. #	Malaysia	49.5	49.5	50.5	50.5	Property development
Subsidiary of Menang Aquatics Sdn. Bhd.						
Menang Greens Sdn. Bhd. #	Malaysia	–	–	100	100	Landscaping and turf farming
Subsidiaries of Equitiplus Sdn. Bhd.						
Harapan Akuarium (M) Sdn. Bhd. #	Malaysia	–	–	100	100	Investment holding and investment trading
Menang Equities (M) Sdn. Bhd.	Malaysia	–	–	100	100	Investment holding and investment trading
Subsidiary of Temeris Holdings Sdn. Bhd.						
Temeris Resorts Development Sdn. Bhd. #	Malaysia	–	–	100	100	Property development

Notes To The Financial Statements (Cont'd)

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10. INVESTMENTS IN SUBSIDIARIES (Continued)

Name of company	Country of incorporation	Interest in equity held by Company 2010 %	Company 2009 %	Subsidiaries 2010 %	Subsidiaries 2009 %	Principal activities
Subsidiaries of Menang Development (M) Sdn. Bhd.						
Menang Land (M) Sdn. Bhd. #	Malaysia	0.02	0.02	99.98	99.98	Investment holding
Twin Version Sdn. Bhd.*	Malaysia	–	–	100	100	Investment holding
Charisma Cheer Sdn. Bhd.*	Malaysia	–	–	100	100	Investment holding
Inovatif Mewah Sdn. Bhd. ^	Malaysia	–	–	71	100	Property development
Subsidiary of Hitung Panjang Sdn. Bhd.						
Maztri Padu Sdn. Bhd.*	Malaysia	50	50	50	50	Property development

* Subsidiary not audited by BDO or member firms of BDO International.

\# Subsidiary with auditors' report that emphasised on the appropriateness of going concern assumption in the preparation of financial statements, which is dependent on the continuous financial support from the Company and on the subsidiary achieving future profitable operations and cash inflows to sustain its operations.

^ Including 20% held by Menang Industries (M) Sdn. Bhd.

An impairment loss on investments in subsidiaries amounting to RM6,000 (2009: RM101,000) has been recognised during the financial year. The recoverable amount was determined based on the fair value of the subsidiaries' net assets.

11. INVESTMENT IN ASSOCIATE

	Group 2010 RM'000	Group 2009 RM'000
Unquoted shares - at cost	30	–

Details of the associate are as follows:

Name of companies	Country of incorporation	Equity interest 2010 %	Equity interest 2009 %	Principal activity
Pacific Bright Sdn. Bhd.*	Malaysia	30	–	Dormant

* Associate not audited by BDO.

On 8 June 2010, the Company acquired 30 ordinary shares of RM1.00 each in the issued and paid-up capital of Pacific Bright Sdn. Bhd., a company incorporated in Malaysia, for a total cash consideration of RM30.

Notes To The Financial Statements (Cont'd)

31 December 2010

12. OTHER INVESTMENTS

	Group 2010 Cost RM'000	Group 2010 Market value RM'000	Group 2009 Cost RM'000	Group 2009 Market value RM'000
Other investments				
- Shares quoted in Malaysia	2	7	2	5

13. PROPERTY DEVELOPMENT COSTS

	Note	Group 2010 RM'000	Group 2009 RM'000
Freehold land, at cost			
Balance as at 1 January		51,516	53,823
Addition during the financial year		–	3,662
Add : Reclassified from non-current asset classified as held for sale	17	2,245	–
Reclassified from land held for property development	9	25,392	–
Less : Disposals during the financial year		(15,263)	(5,969)
Reclassified to land held for property development	9	(16,305)	–
Balance as at 31 December		47,585	51,516
Leasehold land, at cost			
Balance as at 1 January		–	–
Add : Reclassified from land held for property development	9	9,765	–
Balance as at 31 December		9,765	–
Development costs			
Balance as at 1 January		5,673	5,908
Add : Additions during the financial year #		7,905	–
Reclassified from land held for property development	9	3,338	–
Less : Disposals during the financial year		(377)	(235)
Reclassified to land held for property development	9	(340)	–
Balance as at 31 December		16,199	5,673
		73,549	57,189
Less: Accumulated impairment losses			
Balance as at 1 January		–	–
Add : Reclassified from land held for property development	9	(12,734)	–
Balance as at 31 December		(12,734)	–
		60,815	57,189

Notes To The Financial Statements (Cont'd)
31 December 2010

13. PROPERTY DEVELOPMENT COSTS (Continued)

Certain freehold land with a total carrying amount of RM6,676,000 (2009: RM887,000) have been charged to a third party to secure a term loan facility granted to the Group and the Company as disclosed in Note 22.2(c) to the financial statements.

Including RM7,531,000 contract expenditure incurred on the UiTM Campus as disclosed in Note 37 (iv) to the financial statements.

14. INVENTORIES

	Group	
	2010 RM'000	2009 RM'000
At cost		
Completed properties	6,254	6,622
Food and beverages	13	10
	6,267	6,632

Certain completed properties with a total carrying amount of RM1,499,000 (2009: RM1,499,000) have been charged to a financial institution to secure term loan facilities granted to the Group as disclosed in Note 22.2(a) to financial statements.

15. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Trade Receivables				
Third parties	167	217	–	–
Other receivables, deposits and prepayments				
Amounts owing by subsidiaries	–	–	179,742	188,837
Amount owing by joint venture project	79	1,448	–	–
Amounts owing by stakeholders	7,959	–	–	–
Other receivables	52	43	–	–
Deposits	596	630	18	18
Prepayments	98	102	9	12
	8,784	2,223	179,769	188,867
Less : Impairment loss - subsidiaries	–	–	(48,019)	(47,300)
Provision for loss of deposit	(400)	(400)	–	–
	(400)	(400)	(48,019)	(47,300)
	8,551	2,040	131,750	141,567

Notes To The Financial Statements (Cont'd)

31 December 2010

15. TRADE AND OTHER RECEIVABLES (Continued)

(a) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 30 to 60 (2009: 30 to 60) days from date of invoice. They are recognised at their original invoice amounts which represent their fair value on initial recognition.

(b) The amount owing by a joint venture project, which represents share of profit for the joint venture project, is unsecured, interest-free and repayable upon completion of the joint venture project.

(c) Amount owing by stakeholders represents the remaining sale proceeds from the disposal of land to the State Government of Negeri Sembilan as disclosed in Note 37 (v) to the financial statements held in trust on behalf of the Group.

(d) Included in the deposits was a deposit of RM400,000 paid to Tanco Land Sdn. Bhd. ("TLSB") in acquiring six pieces of land in Mukim of Rasah, District of Seremban, Negeri Sembilan Darul Khusus. However, the agreement has been terminated and the provision for loss of deposit has been made.

MDSB had filed a suit against TLSB for the return of monies totaling RM400,000 for alleged breach of a series of sale and purchase agreements. The matter has now been fixed for case management on 30 May 2011.

(e) The amounts owing by subsidiaries represent advances and payments made on behalf, which are unsecured, interest-free and payable upon demand in cash and cash equivalents except for amounts of approximately RM98,233,000 (2009: RM125,538,000) which bear interest of 0.4% (2009: 0.5%) per annum.

(f) The ageing analysis of trade receivables of the Group and of the Company trade are as follows:

	Group		Company	
	2010 RM'000	**2009 RM'000**	**2010 RM'000**	**2009 RM'000**
Neither past due nor impaired	11	9	–	–
Past due, not impaired				
91 to 120 days	4	3	–	–
121 to 150 days	3	3	–	–
151 to 180 days	3	3	–	–
181 to 210 days	3	3	–	–
More than 210 days	143	196	–	–
	156	208	–	–
Past due and impaired	–	–	–	–
	167	217	–	–

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 trade receivables of the Group that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

At the end of the reporting period, trade receivables of the Group arising from management service of shoplots amounted to RM156,000 (2009 : RM206,000). These receivables are creditworthy debtors and the Directors are of the opinion that the balances due can be fully recovered in the near future.

Notes To The Financial Statements (Cont'd)

31 December 2010

15. TRADE AND OTHER RECEIVABLES (Continued)

The reconciliation of movement in the impairment loss are as follows:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
As at 1 January	–	–	47,300	46,885
Charge for the financial year	–	–	719	415
At 31 December	–	–	48,019	47,300

Information on financial risk of amounts owing by subsidiaries is disclosed in Note 34 to the financial statements.

16. CASH AND CASH EQUIVALENTS

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Cash at bank	761	3,350	336	–
Cash in hand	57	241	1	15
Cash and bank balances	818	3,591	337	15

Information on financial risks of cash and cash equivalents are disclosed in Note 34 to the financial statements.

17. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

In the previous financial year, certain land held for property development was presented as non-current assets held for sale following the Group's commitment to realise these assets. Effort to sell the non-current assets had commenced and sales were expected to complete within one (1) year from the end of previous year's reporting period. However, these assets were not sold in the current financial year as the commitment to sell did not materialise. Therefore, the respective assets and liability have been reversed from non-current assets held for sale.

		Group	
	Note	2010 RM'000	2009 RM'000
Assets			
Land held for property development	9	–	2,847
Additions of land during the financial year	13	–	2,245
		–	5,092
Liability			
Liability attributable to non-current assets classified as held for sale			
- Deferred tax liability	20	–	226

Notes To The Financial Statements (Cont'd)
31 December 2010

18. SHARE CAPITAL

	Group and Company			
	2010		2009	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Ordinary shares of RM1.00 each:				
Authorised	1,000,000	1,000,000	1,000,000	1,000,000
Issued and fully paid	267,107	267,107	267,107	267,107

18.1 Pursuant to a deed poll dated 17 May 2001 ("Deed Poll"), the Company had renounceable rights of 40,070,400 warrants 2001/2006 issued on a renounceable basis to the Minority Shareholders of the Company upon the Completion of the Capital Reconstruction. The registered holders are entitled to subscribe for one (1) new ordinary share of RM1.00 each in the Company at a price of RM1.00 per ordinary share for every warrant held. The conversion ratio is subject to the aforesaid Deed Poll and can be exercised at any time during the initial five-year subscription period which expired on 15 October 2006. On 30 June 2006, pursuant to the Extraordinary General Meeting and the Meeting of the Warrant holders in relation to the Warrants Extension, the Warrants have been extended by an additional five (5) years, from 16 October 2006 up to and including 15 October 2011. The other terms and conditions of the original deed poll dated 17 May 2001 shall remain unchanged. As at the date of this Report, none of the warrants has been exercised.

The exercise price of the Warrants was adjusted from RM1.00 to RM0.50 per share on 17 February 2011 on the implementation of the capital reduction of the issued and paid-up share capital of the Company via the cancellation of RM0.50 of par value of each unit of ordinary share.

18.2 The Employees' Share Option Scheme ("ESOS") of the Company was approved by the Securities Commission ("SC") on 1 November 2001 and subsequently approved by shareholders at an Extraordinary General Meeting on 15 January 2002. The ESOS shall be in force for a period of 5 years effective from 24 January 2002 to 23 January 2007.

On 26 December 2006, the Company extended its existing ESOS which expired on 23 January 2007 for another five (5) years effective from 24 January 2007 up to and including 23 January 2012.

The details of options granted to subscribe for shares in the Company are as follows:

		- Number of options over ordinary shares of RM1.00 - each-			
Exercise period	Subscription price RM	Balance as at 1.1.2010	Granted	Lapsed	Balance as at 1.12.2010
25.1.2002 - 23.1.2012	1.00	8,633,000	–	–	8,633,000
2.5.2002 - 23.1.2012	1.00	10,000	–	–	10,000
10.1.2003 - 23.1.2012	1.00	146,000	–	–	146,000
25.2.2004 - 23.1.2012	1.00	478,000	–	–	478,000
7.1.2005 - 23.1.2012	1.00	710,000	–	–	710,000
21.2.2005 - 23.1.2012	1.00	92,000	–	–	92,000
		10,069,000	–	–	10,069,000

No ESOS has been exercised or granted during the current financial year.

Notes To The Financial Statements (Cont'd)

31 December 2010

18. SHARE CAPITAL (Continued)

18.2 The consideration is payable in full on application.

The salient features of the ESOS are as follows:

(i) the maximum number of ordinary shares to be issued and allotted by the Company under the ESOS as approved by the SC shall not exceed ten percent (10%) of the total issued and paid-up share capital of the Company at any point in time during the duration of the ESOS;

(ii) Executive Directors and eligible employees are those who have been confirmed in writing as employees of the Group on or prior to the date of the offer;

(iii) the option is personal to the grantee and shall not be transferred, assigned or disposed of by the grantee save and except in the event of the death of the grantee as provided under Bye-Law 14.6;

(iv) no offer shall be made to any executive director of the Company unless such offer and the related allotment of shares have previously been approved by the shareholders of the Company in general meeting;

(v) the subscription price at which the employees are offered to take up shares under the ESOS is either at a discount of not more than ten percent (10%) from the weighted average market price of the shares as shown in the daily official list issued by Bursa Malaysia Securities Berhad for five (5) market days immediately preceding the date of offer or at par value of the shares of the Company of RM1.00, whichever is higher;

(vi) the options granted may be exercised at any time within the option period and the option may be fully exercised after the acceptance under Bye-Law 10.1; and

(vii) the options granted may be exercised in full or in lesser number of ordinary shares provided that the number shall be in multiples of 1,000 shares.

18.3 The Directors of the Company has proposed to implement a capital reduction of the issued and paid-up share capital of the Company ("the Proposal") via the cancellation of RM0.50 of the par value of each unit of share. At an Extraordinary General Meeting ("EGM") held on 12 November 2010, the shareholders of the Company have approved the Proposal.

On 28 January 2011, the High Court of Malaya ("the Court") had granted order-in-terms in respect of the application by the Company for the Proposal. On 16 February 2011, the sealed order of the Court confirming the capital reduction has been lodged with the Companies Commission of Malaysia. Accordingly, the capital reduction will take immediate effect, whereby the par value of each ordinary share in the Company will be reduced from RM1.00 to RM0.50 per ordinary share.

In accordance with the Deed Poll dated 17 May 2001 constituting the Warrants, the exercise price of the Warrants will be adjusted from RM1.00 to RM0.50 per ordinary share with effect from 17 February 2011 as a consequence of the capital reduction.

The subscription price of one (1) option of the ESOS had been adjusted from RM1.00 to RM0.50 of each unit of ordinary share with effect from 17 February 2011 as a consequence of the reduction of issued and paid-up share of the Company via the cancellation of RM0.50 of par value of each unit of ordinary share.

Notes To The Financial Statements (Cont'd)

31 December 2010

19. RESERVES

	Group		Company	
	2010 RM'000	**2009 RM'000**	**2010 RM'000**	**2009 RM'000**
Non-distributable:				
Capital reserve arising from warrants issue	960	960	960	960
Accumulated losses	(111,015)	(111,489)	(49,510)	(46,888)
	(110,055)	(110,529)	(48,550)	(45,928)

(a) The capital reserve arising from warrants issue relates to the balance of the amount from the issuance of 40,070,400 new warrants 2006/2011 at an issue price of RM0.10 per warrant under the Restructuring Scheme in previous years.

(b) Supplementary information on realised and unrealised profit or losses

The accumulated losses as at the end of the reporting period may be analysed as follows:

	2010	
	Group RM'000	**Company RM'000**
Total accumulated losses of Company and its subsidiaries:		
- Realised	(72,740)	59,417
- Unrealised	(38,275)	(108,927)
Total Group/Company accumulated losses as per consolidated account	(111,015)	(49,510)

20. DEFERRED TAX LIABILITIES

(a) The movement of deferred tax liabilities during the financial year are as follows:

		Group	
	Note	**2010 RM'000**	**2009 RM'000**
Balance as at 1 January		1,488	2,732
Reclassified as liabilities attributable to non-current asset classified as held for sale	17	–	(226)
Recognised in statement of comprehensive income	28	–	(1,018)
Reversal of liabilities attributable to non-current asset classified as held for sale	17	226	–
Balance as at 31 December		1,714	1,488

Notes To The Financial Statements (Cont'd)

31 December 2010

20. DEFERRED TAX LIABILITIES (Continued)

(b) The components of deferred tax liabilities as at the end of the reporting period comprise the tax effect of:

	Group	
	2010 RM'000	**2009 RM'000**
Fair value adjustments on land held for property development	1,714	1,488

(c) The amount of temporary differences for which no deferred tax assets have been recognised in the statements of financial positions is as follows:

	Group		Company	
	2010 RM'000	**2009 RM'000**	**2010 RM'000**	**2009 RM'000**
Property, plant and equipment	(255)	(129)	(10)	(24)
Unutilised tax losses	130,320	131,781	24,120	24,120
Unabsorbed capital allowances	2,736	2,160	374	384
	132,801	133,812	24,484	24,480

Deferred tax assets have not been recognised in respect of these items as it is not probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

21. TRADE AND OTHER PAYABLES

	Group		Company	
	2010 RM'000	**2009 RM'000**	**2010 RM'000**	**2009 RM'000**
Current				
Trade payables				
Trade payables	395	539	–	–
Retention sum	119	136	–	–
	514	675	–	–
Other payables and accruals				
Amounts owing to subsidiaries	–	–	7,831	8,033
Amounts owing to corporate shareholders	44	229	–	–
Amounts owing to Directors	817	2,012	82	422
Other payables	32,177	6,053	26	45
Accruals	8,776	16,500	301	1,775
Deposits	789	597	–	–
	42,603	25,391	8,240	10,275
	43,117	26,066	8,240	10,275

Notes To The Financial Statements (Cont'd)

31 December 2010

21. TRADE AND OTHER PAYABLES (Continued)

(a) Trade payables are non-interest bearing and payable on demand upon presentation of invoice.

(b) The amounts owing to subsidiaries represent advances and payments made on behalf, which are unsecured, interest-free and payable upon demand in cash and cash equivalent.

(c) The amounts owing to corporate shareholders represent advances and payments made on behalf which are unsecured, bear interest at 1.00% per month (2009: Nil) and payable upon demand in cash and cash equivalents.

(d) The amounts owing to Directors represent advances and payments made on behalf which are unsecured, bear interest at 1.00% per month (2009: Nil) and payable on demand in cash and cash equivalents.

(e) Included in other payables of the Group is a third party loan amounting to RM1,000,000 (2009: RM2,000,000), for which a caveat has been created against certain landed properties of the Group with a total carrying amount of RM4,246,000 (2009: RM4,246,000). The loan bears interest at 18.00% (2009: 18.00%) per annum and is repayable within the next twelve (12) months.

(f) Included in other payables is an amount of RM28,568,000 owing to a third party which arose from the settlement of the Islamic Facility as disclosed in Note 22.1 to the financial statements. The amount was made by the third party on behalf of the Group pursuant to the Consortium Agreement as disclosed in Note 37(ii) to the financial statements. This amount is repayable via the proceeds to be received from development project to be secured by the Company on certain landed property as disclosed in Note 37(ii) to the financial statements. Should the Company fail to secure the said project within twelve (12) months from the end of the reporting period, the landed property shall be sold and transferred to the third party stated herein and the amount owing to the third party would be set-off against the sale proceeds to be received from the third party for the disposal of the landed property.

(g) Included in accruals are the following:

	Group		Company	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Conversion premium to convert Seremban 3 land from agriculture land to residential and commercial land	5,627	7,253	–	–
Interest payable on amount owing to former holder of Redeemable Convertible Secured Loan Stocks	–	824	–	824
Quit rent and assessment in respect of:				
- Klang Land	–	2,026	–	–
- Seremban 3	635	4,469	–	632
- RJ Properties and others	429	442	–	–

The conversion premium will be payable when the vacant land is due for development.

Information on financial risk of amounts owing to corporate shareholders, Directors and third party loan is disclosed in Note 34 to the financial statements.

Notes To The Financial Statements (Cont'd)

31 December 2010

22. BORROWINGS (SECURED)

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Current liabilities				
Term loans				
- Al-Bai Bithaman Ajil Facility	–	27,567	–	–
- Other secured term loans				
Term loan I	13,242	12,060	–	–
Term loan II	46,531	41,896	–	–
Term loan III	–	3,080	–	3,080
Term loan IV	2,100	521	2,100	521
	61,873	57,557	2,100	3,601
	61,873	85,124	2,100	3,601

Terms and debt repayment schedule

22.1 The Al-Bai Bithaman Ajil Facility (secured)

The Al-Bai Bithaman Ajil Facility ("Islamic Facility") was granted to Menang Development (M) Sdn. Bhd. ("MDSB"), a subsidiary of the Company, and is repayable within 7 years from drawdown date which was due for repayment in full in 2003. Negotiation to restructure the Facility has been ongoing and offer letters were received from the financial institution dated 30 August 2000, 6 June 2001 and 29 December 2004 respectively.

The total profit of the loan for the whole duration of 7 years is RM11,759,000. Subsequent to 2003, MDSB has continued to accrue profit on the Al-Bai Bithaman Ajil Facility based on a profit equivalent to the yield rate of 9.13% per annum.

The Islamic Facility is secured by way of legal charges over certain land held for property development of the Group as disclosed in Note 9 to the financial statements and corporate guarantee by the Company.

On 10 March 2009, MDSB has been served with an Originating Summons ("Summons") with an Affidavit in Support in respect of an indebtedness amount of RM26,395,000 owing to Bank Islam Malaysia Berhad ("Bank Islam").

On 11 March 2009, the Board of Directors of the Company announced to Bursa Malaysia Securities Berhad on the default in payment in respect of this Islamic Facility granted to MDSB pursuant to Practice Note 1/2001 of Bursa Malaysia Securities Berhad Listing Requirements.

On 19 March 2010, a hearing had been fixed to determine what is the true amount outstanding where Bank Islam had applied for a summary judgment for the amount of RM26,395,000.

A Consortium Agreement dated 26 March 2010 is signed between the Company and third parties ("Consortium") for the purpose of joint venture development on Klang properties. The Consortium agrees to proceed with the redemption of said properties on the basis of the redemption statement and undertaking issued by Bank Islam on 6 April 2010. The redemption statement and undertaking have stated that the redemption sum payable to Bank Islam is RM26,267,000 to be paid on or before 15 June 2010.

Notes To The Financial Statements (Cont'd)

31 December 2010

22. BORROWINGS (SECURED) (Continued)

22.1 The Al-Bai Bithaman Ajil Facility (secured) (continued)

As the amount due to Bank Islam has been ascertained at RM26,267,000 based on the said redemption statement and undertaking issued by Bank Islam, the Directors of the Company has decided to write back an amount of RM1,043,000 and RM17,671,000 being deferred liabilities charges (profit accrued) on the Islamic Facility in the statement of comprehensive income of the Group during current and previous financial year respectively. As at 31 December 2009, the net amount outstanding of RM27,567,000 due to Bank Islam represents redemption amount of RM26,397,000 (before deduction of RM180,000 paid on 2 March 2010) and the balance of RM1,170,000 being the estimated incidental costs related to the settlement. The full sum owing under the Al-Bai Bithaman Ajil Facility has been fully settled in June 2010 and the securities charged for this loan facility have been fully discharged in June 2010.

22.2 Other secured term loans

(a) The financial institution of Term loan I and Term loan II have given indulgence of time till 31 December 2011 for the Group to formulate a repayment plan with the financial institution and bear interest at rates ranging from 10.20% to 10.70% (2009: 9.45% to 9.95%) per annum.

The term loans are secured over the following:

(i) RM47,975,000 of land held for property development of the Group as disclosed in Note 9 to financial statements;

(ii) RM1,499,000 of inventories of the Group as disclosed in Note 14 to financial statements;

(iii) RM11,628,000 of investment properties of the Group as disclosed in Note 8 to financial statements; and

(iv) corporate guarantee of the Company.

(b) In November 2010, Term loan III was fully settled. All securities charged as disclosed in Notes 7 and 9 to financial statements are currently in the process of being discharged. In the previous financial year, Term loan III bore interest at rate of 9.00% per annum.

(c) Term loan IV is repayable in full in June 2011 and bears interest at a rate of 12.00% (2009: 12.00%) per annum.

Information on financial risk of borrowings is disclosed in Note 34 to the financial statements.

23. AMOUNT OWING TO FORMER HOLDER OF REDEEMABLE CONVERTIBLE SECURED LOAN STOCKS

	Group and Company	
	2010 RM'000	2009 RM'000
Balance as at 1 January	3,441	3,441
Repayment during the financial year	(3,441)	–
Balance as at 31 December	–	3,441

The Redeemable Convertible Secured Loan Stocks ("RCSLS") issued to the Scheme Creditors on 13 March 2002 pursuant to the Schemes of Arrangement of the Restructuring Scheme in 2002 has expired on 13 March 2007.

The RCSLS have been treated as amount due to the former holder of RCSLS.

The total outstanding due to the former holder of RCSLS were fully settled in December 2010.

The securities charged as disclosed in Note 9 to financial statements are currently in the process of being discharged.

Notes To The Financial Statements (Cont'd)
31 December 2010

24. REVENUE

	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Sale of properties	38,775	13,438	–	–
Management fees	157	112	18	18
Income from recreational facilities	1,204	1,103	–	–
	40,136	14,653	18	18

25. COST OF SALES

	Group 2010 RM'000	Group 2009 RM'000
Properties sold	27,100	12,078
Provision of recreational facilities	889	964
	27,989	13,042

26. FINANCE COSTS

	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Interest expense on:				
- amount owing to former holder of RCSLS	91	275	91	275
- term loans	6,164	5,456	349	330
- hire purchase	–	9	–	1
- advances by Directors	–	2	–	–
- other loans	423	319	–	–
	6,678	6,061	440	606

Notes To The Financial Statements (Cont'd)

31 December 2010

27. (LOSS)/PROFIT BEFORE TAX

	Note	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
(Loss)/Profit before tax is arrived at after charging:					
Impairment loss on receivables		–	–	719	415
Auditors' remuneration:					
- current year		85	79	25	22
- prior year		(1)	3	–	–
Bad debts written off		–	2	–	–
Directors' remuneration:					
- fees		30	30	30	30
- emoluments other than fees		926	893	276	276
Depreciation of property, plant and equipment	7	174	266	11	62
Depreciation of investment properties	8	162	649	162	649
Impairment loss on non-current assets classified as held for sale	9	–	3,636	–	–
Land held for property development written off	9	463	–	–	–
Deposit written off		1	–	–	–
Interest expenses on:	26				
- amount owing to former holder of RCSLS		91	275	91	275
- term loans		6,164	5,456	349	330
- hire purchase		–	9	–	1
- advances by Directors		–	2	–	–
- other loans		423	319	–	–
Property, plant and equipment written off	7	4	18	–	–
Rental expense payable to:					
- a Director		7	28	–	–
- others		322	307	–	–
Rental of equipment		9	7	–	–
Impairment loss on investments in subsidiaries	10	–	–	6	101

Notes To The Financial Statements (Cont'd)

31 December 2010

27. (LOSS)/PROFIT BEFORE TAX (Continued)

		Group		Company	
		2010	2009	2010	2009
	Note	RM'000	RM'000	RM'000	RM'000
And crediting:					
Gain from previous disposal of an associate		–	976	–	1,347
Forfeited income		7	3	–	–
Write back of deferred liabilities charges in respect of Al-Bai Bithaman Ajil Facility	22.1	1,043	17,671	–	–
Interest income:					
- from a subsidiary		–	–	403	623
- others		97	21	–	–
Management fee receivable from a subsidiary		–	–	18	18
Rental income on buildings		211	145	–	–
Gain on disposal of property, plant and equipment		1	31	1	–

The estimated monetary value of benefit-in-kind received by the Directors otherwise than in cash from the Group and the Company amounted to RM77,418 and RM77,418 (2009: RM78,589 and RM74,589) respectively.

28. TAX (INCOME)/EXPENSE

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Current tax expense based on profit for the financial year	–	–	–	–
Under provision in prior years	–	166	–	166
	–	166	–	166
Deferred tax (Note 20):				
Relating to origination and reversal of temporary differences	–	(1,018)	–	–
	–	(852)	–	166

Malaysian income tax is calculated at the statutory tax rate of 25% of the estimated taxable profits for the fiscal year.

Notes To The Financial Statements (Cont'd)
31 December 2010

28. TAX (INCOME)/EXPENSE (Continued)

The numerical reconciliation between the tax (income)/expense and the product of accounting (loss)/profit multiplied by the applicable statutory tax rate of the Group and of the Company are as follows:

	Group		Company	
	2010 RM'000	**2009 RM'000**	**2010 RM'000**	**2009 RM'000**
Tax at Malaysian statutory tax rate of 25% (2009: 25%)	(208)	675	(655)	(340)
Tax effect in respect of:				
Non-allowable expenses	461	537	654	675
Non-taxable income	–	(244)	–	(337)
Utilisation of previously unrecognised tax losses	(365)	(2,092)	–	(4)
Deferred tax assets not recognised	112	106	1	6
	–	(1,018)	–	–
Under provision in prior years	–	166	–	166
	–	(852)	–	166

Tax savings of the Group and of the Company are as follows:

	Group		Company	
	2010 RM'000	**2009 RM'000**	**2010 RM'000**	**2009 RM'000**
Arising from utilisation of previously unrecognised				
- capital allowances	–	162	–	4
- tax losses	365	1,930	–	–
	365	2,092	–	4

29. EARNINGS PER SHARE

(a) Basic earnings per ordinary share

Basic earnings per ordinary share of the Group is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted number of ordinary shares outstanding during the financial year.

	Group	
	2010	**2009**
Profit for the financial year (RM'000)	474	3,550
Weighted number of ordinary shares in issue ('000)	267,107	267,107
Basic earnings per ordinary share (sen)	0.18	1.33

(b) Diluted earnings per share

The diluted earnings per share is not presented as the average fair value of the shares of the Company is lower than the exercise price for assumed conversion of the 40,070,400 warrants issued and the options over shares under Employees' Share Option Scheme. The effect of this would be anti-dilutive to the earnings per ordinary share.

Notes To The Financial Statements (Cont'd)

31 December 2010

30. OPERATING SEGMENTS

The Group is principally engaged in property development, project management and investment holding, as well as recreation and others.

The Group has arrived at two (2) reportable segments that are organised and managed separately according to the nature of products and services, specific expertise and technologies requirements, which require different business and marketing strategies. The reportable segments are summarised as follows:

Property development : Development of residential and commercial properties.

Project management and Investment holding : Investment holding, letting out of properties and provision for management services.

Other operating segments that do not constitute reportable segments comprise operations related to the operation of recreational facilities and insurance agent.

The accounting policies of operating segments are the same as those described in the summary of significant accounting policies.

The Group evaluates performance on the basis of profit or loss from operations before tax not including non-recurring losses.

Inter-segment revenue is priced on negotiated basis along the same lines as sales to external customers and is eliminated in the consolidated financial statements. Those policies have been applied consistently throughout the current and previous financial years.

2010	Project management and investment holding RM'000	Property development RM'000	Other operating segments RM'000	Elimi-nations RM'000	Conso-lidation RM'000
Business segments					
Revenue from external customers	157	38,775	1,204	–	40,136
Inter-segment revenue	18	–	–	(18)	–
Total revenue	175	38,775	1,204	(18)	40,136
Segment results	(2,300)	8,200	(151)	–	5,749
Interest expense	440	6,641	–	(403)	(6,678)
Interest income	449	51	–	(403)	97
Loss before tax					(832)
Tax income					–
Net loss for the financial year					(832)
Segment assets	16,913	246,294	693	–	263,900
Segment liabilities	3,021	103,607	76	–	106,704
Capital expenditure	1	156	23	–	180
Depreciation	174	73	102	–	349
Property, plant and equipment written off	–	–	4	–	4
Write back of deferred liabilities charges in respect of Al-Bai Bithaman Ajil Facility	–	1,043	–	–	1,043

Notes To The Financial Statements (Cont'd)

31 December 2010

30. OPERATING SEGMENTS (Continued)

2009	Project management and investment holding RM'000	Property development RM'000	Other operating segments RM'000	Elimi-nations RM'000	Conso-lidation RM'000
Business segments					
Revenue from external customers	112	13,438	1,103	–	14,653
Inter-segment revenue	18	–	–	(18)	–
Total revenue	130	13,438	1,103	(18)	14,653
Segment results	(1,318)	10,454	(398)	–	8,738
Interest expense	606	6,078	–	(623)	(6,061)
Interest income	630	14	–	(623)	21
Profit before tax					2,698
Tax income					852
Net profit for the financial year					3,550
Segment assets	16,834	255,377	796	–	273,007
Segment liabilities	9,930	106,333	166	–	116,429
Capital expenditure	1	16	119	–	136
Depreciation	711	41	176	–	928
Property, plant and equipment written off	–	–	18	–	18
Write back of deferred liabilities charges in respect of Al-Bai Bithaman Ajil Facility	–	17,671	–	–	17,671

31. CONTINGENT LIABILITIES - SECURED

	Company	
	2010 RM'000	2009 RM'000
Guarantee for credit facilities relating to term loans (2009: Al-Bai Bithaman Ajil Facility and other term loans) of the subsidiaries	59,773	81,524

As at reporting date, the Directors are of the opinion that the chances of the corporate guarantees being enforced by the financial institutions are remote as the fair value of the underlying assets charged is adequate to cover the borrowings. Accordingly, the fair value of the above corporate guarantees provided for banking facilities granted to the subsidiaries is negligible.

Notes To The Financial Statements (Cont'd)

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32. RELATED PARTIES DISCLOSURE

(a) Identities 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 operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Company has a controlling related party relationship with its direct and indirect subsidiaries.

The relationship between the Group and the related parties, other than those disclosed elsewhere in the financial statements are as follows:

(i) Substantial shareholder of the Company, Titian Hartanah (M) Sdn. Bhd.; and

(ii) Holding company of the substantial shareholder of the Company, Maymerge (M) Sdn. Bhd.

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

	Group		**Company**	
	2010 RM'000	**2009 RM'000**	**2010 RM'000**	**2009 RM'000**
Advances from Maymerge (M) Sdn. Bhd.	(195)	(35)	–	–
Interest payable to Maymerge (M) Sdn. Bhd.	10	–	–	–
Purchase of certain properties by Directors				
- Dato' Shun Leong Kwong	175	174	–	–
- Too Kok Leng	–	195	–	–
Purchase of certain properties by Director of a subsidiary				
- Teoh Choo Huang	192	–	–	–
Interest payable to a Director				
- Dato' Shun Leong Kwong	–	2	–	–
Rental payable to a Director				
- Dr. Christopher Shun Kong Leng CFP®, RFP™	7	29	–	–
Subsidiaries				
Management fees receivable from:				
- Seremban 3 Paradise Valley Golf Resort Sdn. Bhd.	–	–	18	18
Interest income from:-				
- Menang Development (M) Sdn. Bhd.	–	–	403	623

Balances of the above related party transactions are disclosed in Notes 15 and 21 to the financial statements.

The related party transactions described above were entered into in the normal course of business and are based on negotiated and mutually agreed terms.

Notes To The Financial Statements (Cont'd)

31 December 2010

32. RELATED PARTIES DISCLOSURE (Continued)

(c) Compensation of key management personnel

The remuneration of Directors during the financial year was as follows:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Directors' remuneration:				
- Fees	30	30	30	30
- Emoluments other than fees	926	893	276	276
	956	923	306	306

33. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the Group's capital management is to ensure that entities of the Group would be able to continue as going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The overall strategy of the Group remains unchanged from the financial year ended 31 December 2009.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To remain or adjust the capital structure, the Group 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 financial years ended 31 December 2010 and 31 December 2009.

The Group is not subject to any externally imposed capital requirements.

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

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Loans and borrowings	61,873	85,124	2,100	3,601
Trade and other payables	43,117	26,066	8,240	10,275
Other liabilities	–	3,441	–	3,441
Total liabilities	104,990	114,631	10,340	17,317
Less : Cash and bank balances	(818)	(3,591)	(337)	(15)
Net debt	104,172	111,040	10,003	17,302
Total capital	157,052	156,578	218,557	221,179
Net debt	104,172	111,040	10,003	17,302
Equity	261,224	267,618	228,560	238,481
Gearing ratio	40%	41%	4%	7%

Notes To The Financial Statements (Cont'd)

31 December 2010

33. FINANCIAL INSTRUMENTS (Continued)

(b) Financial instruments

Certain comparative figures have not been presented for 31 December 2009 by virtue of the exemption given in paragraph 44AA of FRS 7.

(i) Categories of financial statements

Group	Loans and receivables RM'000	Fair value through profit or loss RM'000	Available for sale RM'000	Held to maturity RM'000	Total RM'000
2010					
Financial assets					
Trade and other receivables	8,551	–	–	–	8,551
Cash and cash equivalents	818	–	–	–	818
	9,369	–	–	–	9,369

	Other financial liabilities RM'000	Fair value through profit or loss RM'000	Total RM'000
Financial liabilities			
Borrowings	61,873	–	61,873
Trade and other payables	43,117	–	43,117
	104,990	–	104,990

Company	Loans and receivables RM'000	Fair value through profit or loss RM'000	Available for sale RM'000	Held to maturity RM'000	Total RM'000
2010					
Financial assets					
Trade and other receivables	131,750	–	–	–	131,750
Cash and cash equivalents	337	–	–	–	337
	132,087	–	–	–	132,087

Notes To The Financial Statements (Cont'd)
31 December 2010

33. FINANCIAL INSTRUMENTS (Continued)

(b) Financial instruments (continued)

(i) Categories of financial statements (continued)

	Other financial liabilities RM'000	Fair value through profit or loss RM'000	Total RM'000
Company			
Financial Liabilities			
Borrowings	2,100	–	2,100
Trade and other payables	8,240	–	8,240
	10,340	–	10,340

(c) Fair values of financial instruments

The fair values of financial instruments that are not carried at fair value and whose carrying amounts do not approximate their fair values are as follows:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Financial assets:				
Other investments	7	5	–	–

(d) Determination of fair value

Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

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

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

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

ii. Quoted shares

The fair value of quoted investments in Malaysia is determined by reference to the exchange quoted market bid prices at the close of the business at the end of the reporting period.

Notes To The Financial Statements (Cont'd)

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34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Board of Directors recognises the importance of financial risk management in the overall management of the Group's businesses. A sound risk management system will not only mitigate financial risk but will also be able to create opportunities if risk elements are properly managed.

The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders while minimising potential adverse effects on the performance of the Group. Financial risk management is carried out through risk reviews, internal control systems and adherence to the Group's financial risk management policies, which are set out as follows:

(i) Liquidity risk

The Group is actively managing its operating cash flow to suit the debt maturity profile so as to ensure that all commitments and funding needs are met. As part of the overall liquidity management, it is the Group's policy to ensure continuity in servicing its cash obligations in the future by way of measuring and forecasting its cash commitments and to maintain sufficient levels of cash or cash equivalents to meet its working capital requirements. In addition, the Group has also obtained continuing financial support from the lenders and maintains credit facilities sufficient to meet its operational needs and to enable the Group to continue as a going concern.

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.

Group	**On demand or within 1 year RM'000**	**Total RM'000**
Financial liabilities:		
Borrowings	61,873	61,873
Trade and other payables	43,117	43,117
Total undiscounted financial liabilities	104,990	104,990
Company		
Financial liabilities:		
Borrowings	2,100	2,100
Trade and other payables	8,240	8,240
Total undiscounted financial liabilities	10,340	10,340

Notes To The Financial Statements (Cont'd)
31 December 2010

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(ii) Credit risk

Cash deposits and trade receivables may give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. It is the Group's policy to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

Credit risk refers to the risk that counterparty will default on their contractual obligations resulting in financial loss to the Group. The Group seeks to invest cash assets safely and profitably. It also seeks to control credit risk by setting counterparty limits and ensuring that sales of services are made to customers with an appropriate credit history. The Group considers the risk of material loss arising in the event of non-performance by a financial counterparty to be unlikely, except when management deems recoverability of specific debtors as doubtful.

The Group's primary exposure to credit risk arises through its trade receivables. Each customer has a maximum credit limit and the Group seeks to maintain strict control over its outstanding receivables via a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management.

At the end of the reporting period, the Company has significant exposure in respect of amounts owing by subsidiaries but there were no significant concentration of credit risk for the Group.

In respect of cash and bank balances placed with major financial institutions in Malaysia, the Directors believe that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

Exposure to credit risk

At the end of reporting period, the maximum exposure to credit risk for the Group and for the Company are represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Information regarding credit enhancement for trade and other receivables is disclosed in Note 15 to the financial statements.

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the segments profits of its trade receivables on an ongoing basis.

As at 31 December 2010, other than the amounts owing by subsidiaries of the Company constituting 99.98% (2009 : 99.98%) of total receivables of the Company, there were no significant concentration of credit risk.

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 15 to the financial statements.

Financial assets that are past due but not impaired

Information regarding trade receivables that are past due but not impaired is disclosed in Note 15 to the financial statements.

Notes To The Financial Statements (Cont'd)

31 December 2010

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(iii) Interest rate risk

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

The Group and the Company have interest bearing financial liabilities, comprising the secured term loans, Al-Bai Bithaman Ajil Facility, amounts owing to former holder of RCSLS, corporate shareholders, subsidiaries and to Directors as disclosed in the financial statements.

Interest rates on amount owing to former holder of RCSLS, Al-Bai Bithaman Ajil Facility, amounts owing to Directors, advances from corporate shareholders and amount owing to third party and secured term loan IV are fixed. Interest rates for other term loans vary with reference to the base lending rate of the financial institutions.

Interest earning financial assets of the Company is mainly amounts owing from subsidiaries that attract interest income. However, the fluctuation in interest rate, if any, is not expected to have a material impact on the results of the Company.

The following tables set out the carrying amounts, the weighted average effective interest rate as at the reporting date and the remaining maturities of the Group's and the Company's financial instruments that are exposed to interest rate risk.

Group **At 31 December 2010**	**Note**	**Weighted average annual effective interest rate %**	**Total RM'000**	**Within 1 year RM'000**
Fixed rates				
Amount owing to a third party	21(e)	18.00	1,000	1,000
Secured term loan IV	22.2(c)	12.00	2,100	2,100
Floating rates				
Secured term loans I and II	22.2(a)	10.21	59,773	59,773
At 31 December 2009				
Fixed rates				
Al-Bai Bithaman Ajil Facility	22.1	9.13	27,567	27,567
Amount owing to a third party	21(e)	18.00	2,000	2,000
Amount owing to former holder of RCSLS	23	8.00	3,441	3,441
Secured term loan IV	22.2(c)	12.00	521	521
Floating rates				
Secured term loans I, II and III	22.2 (a) & (b)	9.00 - 9.95	57,036	57,036

Notes To The Financial Statements (Cont'd)
31 December 2010

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(iii) Interest rate risk (continued)

Company At 31 December 2010	Note	Weighted average annual effective interest rate %	Total RM'000	Within 1 year RM'000
Fixed rates				
Advances to subsidiaries	15	0.40	179,742	179,742
Secured term loan IV	22.2(c)	12.00	2,100	2,100
At 31 December 2009				
Fixed rates				
Advances to subsidiaries	15	0.50	125,538	125,538
Amount owing to former holder of RCSLS	23	8.00	3,441	3,441
Secured term loan IV	22.2(c)	12.00	521	521
Floating rates				
Secured term loan III	22.2(b)	9.00	3,080	3,080

Sensitivity analysis for interest rate risk

At 31 December 2010, if interest rates had been 50 basis points lower/higher, with all other variables held constant, the Group's and the Company's post-tax profit for the year would have been RM236,000 and RM7,000 higher/lower respectively, arising mainly as a result of lower/higher finance costs on the Group's and the Company's borrowings and higher/lower finance income on fixed rate advances to subsidiaries. The assumed movement in basis points for interest rate sensitivity analysis is based on a prudent estimate of the current market environment.

35. EMPLOYEE BENEFITS

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Directors' remuneration other than fees	926	893	276	276
Salaries and wages	2,065	2,219	503	487
Defined contribution plan	202	215	63	59
Other employee benefits	231	419	128	128
	3,424	3,746	970	950

Included in the employee benefits of the Group and of the Company are Executive Directors' remuneration amounting to RM674,400 (2009: RM641,400) and RM24,000 (2009: RM24,000) respectively.

Notes To The Financial Statements (Cont'd)

31 December 2010

36. MATERIAL LITIGATION

On 9 October 2002, Menang Development (M) Sdn. Bhd. ("MDSB") entered into a Sale and Purchase Agreement with Tanco Land Sdn. Bhd. ("TLSB") to dispose eighteen (18) parcels of shoplots in Mukim of Rasah, District of Seremban, Negeri Sembilan Darul Khusus for a total cash consideration of RM6.84 million. A sum of RM50,000 was received on the execution of agreement.

On 9 October 2002, MDSB entered into a Sale and Purchase Agreement with TLSB to acquire three (3) pieces of land in Mukim of Rasah, District of Seremban, Negeri Sembilan Darul Khusus measuring approximately 28.68 acres for a total cash consideration of RM6.84 million. A sum of RM50,000 was paid on the execution of agreement.

On 9 October 2002, Pelangi Citapadu (M) Sdn. Bhd. ("PCSB") entered into a Sale and Purchase Agreement with TLSB to acquire six (6) pieces of land in Mukim of Rasah, District of Seremban, Negeri Sembilan Darul Khusus measuring approximately 40.10 acres for a total cash consideration of RM9.00 million including accrued interest.

The above Sale and Purchase Agreements are inter-conditional and to be completed simultaneously.

However, on 2 June 2005, MDSB entered into a Novation Agreement ("the said Novation Agreement") with TLSB and PCSB to novate the Sales and Purchase Agreement dated 9 October 2002 from PCSB to MDSB.

On 30 December 2005, MDSB entered into a Supplemental Agreement ("the said Supplemental Agreement") with TLSB and PCSB to extend the completion date of the said Novation Agreement for three (3) months commencing from:

(a) the validation order being obtained from the High Court under section 176(10C) of the Companies Act, 1965 for the said Novation Agreement and the said Supplemental Agreement; or

(b) the restraining order granted by High Court under section 176(10) of the Companies Act, 1965 to TLSB lapses;

whichever shall be earlier provided always that the period in which item (a) or (b) occurs shall be within six (6) months from 30 December 2005 that is the date of the said Supplemental Agreement.

On 30 June 2006, the restraining order has lapsed and pursuant to the said Supplemental Agreement, the completion date was 30 September 2007. However, on 9 April 2008, MDSB entered into a Second Supplemental Agreement to extend its completion date from 1 October 2006 to 31 March 2008.

On 18 April 2008, TLSB agreed to extend its completion date from 31 March 2008 to 30 September 2008 pending completion of conditions precedent.

On 16 February 2009, MDSB's solicitors wrote to TLSB's solicitors, that the Novation Agreement be terminated. The Group had provided for the loss of deposit amounting to RM400,000 in year 2008.

MDSB had filed a suit against TLSB for the return of monies totaling RM400,000 for alleged breach of a series of sale and purchase agreements. The matter has now been fixed for case management on 30 May 2011.

37. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(i) On 11 March 2009, the Board of Directors of the Company announced to Bursa Malaysia Securities Berhad on the default in payment in respect of Al-Bai Bithaman Ajil Facility ("Islamic Facility") granted by Bank Islam Malaysia Berhad ("Bank Islam") to its wholly owned subsidiary, Menang Development (M) Sdn. Bhd. ("MDSB") pursuant to Practice Note 1/2001 of Bursa Malaysia Securities Berhad Listing Requirements ("PN1"). MDSB has been served with an Originating Summons with an Affidavit in Support ("Summons") on 10 March 2009 by Bank Islam claiming an indebtedness amount of RM26,396,000.

On 9 June 2010, the total amount owing to Bank Islam has been fully settled.

Notes To The Financial Statements (Cont'd)

31 December 2010

37. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (Continued)

(ii) On 26 March 2010, a Consortium Agreement was signed between the Company and third parties ("Consortium") for the purpose of joint venture development on those land that were previously charged to Bank Islam as securities for the Islamic Facility. These land had been discharged during the financial year following the settlement of the Islamic Facility as mentioned in (i) above.

Pursuant to the Consortium Agreement, the Company shall negotiate to secure a private finance initiative ("PFI") project to be developed on the said land within 12 months from the date of the Agreement, failing which, the said land shall be sold and transferred to a certain member of the Consortium free from all encumbrances and with vacant possession.

On 24 March 2011, the Company has been granted extension of time until 31 December 2011 to secure the PFI project.

(iii) On 29 March 2010 and 1 November 2010 respectively, the Group took up the allotment of 69 and 3,550,000 ordinary shares of RM1.00 each in the issued and paid-up capital of a subsidiary, Inovatif Mewah Sdn. Bhd. ("IMSB"), for a cash consideration of RM69 and RM3,550,000 respectively.

(iv) On 4 May 2010, IMSB entered into a Concession Agreement with the Government of Malaysia under a PFI basis to build, lease, maintain and transfer a UiTM Campus at Seremban 3 for a contract sum RM293,000,000.

Upon completion of the building, the Campus will be leased to the Government/UiTM for a period of 20 years. During the lease period of 20 years, IMSB will also be maintaining the Facilities and Infrastructure of the Campus. The Concession Period of the Project is therefore 23 years (inclusive of the 3 years of construction period).

(v) On 22 September 2010, IMSB had accepted the offer from the State Government of Negeri Sembilan to compulsorily acquire three (3) pieces of land measuring a total area of approximately 21.1095 hectares pursuant to the Land Acquisition Act, 1960 for a total consideration of RM35,470,000. The said land acquired by the State Government of Negeri Sembilan is for the proposed construction of the UiTM Campus as disclosed in paragraph (iv) above.

(vi) On 21 December 2010, the Group has fully repaid and settled its term loan liabilities under PN1 status. On 13 January 2011, the Group announced that the Group had regularised its PN1 status.

(vii) The Directors of the Company have proposed to implement a capital reduction of the issued and paid-up share capital of the Company ("the Proposal") via the cancellation of RM0.50 of the par value of each unit of ordinary share. At an EGM held on 12 November 2010, the shareholders of the Company have approved the Proposal.

On 28 January 2011, the High Court of Malaya ("the Court") had granted order-in-terms in respect of the application by the Company for the Proposal. On 16 February 2011, the sealed order of the Court confirming the capital reduction has been lodged with the Companies Commission of Malaysia. Accordingly, the capital reduction will take immediate effect, whereby the par value of each ordinary share in the Company will be reduced from RM1.00 to RM0.50 per ordinary share.

In accordance with the Deed Poll dated 17 May 2001 constituting the Warrants, the exercise price of the Warrants will be adjusted from RM1.00 to RM0.50 per ordinary share with effect from 17 February 2011 as a consequence of the capital reduction.

38. SIGNIFICANT EVENT SUBSEQUENT TO END OF THE REPORTING PERIOD

On 8 April 2011, the Company acquired the entire equity interest of Rumpun Positif Sdn. Bhd. ("RP") comprising two (2) ordinary shares of RM1 each for a total cash consideration of RM2. RP is a company incorporated in Malaysia and is currently dormant.

List Of properties Held
As At 31 December 2010

Location	Tenure	Area (Approximately)	Existing Usage/ Description	Age of Buildings	Net Book Value RM'000	Year of Acquisition/ Revaluation
Geran No. 27973 Lot No. 2596 Mukim of Bukit Raja Daerah Klang Selangor Darul Ehsan	Freehold Land	53,413 sf	Vacant Industrial Land for Future Development	N/A	461	1998
Geran No. 27974 Lot No. 2597 Mukim of Bukit Raja Daerah Klang Selangor Darul Ehsan	Freehold Land	55,347 sf	Vacant Industrial Land for Future Development	N/A	481	1998
Geran No. 27975 Lot No. 2615 Mukim of Bukit Raja Daerah Klang Selangor Darul Ehsan	Freehold Land	72,473 sf	Vacant Industrial Land for Future Development	N/A	541	1998
Geran No. 27976 Lot No. 2616 Mukim of Bukit Raja Daerah Klang Selangor Darul Ehsan	Freehold Land	63,516 sf	Vacant Industrial Land for Future Development	N/A	521	1998
Geran No. 27917 Lot No. 48 Mukim of Bukit Raja Daerah Klang Selangor Darul Ehsan	Freehold Land	82.90 acres	Vacant Industrial Land for Future Development	N/A	17,515	1998
HSD 97332 PT 25008 Mukim of Klang Daerah Klang Selangor Darul Ehsan	Leasehold 99 Years Expiry date - 2103	27.86 acres	Vacant Industrial Land for Future Development	N/A	2,516	1998
HSD 97333 PT 50718 Mukim of Klang Daerah Klang Selangor Darul Ehsan	Leasehold 99 Years Expiry date - 2103	41.25 acres	Vacant Industrial Land for Future Development	N/A	3,726	1998
Geran No. 21944 Lot No. 20 Mukim of Ulu Bernam Daerah Ulu Selangor Selangor Darul Ehsan	Freehold Land	46.50 acres	Vacant Industrial Land for Future Development	N/A	4,856	1998
Lot No. 663, GM 3689 Mukim of Ulu Bernam Daerah Ulu Selangor Selangor Darul Ehsan	Freehold Land	10.38 acres	Vacant Industrial Land for Future Development	N/A	1,086	1998
Lot No. 889, GM 3690 Mukim of Ulu Bernam Daerah Ulu Selangor Selangor Darul Ehsan	Freehold Land	10.13 acres	Vacant Industrial Land for Future Development	N/A	1,058	1998

List Of properties Held (Cont'd)

As At 31 December 2010

Location	Tenure	Area (Approximately)	Existing Usage/ Description	Age of Buildings	Net Book Value RM'000	Year of Acquisition/ Revaluation
Lot 237, GM 583 Mukim of Si Rusa Daerah Port Dickson Negeri Sembilan Darul Khusus	Freehold Land	4.20 acres	Vacant Service Apartments Land for Future Development	N/A	5,000	1998
Lot 1279, CT 6441 Mukim of Si Rusa Daerah Port Dickson Negeri Sembilan Darul Khusus	Freehold Land	3.93 acres	Vacant Hotel Resort Land for Future Development	N/A	4,673	1998
665 & 666 Jalan RJ 1/15 Rasah Jaya 70300 Seremban Negeri Sembilan Darul Khusus	Freehold Land	3,600 sf	3 1/2 Storey Office Lots	28 years	327	1998
92 units of Market Stalls Mukim of Rasah, Seremban	Freehold Land	12,511 sf	Vacant Market Stalls	24 years	250	1998
24 units of 3 Storey Office Mukim of Rasah, Seremban	Freehold Land	43,758 sf	Office Lots For Rental	13 years	5,774	1998
Rasah Jaya Mukim of Rasah, Seremban Negeri Sembilan Darul Khusus	Freehold Land	8.01 acres	On Going Mixed Development Land	N/A	11,905	1998
Seremban 3 Various subdivided lots Negeri Sembilan Darul Khusus	Freehold Land	487 acres	On Going Mixed Development Land	N/A	163,730	2001
Lot 868, Geran 17863 Mukim of Rasah, Seremban Negeri Sembilan Darul Khusus	Freehold Land	2.51 acres	Residential Development Land	N/A	753	2002
Lot 1570, Geran 3890 Mukim of Rantau, Seremban Negeri Sembilan Darul Khusus	Freehold Land	64.84 acres	Agricultural Land	N/A	5,101	2004
Lot 776, GM 33 Mukim of Rasah, Seremban Negeri Sembilan Darul Khusus	Freehold Land	11.75 acres	Vacant Commercial Land	N/A	7,601	2004
Lot 9555 & 9556, HS (D) 125699 & 125700 Mukim of Rasah, Seremban Negeri Sembilan Darul Khusus	Freehold Land	9.93 acres	Agricultural Land	N/A	1,729	2005
Lot 661, Geran No 587 Mukim of Si Rusa Daerah Port Dickson Negeri Sembilan Darul Khusus	Freehold Land	44,100 sf	Agricultural Land	N/A	1,129	2004
Lot 996, Geran No 591 Mukim of Si Rusa Daerah Port Dickson Negeri Sembilan Darul Khusus	Freehold Land	87,121 sf	Agricultural Land	N/A	2,230	2004

Shareholders' Information

ANALYSIS OF SHAREHOLDINGS AS AT 11 MAY 2011

SHARE CAPITAL

Authorised Share Capital	:	RM1,000,000,000.00
Issued and Paid-Up Capital	:	RM133,553,500.00
Class of Shares	:	Ordinary Shares of RM0.50 each
Voting Rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDERS

Size of Shareholdings	No. of Holders	%	No. of Shares of RM.50 each	%
Less than 100	191	1.14	2,479	0.00
100 to 1,000	9,122	54.57	4,638,970	1.74
1,001 to 10,000	6,037	36.12	21,372,721	8.00
10,001 to 100,000	1,177	7.04	37,576,100	14.07
100,001 to 13,355,349	187	1.12	87,407,300	32.72
13,355,350* and above	2	0.01	116,109,430	43.47
	16,716	**100.00**	**267,107,000**	**100.00**

* 5% of issued shares = 13,355,350

SUBSTANTIAL SHAREHOLDERS (Excluding bare trustee)
(As per Register of Substantial Shareholders)

Name	Direct No. of Shares Held	%	Indirect No. of Shares Held	%
Dato' Abdul Mokhtar Ahmad	–	–	95,945,130 *	35.92
Dato' Shun Leong Kwong	9,400	0.00	95,945,130 *	35.92
Datin Mariam Eusoff	4,200	0.00	95,945,130 *	35.92
Maymerge (M) Sdn Bhd	1,200	0.00	95,943,930 +	35.92
Titian Hartanah (M) Sdn Bhd	95,943,930 @	35.92	–	–
Goh Kheng Peow	1,018,000	0.38	20,998,900 #1	7.86
See Thoo Chan	811,400	0.30	21,205,500 #2	7.94

* Indirect interest through Maymerge (M) Sdn Bhd (257143-M) and Titian Hartanah (M) Sdn Bhd (271634-U) by virtue of Section 6A(4)(c) of the Companies Act, 1965

\+ Indirect interest through Titian Hartanah (M) Sdn Bhd (271634-U) by virtue of Section 6A (4)(c) of of the Companies Act, 1965

@ Included in this figure, 95,921,930 shares held by bare trustee, AMSEC Nominees (Tempatan) Sdn Bhd (102918-T)

#1 Indirect interest through his spouse and Compugates Holdings Berhad (669287H) by virtue of Section 6A of the Companies Act, 1965

#2 Indirect interest through her spouse and Compugates Holdings Berhad (669287H) by virtue of Section 6A of the Companies Act, 1965

Shareholders' Information (Cont'd)

DIRECTORS' SHAREHOLDINGS
(As per Register of Directors' Shareholdings)

Name	Direct No. of Shares Held	%	Indirect No. of Shares Held		%
Dato' Abdul Mokhtar Ahmad in					
The Company	–	–	95,945,130	*	35.92
Maymerge (M) Sdn Bhd	118,977,400	20.00	–		–
Titian Hartanah (M) Sdn Bhd	–	–	1,000,000		100.00
Dato' Shun Leong Kwong in					
The Company	9,400	0.00	95,945,130	*	35.92
Maymerge (M) Sdn Bhd	267,699,150	45.00	–		–
Titian Hartanah (M) Sdn Bhd	–	–	1,000,000		100.00
Datin Mariam Eusoff in					
The Company	4,200	0.00	95,945,130	*	35.92
Maymerge (M) Sdn Bhd	208,210,450	35.00	–		–
Titian Hartanah (M) Sdn Bhd	–	–	1,000,000		100.00
Dr. Christopher Shun Kong Leng, CFP®, RFP™ in The Company	–	–	–		–
Too Kok Leng	–	–	–		–
Chiam Tau Meng	–	–	–		–

* Indirect interest through Maymerge (M) Sdn Bhd (257143-M) and Titian Hartanah (M) Sdn Bhd (271634-U) by virtue of Section 6A(4)(c) of the Companies Act, 1965 Companies Act, 1965

THIRTY LARGEST SHAREHOLDERS AS AT 11 MAY 2011

	Name	No. of Shares	%
1.	AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account - AmBank (M) Berhad for Titian Hartanah (M) Sdn Bhd	95,921,930	35.91
2.	Compugates Holdings Berhad	20,187,500	7.56
3.	Tan Shoo Li	6,000,300	2.25
4.	Toh May Fook	5,119,500	1.92
5.	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank For Toh May Fook (MY0785)	4,761,400	1.78
6.	Lim Seng Chee	3,440,000	1.29
7.	Harasa Abadi Sdn Bhd	3,161,000	1.18
8.	Liew Sook Pin	3,083,500	1.15
9.	BHLB Trustee Berhad Exempt An For EPF Investment For Member Savings Scheme	2,537,200	0.95

Shareholders' Information (Cont'd)

THIRTY LARGEST SHAREHOLDERS AS AT 11 MAY 2011 (Continued)

	Name	No. of Shares	%
10.	Ng Poh Lyn	2,060,800	0.77
11.	Toh May Fook	1,900,900	0.71
12.	Citigroup Nominees (Asing) Sdn Bhd Exempt An For OCBC Securities Private Limited	1,781,600	0.67
13.	Continuum Sanctuary Commercial Sdn Bhd	1,650,000	0.62
14.	Tee Chee Chong	1,300,200	0.49
15.	Tan Yok Chu	1,160,400	0.43
16.	Ho Tau Tai	1,145,500	0.43
17.	Citigroup Nominees (Asing) Sdn Bhd UBS AG Hong Kong For Yellow Gold Enterprise Inc	1,130,000	0.42
18.	OSK Nominees (Tempatan) Sdn Berhad Pledged Securities Account For Foremillion (M) Sdn Bhd	1,089,100	0.41
19.	Ng Lip Kok	1,000,000	0.37
20.	Tay Hock Soon	997,200	0.37
21.	Chua Khin Eng	955,100	0.36
22.	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank For Wong Kie Yik (MQ0179)	900,000	0.34
23.	Johan Tung Bin Abdullah	848,400	0.32
24.	Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chen Teck Peng	809,600	0.30
25.	Cimsec Nominees (Asing) Sdn Bhd Exempt An For CIMB Securities (Singapore) Pte Ltd	755,300	0.28
26.	Sun Lee Tee	733,300	0.27
27.	Robyn Lim Kit Yoong	727,700	0.27
28.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Goh Kheng Peow	718,000	0.27
29.	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Kim Eng Securities Pte Ltd For Quek Yuen Sum	704,400	0.26
30.	Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Selva Kumar A/L Veerappan	690,100	0.26
	Total	167,269,930	62.62

Warrant Holders' Information

ANALYSIS OF WARRANT HOLDINGS AS AT 11 MAY 2011

No. of Warrants	:	40,070,400
Exercise Rights	:	Each Warrant entitles the holder to subscribe for one (1) new ordinary share of RM0.50 each in the Company
Exercise Period	:	16 October 2001 to 15 October 2011
Exercise Price	:	The Exercise Price of each Warrant is RM0.50 for one(1) new ordinary share of RM0.50 each in the Company

DISTRIBUTION OF WARRANT HOLDERS

Size of Warrant holdings	No. of Holders	%	No. of Warrants	%
Less than 100	1	0.09	69	0.00
100 to 1,000	413	38.10	356,932	0.89
1,001 to 10,000	469	43.27	2,323,299	5.80
10,001 to 100,000	176	16.24	5,522,600	13.78
100,001 to 2,003,519	24	2.21	6,007,500	14.99
2,003,520 * and above	1	0.09	25,860,000	64.54
	1,084	**100.00**	**40,070,400**	**100.00**

* 5% of Warrants = 2,003,520

DIRECTORS' INTEREST IN WARRANT

Name	Direct No. of Warrants Held	%	Indirect No. of Warrants Held	%
Dato' Abdul Mokhtar Ahmad	–	–	–	–
Dato' Shun Leong Kwong	–	–	–	–
Datin Mariam Eusoff	–	–	–	–
Dr. Christopher Shun Kong Leng, CFP®, RFP™	–	–	–	–
Too Kok Leng	–	–	–	–
Chiam Tau Meng	–	–	–	–

Warrant Holders' Information (Cont'd)

THIRTY LARGEST WARRANT HOLDERS AS AT 11 MAY 2011

	Name	No. of Warrants	%
1.	Pakatan Laksana Commercial Sdn Bhd	25,860,000	64.54
2.	Tang Kee Hiong	1,200,200	3.00
3.	Cimsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Soong Ik Lin	893,300	2.23
4.	Lim Boon Leong	540,900	1.35
5.	Soong Ik Lin	496,500	1.24
6.	Lee Chin Ling	200,000	0.50
7.	Perbadanan Kemajuan Negeri Selangor	199,000	0.50
8.	Chai Chun Leong	165,000	0.41
9.	Suddin Bin Kassim	161,600	0.40
10.	Kwek Meng Huat	156,000	0.39
11.	Perbadanan Kemajuan Negeri Selangor	154,000	0.38
12.	Public Nominees (Tempatan) Sdn Bhd "Pledged Securities Account for Tan Chia Hong @ Gan Chia Hong"	150,000	0.37
13.	Tan Soon Lai	150,000	0.37
14.	Perbadanan Kemajuan Negeri Selangor	147,000	0.37
15.	Ooi Chieng Sim	140,000	0.35
16.	Tang Huat Wong	138,000	0.34
17.	Cheah Tiong Chap	136,600	0.34
18.	Azhar Bin Abu Bakar	133,000	0.33
19.	Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Yusoff Bin Nook	130,300	0.33
20.	Chai Chun Leong	130,000	0.32
21.	Mok Bi Wan	125,000	0.31
22.	Khoo Ghee Hian	121,000	0.30
23.	New Kim Lian	120,000	0.30
24.	Quek Phaik Im	120,000	0.30

Warrant Holders' Information (Cont'd)

THIRTY LARGEST WARRANT HOLDERS AS AT 11 MAY 2011 (Continued)

	Name	No. of Warrants	%
25.	HLG Nominee (Tempatan) Sdn Bhd Hong Leong Bank For Chooi Giap Kee	100,100	0.25
26.	Goh Kheng Peow	100,000	0.25
27.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Chia Hong @ Gan Chia Hong	100,000	0.25
28.	OSK Nominees (Tempatan) Sdn Berhad Pledged Securities Account for Ng Sok Ming @ Ng Shook Ming	99,000	0.25
29.	Lim Chin Leong	98,600	0.25
30.	AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Loke Chai @ Lock Yew Chong	97,900	0.24
	Total	32,363,000	80.76

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Menang Corporation (M) Berhad (5383-K)
Incorporated in Malaysia

CDS Account No.	Number of Shares Held

PROXY FORM

I/We ....
(Full Name in Capital Letters)

NRIC No/ID No/Company No .... of ....

....
(Full Address)

being a member(s) of **MENANG CORPORATION (M) BERHAD** hereby appoint ....

.... NRIC No. ....
(Full Name in Capital Letters)

of ....
(Full Address)

or failing him the Chairman of the Meeting as *my/our proxy to vote for *me/us and on *my/our behalf at the Forty Seventh Annual General Meeting of the Company to be held at the Meeting Room, Kelab Sultan Sulaiman, Jalan Dewan Sultan Sulaiman, 50300 Kuala Lumpur on Thursday, 30 June 2011 at 10.00 a.m. and at any adjournment thereof.

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

Resolutions	**Ordinary Business**	**For**	**Against**
Ordinary Resolution 1	Adoption of Audited Financial Statements and Reports		
Ordinary Resolution 2	Approval of Directors' Fees		
Ordinary Resolution 3	Re-election of Mr. Chiam Tau Meng as Director pursuant to Article 112		
Ordinary Resolution 4	Re-election of Mr. Too Kok Leng as Director pursuant to Article 112		
Ordinary Resolution 5	Re-appointment of Dato' Abdul Mokhtar Ahmad as Director pursuant to Section 129(6) of the Companies Act, 1965		
Ordinary Resolution 6	Re-appointment of Dato' Shun Leong Kwong as Director pursuant to Section 129(6) of the Companies Act, 1965		
Ordinary Resolution 7	Re-appointment of Messrs BDO as the Company's Auditors.		
	Special Business		
Ordinary Resolution 8	Authorisation to issue shares pursuant to Section 132D of the Companies Act, 1965		
Ordinary Resolution 9	Proposed renewal of General Mandate for Substantial Property Transactions involving Directors pursuant to Section 132E of the Companies Act, 1965		

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

Dated this......................................day of..2011

....
[Signature/Common Seal of Shareholder(s)]

(* Delete if not applicable)

NOTES:

(1) A member of the Company entitled to attend and vote at the abovementioned meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

(2) The Proxy form must be signed by the appointer or his/her attorney duly authorised in writing or in the case of a corporate member, the instrument appointing a proxy shall be under its Common Seal or under the hand of a duly authorised officer or attorney.

(3) Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.

(4) Any alteration to the instrument appointing a proxy must be initialed. The instrument appointing a proxy must be deposited at the Company's Registered Office at 8th Storey, South Block, Wisma Selangor Dredging, 142-A Jalan Ampang, 50450 Kuala Lumpur not less than 48 hours before the time fixed for the meeting or any adjournment thereof.

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Stamp

The Company Secretary
Menang Corporation (M) Berhad (5383-K)
Box #2, Wisma Selangor Dredging
8th Storey, South Block
142-A Jalan Ampang
50450 Kuala Lumpur

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