IGB Corporation Berhad (5745-A)

Annual Report | 2011

IGB Corporation Berhad (5745-A)

Annual Report | 2011

IGB Corporation Berhad (5745-A)
Level 32, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur
Tel: (603) 2289 8989 Fax: (603) 2289 8802 Website: www.igbcorp.com

Contents

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Forty-Eighth Annual General Meeting ('48th AGM') of IGB Corporation Berhad ('IGB' or 'the Company') will be held at Bintang Ballroom, Level 5, Cititel Mid Valley, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur on Tuesday, 26 June 2012 at 3.00 p.m. for the transaction of the following business:

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements for the year ended 31 December 2011 and Reports of the Directors and Auditors thereon.

2. To re-elect the following Directors who retire by rotation pursuant to Article 85 of the Company's Articles of Association ('Articles'):

   (a) Tan Boon Lee (Resolution 1)
   (b) Tan Lei Cheng (Resolution 2)

3. To re-elect Pauline Tan Suat Ming who retires by rotation pursuant to Article 86 of the Company's Articles. (Resolution 3)

4. To re-appoint PricewaterhouseCoopers ('PwC') as Auditors of the Company for the financial year ending 31 December 2012 and to authorise the Directors to fix their remuneration. (Resolution 4)

Special Business

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

   "THAT Tan Sri Abu Talib bin Othman, retiring pursuant to Section 129(2) of the Act, be and is hereby re-appointed a Director of the Company to hold office until the next annual general meeting ('AGM')." (Resolution 5)

6. To consider and if thought fit, to pass the following ordinary resolutions:

   (a) Authority to issue shares pursuant to Section 132D of the Act

   "THAT pursuant to Section 132D of the Act, the Articles and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to allot and issue new shares in the capital of the Company, and upon such terms and conditions and for such purposes and to such person(s) as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company ('Section 132D Mandate') and that such authority, unless revoked or varied by the Company in general meeting, shall continue in force until the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier." (Resolution 6)

   (b) Renewal of shareholders' mandate for share buy-back

   "THAT subject to the Act, the Company's Memorandum and Articles and the Main Market Listing Requirements ('MMLR') of Bursa Malaysia Securities Berhad ('Bursa Securities'), the Company be and is hereby authorised to purchase such number of ordinary shares of RM0.50 each in the Company on Bursa Securities ('Share Buy-Back Mandate') provided that:

   (i) the number of shares purchased pursuant to the Share Buy-Back Mandate (in aggregate with the shares then still held by the Company) shall not exceed 10% of the issued and paid-up share capital of the Company;
   (ii) the maximum fund to be allocated by the Company pursuant to the Share Buy-Back Mandate shall not exceed the retained earnings and/or share premium of the Company as at 31 December 2011; and
   (iii) the shares so purchased by the Company pursuant to the Share Buy-Back Mandate to be cancelled and/or retained in treasury for distribution as dividends and/or resold on Bursa Securities;

   AND THAT the Share Buy-Back Mandate, unless revoked or varied by the Company in general meeting, shall commence immediately upon passing of this resolution until the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier;

   AND THAT the Directors be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary or in the interest of the Company to give effect to the Share Buy-Back Mandate." (Resolution 7)

NOTICE OF ANNUAL GENERAL MEETING
(continued)

(c) Renewal of shareholders' mandate for recurrent related party transactions

"THAT the Company and/or its subsidiaries ('the Group') be and is/are hereby authorised to enter into all arrangements and/or transactions involving the interests of the Related Parties as specified in Part B, Section 2.2.1 of the Statement/Circular to Shareholders dated 28 May 2012 ('Statement/Circular'), provided that such arrangements and/or transactions are:

(i) recurrent transactions of a revenue or trading nature;
(ii) necessary for the Group's day-to-day operations;
(iii) carried out in the ordinary course of business on normal commercial terms not more favourable to the Related Parties than those generally available to the public; and
(iv) not detrimental to the minority shareholders of the Company

('RRPT Mandate');

AND THAT the RRPT Mandate, unless revoked or varied by the Company in general meeting, shall continue in force until the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier;

AND THAT the Directors be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary or in the interest of the Company to give effect to the RRPT Mandate." (Resolution 8)

7. To consider and if thought fit, to pass the following special resolution:

Proposed Amendments of Articles

"THAT the proposed amendments to the Articles of the Company in the manner detailed in Appendix B of the Statement/Circular be and are hereby approved." (Resolution 9)

8. To consider any other business of which due notice shall have been given in accordance with the Act and the Articles.

By Order of the Board

Tina Chan
Company Secretary

Kuala Lumpur
28 May 2012

Notes to the Agenda:

(1) The Agenda is meant for discussion only as the Audited Financial Statements do not require the approval of shareholders pursuant to Section 169(1) of the Act and hence, the matter will not be put forward for voting.

(2) Pursuant to Article 85 of the Articles which requires 1/3 of the Directors to retire from office by rotation.

Tan Boon Lee and Tan Lei Cheng are subject to retirement under Article 85 and being eligible, have offered themselves for re-election.

(3) Pursuant to Article 86 of the Articles which requires every Director to submit himself for re-election at least once in each 3-year period.

Pauline Tan Suat Ming is subject to retirement under Article 86 and being eligible, has offered herself for re-election.

(4) Pursuant to Section 172(2) of the Act and Article 133 of the Articles.

PwC has indicated its willingness to continue as the Company's Auditors for the ensuing year.

(5) Pursuant to Section 129(6) of the Act which requires Directors over the age of 70 years to be re-appointed by the shareholders every year.

Tan Sri Abu Talib bin Othman is subject to such retirement. His re-appointment shall take effect if Resolution 5 has been passed by a majority of not less than 3/4 of the members and/or proxies at the 48th AGM.

(6) (a) Resolution 6 is to renew, effective until the next AGM, the Section 132D Mandate for the Directors to allot and issue up to 10% of the total number of issued shares of the Company for any strategic acquisition opportunities involving equity or part equity or such purposes as the Directors consider to be in the interest of the Company. The approval is sought to avoid any delay and cost in convening separate general meetings for such issuance of shares. No shares were allotted and issued up to date of this notice pursuant to the mandate obtained at the 2011 AGM.

NOTICE OF ANNUAL GENERAL MEETING
(continued)

(b) Resolution 7 is to renew, effective until the next AGM, the Share Buy-Back Mandate for the Company to make purchases of its issued ordinary shares. The Company intends to use internal sources of funds to finance purchases of its shares. Please refer to the Statement/ Circular.

(c) Resolution 8 is to renew, effective until the next AGM, the RRPT Mandate for the Group to enter into recurrent transactions involving the interests of Related Parties, which are of a revenue or trading nature and necessary for the Group's day-to-day operations. Please refer to the Statement/Circular.

(7) Resolution 9 is to align the Company's Articles with the amendments of the MMLR pursuant to Bursa Securities' letter dated 22 September 2011. Please refer to the Statement/Circular.

Notes relating to Proxy and Registration:

(1) Appointment of proxy

(a) A member is entitled to appoint not more than two (2) proxies and they need not be members;

(b) A member, who is an exempt authorised nominee as defined under the Central Depositories Act which holds shares in the Company for multiple beneficial owners in one securities account ('omnibus account'), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds;

(c) A member who appoints a proxy must execute the proxy form, and if two (2) proxies are appointed, the number of shares to be represented by each proxy must be clearly indicated;

(d) A corporate member who appoints a proxy must execute the proxy form under seal or the hand of its officer or attorney duly authorised;

(e) Only members registered in the Record of Depositors as at 20 June 2012 shall be eligible to attend the 48th AGM or appoint a proxy to attend and vote on his behalf;

(f) The executed proxy form must be deposited at the Registered Office not less than 48 hours before the time set for the 48th AGM; and

(g) The Annual Report 2011 and proxy form can be accessed at www.igbcorp.com

(2) Registration of members/proxies

Registration will start at 1.00 p.m. on the day of the 48th AGM. Members/proxies are required to produce identification documents for registration, and parking tickets for endorsement.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Independent Non-Executive Chairman
Tan Sri Abu Talib bin Othman

Group Managing Director
Robert Tan Chung Meng

Executive Directors
Tan Boon Seng
Tan Boon Lee

Independent Non-Executive Directors
Tan Kai Seng
Yeoh Chong Swee

Non-Independent Non-Executive Directors
Tan Lei Cheng
Pauline Tan Suat Ming
Tony Tan @ Choon Keat

Alternate Directors
Chua Seng Yong, Alternate to Robert Tan Chung Meng
Daniel Yong Chen-I, Alternate to Pauline Tan Suat Ming
Tan Yee Seng, Alternate to Tan Boon Seng

COMPANY SECRETARY
Tina Chan Lai Yin

AUDITORS
PricewaterhouseCoopers
Level 10, 1 Sentral
Jalan Travers
Kuala Lumpur Sentral
50706 Kuala Lumpur
Telephone : 603-2173 1188
Telefax : 603-2173 1288

REGISTERED OFFICE
Level 32, The Gardens South Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Telephone : 603-2289 8989
Telefax : 603-2289 8802

PRINCIPAL BANKERS
HSBC Bank Malaysia Berhad
Malayan Banking Berhad
United Overseas Bank (Malaysia) Bhd
Public Bank Berhad

SHARE REGISTRAR
IGB Corporation Berhad
(Share Registration Department)
Level 32, The Gardens South Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Telephone : 603-2289 8989
Telefax : 603-2289 8802

SECURITIES EXCHANGE LISTING
Main Market of Bursa Malaysia Securities Berhad
since 10 September 1981
Securities Code: 1597
Securities Name: IGB

PROFILE OF DIRECTORS

TAN SRI ABU TALIB BIN OTHMAN

Tan Sri Abu Talib, aged 73, is an Independent Non-Executive Chairman of IGB. He joined the Board on 18 July 1995 and was appointed the Chairman on 30 May 2001. He is also the Chairman of Nomination and Remuneration Committees, and a member of Audit Committee ('AC').

He qualified as a Barrister-in-law from Lincoln's Inn, United Kingdom and has served in various capacities in the judicial and legal service of the Malaysian Government. He was the Attorney-General of Malaysia from 1980 until his retirement in October 1993.

He is also the Chairman of CYL Corporation Berhad, MUI Continental Insurance Berhad and Alliance Investment Management Berhad.

ROBERT TAN CHUNG MENG

Robert Tan Chung Meng, aged 59, was appointed the Group Managing Director ('Group MD') of IGB on 30 May 2001. Prior to that, he was the Joint MD of the Company since 1995. He is a member of Executive Committee ('Exco'), Remuneration, Risk Management and Share Committees.

He has extensive experience in property development, hotel construction, retail design and development as well as corporate management with almost 20 years' experience in the property industry. After studying Business Administration in the United Kingdom, he was attached to a Chartered Surveyor's firm for a year. He also developed a housing project in Central London before returning to Malaysia. He has been involved in various development projects carried out by IGB Group, in particular the Mid Valley City.

He is also the Chairman of Wah Seong Corporation Berhad ('WSCB'), Group MD of KrisAssets Holdings Berhad ('KrisAssets') and a director of Tan & Tan Developments Berhad ('Tan & Tan').

TAN BOON SENG

Tan Boon Seng, aged 56, joined IGB in 1980 as General Manager. He was appointed to the Board on 20 December 1990, MD in 1991, re-designated to Joint MD in 1995 and subsequently, Executive Director ('ED') on 30 May 2001. He is the Exco Chairman and a member of Risk Management and Share Committees.

He holds a Master of Arts from Cambridge University, United Kingdom.

He is also the Chairman and MD of Lee Hing Development Limited, and a director of Wo Kee Hong (Holdings) Limited and Genting Hong Kong Limited, all of which are listed on The Stock Exchange of Hong Kong Limited.

TAN BOON LEE

Tan Boon Lee, aged 48, joined the Board of IGB on 10 June 2003 as an ED. He is also a member of Exco, Risk Management and Share Committees.

He holds a Bachelor of Economics from Monash University, Australia and a Masters in Business Administration from Cranfield School of Management, United Kingdom. He has 24 years' experience in the property and hotel industry, providing management and technical assistance to hotel and hospitality projects in Malaysia and Asia. He was President of the Malaysian Association of Hotel Owners ('MAHO') from 2002 to 2004.

He is also a director of KrisAssets, Goldis Berhad ('Goldis'), Macro Kiosk Berhad, SW Homeowners Berhad and Tan & Tan of which he is presently the Chief Executive Officer ('CEO').

TAN LEI CHENG

Tan Lei Cheng, aged 55, is a non-Independent Non-Executive Director ('non-INED'). She was appointed to the Board on 10 June 2003.

She holds a Bachelor of Commerce from the University of Melbourne, Australia and a Bachelor of Law from King's College, London (LLB Hons.), England. She is also a member of Lincoln's Inn and was admitted to the English Bar in 1983.

She has 30 years of experience in the property industry and the corporate sector. She was the CEO of Tan & Tan from March 1995, a property development company that was listed on Bursa Securities until Goldis took over its listing on 8 May 2002, following the completion of the merger between IGB, Tan & Tan and Goldis. She is presently the Executive Chairman and CEO of Goldis. She also sits on the Boards of KrisAssets, Macro Kiosk Berhad and Tan & Tan. She is a member of the World Presidents' Organisation, Malaysia Chapter and a board member of Kuala Lumpur Business Club Advisory Council.

TONY TAN @ CHOON KEAT

Tony Tan @ Choon Keat, aged 63, is a non-INED. He was appointed to the Board on 15 July 2003 and is a member of AC.

He holds a Bachelor of Chemical Engineering from the University of Surrey, England and a Masters in Business Administration from the University of California, Berkeley, USA. He was the founding MD of Parkway Holdings Limited, Singapore until 2000 and Deputy Chairman until his retirement in 2005. He is also the Chairman of Island Hospital Sdn Bhd and an ED of Napier Properties Pte Ltd.

PROFILE OF DIRECTORS
(continued)

PAULINE TAN SUAT MING

Pauline Tan Suat Ming, aged 66, is a non-INED. She was appointed to the Board on 10 June 2003. She is also a member of Exco, Risk Management and Nomination Committees.

She holds a Bachelor of Science (Honours) in Biochemistry from the University of Sussex, England and is a Fellow of the Malaysian Institute of Chartered Secretaries and Administrators. She worked as a chemist in Malayan Sugar Manufacturing Co. Berhad from 1969 to 1972. She joined Tan Kim Yeow Sdn Bhd as an ED in 1976 and Wah Seong group of companies in 1983.

She is also a director of WSCB and Goldis.

TAN KAI SENG

Tan Kai Seng, aged 60, is an INED. He joined the Board on 15 July 2003 and was appointed the AC Chairman on 26 May 2010.

He holds a Bachelor of Accountancy from the University of Singapore. He is a member of the Institute of Certified Public Accountants of Singapore and a Fellow of the Association of Chartered Certified Accountants, United Kingdom. He started his career with Price Waterhouse, Singapore, and was Finance Director of Parkway Holdings Limited, Singapore, from 1988 until his retirement in 2005.

He is also a director of Kian Ho Bearings Ltd which is listed on Singapore Exchange Securities Trading Limited ('SES') and AIMS AMP Capital Industrial REIT Management Limited, the manager of AIMS AMP Capital Industrial REIT, also listed on SES.

YEOH CHONG SWEE

Yeoh Chong Swee, aged 68, is an INED. He was appointed to the Board on 1 June 2004, and is a member of Audit, Remuneration and Nomination Committees.

He is a Chartered Secretary and a Fellow of the Australian and Malayan Institute of Taxation and a Fellow of the Association of Accounting Technicians, United Kingdom. He was the MD and CEO of Deloitte KassimChan Tax Services Sdn Bhd and Deloitte Touche Tohmatsu Tax Services Sdn Bhd from 1977 to 2004. He is presently the Vice-Chairman of Tricor Services (Malaysia) Sdn Bhd.

CHUA SENG YONG

Chua Seng Yong, aged 49, is the Executive Assistant to the Group MD. He joined IGB as Financial Controller in 1994 and has more than 27 years' experience in the property and hotel industry. He was appointed the alternate Director to the Group MD on 30 November 1999.

He graduated with an Economics degree from Monash University, Australia in 1984 and attained his Masters in Business Administration from Cranfield School of Management, United Kingdom in 1992.

DANIEL YONG CHEN-I

Daniel Yong Chen-I, aged 40, was appointed the alternate Director to Pauline Tan Suat Ming on 6 April 2011.

He is a law graduate from the University of Bristol, England. He joined Mid Valley City Sdn Bhd ('MVC') in 1999 as a member of the pre-opening retail development team. He was appointed an ED of MVC in 2003 and has been responsible for overseeing the marketing, leasing, management and operation of Mid Valley Megamall since. He was also involved in the design and pre-opening of The Gardens Mall from 2004 to 2007. His prior work experience includes the development of bespoke systems with BYG Systems Ltd in England and Operational Management with Wah Seong Engineering Sdn Bhd, the distributor and manufacturer for Toshiba Elevator and Escalator in Malaysia.

He is a non-INED in KrisAssets.

TAN YEE SENG

Tan Yee Seng, aged 32, was appointed the alternate Director to Tan Boon Seng on 17 May 2012.

He holds a Diploma of Architecture (Royal Institute of British Architects, Part 2) from the University of East London, United Kingdom. He joined IGB in 2010 as Senior General Manager (Property Development) division. His prior work experience includes being part of the pre-opening team member of G Tower which is presently owned by Goldis, where he oversaw the coordination of base building, fit out and operations. He was also extensively involved in the aesthetic realisation of The Gardens Mall while working at Ensignia Construction Sdn Bhd, IGB's construction arm, where he worked as a design architect. There he used his training to create and fine tune the facades and key elements of The Gardens Mall and Mid Valley Megamall. He has also been a design architect at Eric Kuhne Associates in London where he worked on several large mixed-use proposals.

Notes:
1. All Directors are Malaysian except Tan Kai Seng, who is a Singaporean.
2. Save for Robert Tan Chung Meng, Tan Boon Seng, Tan Lei Cheng, Tan Boon Lee, Pauline Tan Suat Ming, Tony Tan @ Choon Keat, Daniel Yong Chen-I and Tan Yee Seng, the Directors have no family relationship with any Director and/or major shareholder of the Company.
3. None of the Directors has any personal interests in any business arrangement involving the Company.
4. All Directors have not been convicted of any offence.

LETTER TO SHAREHOLDERS

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present the Annual Report for the financial year ended ('FYE') 31 December 2011.

FINANCIAL RESULTS

The Group turnover increased by 7.3% to RM772.1 million compared with last financial year due to higher contributions from the Property Investment & Management, Hotel and Construction divisions.

The revenue contribution from Property Investment & Management was RM465.7 million; Hotel, RM228.4 million; Property Development, RM23.4 million; and Construction, RM41.9 million.

The Group registered a profit before tax of RM357.5 million, an increase of 28.6% from 2010.

DIVIDEND

The total dividend declared for financial year ended 31 December 2011 was 15%. Of this, 10% was paid on 30 September 2011 and 5% on 6 April 2012.

PROPERTY DEVELOPMENT

G Residence, a mix commercial development was previewed in December 2011 with strong interest from the market. Since its launch in February 2012, sales have been very encouraging. To date, 85% of the units have been sold. Located off Jalan Ampang Hilir, Kuala Lumpur, the development, comprising 474 service apartments and 26 retail shops, has a gross development value of RM430.0 million. Construction works commenced in November 2011.

Works at the Garden Manor Strata Villas in Sierramas and the Seri Ampang Hilir Condominium in Ampang are progressing well. We anticipate delivery of the units to purchasers in late 2012 and early 2013 respectively. Meanwhile, substructure works have commenced for a 166-unit commercial apartment development along Jalan Tun Razak. We are targeting to open the units for sale sometime in 2013.

We note with pride that for nine consecutive years, IGB has been a recipient of "The Edge Top Ten Property Developers Awards".

PROPERTY INVESTMENT & MANAGEMENT - RETAIL

At the close of 2011, The Gardens Mall was fully let out with 31 tenancies renewed and 11 new entrants including Ecco, DiGi, Fleur, Gong Cha, Kiew Brothers, Oroton, Tumi and Versace Jeans, joining an already prestigious portfolio of local and international upper-mid range brands. The Gardens Club loyalty programme, with more than 30,000 sign-ups since its launch in April 2009, continued to focus on rewarding loyal customers and encouraging return visits and increasing spend. Upgrading activities were also progressed on for the lift lobbies and washrooms as well as the siting of a new taxi stand to enhance customer convenience.

Mid Valley Megamall remains a key shopping destination for Malaysians and visitors alike with over 36 million visitors welcomed during the year in review. 195 tenancies were renewed in 2011 and 131 as at 3 May 2012. 37 new local and international brands joined an already exciting line-up of specialty stores across all product categories. They were Barbie Store, Bauhaus, Bershka, Bumbu Desa, Chatime, CIMB Currency Exchange, Citibank, Coci Coci, Come Buy, Dubu Dubu Seoul Food, EGG, Garden Lifestyle Store and Café, Gingersnaps, Goku Raku Ramen, Hello Planet, Hot & Roll, Hurley & Co., Kakimotor, Kenko Reflexology, Lois, Mango, H.E. by Mango, Mango Touch, Melvita, O'Brien's Irish Sandwich Bar, Ochado, Pancake House, Phiten, Quicksilver & Roxy, Rockport, Samsonite, Snowflake, Solariz, Tong Pak Fu, Triumph, UNIQLO, Valens LED Lightings, Waku Waku and Wrangler.

LETTER TO SHAREHOLDERS
(continued)

HOTEL

2011 saw improved performances from both our local and overseas properties; the latter despite global economic uncertainty, with the Hotel division including associates, reporting total revenue of RM424.2 million, up 14.5% compared with RM370.5 million in the previous year. Our total room inventory as at 31 December 2011 was 5,566.

During the year, the Group acquired an office building at Sydney's Hunter Street for which planning application has been submitted for a 282-room St-Giles Hotel and is pending approval. The Group also rationalised its interest in the Renaissance Kuala Lumpur Hotel and New World Hotel Saigon with the disposal of its entire stake in New World Hotel Saigon, and the purchase of the remaining shares it does not own in Great Union Properties Sdn Bhd ('GUP'), owner of the 910-room Renaissance Kuala Lumpur Hotel.

Works at the 423-room St Giles Hotel Penang and 260-room Cititel Express Penang have commenced with both properties targeted for opening in 2014.

Our two hotels in New York, USA; St Giles Tuscany and St Giles Court, acquired for a total USD88.0 million in 2010, have had their valuation nearly doubled and renovations are in progress at St Giles Tuscany, with completion expected in July 2012.

PROPERTY INVESTMENT & MANAGEMENT - OFFICE

Rental revenue from office buildings was within expectation with an improved contribution of RM112.2 million, compared with RM105.8 million in the previous year. Most properties under its management achieved an average occupancy rate of above 90%.

The high occupancy for the office spaces in Mid Valley City also directly contributed to the Group's other activities via continuing business opportunities and a stable customer base for our retail and hospitality activities.

CONSTRUCTION

The Construction Division achieved revenue of RM89.8 million, a threefold-increase over 2010's RM31.7 million.

Projects completed during the year were the refurbishment of Menara Tan & Tan on Jalan Tun Razak, upgrading works to Menara IGB and the fit-out of levels 32 and 33 of The Gardens Residences, Mid Valley City.

New projects secured were St Giles and Cititel Express Hotels in Penang, substructure and superstructure works for G Residence in Desa Pandan, main building works for Seri Ampang Hilir Condominiums in Kuala Lumpur and IGB International School at Sierramas; all of which have begun as well as Parcel 3 in Mid Valley City which is expected to commence in June 2012.

CORPORATE SOCIAL RESPONSIBILITY ('CSR')

The Group continued its collaboration with the Dato' Tan Chin Nam Foundation Scholarship Programme to provide educational support in cash and in kind, to needy and underprivileged students as a means of encouraging them to achieve their dream of attaining a university degree.

Towards this end, 12 full scholarships and cash grants were disbursed at a ceremony officiated by Dato' Tan Chin Nam on 30 September 2011. As with their predecessors, each scholar has been assigned a senior management staff as mentor to guide, counsel and support the students during the course of their studies.

Mid Valley Megamall and The Gardens Mall also had a full CSR agenda in 2011, continuing the tradition of sharing the festive spirit with the less fortunate and underprivileged children during Chinese New Year, Hari Raya Aidilfitri and Christmas. In addition, Mid Valley Megamall partnered the Malaysian National Blood Bank and Tan Sri Muhyiddin Charity Golf for a one-day blood donation drive. It also continued its support of chess with the hosting of the 8th Malaysia Chess Festival 2011 at Cititel Mid Valley.

For The Gardens Mall, an active calendar of lifestyle events included a collaboration with tenants Action City and Wei Ling Contemporary to host the 18@8 Save The Planet Robonut charity auction in aid of animal care organisation, Animal Concerns Research & Education Society.

CORPORATE EXERCISE/DEVELOPMENT

July 2011 saw the successful completion of subsidiary, KrisAssets Holdings Berhad's ('KrisAssets') acquisition of 100% equity interest in Mid Valley City Gardens Sdn Bhd ('MVCG'), the owner and operator of The Gardens Mall, from the Company for a cash consideration of RM222.7 million (revised from RM215.7 million pursuant to the adjustment clause in the Share Sale Agreement dated 25 March 2011, as announced on 1 August 2011).

On 16 April and 14 May 2012, the Company announced the proposed establishment and listing on the Main Market of Bursa Malaysia Securities Berhad, a real estate investment trust, IGB REIT. The initial investment portfolio of IGB REIT would be Mid Valley Megamall and The Gardens Mall. In conjunction with this, IGB REIT Management Sdn Bhd, a wholly-owned subsidiary of the Company, has been set up as the proposed management company for IGB REIT.

LETTER TO SHAREHOLDERS
(continued)

KrisAssets' proposed total disposal consideration for the two retail properties to IGB REIT is RM4,612.6 million to be satisfied via RM1,212.6 million in cash and the issuance of 3,400 million units in IGB REIT. KrisAssets has proposed an offer for sale by MVCG of 670 million units in IGB REIT via an initial public offering of IGB REIT, and the proposed distribution of 2,730 million units in IGB REIT and the remaining cash proceeds to entitled shareholders. KrisAssets' move is a means to unlock value and realise its investment in Mid Valley Megamall and The Gardens Mall whilst according an avenue for the Group to realign its assets in the more tax-efficient structure of a REIT to provide more value to its shareholders.

The proposals are currently pending completion upon the receipt of the necessary approvals/consents from the regulatory authorities and the shareholders of the Company at an extraordinary general meeting to be convened.

THE YEAR AHEAD

The uncertain global economic outlook in the near-to-medium term calls for more measured approach to expansion activities and business growth. In the same vein, this brings opportunities for potential overseas acquisitions and to look at new areas that offer good value.

On the property front, we continue to look at expanding our landbank in Penang, Kuala Lumpur and Johor and for joint-venture opportunities on large plots with either state authorities or private individuals. This is already bearing fruit with the signing of two conditional Shareholders Agreements and two conditional Sale & Purchase Agreements between the Company and Selia Pantai Sdn Bhd, the developer of Southkey development in Johor Bahru, Johor on 10 May 2012, to establish two joint-ventures through an equity participation of 70:30 basis each in Southkey Megamall Sdn Bhd and Dimensi Magnitud Sdn Bhd to acquire approximately 36 acres within Southkey development to develop a retail mall and/or mixed development as may be approved by the authorities.

Also on the agenda is involvement in more boutique projects; either on our own or in joint-venture with private investors, and further afield, we have Taiwan and UK in our sight for possible large mixed-use developments, again with potential joint-venture partners.

Our present hotel room inventory of 5,566 will increase to 6,249 in 2013 when the 423-room St Giles Hotel Penang and 260-room Cititel Express Penang come on-stream. Following the completion of the GUP transaction on 23 March 2012, we are confident GUP will contribute positively to the Group's future financial performance as it is now better placed to execute its business plans and strategies for the Renaissance Kuala Lumpur Hotel more effectively. In the meantime, we will continue to explore opportunities to expand the St Giles footprint in Europe and the USA.

Despite increasing competition in the retail and commercial buildings arena, we are optimistic Property Investment & Management will remain a major contributor to Group revenue. Our office building portfolio, coupled with the consistent delivery of quality products and services across the board should ensure a strong recurring income base.

The Construction division will continue to support the Group's activities, in Kuala Lumpur and Penang. Besides the two Penang hotels, another major focus will be the final phase of Mid Valley City. Comprising an office tower with showrooms at the podium, the RM500.0 million development will offer 750,000 sq ft of lettable space and should be ready for occupation sometime 2015.

THANKS AND APPRECIATION

The Group's commendable performance amidst a challenging environment during the year in review is attributable to the diligence and commitment of the Board of Directors, the Management team and staff. To them, we extend the Group's gratitude for their dedication and contribution.

We would also like to take this opportunity to record our deepest appreciation to the relevant authorities for their understanding, cooperation and assistance. To our shareholders and business partners, we very much value your continuous support and confidence in the Group.

TAN SRI ABU TALIB BIN OTHMAN
Chairman

ROBERT TAN CHUNG MENG
Group Managing Director

28 May 2012

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of IGB ('the Board'), in discharging its duties and responsibilities, continues to implement the recommendations of the Malaysian Code on Corporate Governance ('Code') which sets out the principles and best practices of good governance on structure and internal processes.

The corporate governance practices that were in place during the financial year ended 31 December 2011 ('FY2011') are set out below:

I. BOARD

(1) Board Responsibility

The Board has the overall responsibility for corporate governance, strategic direction, formulation of policies and overseeing the investment and business of the Group. An indication of the Board's commitment is reflected in the conduct of regular Board meetings and the incorporation of various processes and systems as well as the establishment of relevant Board Committees which also meet regularly.

(2) Board Balance

The Board as at the date of this statement comprises 9 members; 6 NEDs and 3 EDs, with 3 of the 6 NEDs being Independent Directors. Together, the Directors with their wide experience in both the public and private sectors and diverse academic backgrounds provide a collective range of skills, expertise and experience which is vital for the successful direction of the Group. A brief profile of each Director is presented in the Profile of Directors.

The roles of the Chairman and the Group MD are distinct and separate to ensure a balance of power and authority. The Chairman is responsible for ensuring the effectiveness, conduct and governance of the Board, whilst the Group MD has overall responsibility for the day-to-day management of the Group and together with the EDs ensure that strategies, policies and matters approved by the Board and/or the Exco are effectively implemented. The presence of Independent Directors fulfils a pivotal role in corporate accountability. Essentially, Independent Directors provide independent and constructive views in ensuring that the strategies proposed by the management are fully studied and deliberated in the interest of the Group and the stakeholders.

The Board has not found it necessary to designate a senior INED to whom concerns relating to the Group may be conveyed, mainly because the Chairman encourages full deliberation of issues affecting the Group by all Board members.

(3) Board Meetings and Access to Information

The Board conducts at least 4 scheduled meetings annually, with special meetings convened as warranted by specific circumstances. During FY2011, 5 Board meetings were held. All Directors have complied with the requirements in respect of Board meeting attendance as provided in the Articles. The attendance record of each Director was as follows:

	Attendance	Percentage
Tan Sri Abu Talib bin Othman	5/5	100
Robert Tan Chung Meng	5/5	100
Tan Boon Seng	5/5	100
Tan Boon Lee	5/5	100
Tan Lei Cheng	5/5	100
Pauline Tan Suat Ming	5/5	100
Tony Tan @ Choon Keat	3/5	60
Tan Kai Seng	4/5	80
Yeoh Chong Swee	5/5	100
Chua Seng Yong, Alternate to Robert Tan Chung Meng	4/5	80
Daniel Yong Chen-I, Alternate to Pauline Tan Suat Ming (appointed on 6 April 2011)	3/5	60

Board reports include, among others, information on the Group's financial and operational performance, annual budgets, new ventures, acquisitions and disposals of undertakings and properties of a substantial value, minutes of Board Committees, shareholding structure of the Company, securities transaction of the Directors and substantial shareholders and other related business matters that require Board's deliberation and due approval, are circulated to all Directors ahead of the scheduled meetings to enable the Directors to peruse, obtain additional information and/or seek further explanations or clarification on the matters to be deliberated. In most instances, senior management of the Company is invited to be in attendance at Board meetings to provide insight and to furnish clarification on issues that may be raised by the Board. In the event of potential conflict of interest, the Director in such a position will make a declaration in the meeting. The Director concerned will then abstain from any decision making process in which he or she has interest in. A record of the Board's deliberations of the issues discussed and conclusions reached in discharging its duties and responsibilities is captured in the minutes of each meeting.

The Directors are also notified of any corporate announcement released to Bursa Securities and the impending restriction in dealing with the securities of the Company prior to the announcement of the financial results or corporate proposals. The Directors are also kept informed of the various requirements and updates issued by regulatory authorities.

CORPORATE GOVERNANCE STATEMENT
(continued)

Directors have access to all information and records of the Company and also the advice and services of senior management and the Company Secretary in furtherance of their duties. They are also permitted to seek external legal or independent professional advice on any matter connected with the discharge of their responsibilities as they may deem necessary and appropriate.

(4) Board Committees

The Board has entrusted specific responsibilities to several Board Committees, which operate within defined terms of reference. The chairman of the respective Board Committees reports to the Board on the issues deliberated at the meetings, and the minutes of Committees' meetings are included in the Board papers.

The composition of the Board Committees, their attendance at the Committees' meetings and terms of reference were as follows:

(a) Exco

The Exco comprises 2 EDs, the Group MD and a non-INED, namely Tan Boon Seng (Chairman), Robert Tan Chung Meng, Tan Boon Lee and Pauline Tan Suat Ming. Exco has full authority as delegated by the Board to oversee the conduct of the Group's businesses or existing investments and to review and/or implement strategic plans for the Group with restricted authority given by way of limits determined by the Board, and to undertake such functions and all matters as may be approved or delegated by the Board from time to time.

Exco meets regularly to review the management's reports on progress of business operations as well as to assess and approve management's recommendations on key issues including acquisitions, divestments, restructuring, funding and capital expenditure. Major investment decisions and management's proposals above certain limits are reserved for decision by the Board upon recommendation of Exco. Special Exco meetings are also held on an ad hoc basis to review the Company's quarterly results or matters that require Exco's approval. In attendance are the Divisional Heads, Chief Financial Officer and Company Secretary.

Exco met 4 times in FY2011 which was attended by all members.

(b) AC

The AC comprises 3 INEDs and a non-INED, namely Tan Kai Seng (Chairman), Tan Sri Abu Talib bin Othman, Yeoh Chong Swee and Tony Tan @ Choon Keat. With an independent component of 75% and comprised of NEDs, the composition of AC is fully compliant with the Code and the MMLR.

The terms of reference and summary of activities of AC during FY2011 are set out in the Audit Committee Report.

(c) Nomination Committee ('NC')

The NC comprises 2 INEDs and a non-INED, namely Tan Sri Abu Talib bin Othman (Chairman), Yeoh Chong Swee and Pauline Tan Suat Ming.

NC recommends suitable candidates for appointments to the Board, including Committees of the Board. NC also evaluates the performance of the Board, its Committees and individual Directors on an annual basis, as well as reviews Directors who are due for re-election/re-appointment at the Company's AGM. NC met 4 times in FY2011 and the attendance of each NC member was as follows:

	Attendance
Tan Sri Abu Talib bin Othman	4/4
Patrick Yeoh Chong Swee	4/4
Pauline Tan Suat Ming	3/4

(d) Remuneration Committee ('RC')

The RC comprises 2 INEDs and the Group MD, namely Tan Sri Abu Talib bin Othman (Chairman), Yeoh Chong Swee and Robert Tan Chung Meng. RC recommends to the Board the framework on terms of employment and on all elements of the remuneration of the Group MD and EDs. RC is authorised to review and approve the annual salary increments and bonuses of the Group MD, EDs and key senior management officers of the Group. RC also reviews NEDs' fees and meeting allowances and thereupon recommends to the Board for approval. RC met once in FY2011 which was attended by all members.

(e) Risk Management Committee ('RMC')

The RMC comprises the members of Exco. RMC reviews and articulates the strategies and policies relating to the management of the Group risk and ensure that risk policies and procedures are aligned to the business strategies and risk return directions of the Board are properly implemented.

CORPORATE GOVERNANCE STATEMENT
(continued)

(f) Share Committee ('SC')

The SC comprises the Group MD and 2 EDs, namely Robert Tan Chung Meng, Tan Boon Seng and Tan Boon Lee. SC is responsible for regulating and approving securities transactions and registrations, and for implementing, allocating and administering share issuance scheme (if any) and share buy-back of the Company.

(5) Appointment and Re-election of Directors

Appointments to the Board are the responsibility of the full Board on the recommendation of NC.

The Company's Articles provides that all Directors should submit themselves for re-election at least once every 3 years in compliance with the MMLR. The Articles also provides that 1/3 of the Board shall retire from office and be eligible for re-election at every AGM. Directors over 70 years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Act.

During FY2011, there were no new appointment to the Board except the appointment of Daniel Yong Chen-I as the alternate Director to Pauline Tan Suat Ming. In accordance with the MMLR, each member of the Board holds not more than 10 directorships in public listed companies ('PLCs') and not more than 15 directorships in non-PLCs.

The NC has recommended that the Directors retiring under the Act /Articles at the 48th AGM be nominated for re-appointment/ re-election and the Board has accepted the recommendation.

The names and details of Directors seeking re-appointment/re-election at the 48th AGM are disclosed in Notice of Annual General Meeting and Profile of Directors.

(6) Directors' Training

During FY2011, all Directors had attended various training programmes/seminars/conferences which they have individually or collectively considered as relevant and useful in contributing to the effective discharge of their duties as Directors. The Directors had attended/ participated in one or more of the following training programmes/seminars/conferences in 2011:

- Budget 2012
- Tax – Legislative and Practice Developments
- PwC Global Economic Crime Survey 2011
- Key Amendments to Listing Requirements 2011 and Corporate Disclosure Guide 2011
- National Tax Conference 2011
- Audit Committee Forum
- The Board's Responsibility for Corporate Culture
- Going World Class! With the New Chapter of Marketing
- Shopping Centre Crisis Management
- Sustainability: Plantation, Construction, Property and Hotel
- Corporate Governance and Risk Management in the Financial Industry

II. DIRECTORS' REMUNERATION

The Company has adopted the objective as recommended by the Code to determine the remuneration of the Directors so as to ensure that the Company attracts and retains Directors of the calibre needed to run the Group efficiently. In the case of the Group MD and EDs, the components of Directors' remuneration are structured on the basis of linking rewards to corporate and individual performance. Performance is measured against profits and other targets set from the Company's annual budget and plans. For NEDs, the level of remuneration reflects the experience and level of responsibilities undertaken by the individual NED concerned. Information prepared by independent consultants and survey data on the remuneration practices of comparable companies are also taken into consideration in determining the remuneration packages for the Directors. The fees payable to NEDs are determined by the Board with the approval of shareholders at AGM. All NEDs are paid meeting allowance for attending each Board or Committee meeting. The Directors do not participate in decision regarding their own remuneration packages.

CORPORATE GOVERNANCE STATEMENT
(continued)

Aggregate remuneration of Directors categorised into appropriate components during the year was as follows:

	Salaries & EPF Contribution RM	* Fees & Meeting Allowances RM	** Other Emoluments RM	*** Benefits-in-kind RM	Total RM
EDs	2,160,480	-	1,652,000	83,046	3,895,526
NEDs	-	382,460	84,000	7,800	474,260
Total	2,160,480	382,460	1,736,000	90,846	4,369,786

Notes:
* Directors' Fees include those who had resigned/retired during FY2010.
** Other Emoluments include bonuses, incentives and retirement benefits.
*** Benefits-in-kind include rental payments, cars, drivers, club memberships and reimbursement.

Aggregate remuneration of Directors in respective bands of RM50,000 during the year was as follows:

Range of remuneration	EDs	NEDs
Up to RM50,000		5
RM50,001 to RM100,000		2
RM150,001 to RM200,000		1
RM400,001 to RM450,000	1	
RM600,001 to RM650,000	1	
RM2,450,001 to RM2,500,000	1	

Note:
Details of Directors' remuneration are not shown with reference to Directors individually, both for security and confidentiality reasons. The Board is of the view that the transparency and accountability aspects of the corporate governance on Directors' remuneration are appropriately served by the band disclosure made.

III. INVESTOR RELATIONS AND SHAREHOLDERS COMMUNICATION

The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Group. In addition to the various announcements made to Bursa Securities, the timely release of quarterly and annual financial results provides shareholders and investing public with an overview of the Group's performance and operations. The Group has a website at www.igbcorp.com from which investors, analysts and shareholders can access information.

The Group conducts regular dialogues, briefings and meetings with investors and financial analysts to provide updates and new developments, based on permissible disclosures. However, information that is price-sensitive or that may be regarded as undisclosed material information about the Group is not disclosed in these sessions until after the prescribed announcement to Bursa Securities has been made.

AGM, usually held in May/June each year, is the principal forum for dialogue with shareholders. At each AGM, the Board encourages shareholders to participate in the proceedings and ask questions about the resolutions being proposed and corporate developments. The Chairman and the Group MD respond to shareholders' questions, where appropriate, during the meeting. The external auditors also present to provide their professional and independent view, if required, on issues or concern highlighted by shareholders. A press conference is normally held after AGM.

IV. ACCOUNTABILITY AND AUDIT

(1) Financial Reporting

The Directors are responsible for ensuring that financial statements are drawn up in accordance with the Act and Financial Reporting Standards in Malaysia. In presenting the financial statements, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates to present a true and fair assessment of the Company's position and prospects. The annual audited financial statements and quarterly announcement of results were reviewed by AC and approved by the Board prior to release to Bursa Securities.

The Statement by Directors made pursuant to Section 169(15) of the Act is set out in the Financial Statements.

CORPORATE GOVERNANCE STATEMENT
(continued)

(2) Internal Control

The Board is responsible for the Group's system of internal control covering financial, operational and compliance as well as risk management, and for reviewing the adequacy and integrity of the system. While acknowledging their responsibility for the system of internal control, the Directors are aware that the Group's system is designed to manage rather than eliminate risks and therefore cannot provide absolute assurance against material misstatements, fraud and loss.

To assist the Board in maintaining a sound system of internal control for the purposes of safeguarding shareholders' investment and the Group's assets, the Group has in place, an adequately resourced Group Internal Audit ('GIA') Division. The activities of this division which reports to AC provides the Board with much assurance it requires regarding the adequacy and integrity of the system of internal control. As risk management is a significant component of a sound system of internal control, the management has also put in place a risk management process to help the Board in identifying, evaluating and managing risks.

An overview of the state of internal control of the Group is set out in the Statement of Internal Control.

(3) Relationship with Auditors

The Board maintains a formal and transparent professional relationship with the Group's auditors, both external and internal, through AC. The role of AC in relation to the auditors is described in the Audit Committee Report.

V. ADDITIONAL COMPLIANCE INFORMATION

(1) Material Contracts

There were no material contracts entered into by the Company or its subsidiaries involving Directors' and major shareholders' interests, either subsisting as at 31 December 2011 or entered into since the end of the previous financial year.

(2) Corporate Social Responsibility ('CSR')

Information on the Group's CSR activities is disclosed in the Letter to Shareholders.

(3) Non-audit Fees

The non-audit fees paid to PricewaterhouseCoopers Taxation Services Sdn Bhd for FY2011 amounted to RM244,000 were related to tax compliance and consultancy.

(4) Share Buy-back

During FY2011, the Company purchased a total of 6,552,100 of its ordinary shares of RM0.50 each from the open market at prices ranging from RM1.80 to RM2.12 per share. The total consideration of RM12,828,271.62 were financed by internal generated funds. Details of the Company's share buy-back exercise for the year under review are set out in the Notes to the Financial Statements.

As at 15 May 2012, IGB held a total of 35,221,167 treasury shares.

(5) Recurrent Related Party Transactions ('Recurrent RPTs')

At the last AGM held on 12 May 2011, the Company had obtained the approval for the renewal of shareholders' mandate to allow the Group to enter into Recurrent RPTs.

CORPORATE GOVERNANCE STATEMENT
(continued)

In accordance with Section 3.1.5 of Practice Note No. 12 of the MMLR, the details of Recurrent RPTs conducted pursuant to the shareholders' mandate during FY2011 were as follows:

Related Parties	Nature of Recurrent RPTs with IGB Group	Interested Related Parties	Amount transacted in FY2011 (RM'000)
KrisAssets group of companies ('KrisAssets Group')	• Lease/tenancy of properties/assets & related facilities to/from Related Parties for no more than 3 years nor payment in lump sum • Provision/receipt of management, consultancy & all types of services including but not limited to project development, property management, sales & marketing, hotel, construction, mechanical & engineering, landscaping, advertising, maintenance, security & support services • Purchase/supply of building materials, electrical equipment/appliances & related products/services	Robert Tan Chung Meng ('RTCM')[a] Tan Boon Seng ('TBS')[b] Tan Lei Cheng ('TLC')[c] Tan Boon Lee ('TBL')[d] Pauline Tan Suat Ming ('PTSM')[e] Tony Tan @ Choon Keat ('TTCK')[f] Dato' Tan Chin Nam ('DTCN')[g] Daniel Yong Chen-I ('DYCI')[h] Elizabeth Tan Hui Ning ('ETHN')[i] Goldis Berhad ('Goldis')[j] Tan Chin Nam Sdn Bhd ('TCNSB')[k] Tan Kim Yeow Sdn Bhd ('TKYSB')[l] Wah Seong (Malaya) Trading Co. Sdn Bhd ('WSTSB')[m]	19,885
Goldis group of companies ('Goldis Group')	• Purchase/procurement of information technology relating to products & consultancy services • Lease/tenancy of properties/assets & related facilities to/from Related Parties for no more than 3 years nor payment in lump sum • Provision/receipt of management, consultancy & all types of services including but not limited to project development, property management, sales & marketing, hotel, construction, mechanical & engineering, landscaping, advertising, maintenance, security & support services	RTCM[a] TBS[b] TLC[c] TBL[d] PTSM[e] TTCK[f] DTCN[g] DYCI[h] ETHN[i] Goldis[j] TCNSB[k] TKYSB[l] WSTSB[m]	1,437
WSCB group of companies ('WSCB Group')	• Lease/tenancy of properties/assets & related facilities to/from Related Parties for no more than 3 years nor payment in lump sum • Purchase/supply of building materials, electrical equipment/appliances & related products/services	RTCM[a] TBS[b] TLC[c] TBL[d] PTSM[e] TTCK[f] DTCN[g] DYCI[h] ETHN[i] Goldis[j] TCNSB[k] TKYSB[l] WSTSB[m]	1,049
Jeyaratnam & Chong ('J&C')	• Lease/tenancy of properties/assets & related facilities to/from Related Parties for no more than 3 years nor payment in lump sum • Legal advisory & consultancy services	TBS[b] TLC[c] TBL[d] DTCN[g]	510
WSTSB group of companies ('WSTSB Group')	• Lease/tenancy of properties/assets & related facilities to/from Related Parties for no more than 3 years nor payment in lump sum • Provision/receipt of management, consultancy & all types of services including but not limited to project development, property management, sales & marketing, hotel, construction, mechanical & engineering, landscaping, advertising, maintenance, security & support services • Purchase/supply of building materials, electrical equipment/appliances & related products/services	RTCM[a] TBS[b] TLC[c] TBL[d] PTSM[e] TTCK[f] DTCN[g] DYCI[h] ETHN[i] Goldis[j] TCNSB[k] TKYSB[l] WSTSB[m]	1,734

CORPORATE GOVERNANCE STATEMENT
(continued)

Related Parties	Nature of Recurrent RPTs with IGB Group	Interested Related Parties	Amount transacted in FY2011 (RM'000)
Subsidiaries of IGB: • Cititel Hotel Management Sdn Bhd ('CHM') • Tan & Tan Realty Sdn Bhd ('TTR')	• Provision/receipt of management, consultancy & all types of services including but not limited to project development, property management, sales & marketing, hotel, construction, mechanical & engineering, landscaping, advertising, maintenance, security & support services	RTCM[a] TBS[b] TLC[c] TBL[d] PTSM[e] TTCK[f] DTCN[g] DYCI[h] ETHN[i] Goldis[j] TCNSB[k] TKYSB[l] WSTSB[m]	6,773

Notes:

[a] RTCM is a Director of IGB Group, KrisAssets Group, WSCB Group, WSTSB Group and TKYSB Group. He is a major shareholder of IGB and KrisAssets; a substantial shareholder of Goldis, WSCB and TKYSB. He is the father of ETHN and a brother of PTSM and TTCK.

[b] TBS is a Director of IGB and WSTSB Group. He is a substantial shareholder of Goldis. He is a son of DTCN and a brother of TLC and TBL; and a brother-in-law to Chong Kim Weng ('CKW'), a senior partner of J&C.

[c] TLC is a Director of IGB Group, KrisAssets, Goldis Group, TCNSB and WSTSB. She is a daughter of DTCN and a sister of TBS and TBL; and the spouse of CKW.

[d] TBL is a Director of IGB Group, KrisAssets, Goldis Group, TCNSB and WSTSB Group. He is a son of DTCN and a brother of TBS and TLC; and a brother-in-law to CKW.

[e] PTSM is a Director of IGB, Goldis, WSCB, WSTSB Group and TKYSB Group. She is a major shareholder of IGB and KrisAssets; a substantial shareholder of Goldis, WSCB and TKYSB. She is the mother of DYCI and a sister of RTCM and TTCK.

[f] TTCK is a Director of IGB, WSTSB Group and TKYSB Group. He is a major shareholder of IGB and KrisAssets; a substantial shareholder of Goldis, WSCB and TKYSB. He is a brother of RTCM and PTSM.

[g] DTCN is a Director of TCNSB and WSTSB Group. DTCN is the father of TBS, TLC and TBL; and the father-in-law to CKW.

[h] DYCI is alternate to PTSM on the Board of IGB, a Director of IGB Group and KrisAssets Group. He is a son of PTSM.

[i] ETHN is the alternate Director to RTCM on the Board of KrisAssets. She is a daughter of RTCM.

[j] Goldis is a major shareholder of IGB and KrisAssets; and a person connected to RTCM, TBS, PTSM, TTCK, TKYSB, TCNSB and WSTSB.

[k] TCNSB is a major shareholder of IGB and KrisAssets; a substantial shareholder of Goldis, WSCB and WSTSB; and a person connected to DTCN, TBS, TLC and TBL.

[l] TKYSB is a major shareholder of IGB and KrisAssets; a substantial shareholder of Goldis, WSCB and WSTSB; and a person connected to RTCM, PTSM and TTCK.

[m] WSTSB is a major shareholder of IGB and KrisAssets; a substantial shareholder of Goldis, WSCB, CHM and TTR; and a person connected to RTCM, PTSM, TTCK, TCNSB and TKYSB.

AUDIT COMMITTEE REPORT

I. FORMATION

The AC was established by the Board on 12 April 1994.

II. OBJECTIVES

The primary objectives of AC are:

(a) ensure transparency, integrity and accountability in the Group's activities so as to safeguard the rights and interests of shareholders;
(b) provide assistance to the Board in discharging its responsibilities relating to the Group's management of principal risks, internal controls, financial reporting and compliance of statutory and legal requirements; and
(c) maintain through regularly scheduled meetings, a direct line of communication between the Board, senior management, internal and external auditors.

III. TERMS OF REFERENCE

AC is governed by the following terms of reference:

(1) Membership

AC members shall be appointed by the Board upon the recommendations of NC and shall consist of not less than 3 members, all of whom must be NEDs, with a majority of them being Independent Directors. AC members should be financially literate, and at least one of whom shall be a member of the Malaysian Institute of Accountants or fulfils such other requirements as prescribed or approved by Bursa Securities. AC Chairman shall be an INED. No alternate Director shall be appointed to AC.

(2) Authority

AC has the following authority as empowered by the Board:

(a) investigate any activity within its terms of reference or as directed by the Board;
(b) obtain the resources required to perform its duties;
(c) full and unrestricted access to any information and documents pertaining to the Group;
(d) direct communication channels with the external and internal auditors, as well as all employees of the Group; and
(e) obtain external legal or independent professional advice as necessary.

(3) Key functions and Responsibilities

The responsibilities and duties of AC shall be:

(a) review the quarterly results and annual financial statements before submission to the Board for approval, focusing primarily on:

- going concern assumption;
- changes and implementation of new accounting policies and practices;
- major judgemental areas, significant and unusual events; and
- compliance with accounting standards and regulatory requirements.

(b) review and discuss with external auditors of the following:

- audit plans, scope of their audits and audit reports, including management's response and actions taken;
- evaluation of the system of internal controls; and
- issues and reservations arising from audits.

(c) review the following in respect of internal auditors:

- adequacy of scope, functions, competency and resources of GIA Division and the necessary authority to carry out its work;
- audit plans, programmes and activities;
- programme, processes and results of internal audit reviews or investigation including recommendations and actions taken;
- effectiveness of the system of internal controls;
- major findings of GIA investigations and management's responses and actions;
- assessment of the performance of GIA staff; and
- appointment, replacement and dismissal of senior staff members of GIA Division.

AUDIT COMMITTEE REPORT
(continued)

(d) review RPTs and conflict of interest situations that may arise, including any transaction, procedure or course of conduct that raises questions of management integrity.

(e) consider and recommend the nomination and appointment, the audit fee and any questions of resignation, dismissal or re-appointment of external auditors.

(f) verify allocation of options (if any) pursuant to a share issuance scheme is in compliance with the criteria for allocation of options under the scheme.

(g) report promptly to Bursa Securities on any matter reported by it to the Board which has not been satisfactorily resolved resulting in breach of the MMLR.

(h) review all prospective financial information provided to the regulators and/or the public.

(i) prepare reports, if the circumstances arise or at least once a year, to the Board summarising the work performed in fulfilling AC's primary responsibilities.

(j) act on any matters as may be directed by the Board from time to time.

(4) Meetings

AC meetings shall be held at least 4 times a year. Other Board members and senior management may attend meetings upon the invitation of AC. At least twice a year, AC shall meet with external auditors without any executive officer of the Group being present. Additional meetings may be held upon request by any AC member, internal or external auditors.

The quorum for AC meeting shall be 2 members present in person and a majority of whom must be INEDs. In the absence of AC Chairman, the members present shall elect a Chairman for the meeting among AC members present. AC minutes shall be distributed to the Board, and AC Chairman shall report on key issues to the Board.

IV. COMPOSITION

The members of AC as at the date of this report are as follows:

Tan Kai Seng, AC Chairman (INED)
Yeoh Chong Swee (INED)
Tan Sri Abu Talib bin Othman (INED, appointed on 18 March 2011)
Tony Tan @ Choon Keat (non-INED)

V. MEETINGS AND ATTENDANCE

AC met 4 times in FY2011 and the attendance of each AC member was as follows:

	Attendance
Tan Kai Seng	3/4
Yeoh Chong Swee	4/4
Tony Tan @ Choon Keat	2/4
Tan Sri Abu Talib in Othman	3/4

The Chief Financial Officer, Head of GIA and Company Secretary were present at all AC meetings to present their respective reports to AC. The external auditors, PwC attended 2 AC meetings in 2011 to present the Auditors' Report on the annual financial statements FY2010 and Auditors' Audit Plan FY2011. AC also met alone with PwC twice in 2011 without the presence of the Group MD and management staff to make enquiries in relation to management's co-operation in financial reporting, and the state of affairs of GIA function.

Deliberations during AC meetings including the issues discussed and rationale for decisions were recorded. AC minutes were tabled for confirmation at the subsequent AC meeting and distributed to the Board for notation. AC Chairman also conveyed to the Board matters of significant concern and including those raised by PwC.

AUDIT COMMITTEE REPORT
(continued)

VI. SUMMARY OF ACTIVITIES

During the year, AC carried out the following activities:

(1) Financial Reporting

Reviewed and recommended for Board approval the Group's quarterly results and year end financial statements.

(2) External Audit

(a) Reviewed and approved PwC's audit plan and the scope for the annual audit.
(b) Recommended to the Board the re-appointment and remuneration of PwC.
(c) Reviewed and directed follow-up action, when needed, the findings of PwC on the results of the external audits.
(d) Reviewed the extent of assistance rendered by management and issues and reservations arising from audits with PwC without the presence of the Group MD and management staff.

(3) Internal Audit

(a) Reviewed and approved GIA's charter as well as annual audit plan which covered projects and entities across all levels of operations within the Group.
(b) Reviewed and directed follow-up action, when needed, on GIA reports on the Group and ad hoc assignments.
(c) Reviewed GIA reports on the effectiveness and adequacy of internal controls, risk management, operational, compliance and governance processes.

(4) RPTs

Reviewed RPTs that were entered into by the Group.

VII. INTERNAL AUDIT FUNCTION

The Group's internal audit function is carried out by GIA Division. It reports to AC on its activities based on the approved annual GIA plan. GIA Division adopts a risk-based auditing approach, taking into account global best practices and industry standards. The main role of GIA Division is to provide AC with independent and objective reports on the effectiveness of the system of internal control within the Group. GIA reports arising from assignments were issued to management for their response, corrective actions and status of implementation of audit recommendations. GIA reports were subsequently tabled to AC for their deliberation.

GIA Division also works collaboratively with senior management to monitor the risk governance framework and the risk processes of the Group to ensure their adequacy and effectiveness.

The costs incurred for GIA function for FY2011 were RM618,300.

Further details of the activities of GIA are set out in the Statement of Internal Control.

STATEMENT OF INTERNAL CONTROL

RESPONSIBILITY

The Board of Directors recognises the importance of maintaining a sound system of internal control and risk management practices to safeguard shareholders' investment and the Company's assets. Therefore, the Board affirms its overall responsibility for the Group's approach to assessing risk and the systems of internal control, and for reviewing the adequacy and effectiveness of the Group's internal control systems and management information systems, including compliance with applicable laws, regulations, rules, directives and guidelines. The review covers financial, operational and compliance controls, and risk management procedures of the Group. However, such procedures are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material errors, misstatement, losses or fraud.

RISK MANAGEMENT

The RMC, appointed by the Board, comprised members of the Exco. Risk management is an ongoing process for identifying, evaluating, managing and reviewing significant risks faced by the businesses in the Group. The risk management process involved all business and functional units of the Group in identifying significant risks impacting the achievement of business objectives of the Group. It also involved the assessment of the impact and likelihood of such risks and of the effectiveness of controls in place to manage them. The process also involved the enhancement of the system of internal controls when there are changes to business environment or regulatory guidelines.

The management assists the Board in the implementation of the Board's policies and procedures on risk and control by identifying and assessing the risks faced and in the design, operation and monitoring of suitable internal controls to mitigate and control these risks. All employees are responsible for operating within these policies. The GIA function and the external auditors provide further independent assurance.

KEY INTERNAL CONTROL PROCESSES

Whilst the Board maintained full control and direction over appropriate strategic, financial, organisational and compliance issues, it has delegated to management the implementation of the systems of internal control.

The main elements in the internal control framework included:

- An organisational structure with formally defined lines of responsibility and delegation of authority for all business and functional departments within the Group;
- Structured limits of authority, which provides a framework of authority and accountability within the Group, and which facilitates timely corporate decision making at the appropriate levels in the Group;
- Preparation of annual operating budgets and capital expenditure plans by the business and functional departments which are reviewed and approved by the Group MD and the Board;
- Assessment of quarterly performance of operating departments against approved budgets and reporting of significant variances to the Board;
- Establishment of standard operating policies and procedures to ensure compliance with internal controls and the relevant laws and regulations and which are reviewed regularly and approved by the management;
- Regular reporting of accounting and legal developments and significant issues to the Board; and
- Implementation of proper guidelines for hiring and termination of staff, formal training programmes for staff, annual performance appraisals and other procedures in place to ensure that staff are competent and adequately trained in carrying out their responsibilities.

The GIA function monitors compliance with policies and standards and the effectiveness of the internal control systems. The work of the internal audit function is focused on areas of priority as identified by risk analysis and in accordance with an annual audit plan approved each year by AC. The head of this function reports to AC. AC receives reports on the function's work and findings and is updated regularly on specific issues.

The Board, through AC, has reviewed the effectiveness of the Group's system of internal control. Some minor internal control weaknesses were identified during the period, all of which have been, or are being, addressed. None of the weaknesses have resulted in any material losses, contingencies, or uncertainties that would require disclosure in the Group's annual report.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the MMLR, the external auditors have reviewed this Statement of Internal Control. Their review was performed in accordance with Recommended Practice Guide ('RPG') 5 issued by the Malaysian Institute of Accountants. Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and integrity of internal control of the Group. RPG 5 does not require the external auditors to and they did not consider whether this statement covers all risks and controls, or to form an opinion on the effectiveness of the Group's risk and control procedures.

STATISTICS OF SHAREHOLDINGS
as at 15 May 2012

Authorised Share Capital	:	RM1,200,000,000 divided into 2,000,000,000 Ordinary Shares of RM0.50 each and 200,000,000 1% Irredeemable Convertible Preference Shares of RM1.00 each
Issued and paid-up Capital *	:	RM727,537,420
Class of Shares	:	Ordinary Shares of RM0.50 each
Voting Rights	:	On show of hands - 1 vote On a poll - 1 vote for each Share held

* Excluding 35,221,167 Shares bought-back by the Company and retained as treasury shares as at 15 May 2012.

I. DISTRIBUTION OF SHAREHOLDINGS

Range of Shareholdings	No. of Shareholders	No. of Issued Shares	% of Issued Shares *
Less than 100	1,527	37,104	0.00
100 to 1,000	1,799	1,134,417	0.08
1,001 to 10,000	8,437	29,598,465	2.03
10,001 to 100,000	1,966	47,005,203	3.23
100,001 to less than 5% of Issued Shares	354	1,002,515,507	68.90
5% and above of Issued Shares	2	374,784,144	25.76
	14,085	**1,455,074,840***	**100.00**

II. REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name of Shareholders	Direct	% of Issued Shares*	Deemed**	% of Issued Shares*
Goldis Berhad	399,061,316	27.43	20,432,880	1.40
Tan Chin Nam Sdn Bhd	53,536,114	3.68	499,747,524	34.35
Tan Kim Yeow Sdn Bhd	31,164,238	2.14	496,254,186	34.11
Wah Seong (Malaya) Trading Co. Sdn Bhd	53,427,137	3.67	440,988,597	30.31
Employees Provident Fund Board	110,607,772	7.60	-	-
Robert Tan Chung Meng	3,954,717	0.27	527,418,424	36.25
Pauline Tan Suat Ming	1,010,784	0.07	527,439,681	36.25
Tony Tan @ Choon Keat	-	-	527,418,424	36.25

** Deemed to have interests in Shares held by other corporations and family members by virtue of Section 6A(4) of the Act and/or by reference to Section 134(12)(c) of the Act.

III. TOP 30 SHAREHOLDERS

		No. of Issued Shares	% of Issued Shares*
1.	Goldis Berhad	301,635,716	20.73
2.	HSBC Nominees (Asing) Sdn Bhd Exempt AN for Credit Suisse (SG-BR-TST-ASING)	73,148,428	5.03
3.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	61,966,612	4.26
4.	Tan Chin Nam Sendirian Berhad	50,212,094	3.45
5.	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100)	49,624,532	3.41
6.	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for Citibank NA, Singapore (Julius Baer)	47,771,837	3.28
7.	Wah Seong (Malaya) Trading Co. Sdn Bhd	46,618,677	3.20

STATISTICS OF SHAREHOLDINGS
as at 15 May 2012
(continued)

III. TOP 30 SHAREHOLDERS (continued)

		No. of Issued Shares	% of Issued Shares*
8.	Public Invest Nominees (Asing) Sdn Bhd Exempt AN for Public Bank (Nominees) Limited	45,349,000	3.12
9.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Goldis Berhad (KLC)	38,178,000	2.62
10.	Cartaban Nominees (Asing) Sdn Bhd Government of Singapore Investment Corporation Pte Ltd for Government of Singapore (C)	29,124,514	2.00
11.	Tan Kim Yeow Sendirian Berhad	26,130,146	1.80
12.	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund KG67 for Invesco International Small Company Fund	25,677,171	1.77
13.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Nomura)	24,658,579	1.70
14.	UOBM Nominees (Asing) Sdn Bhd Pledged Securities Account for Montego Assets Limited (PCB)	22,000,000	1.51
15.	Multistock Sdn Bhd	20,432,880	1.40
16.	HSBC Nominees (Asing) Sdn Bhd Exempt AN for HSBC Private Bank (Suisse) S.A. (Hong Kong AC CL)	18,907,046	1.30
17.	Maybank Nominees (Asing) Sdn Bhd DBS Bank for Timbarra Services Limited (200894)	15,152,196	1.04
18.	Maybank Securities Nominees (Tempatan) Sdn Bhd Maybank Kim Eng Securities Pte Ltd for Goldis Berhad	13,898,600	0.96
19.	Citigroup Nominees (Asing) Sdn Bhd CBNY for Dimensional Emerging Markets Value Fund	13,842,290	0.95
20.	Amanahraya Trustees Berhad PB Growth Fund	13,313,300	0.92
21.	Maybank Nominees (Asing) Sdn Bhd DBS Bank for Ripley Services Limited (200932)	12,542,483	0.86
22.	Amanahraya Trustees Berhad Public Far-East Property & Resorts Fund	12,420,797	0.85
23.	HSBC Nominees (Asing) Sdn Bhd Exempt AN for HSBC Private Bank (Suisse) S.A. (SPORE TST AC CL)	12,295,721	0.85
24.	HSBC Nominees (Asing) Sdn Bhd Exempt AN for the Bank of New York Mellon (Mellon ACCT)	10,690,835	0.73
25.	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for Public Aggressive Growth Fund (N14011940110)	10,200,022	0.70
26.	HSBC Nominees (Asing) Sdn Bhd TNTC for Somerset Emerging Markets Small Cap Fund LLC	9,923,227	0.68
27.	Pertubuhan Keselamatan Sosial	9,700,630	0.67
28.	Wah Seong Enterprises Sdn Bhd	9,647,231	0.66
29.	HSBC Nominees (Asing) Sdn Bhd Exempt AN for the Bank of New York Mellon (BNYM AS E&A)	9,173,395	0.63
30.	Amanahraya Trustees Berhad Public Index Fund	9,014,900	0.62
		1,043,250,859	**71.70**

STATISTICS OF SHAREHOLDINGS
as at 15 May 2012
(continued)

IV. REGISTER OF DIRECTORS' SHAREHOLDINGS IN IGB

Name of Directors	Direct	% of Issued Shares*	Deemed**	% of Issued Shares*
Tan Sri Abu Talib bin Othman	1,398,850	0.10	-	-
Robert Tan Chung Meng	3,954,717	0.27	527,418,424	36.25
Tan Boon Seng	-	-	40,587,242	2.79
Tan Boon Lee	2,924,529	0.20	-	-
Pauline Tan Suat Ming	1,010,784	0.07	527,439,681	36.25
Tan Lei Cheng	2,318,118	0.16	1,707,038	0.12
Tony Tan @ Choon Keat	-	-	527,418,424	36.25
Tan Kai Seng	93,677	0.01	-	-
Yeoh Chong Swee	-	-	54,035	@
Chua Seng Yong	86,006	0.01	-	-

@ Less than 0.01%

V. REGISTER OF DIRECTORS' SHAREHOLDINGS IN KRISASSETS

Name of Directors	Direct	% of Issued Shares#	Deemed##	% of Issued Shares#
Robert Tan Chung Meng	662,730	0.15	333,322,333	75.70
Pauline Tan Suat Ming	68	@	333,322,333	75.70
Tony Tan @ Choon Keat	-	-	333,322,333	75.70
Tan Boon Lee	1,100	@	-	-
Tan Lei Cheng	51,201	0.01	39,916	0.01
Tan Kai Seng	4,743	@	-	-
Chua Seng Yong	377,511	0.09	-	-
Daniel Yong Chen-I	9,949	@	-	-

Based on issued and paid-up capital of 440,432,058 less 100,000 treasury shares as at 15 May 2012.
Deemed to have interests in KrisAssets Shares held by other corporations by virtue of Section 6A(4) of the Act.

LIST OF TOP TEN MAJOR PROPERTIES BY VALUE

held by IGB Group as at 31 December 2011

	Location/Address	Tenure	Age of Building (Years)	Description/ Existing use	Date of Acquisition/ Revaluation	Net Book Value As At 31 Dec 2011 RM'000
1	Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur	Leasehold expiring 6 June 2103	5	Shopping complex known as Gardens Mall together with approximately 4,128 car parking bays	28-12-2004	597,823
2	Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur	Leasehold expiring 6 June 2103	12	Shopping complex known as Mid Valley Megamall together with approximately 6,092 car parking bays	17-12-1999	433,695
3	Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur	Leasehold expiring 6 June 2103	12	646-room Cititel Hotel Mid Valley	31-12-2011	283,716
4	Micasa Hotel Apartments 386 Jalan Tun Razak Kuala Lumpur	Freehold	22	245-keys MiCasa All Suite Hotel Kuala Lumpur	31-12-2010	173,502
5	Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur	Leasehold expiring 6 June 2103	6	390-roooms Boulevard Hotel	31-12-2010	158,072
6	Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur	Leasehold expiring 6 June 2103	4	627-keys The Gardens Hotel and Residences	28-12-2004	147,147
7	Lot 15256 Mukim of Labu District of Seremban Negeri Sembilan	Freehold	-	344.0 hectares approved mixed development for residential and commercial use and unsold completed units	31-1-2002	142,017
8	Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur	Leasehold expiring 6 June 2103	4	426,000 sq ft office building at The Gardens South Tower	28-12-2004	138,432
9	Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur	Leasehold expiring 6 June 2103	4	426,000 sq ft office building at The Gardens North Tower	28-12-2004	133,550
10	34 Hunter Street Sydney, Australia	Freehold	-	58,500 sq ft office building for redevelopment to proposed St Giles Sydney	06-07-2011	121,815

FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

FINANCIAL YEAR ENDED		**2011**	2010	2009	2008	2007
Revenue	RM '000	**772,129**	719,360	642,442	688,224	673,931
Profit before tax	RM '000	**357,504**	277,922	221,536	208,363	204,189
Profit attributable to equity holders of the Company	RM '000	**237,650**	174,617	158,978	154,960	136,851
Issued and paid-up share capital (RM0.50)	RM '000	**745,148**	745,148	745,148	745,148	744,862
Capital and reserves attributable to equity holders of the Company	RM '000	**3,424,000**	3,105,589	2,856,493	2,688,381	2,639,601
Total Assets	RM '000	**5,342,904**	4,685,846	4,467,175	4,450,094	4,342,096
Earnings per share (basic)	sen	**16.3**	12.0	10.9	10.5	9.3
Net assets per share	RM	**2.3**	2.1	2.0	1.9	1.8
Gross dividend per share:						
- cash dividend	sen	**7.50**	2.50	2.50	2.50	2.50
- share dividend *	sen	**-**	2.15	-	-	-
Share price as at 31 Dec	RM	**2.46**	2.08	2.00	1.38	2.26
Dividend yield	%	**3.0**	2.2	1.3	1.8	1.1
Total borrowings	RM '000	**1,105,640**	832,197	974,845	1,077,086	877,500
Net borrowings	RM '000	**263,019**	203,440	328,592	420,948	423,117
Net debt to Capital and Reserves attributable to equity holders of the Company	Times	**0.08**	0.07	0.12	0.16	0.16

* The share dividend distributed on 8 April 2011 from the treasury shares of the Company was made on the basis of one share for every one hundred existing shares held at the entitlement date. Based on the Company's share price of RM2.15 each on 8 April 2011, the value of the share dividend per share is equivalent to a gross cash dividend of 2.15 sen.

Reports and Financial Statements

DIRECTORS' REPORT
for the financial year ended 31 December 2011

The Directors are pleased to present their report to the members together with the audited financial statements of the Group and Company for the financial year ended 31 December 2011.

Principal activities and corporate information

The principal activities of the Company during the financial year are those of investment holding and property development. The principal activities of the Group mainly consist of property development, property investment and management, owner and operator of malls, hotel operations, construction and investment holding. There have been no significant changes in the nature of these activities during the financial year.

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

The address of the principal place of business and registered office of the Company is as follows:

Level 32, The Gardens South Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur

Financial results

	Group	Company
	RM'000	RM'000
Profit for the financial year	266,849	269,740
Attributable to:		
Equity holders of the Company	237,650	269,740
Non-controlling interest	29,199	-
	266,849	269,740

Dividends

On 14 February 2011, the Directors declared an interim dividend in respect of the financial year ended 31 December 2010 of 5% less tax at 25% which was paid on 8 April 2011 to every member who is entitled to receive the dividend as at 4.00 pm on 15 March 2011.

On 14 February 2011, the Directors also declared a dividend in respect of the financial year ended 31 December 2010 by way of distribution of tax-exempt share dividend on the basis of one (1) treasury share for every one hundred (100) existing shares held at 4.00 p.m. on 15 March 2011. The share dividend involved the distribution of 14,528,233 treasury shares which were credited into the entitled Depositors' Securities Accounts on 8 April 2011.

On 24 August 2011, the Directors declared an interim dividend in respect of the financial year ended 31 December 2011 of 10% less tax at 25% which was paid on 30 September 2011 to every member who is entitled to receive the dividend as at 4.00 pm on 15 September 2011.

On 22 February 2012, the Directors declared an interim dividend in respect of the financial year ended 31 December 2011 of 5% less tax at 25% which was paid on 6 April 2012 to every member who is entitled to receive the dividend as at 4.00 pm on 8 March 2012.

The Directors do not recommend the payment of any final dividend for the financial year ended 31 December 2011.

Reserves and provisions

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

DIRECTORS' REPORT
for the financial year ended 31 December 2011
(continued)

Treasury shares

In the current financial year, shareholders of the Company, by an ordinary resolution passed at the Annual General Meeting on 12 May 2011, renewed the approval of the Company's plan to purchase its own shares. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

During the financial year, the Company repurchased 6,552,100 of its own shares from the open market for RM12,828,271. The average purchase price for the shares repurchased was RM1.96 per share. The repurchase transaction was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965 and carried at purchase cost. The Company has the right to distribute these shares as dividends to reward shareholders and/or resell the shares. As treasury shares, the rights attached as to voting, dividends and participation in other distribution are suspended.

At the reporting date, the number of treasury shares held was 29,306,467 (2010: 37,282,600) ordinary shares of RM0.50 each.

Significant events after reporting date

(a) Purchase of shares in Great Union Properties Sdn Bhd

On 19 December 2011, a Sale and Purchase Agreement was signed between the Company, Stapleton Developments Limited and Mr Chong Kim Weng for the purchase of a total of 50,000,000 ordinary shares of RM1.00 each in Great Union Properties Sdn Bhd, the owner and operator of Renaissance Hotel Kuala Lumpur, for a total cash consideration of RM101,348,967. The acquisition was completed on 23 March 2012, on which date Great Union Properties Sdn Bhd became a 100%-owned subsidiary.

(b) Proposed establishment and listing of a real estate investment trust ("IGB REIT")

On 16 April 2012, an announcement was made to Bursa Malaysia that the Company proposes to establish and list a real estate investment trust ("IGB REIT") on the Main Market of Bursa Malaysia. The initial investment portfolio of IGB REIT shall comprise a 8-storey retail mall known as The Gardens Mall and a 5-storey retail mall with 1 mezzanine floor known as Mid Valley Megamall ("Subject Properties") which are currently owned by Mid Valley City Gardens Sdn Bhd and Mid Valley City Sdn Bhd respectively, both of which are wholly-owned subsidiaries of KrisAssets Holdings Berhad ("KrisAssets") which is in turn a subsidiary of the Company. KrisAssets, via its subsidiaries, proposes to dispose the Subject Properties to IGB REIT. In conjunction with the above, on the same day, an application was submitted to the Securities Commission for its approval of the valuation of the Subject Properties.

Directors

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

Tan Sri Abu Talib Bin Othman
Robert Tan Chung Meng
Tan Boon Seng
Tan Boon Lee
Tan Lei Cheng
Pauline Tan Suat Ming
Tony Tan @ Choon Keat
Tan Kai Seng
Yeoh Chong Swee
Chua Seng Yong (alternate to Robert Tan Chung Meng)
Daniel Yong Chen-I (alternate to Pauline Tan Suat Ming) (appointed on 6 April 2011)

In accordance with Article 85 of the Company's Articles of Association, Tan Boon Lee and Tan Lei Cheng retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

In accordance with Article 86 of the Company's Articles of Association, Pauline Tan Suat Ming retires by rotation at the forthcoming Annual General Meeting and, being eligible, offer herself for re-election.

Tan Sri Abu Talib Bin Othman, being over seventy years of age, retires in accordance with Section 129(2) of the Companies Act, 1965 and offers himself for re-appointment under Section 129(6) of the Companies Act, 1965 to hold office until the conclusion of the next Annual General Meeting.

DIRECTORS' REPORT
for the financial year ended 31 December 2011
(continued)

Directors' interests

According to the Register of Directors' Shareholdings, the interests of Directors in office at the end of the financial year in shares and warrants in the Company and its related corporations are as follows:

In the Company	**Number of ordinary shares of RM0.50 each**			
	1 January 2011	**Addition**	**Disposal**	**31 December 2011**
Tan Sri Abu Talib Bin Othman				
Direct	1,385,000	13,850	-	**1,398,850**
Robert Tan Chung Meng				
Direct	3,915,562	39,155	-	**3,954,717**
Indirect	505,465,178	7,654,646	-	**513,119,824**
Tan Boon Seng				
Indirect	16,806,775	23,780,467	-	**40,587,242**
Tan Boon Lee				
Direct	2,895,574	28,955	-	**2,924,529**
Tan Lei Cheng				
Direct	1,962,667	19,626	-	**1,982,293**
Indirect	1,690,137	16,901	-	**1,707,038**
Pauline Tan Suat Ming				
Direct	1,000,777	10,007	-	**1,010,784**
Indirect	505,486,225	7,654,856	-	**513,141,081**
Tony Tan @ Choon Keat				
Indirect	505,465,178	7,654,646	-	**513,119,824**
Tan Kai Seng				
Direct	92,750	927	-	**93,677**
Yeoh Chong Swee				
Indirect	53,500	535	-	**54,035**
Chua Seng Yong				
Direct	1,006	251,500	-	**252,506**

In KrisAssets Holdings Berhad (subsidiary)	**Number of ordinary shares of RM1.00 each**			
	1 January 2011/ At date of appointment	**Addition**	**Disposal**	**31 December 2011**
Robert Tan Chung Meng				
Direct	662,730	-	-	**662,730**
Indirect	333,502,386	242,747	(422,800)	**333,322,333**
Tan Boon Lee				
Direct	1,100	-	-	**1,100**
Tan Lei Cheng				
Direct	44,045	-	-	**44,045**
Indirect	39,916	-	-	**39,916**
Pauline Tan Suat Ming				
Direct	-	68	-	**68**
Indirect	333,502,386	242,747	(422,800)	**333,322,333**
Tony Tan @ Choon Keat				
Indirect	333,502,386	242,747	(422,800)	**333,322,333**
Tan Kai Seng				
Direct	4,743	-	-	**4,743**
Chua Seng Yong				
Direct	30,824	403,287	(56,600)	**377,511**
Daniel Yong Chen-I				
Direct (appointed on 6 April 2011)	7,462	2,487	-	**9,949**

DIRECTORS' REPORT
for the financial year ended 31 December 2011
(continued)

Directors' interests (continued)

In KrisAssets Holdings Berhad (subsidiary)	Number of warrants 2006/2011			
	1 January 2011/ At date of appointment	**Addition**	**Disposal/ Conversion**	**25 July 2011 (expiry date)**
Tan Sri Abu Talib Bin Othman				
Direct	66	-	(66)	-
Robert Tan Chung Meng				
Indirect	242,747	-	(242,747)	-
Pauline Tan Suat Ming				
Direct	16,268	-	(16,268)	-
Indirect	242,747	-	(242,747)	-
Tony Tan @ Choon Keat				
Indirect	242,747	-	(242,747)	-
Chua Seng Yong				
Direct	284,887	85,400	(370,287)	-
Daniel Yong Chen-I				
Direct (appointed on 6 April 2011)	2,487	-	(2,487)	-

By virtue of Robert Tan Chung Meng, Pauline Tan Suat Ming and Tony Tan @ Choon Keat holding more than 15% interests in shares in the Company, they are deemed to have interest in the shares in all the subsidiaries to the extent the Company has an interest.

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

Directors' benefits

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than the fees and other emoluments paid as disclosed in Note 7 to the financial statements) by reason of a contract made by the Company or by a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 38 to the financial statements.

Except as disclosed above, neither during nor at the end of the financial year was the Company a party to any arrangement whose object or objects was to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Statutory information on the financial statements

Before the statements of comprehensive income and statements of financial position were made out, the Directors took reasonable steps:

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

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

DIRECTORS' REPORT
for the financial year ended 31 December 2011
(continued)

Statutory information on the financial statements (continued)

At the date of this report, the Directors are not aware of any circumstances:

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

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

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

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

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

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

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

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

In the opinion of the Directors:

(a) the results of the Group's and Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and Company for the financial year in which this report is made.

Auditors

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office. The Directors had endorsed the recommendation of the Audit Committee for PricewaterhouseCoopers to be reappointed as auditors.

Signed in accordance with a resolution of the Directors dated 26 April 2012.

Robert Tan Chung Meng
Managing Director

Tan Kai Seng
Director

INCOME STATEMENTS
for the financial year ended 31 December 2011

		Group		Company	
		2011	**2010**	**2011**	**2010**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revenue	5	**772,129**	719,360	**53,058**	83,384
Cost of sales		**(326,996)**	(259,979)	**(1,442)**	(1,168)
Gross profit		**445,133**	459,381	**51,616**	82,216
Other operating income		**121,894**	33,885	**234,458**	3,720
Administrative expenses		**(187,855)**	(179,547)	**(24,647)**	(23,840)
Other operating expenses		**(2,976)**	(23,953)	**(1,442)**	(17,218)
Profit from operations	6	**376,196**	289,766	**259,985**	44,878
Finance income	8	**22,088**	17,158	**20,528**	14,038
Finance costs	8	**(55,918)**	(53,753)	**(11,861)**	(11,829)
Share of results of associates		**15,138**	24,751	**-**	-
Profit before tax		**357,504**	277,922	**268,652**	47,087
Tax (expense)/credit	9	**(90,655)**	(77,966)	**1,088**	(5,273)
Profit for the financial year		**266,849**	199,956	**269,740**	41,814
Attributable to:					
Equity holders of the Company		**237,650**	174,617	**269,740**	41,814
Non-controlling interests		**29,199**	25,339	**-**	-
Profit for the financial year		**266,849**	199,956	**269,740**	41,814
Earnings per ordinary share (sen)					
Basic	10	**16.26**	11.99		
Gross dividends per ordinary share for the financial year (sen)	11	**7.50**	2.50	**7.50**	2.50

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
for the financial year ended 31 December 2011

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Profit for the financial year	**266,849**	199,956	**269,740**	41,814
Other comprehensive income:				
Exchange differences on translating foreign operations:				
Equity holders	**3,611**	(24,408)	-	-
Non-controlling interests	**(154)**	734	-	-
Surplus on revaluation of hotel properties	**194,551**	162,668	-	-
Reversal of revaluation surplus of hotel properties	**(3,754)**	-	-	-
Deferred tax on revaluation surplus in hotel properties	**(46,094)**	(29,058)	-	-
Share of an associate's realisation of revaluation surplus on property, plant and equipment	**(238)**	(238)	-	-
Share of other comprehensive income of an associate	**34,977**	-	-	-
Total comprehensive income for the financial year	**449,748**	309,654	**269,740**	41,814
Attributable to:				
Equity holders of the Company	**420,703**	283,581	**269,740**	41,814
Non-controlling interests	**29,045**	26,073	-	-
	449,748	309,654	**269,740**	41,814

STATEMENTS OF FINANCIAL POSITION
as at 31 December 2011

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Capital and reserves attributable to equity holders of the Company					
Share capital	12	**745,148**	745,148	**745,148**	745,148
Share premium	13	**404,112**	427,221	**404,112**	427,221
Treasury shares	14	**(49,021)**	(59,301)	**(49,021)**	(59,301)
		1,100,239	1,113,068	**1,100,239**	1,113,068
Revaluation and other reserves	15	**618,537**	437,827	**-**	-
Retained earnings	16	**1,705,224**	1,554,694	**1,682,465**	1,494,814
		3,424,000	3,105,589	**2,782,704**	2,607,882
Non-controlling interests		**220,577**	149,613	**-**	-
Total equity		**3,644,577**	3,255,202	**2,782,704**	2,607,882
Non-current assets					
Property, plant and equipment	19	**1,139,546**	948,877	**1,876**	3,767
Land held for property development	20(a)	**242,942**	277,564	**9,038**	8,717
Investment properties	21	**1,913,422**	1,750,583	**-**	-
Long term prepaid lease	22	**4,049**	4,186	**-**	-
Investments in subsidiaries	23	**-**	-	**1,818,235**	1,989,819
Investments in associates	24	**538,438**	550,382	**130,423**	130,423
Available-for-sale financial assets	26	**-**	-	**-**	-
Deferred tax assets	18	**6,664**	9,209	**-**	-
Cash and bank balances	33	**1,983**	1,924	**-**	-
		3,847,044	3,542,725	**1,959,572**	2,132,726
Current assets					
Property development costs	20(b)	**203,177**	144,455	**-**	-
Inventories	27	**67,320**	64,809	**40,781**	38,224
Financial assets at fair value through profit or loss	28	**23,771**	60,438	**23,771**	60,438
Trade and other receivables	29	**219,044**	93,215	**33,579**	31,888
Amounts owing by subsidiaries	30	**-**	-	**305,967**	279,668
Amounts owing by associates	31	**135,941**	130,663	**114,570**	109,291
Amount owing by a jointly controlled entity	35	**249**	11,071	**-**	-
Tax recoverable		**3,737**	11,637	**-**	5,231
Cash held under Housing Development Accounts	32	**22,271**	47,901	**10,399**	16,284
Cash and bank balances	33	**820,350**	578,932	**565,923**	218,237
		1,495,860	1,143,121	**1,094,990**	759,261
Less: Current liabilities					
Trade and other payables	34	**319,234**	400,153	**11,572**	27,390
Amounts owing to subsidiaries	30	**-**	-	**57,300**	55,433
Amounts owing to associates	31	**25,518**	26,321	**-**	-
Borrowings	17	**282,627**	256,491	**1,282**	1,282
Current tax payable		**40,279**	23,394	**1,704**	-
		667,658	706,359	**71,858**	84,105
Net current assets		**828,202**	436,762	**1,023,132**	675,156
Less: Non-current liabilities					
Trade and other payables	34	**39,381**	30,728	**-**	-
Borrowings	17	**823,013**	580,000	**200,000**	200,000
Deferred tax liabilities	18	**168,275**	113,557	**-**	-
		1,030,669	724,285	**200,000**	200,000
		3,644,577	3,255,202	**2,782,704**	2,607,882

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the financial year ended 31 December 2011

		Attributable to equity holders of the Company									
		Issued and fully paid ordinary shares of RM0.50 each		Treasury shares							
		Number of shares	Nominal value	Number of shares		Share premium	Revaluation and other reserves (Note 15)	Retained earnings	Total	Non-controlling interests	Total equity
Group	**Note**	**'000**	**RM'000**	**'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
At 1 January 2011		1,490,296	745,148	(37,283)	(59,301)	427,221	437,827	1,554,694	3,105,589	149,613	3,255,202
Total comprehensive income for the financial year		-	-	-	-	-	180,710	239,993	420,703	29,045	449,748
Transactions with equity holders:											
Share buy back		-	-	(6,552)	(12,829)	-	-	-	(12,829)	-	(12,829)
Dividends on ordinary shares	11	-	-	-	-	-	-	(82,089)	(82,089)	-	(82,089)
Distribution of treasury shares as dividend	13/14	-	-	14,528	23,109	(23,109)	-	-	-	-	-
Dividends paid to non-controlling interests of a subsidiary		-	-	-	-	-	-	-	-	(16,154)	(16,154)
Issuance of Redeemable Cumulative Non-voting Preference Shares to non-controlling interest in a subsidiary		-	-	-	-	-	-	-	-	7,701	7,701
Issuance of ordinary shares to non-controlling interest in a subsidiary		-	-	-	-	-	-	205	205	28,165	28,370
Disposal of shares in a subsidiary which does not result in a change in control		-	-	-	-	-	-	(7,579)	(7,579)	7,579	-
Equity portion of convertible bonds of a subsidiary, net of tax		-	-	-	-	-	-	-	-	14,628	14,628
Total transactions with equity holders		-	-	7,976	10,280	(23,109)	-	(89,463)	(102,292)	41,919	(60,373)
At 31 December 2011		1,490,296	745,148	(29,307)	(49,021)	404,112	618,537	1,705,224	3,424,000	220,577	3,644,577

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the financial year ended 31 December 2011
(continued)

		Attributable to equity holders of the Company									
		Issued and fully paid ordinary shares of RM0.50 each		Treasury shares							
		Number of shares	Nominal value	Number of shares		Share premium	Revaluation and other reserves (Note 15)	Retained earnings	Total	Non-controlling interests	Total equity
Group	Note	'000	RM'000	'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2010		1,490,296	745,148	(30,338)	(48,474)	427,221	353,451	1,382,863	2,860,209	114,908	2,975,117
Total comprehensive income for the financial year		-	-	-	-	-	107,376	176,205	283,581	26,073	309,654
Transactions with equity holders:											
Share buy back		-	-	(6,945)	(10,827)	-	-	-	(10,827)	-	(10,827)
Dividends on ordinary shares	11	-	-	-	-	-	-	(27,374)	(27,374)	-	(27,374)
Dividends paid to non-controlling interests of a subsidiary		-	-	-	-	-	-	-	-	(17,004)	(17,004)
Issuance of Redeemable Cumulative Non-voting Preference Shares to non-controlling interest in a subsidiary		-	-	-	-	-	-	-	-	914	914
Issuance of ordinary shares to non-controlling interest in a subsidiary		-	-	-	-	-	-	-	-	25,492	25,492
Accretion of shares in a subsidiary		-	-	-	-	-	-	-	-	(712)	(712)
Purchase of shares from non-controlling interests		-	-	-	-	-	-	-	-	(58)	(58)
Capital repayment from Capital Redemption Reserve of a subsidiary		-	-	-	-	-	(23,000)	23,000	-	-	-
Total transactions with equity holders		-	-	(6,945)	(10,827)	-	(23,000)	(4,374)	(38,201)	8,632	(29,569)
At 31 December 2010		1,490,296	745,148	(37,283)	(59,301)	427,221	437,827	1,554,694	3,105,589	149,613	3,255,202

COMPANY STATEMENT OF CHANGES IN EQUITY
for the financial year ended 31 December 2011

		Issued and fully paid ordinary shares of RM0.50 each		Treasury shares		Non-distributable	Distributable	
		Number of shares	Nominal value	Number of shares		Share premium	Retained earnings	Total equity
Company	**Note**	**'000**	**RM'000**	**'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
At 1 January 2011		**1,490,296**	**745,148**	**(37,283)**	**(59,301)**	**427,221**	**1,494,814**	**2,607,882**
Total comprehensive income for the financial year		**-**	**-**	**-**	**-**	**-**	**269,740**	**269,740**
Transactions with equity holders:								
Share buy back		**-**	**-**	**(6,552)**	**(12,829)**	**-**	**-**	**(12,829)**
Distribution of treasury shares as dividend		**-**	**-**	**14,528**	**23,109**	**(23,109)**	**-**	**-**
Dividends on ordinary shares	11	**-**	**-**	**-**	**-**	**-**	**(82,089)**	**(82,089)**
Total transactions with equity holders		**-**	**-**	**7,976**	**10,280**	**(23,109)**	**(82,089)**	**(94,918)**
At 31 December 2011		**1,490,296**	**745,148**	**(29,307)**	**(49,021)**	**404,112**	**1,682,465**	**2,782,704**
At 1 January 2010		1,490,296	745,148	(30,338)	(48,474)	427,221	1,480,374	2,604,269
Total comprehensive income for the financial year		-	-	-	-	-	41,814	41,814
Transactions with equity holders:								
Share buy back		-	-	(6,945)	(10,827)	-	-	(10,827)
Dividends on ordinary shares	11	-	-	-	-	-	(27,374)	(27,374)
Total transactions with equity holders		-	-	(6,945)	(10,827)	-	(27,374)	(38,201)
At 31 December 2010		1,490,296	745,148	(37,283)	(59,301)	427,221	1,494,814	2,607,882

STATEMENTS OF CASH FLOWS
for the financial year ended 31 December 2011

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Operating activities				
Cash receipts from customers	**763,709**	790,070	**11,141**	4,556
Cash paid to contractors, suppliers and employees	**(460,439)**	(370,997)	**(34,940)**	(25,914)
Cash flows from/(used in) operations	**303,270**	419,073	**(23,799)**	(21,358)
Interest paid	**(56,500)**	(54,739)	**(11,861)**	(11,829)
Income taxes (paid)/refunded	**(54,701)**	(52,022)	**8,080**	(1,445)
Deposits held with trustee	**(3,866)**	(47)	**-**	-
Net cash generated from/(used in) operating activities	**188,203**	312,265	**(27,580)**	(34,632)
Investing activities				
Proceeds from redemption of preference shares in subsidiaries	**-**	-	**13,000**	116,500
Proceeds from disposal of financial assets at fair value through profit or loss	**40,025**	-	**40,025**	-
Interest received	**19,121**	12,778	**17,595**	14,038
Additions in property, plant and equipment	**(55,438)**	(53,358)	**(183)**	(249)
Additions in investment properties	**(207,660)**	(93,207)	**-**	-
Additions in land held for property development	**(9,636)**	(2,035)	**(321)**	(426)
Proceeds from sale of property, plant and equipment	**-**	292	**-**	-
Proceeds from sale of land held for property development	**7,645**	-	**-**	-
Proceeds from disposal of a subsidiary	**-**	-	**222,679**	-
Subscription of additional shares in subsidiaries	**-**	-	**(39,200)**	(207,361)
Purchase of financial assets at fair value through profit or loss	**(100)**	-	**(100)**	-
Dividends received from subsidiaries	**-**	-	**49,626**	67,834
Dividends received from associates	**31,675**	15,263	**-**	1,200
Dividends received from financial assets at fair value through profit or loss	**933**	903	**933**	903
Advances to subsidiaries	**-**	-	**(306,326)**	(224,944)
Repayments of advances from subsidiaries	**-**	-	**443,058**	256,647
Advances from subsidiaries	**-**	-	**37,793**	47,935
Repayments of advances to subsidiaries	**-**	-	**(10,810)**	(6,306)
Advances from associates	**600**	266	**-**	-
Repayments of advances to associates	**(2,450)**	-	**-**	-
Advances to associates	**(7,180)**	(5,794)	**(7,004)**	(1,160)
Repayments from associates	**2,135**	5,212	**-**	977
Net repayment of advances from/(advances to) jointly controlled entity	**10,822**	(14,488)	**-**	-
Net cash (used in)/from investing activities	**(169,508)**	(134,168)	**460,765**	65,588

STATEMENTS OF CASH FLOWS
for the financial year ended 31 December 2011
(continued)

		Group		Company	
		2011	2010	2011	2010
	Note	RM'000	RM'000	RM'000	RM'000
Financing activities					
Repayments of borrowings		**(126,031)**	(277,142)	-	-
Proceeds from borrowings		**142,828**	135,000	-	-
Proceeds from issuance of Redeemable Convertible Bonds		**267,790**	-	-	-
Purchase of treasury shares		**(12,829)**	(10,827)	**(12,829)**	(10,827)
Dividends paid		**(82,089)**	(27,374)	**(82,089)**	(27,374)
Net cash from/(used in) financing activities		**189,669**	(180,343)	**(94,918)**	(38,201)
Net increase/(decrease) in cash and cash equivalents during the financial year		**208,364**	(2,246)	**338,267**	(7,245)
Cash and cash equivalents at beginning of financial year		**614,833**	632,376	**234,521**	252,303
Foreign currencies exchange differences on opening balances		**3,617**	(15,297)	**3,534**	(10,537)
Cash and cash equivalents at end of financial year	43	**826,814**	614,833	**576,322**	234,521

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011

1. General information

The principal activities of the Company during the financial year are those of investment holding and property development. The principal activities of the Group mainly consist of property development, property investment and management, owner and operator of malls, hotel operations, construction and investment holding. There have been no significant changes in the nature of these activities during the financial year.

Items included in the financial statements of the Group and Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

As at 31 December 2011, all financial assets and financial liabilities of the Group and Company are denominated in Ringgit Malaysia unless otherwise stated.

2. Summary of significant accounting policies

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in dealing with items that are considered material in relation to the financial statements.

2.1 Basis of preparation

The financial statements of the Group and Company have been prepared in accordance with the provisions of the Companies Act, 1965 and the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities.

The financial statements of the Group and Company have been prepared under the historical cost convention except as disclosed in this summary of significant accounting policies.

The preparation of financial statements in conformity with the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

(a) Standards, amendments and improvements to published standards and interpretations to existing standards that are effective and are applicable to the Group

The new accounting standards, amendments and improvements to published standards and interpretations to existing standards that are effective and are applicable to the Group for the financial year beginning on 1 January 2011 are as follows:

- Revised FRS 1 "First-time adoption of Financial Reporting Standards"
- Revised FRS 3 "Business Combinations"
- Amendment to FRS 5 "Non-current assets held for sale and Discontinued Operations"
- Revised FRS 127 "Consolidated and Separate Financial Statements"
- Amendments to FRS 7 "Financial Instruments Disclosures – Improving Disclosures about Financial Instruments"
- Amendments to FRS 1 "First-time adoption of Financial Reporting Standards"
- Amendments to IC Interpretation 9 "Reassessment of Embedded Derivatives"
- Amendments to FRS 132 "Financial Instruments: Presentation – Classification of Rights Issue"
- IC Interpretation 4 "Determining whether an Arrangement contains a Lease"
- Improvement to FRSs (2010)

All changes in accounting policies have been made in accordance with the transition provisions in the respective standards, amendments and improvements to published standards, and interpretations.

The new accounting standards, amendments to published standards and interpretations on the financial statements of the Group and of the Company do not result in a significant change to the accounting policies and do not have a material impact on the financial statements of the Group and of the Company except for Revised FRS 3 "Business combinations", Revised FRS 127 "Consolidated and separate financial statements" and Amendment to FRS 7 "Financial instruments: Disclosures - improving disclosures about financial instruments", of which the impact is set out in Note 42 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

2. Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

(b) Standards, amendments and improvements to published standards and interpretations to existing standards that are early adopted by the Group

There are no new accounting standards, amendments and improvements to published standards and interpretations to existing standards that are early adopted by the Group.

(c) Standards, amendments and improvements to published standards and interpretations to existing standards that are applicable to the Group but are not yet effective

The new accounting standards, amendments and improvements to published standards and interpretations to existing standards that are effective for annual periods beginning on 1 January 2012 are as follows:

- The revised FRS 124 "Related party disclosures" removes the exemption to disclose transactions between government-related entities and the government, and all other government – related entities. The following new disclosures are now required for government related entities:

  - The name of the government and the nature of their relationship;
  - The nature and amount of each individually significant transactions; and
  - The extent of any collectively significant transactions, qualitatively or quantitatively.

  The adoption of the above will not result in any material impact on the financial statements of the Group and Company.

- Amendment to FRS 112 "Income taxes" introduces an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. FRS 112 currently requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in FRS 140 "Investment property". As a result of the amendments, IC Interpretation 121 "Income taxes - recovery of revalued non-depreciable assets" will no longer apply to investment properties carried at fair value. The amendments also incorporate into FRS 112 the remaining guidance previously contained in IC Interpretation 121 which is withdrawn.

  The adoption of the above FRSs will not result in any material impact on the financial statements of the Group and Company.

In the financial year beginning on 1 January 2013, the Group will be adopting the new IFRS-compliant framework, Malaysian Financial Reporting Standards ("MFRS"). MFRS 1 "First-time Adoption of MFRS" provides for certain optional exemptions and certain mandatory exceptions for first-time MFRS adopters.

The Group will apply the new standards, amendments to standards and interpretations in the following period:

(i) Financial year beginning on 1 January 2013

- IC Interpretation 15 "Agreements for Construction of Real Estates" supercedes FRS 201 "Property development activities" and clarifies that property development activities are sale of goods, instead of construction contracts.

- MFRS 10 "Consolidated Financial Statements" changes the definition of control. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. It establishes control as the basis for determining which entities are consolidated in the consolidated financial statements and sets out the accounting requirements for the preparation of consolidated financial statements. It replaces all the guidance on control and consolidation in MFRS 127 "Consolidated and separate financial statements' and IC Interpretation 112 "Consolidation – special purpose entities'.

- MFRS 12 "Disclosures of Interests in Other Entities" sets out the required disclosures for entities reporting under the two new standards, MFRS 10 and MFRS 11, and replaces the disclosure requirements currently found in MFRS 128 "Investments in Associates". It requires entities to disclose information that helps financial statement readers to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities.

2. Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

(c) Standards, amendments and improvements to published standards and interpretations to existing standards that are applicable to the Group but are not yet effective (continued)

(i) Financial year beginning on 1 January 2013 (continued)

- MFRS 13 "Fair Value Measurement" aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across MFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. The enhanced disclosure requirements are similar to those in MFRS 7 "Financial instruments: Disclosures", but apply to all assets and liabilities measured at fair value, not just financial ones.

- The revised MFRS 127 "Separate Financial Statements" includes the provisions on separate financial statements that are left after the control provisions of MFRS 127 have been included in the new MRFS 10.

- The revised MFRS 128 "Investments in Associates and Joint Ventures" includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of MFRS 11.

- Amendment to MFRS 101 "Presentation of Items of Other Comprehensive Income" requires entities to separate items presented in 'other comprehensive income' (OCI) in the statement of comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future.

- Amendment to MFRS 119 "Employee Benefits" makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits. Actuarial gains and losses will no longer be deferred using the corridor approach.

(ii) Financial year beginning on 1 January 2015

- MFRS 9 "Financial instruments - classification and measurement of financial assets and financial liabilities" (effective from 1 January 2015) replaces the multiple classification and measurement models in MFRS 139 with a single model that has only two classification categories: amortised cost and fair value. The basis of classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The adoption of MFRS 9 is expected to have material impact on financial assets of the Company.

  The accounting and presentation for financial liabilities and for de-recognising financial instruments has been relocated from MFRS 139, without change, except for financial liabilities that are designated at fair value through profit or loss ("FVTPL"). Entities with financial liabilities designated at FVTPL recognise changes in the fair value due to changes in the liability's credit risk directly in other comprehensive income (OCI). There is no subsequent recycling of the amounts in OCI to profit or loss, but accumulated gains or losses may be transferred within equity. The guidance in MFRS 139 on impairment of financial assets and hedge accounting continues to apply.

  Management is still assessing the impact on the financial position of the Group and the Company in the year of initial application for IC Interpretation 15 and MFRS 9. Other than that, the above standards, amendments and improvements to published standards and interpretations to existing standards are not anticipated to have any significant impact on the financial position of the Group and the Company in the year of initial application.

2.2 Consolidation

(a) Subsidiaries

Subsidiaries are all those entities (including special purpose entities) over which the Group has power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

2. Summary of significant accounting policies (continued)

2.2 Consolidation (continued)

(a) Subsidiaries (continued)

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

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

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. This may indicate an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

(b) Transactions with non-controlling interests

Previously, the Group applied a policy of treating transactions with non-controlling interests as transactions with parties external to the Group. Accordingly, disposals resulted in gains or losses and purchases resulted in the recognition of goodwill, being the difference between consideration paid and the relevant share of the carrying value of net assets of the subsidiary acquired. The Group has applied this policy prospectively to transactions occurring on or after 1 January 2011. The Group applies a policy of treating transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share of the carrying value of net assets of the subsidiary acquired is deducted from equity. For disposals to non-controlling interests, differences between any proceeds received and the relevant share of non-controlling interests are also recognised in equity.

(c) Jointly controlled entities

Jointly controlled entities are corporations, partnerships or other entities over which there is contractually agreed sharing of control by the Group with one or more parties where the strategic financial and operating decisions relating to the entities require unanimous consent of the parties sharing control. The Group's interest in jointly controlled entities is accounted for in the financial statements by the equity method of accounting.

Equity accounting involves recognising the Group's share of the post-acquisition results of jointly controlled entities in profit or loss and its share of post-acquisition changes of the investee's reserves in other comprehensive income. The cumulative post-acquisition changes are adjusted against the cost of the investment and include goodwill on acquisition (net of accumulated impairment loss).

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.

Where necessary, adjustments have been made to the financial statements of jointly controlled entities to ensure consistency of accounting policies with those of the Group.

(d) Associates

Associates are those corporations, partnerships or other entities in which the Group exercises significant influence, but which it does not control, generally accompanying a shareholding of between 20% and 50% of voting rights. Significant influence is power to participate in financial and operating policy decisions of associates but not power to exercise control over those policies.

Investments in associates are accounted for using equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition (Note 2.5), net of any accumulated impairment loss.

2. Summary of significant accounting policies (continued)

2.2 Consolidation (continued)

(d) Associates (continued)

The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. If the Group's share of losses of an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses. The interest in an associate is the carrying amount of the investment in the associate under the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the associate. After the Group's interest is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the investor has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence on impairment of the asset transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of associates to ensure consistency of accounting policies with those of the Group.

When the Group increases its stake in an existing investment and the investment becomes an associate for the first time, goodwill is calculated at each stage of the acquisition. The Group does not revalue its previously owned share of net assets to fair value. Any existing available-for-sale reserve is reversed in other comprehensive income, restating the investment to cost. For an investment designated at fair value through profit or loss, the reversal resulting from the restatement to cost is made against retained earnings. A share of profits (after dividends) together with a share of any equity movements relating to the previously held interest are accounted for in other comprehensive income.

(e) Investment in subsidiaries, joint ventures and associates

In the Company's separate financial statements, investments in subsidiaries, joint ventures and associates are carried at cost less accumulated impairment losses. On disposal of investments in subsidiaries, joint ventures and associates, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.3 Property, plant and equipment

Property, plant and equipment are initially stated at cost. Hotel properties (land, development rights and buildings) are subsequently shown at fair value, based on periodic valuations, but at least once in every five years, by external independent valuers, less subsequent depreciation and impairment losses. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (refer to accounting policy Note 2.15 on borrowings and borrowing costs).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in statement of comprehensive income during the financial period in which they are incurred.

When an asset's carrying amount is increased as a result of a revaluation, the increase is recognised in other comprehensive income as a revaluation surplus reserve. When the asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in statement of comprehensive income. However, the decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus reserve of that asset. The revaluation surplus included in equity is transferred directly to retained earnings as the asset is used. The amount of the revaluation surplus transferred is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

2. Summary of significant accounting policies (continued)

2.3 Property, plant and equipment (continued)

Freehold land is not depreciated as it has an infinite life. Leasehold land classified as finance lease (refer to accounting policy Note 2.7 (b) on finance lease) is amortised in equal installments over the period of the respective leases. Other property, plant and equipment are depreciated on the straight line method to allocate the cost or the revalued amounts to their residual values over their estimated useful lives, summarised as follows:

	%
• Buildings, including hotel buildings	1-2
• Plant and machinery	10-20
• Motor vehicles	20
• Office furniture, fittings and equipment	10-33 1/3
• Leasehold land	1

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the end of the reporting period. The Group carries out assessment on residual values and useful lives of assets on an annual basis. There was no adjustment arising from the assessment performed in the financial year.

Depreciation on assets under construction commences when the assets are ready for their intended use.

At the end of the reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see accounting policy Note 2.6 on impairment of non-financial assets).

Gains and losses on disposals are determined by comparing net disposal proceeds with carrying amount and are included in statement of comprehensive income. The revaluation surplus included in equity is transferred directly to retained earnings when the asset is disposed of.

2.4 Investment properties

Investment properties, comprising principally land, development rights and buildings are held for long term rental yields or for capital appreciation or both, and are not substantially occupied by the Group. Investment properties are measured initially at cost, including related transaction costs. Building fittings that are attached to the buildings are also classified as investment properties.

After initial recognition, investment property is stated at cost less any accumulated depreciation and impairment losses. At each reporting date, the Company assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 2.6 on impairment of non-financial assets. Freehold land is not depreciated as it has an infinite life. Other categories of investment properties are depreciated on the straight line basis to allocate the cost to their residual values over their estimated useful lives, summarised as follows:

	%
• Buildings	2
• Building fittings	10-20

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property is derecognised (eliminated from the statement of financial position) either when it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Gains and losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are included in statement of comprehensive income.

2.5 Goodwill

Goodwill or negative goodwill represents the excess or deficit of the cost of acquisition of subsidiaries, jointly controlled entities and associates over the fair value of the Group's share of the identifiable net assets at the date of acquisition.

Goodwill on acquisitions of subsidiaries is included in the statement of financial position as intangible assets whereas negative goodwill is recognised immediately in the statement of comprehensive income.

2. Summary of significant accounting policies (continued)

2.5 Goodwill (continued)

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill (inclusive of impairment losses recognised in a previous interim period) are not reversed. Gains and losses on the disposal of a subsidiary include the carrying amount of goodwill relating to the subsidiary sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination in which the goodwill arose, identified according to operating segment. Please see accounting policy Note 2.6 on impairment of non-financial assets.

Goodwill on acquisition of jointly controlled entities and associates is included in investments in jointly controlled entities and investment in associates. Such goodwill is tested for impairment as part of the overall balance.

2.6 Impairment of non-financial assets

Property, plant and equipment and other non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

The impairment loss is charged to the statement of comprehensive income during the period in which they are incurred and any subsequent increase in recoverable amount is recognised in the statement of comprehensive income.

2.7 Leases

a) Operating lease

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payment made under operating leases (net of any incentives received from the lessor) is charged to the statement of comprehensive income on the straight line basis over the lease period.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are recognised in the statement of comprehensive income when incurred. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

b) Finance lease

The Group leases certain property, plant and equipment. Leases of property, plant and equipment, where the Group has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term.

Initial direct costs incurred by the Group in negotiating and arranging finance leases are added to the carrying amount of the leased assets and recognised as an expense in the statement of comprehensive income over the lease term on the same basis as the lease expense.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

2. Summary of significant accounting policies (continued)

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value.

(a) Unsold properties

The cost of unsold properties is stated at the lower of historical cost and net realisable value. Historical cost includes, where relevant, cost associated with the acquisition of land, including all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended case, related development costs to projects, direct building costs and other costs of bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

(b) Hotel operating supplies

Cost is determined using the first-in, first-out method and comprises food and beverage, printing and stationeries and guestroom supplies.

Net realisable value is the estimated selling price in the ordinary course of business, less the applicable variable selling expenses.

2.9 Construction contracts

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

Contract costs are recognised as expenses in the period in which they are incurred. When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. The Group uses the 'percentage-of-completion method' to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

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

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

The Group presents as an asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retention are included within 'trade and other receivables'. The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

2.10 Property development activities

(a) Land held for property development

Land held for property development consists of land and all cost directly attributable to development activities on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at cost less accumulated impairment losses.

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. Where the Group had previously recorded the land at revalued amount, it continues to retain this amount as its surrogate costs as allowed by FRS 201. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount (see accounting policy Note 2.6 on impairment of non-financial assets).

2. Summary of significant accounting policies (continued)

2.10 Property development activities (continued)

(a) Land held for property development (continued)

Land held for property development is transferred to property development costs (under current assets) when development activities have commenced and where development activities can be completed within the Group's normal operating cycle of 2 to 3 years.

(b) Property development costs

When the outcome of the development activity can be estimated reliably, property development revenue and expenses in respect of development units sold are recognised by using the stage of completion method. The stage of completion is measured by reference to the property development costs incurred up to the end of the reporting period as a percentage of total estimated costs for the property development.

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

Irrespective of whether the outcome of a property development activity can be estimated reliably, when it is probable that total property development costs (including expected defect liability expenditure) will exceed total property development revenue, the expected loss is recognised as an expense immediately.

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

Where revenue recognised in the income statement exceeds billings to purchasers, the balance is shown as accrued billings under trade and other receivables (within current assets). Where billings to purchasers exceed revenue recognised in the income statement, the balance is shown as progress billings under trade and other payables (within current liabilities).

2.11 Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment (see accounting policy 2.21 (c) on impairment of financial assets).

2.12 Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents consist of cash on hand, deposits held at call with banks, other short term and highly liquid investments with original maturity of three months or less, and bank overdrafts. Bank overdrafts, if any are included within borrowings in current liabilities in the statement of financial position.

2.13 Share capital

(a) Classifications

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

Distributions to holders of a financial instrument classified as an equity instrument are charged to equity.

(b) Share issue costs

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(c) Dividends to shareholders of the Company

Interim dividends on ordinary shares are recognised as liabilities when declared before the reporting date. Proposed final dividends are accrued as liabilities only after approval by shareholders.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

2. Summary of significant accounting policies (continued)

2.13 Share capital (continued)

(d) Purchase of own shares

Where the Company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental external costs, net of tax, is included in equity attributable to the equity holders as treasury shares until they are cancelled, reissued or disposed off. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental external costs and the related tax effects, is included in equity attributable to equity holders.

2.14 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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

2.15 Borrowings and borrowing costs

(a) Classification

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between initial recognised amount and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective yield method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(b) Capitalisation of borrowing costs

Borrowing costs incurred to finance the construction of any qualifying assets are capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use. Borrowing costs incurred to finance property development activities and construction contracts are accounted for in a similar manner. All other borrowing costs are expensed to the statement of comprehensive income.

2.16 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries and associates operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of the most likely outcome.

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon the taxable profits, including withholding taxes payable by a foreign subsidiary and associate on distributions of retained earnings to companies in the Group, and real property gains taxes payable on disposal of properties.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible differences to the extent that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

2. Summary of significant accounting policies (continued)

2.16 Current and deferred income tax (continued)

Deferred tax is not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction which, at the time of transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or unused tax losses can be utilised.

Deferred tax is recognised on temporary differences on investments in subsidiaries and associates except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is determined using tax rates (and tax law) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset and the Group intends to settle either on a net basis or to realise the assets and settle the liability simultaneously.

2.17 Employee benefits

(a) Short term employee benefits

Wages, salaries, bonuses, paid annual leave and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

(b) Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods. The defined contribution plan of the Group relates to the contribution to the Employee Provident Fund, the national defined contribution plan.

The Group's contributions to defined contribution plans are charged to the income statement in the period to which they relate. Once the contributions have been paid, the Group has no further payment obligations. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(c) Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after end of the reporting period are discounted to present value.

2.18 Contingent liabilities and contingent assets

The Group does not recognise a contingent liability but discloses its existence in the financial statements. 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 the extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts.

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 contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

2. Summary of significant accounting policies (continued)

2.19 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the income have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Income from property development is recognised on the stage of completion method based on units sold, and where the outcome of the development projects can be reliably estimated. Anticipated losses are recognised in full.

Income from construction contracts is recognised on the stage of completion method in cases where the outcome of the contract can be reliably estimated. In all cases, anticipated losses are recognised in full.

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

Hotel revenue represents income derived from room rental and sales of food and beverage. Room rental income is accrued on a daily basis on customer-occupied rooms. Sales of food and beverage are recognised upon delivery to customers. Hotel revenue is recognised net of sales tax and discounts.

Rental income is recognised on an accrual basis in accordance with the substance of the relevant agreements unless collectibility is in doubt, in which case the recognition of such income is suspended. Other rent related and carpark income is recognised upon services being rendered. When the Group provides incentives to its tenants, the cost of incentives is recognised over the lease term, on a straight-line basis, as a reduction of rental income. Service and management charges are recognised in the accounting period in which the services are rendered.

Management fees and project management fees are recognised on an accrual basis. Revenue from the rendering of services is recognised based on performance of services.

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

2.20 Foreign currency translations

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

(b) Transactions and balances

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

Foreign exchange gains and losses that relate to cash and cash equivalents is presented in income statement within 'other operating income or expense'.

2. Summary of significant accounting policies (continued)

2.20 Foreign currency translations (continued)

(c) Group companies

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

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

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income. When a foreign operation is partially disposed or sold, exchange differences that were recorded in equity are recognised in the statement of comprehensive income as part of the gain or loss on sale.

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

2.21 Financial instruments

(a) Financial asset

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

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

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

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

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

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

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The group's loans and receivables comprise 'trade and other receivables', 'amounts owing by subsidiaries', 'amounts owing by associates', 'cash held under Housing Development Accounts', 'cash and bank balances' and 'amount owing by a jointly controlled entity' in the statement of financial position (Notes 29, 30, 31,32, 33 and 35).

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

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

2. Summary of significant accounting policies (continued)

2.21 Financial instruments (continued)

(a) Financial asset (continued)

(ii) Loans and receivables (continued)

Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of the asset.

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting date.

Subsequent to initial recognition, available-for-sale financial assets are carried at fair value. Changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income, except for impairment loss (see accounting policy Note 2.21 (c)) and foreign exchange gains and losses on monetary assets. The exchange differences on monetary assets are recognised in profit or loss, whereas exchange differences on monetary assets are recognised in other comprehensive income as part of fair value change.

(b) Financial liability

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

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

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

The Group classifies its financial liabilities as other financial liabilities. The classification depends on the purpose for which the financial liabilities were issued. Management determines the classification of its financial liabilities at initial recognition.

(i) Other financial liabilities

Other financial liabilities of the Group comprise 'borrowings', 'amounts owing to subsidiaries', 'amounts owing to associates' and 'trade and other payables' in the statement of financial position (Notes 17, 30, 31 and 34).

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in statement of comprehensive income when the other financial liabilities are derecognised, and through the amortisation process.

Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled or expired.

(ii) Financial Guarantee Contracts

The Group has issued corporate guarantee to banks for borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Group to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liabilities are initially recognised at their fair values plus transaction costs in the Group's statement of financial position.

Financial guarantees are subsequently amortised to statement of comprehensive income over the period of the subsidiaries' borrowings, unless it is probable that the Group will reimburse the bank for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the bank in the Group's statement of financial position.

2. Summary of significant accounting policies (continued)

2.21 Financial instruments (continued)

(c) Impairment of financial assets

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

Assets carried at amortised cost

A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- Disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

  (i) adverse changes in the payment status of borrowers in the portfolio; and
  (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

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

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

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

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of loss has been determined.

Assets classified as available-for-sale

For debt securities, the Group uses the criteria of impairment loss applicable for 'asset carried at amortised cost' above. If in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

2. Summary of significant accounting policies (continued)

2.21 Financial instruments (continued)

(c) Impairment of financial assets (continued)

Assets classified as available-for-sale (continued)

In the case of equity securities classified as available-for-sale, in addition to the criteria for assets carried at amortised cost above, a significant or prolonged decline in the fair value of the security below its cost is also considered as an indication that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative losses that have been recognised directly in equity is removed from equity and recognised in profit or loss. The amount of cumulative loss that is reclassified to profit or loss is the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Impairment losses recognised in consolidated statement of comprehensive income on equity instruments classified as available-for-sale are not reversed through the consolidated statement of comprehensive income.

Investment in unquoted equity instruments which are classified as available-for-sale and whose fair value cannot be reliably measured are measured at cost. These investments are assessed for impairment at each reporting date.

(d) Financial instruments recognised on the statement of financial position

The particular recognition method adopted for financial instruments recognised on the statement of financial position is disclosed in the individual accounting policy statements associated with each item.

(e) Fair value estimation for disclosure purposes

The fair value of publicly traded securities is based on quoted market prices at the reporting date.

In assessing the fair value of non-traded financial instruments, the Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date.

The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate for each type of the financial liabilities of the Group.

The face values for financial assets (less any estimated credit adjustments) and financial liabilities with a maturity of less than one year are assumed to approximate their fair values.

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the Board of Directors that makes strategic decisions.

Segment reporting is presented for enhanced assessment of the Group's risks and returns. Business segments provide products or services that are subject to risk and returns that are different from those of other business segments.

Segment revenue, expenses, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expenses, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transactions are between group enterprises within a single segment.

3. Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency exchange risk and fair value interest rate risk), credit risk, liquidity and cash flow risk. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders. The Group focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Financial risk management is carried out through risk reviews, internal control systems, insurance programmes and adherence to Group financial risk management policies. The management regularly reviews these risks and approves the treasury policies, which covers the management of these risks.

(a) Market risk

(i) Foreign currency exchange risk

The Group and Company is exposed to foreign currency risk as a result of advances from/(to) subsidiaries and associates denominated in Australian Dollar, Great Britain Pound, Singapore Dollar, US Dollar, Hong Kong Dollar, Baht and Peso. The Directors are of the view that exposure to foreign exchange risk is moderate and the management regularly monitors the foreign exchange currency fluctuations

The amount recognised in the statement of financial position is determined as follows:

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Amounts owing by subsidiaries	-	-	75	75
Amounts owing by associates	20,196	19,878	-	-
Assets in statement of financial position	20,196	19,878	75	75
Amounts owing to subsidiaries	-	-	17,548	17,556
Amounts owing to associates	15,470	15,134	-	-
Liabilities in statement of financial position	15,470	15,134	17,548	17,556

As the foreign currency risk arises from the Group and Company as a result of advances from/(to) subsidiaries and associates denominated in Australian Dollar, Great Britain Pound, Singapore Dollar, US Dollar, Hong Kong Dollar and Baht are not material and did not have any significant impact on the financial statements of the Group at the reporting date, hence sensitivity analysis is not presented.

(ii) Fair value interest rate risk

The Group's borrowings are made up of both fixed and floating rate borrowings. The fixed rate borrowings taken by the Group lock in the interest rate against any fluctuation. The fixed rate borrowings exposes the Group to fair value interest rate risk which is partially offset by borrowings obtained at floating rate.

The Group also regularly reviews these risks and takes proactive measures to mitigate the potential impact of such risk.

Sensitivity analysis for interest rate changes is unrepresentative as the Group does not use variable rates in managing its interest rate risk.

(b) Credit risk

Credit risk arises when sales are made on deferred credit terms. The Group controls these risks by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored by strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group management reporting procedures. The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instrument.

The credit quality of trade receivables that are neither past due nor impaired are substantially amounts due from customers with good collection track record with the Group. Management will continuously monitor closely the trade receivables which are past due.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

3. Financial risk management objectives and policies (continued)

(b) Credit risk (continued)

Credit risk arising from property development

The Group does not have any significant credit risk from its property development activities as its services and products are predominantly rendered and sold to a large number of property purchasers using financing from reputable end-financiers.

Trade receivables are monitored on an on-going basis via Group management reporting procedures. The Group does not have any significant exposure to any individual customer or counterparty nor does the Group have any major concentration of credit risk related to any financial instruments.

Credit risks with respect to trade receivables are limited as the ownership and rights to the properties revert to the Group in the event of default.

Credit risk arising from property investment – office towers and malls

Credit risks arising from outstanding receivables from the tenants are minimised and monitored by strictly limiting the Group's association to business partners with high creditworthiness. Furthermore, the tenants have placed security deposits with the Group which acts as collateral. Due to these factors, no additional credit risk beyond amounts allowed for collection losses is inherent in the Group's trade receivables.

Credit risk arising from other activities of the Group

Concentration of credit risk with respect to trade receivables is limited due to the Group's large number of customers. The Group's historical experience in collection of trade receivables falls within the recorded allowances. Due to these factors, no additional credit risk beyond amounts allowed for collection losses is inherent in the Group's trade receivables.

Credit risk arising from deposits with licensed banks

Credit risk also arises from deposits with licensed banks and financial institutions. The deposits are placed with credit worthy financial institutions. The Group considers the risk of material loss in the event of non-performance by a financial counterparty to be unlikely. See Note 25(B) for further disclosure on credit risk.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the statements of financial position, except as follows:

	Company	
	2011	**2010**
	RM'000	**RM'000**
Corporate guarantees provided to banks on subsidiaries' facilities	**545,000**	414,875

(c) Liquidity and cash flow risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and prudently balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

At the reporting date, the Group held cash and cash equivalents of RM826,814,000 (2010: RM614,883,000) that are expected to readily generate cash inflows for managing liquidity risk.

The table below analyses the Group's and the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

3. Financial risk management objectives and policies (continued)

(c) Liquidity and cash flow risk (continued)

Group	Note	Less than 1 year RM'000	Between 1 year and 2 years RM'000	Between 2 years and 3 years RM'000	Over 3 years RM'000	Total RM'000
At 31 December 2011						
Borrowings	17	**282,627**	**170,000**	**-**	**653,013**	**1,105,640**
Trade and other payables	34	**319,234**	**18,953**	**20,428**	**-**	**358,615**
At 31 December 2010						
Borrowings	17	256,491	110,000	220,000	250,000	836,491
Trade and other payables	34	400,153	15,364	15,364	-	430,881
Company						
At 31 December 2011						
Financial guarantee liabilities		**545,000**	**-**	**-**	**-**	**545,000**
At 31 December 2010						
Financial guarantee liabilities		414,875	-	-	-	414,875

(d) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholder, issue new shares or sell assets to reduce debt.

(e) Fair values

The carrying amounts of the following financial assets and liabilities approximate their fair values due to the relatively short term maturity of these financial instruments: deposits, cash and bank balances, receivables and payables.

Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2);
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

3. Financial risk management objectives and policies (continued)

(e) Fair values (continued)

The following table presents the entity's assets and liabilities that are measured at fair value:

	Group and Company	
	2011	**2010**
	RM'000	**RM'000**
Level 1		
Financial assets at fair value through profit or loss	**23,771**	60,438

Financial assets at fair value through profit or loss are investments in securities which has quoted market price.

The Company does not hold any financial assets or liabilities that are fair valued at Level 2 and at level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.

4. Critical accounting estimates and judgements

Estimates and judgements 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.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

(i) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involves uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Changes in assumptions can significantly affect the results of the Group's test for impairment of assets.

(ii) Recognition of property development profits

When the outcome of the development activity can be estimated reliably and the sale of the development unit is affected, the Group recognises property development profits and costs by reference to the stage of completion of the development activity at the reporting date. The stage of completion is determined based on the proportion that the property development costs incurred to-date bear to the estimated total costs for the property development.

When the outcome of a development activity cannot be estimated reliably, property development revenue is recognised only to the extent of property development costs incurred that is probably will be recovered and the property development costs on the development units sold are recognised when incurred.

Where it is probable that total property development costs of a development phase will exceed total property development revenue of the development costs, the expected loss is recognised as an expense in the period in which the loss is identified.

Significant judgement is required in the estimation of total property development costs. Where the actual total property development costs is different from the estimated total property development costs, such difference will impact the property development profits/(losses) recognised.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

4. Critical accounting estimates and judgements (continued)

(iii) Recognition of construction contracts profits

The Group recognises contract profits based on the stage of completion method. The stage of completion of a construction contract is determined based on the proportion that the contract costs incurred for work performed to-date bear to the estimated total costs for the contract. When it is probable that the estimated total contract costs of a contract will exceed the total contract revenue of the contract, the expected loss on the contract is recognised as an expense immediately.

Significant judgement is required in the estimation of total contract costs. Where the actual total contract costs is different from the estimated total contract costs, such difference will impact the contract profits/(losses) recognised.

The Group has estimated total contract revenue based on the initial amount of revenue agreed in the contract and variations in the contract work and claims that can be measured reliably based on the latest available information, and in the absence of such, the Directors' best estimates derived from reasonable assumptions, experience and judgement.

Where the actual approved variations and claims differ from the estimates, such difference will impact the contract profits/(losses) recognised.

(iv) Taxation

Significant judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for tax based on estimates of assessment of the tax liability due. When the final tax outcome is different from the amount that were initially recorded, such differences will impact the income tax and deferred tax provisions, where applicable, in the period in which such determination is made.

Recognition of deferred tax assets, which principally relate to tax losses, depends on the expectation of future taxable profits that will be available against which tax losses can be utilised. This involves judgement regarding the future financial performance of the particular entity in which the deferred tax asset has been recognised.

5. Revenue

	Group		**Company**	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Rental income from retail malls	**365,655**	338,528	-	-
Hotel room revenue	**167,284**	147,095	-	-
Rental income from office buildings	**104,643**	94,196	-	-
Property development revenue	**17,895**	61,237	-	-
Sale of food, beverages and others	**49,570**	46,513	-	-
Investment income	**14,888**	11,131	**50,616**	80,974
Contract revenue	**41,923**	9,037	-	-
Rendering of services	**2,902**	7,153	-	-
Other rental and rent related income	**7,369**	4,470	**2,442**	2,410
	772,129	719,360	**53,058**	83,384

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

6. Profit from operations

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Profit from operations is stated after charging:				
Auditors' remuneration:				
- Current financial year	**598**	592	**135**	133
- Under provision in prior financial year	**6**	45	**1**	25
- Other fees	**12**	12	**6**	6
Bad debts written off:				
- Trade and other receivables	**531**	1,560	**-**	-
Property development cost	**7,950**	18,879	**-**	-
Construction contract cost	**41,717**	8,944	**-**	-
Depreciation:				
- property, plant and equipment	**53,663**	48,764	**895**	1,338
- investment properties	**54,089**	49,179	**-**	-
- long term prepaid lease	**232**	227	**-**	-
Hire of plant and equipment	**530**	97	**-**	-
Operating lease rental	**1,088**	940	**-**	-
Impairment losses:				
- Investment in subsidiaries	**-**	-	**224**	2,300
Loss on revaluation of financial assets at fair value through profit or loss	**-**	38	**-**	38
Loss on disposal of property, plant and equipment	**64**	133	**-**	-
Rental of buildings	**6,675**	6,192	**3,690**	3,299
Staff costs (includes Directors' remuneration as disclosed in Note 7 but excludes defined contribution plan)	**82,908**	78,798	**18,861**	17,487
Defined contribution plan	**8,571**	8,222	**1,993**	1,913
Foreign exchange loss – unrealised	**409**	22,400	**-**	14,698
Write - off of property, plant and equipment	**6,214**	178	**1,179**	171
Provision for impairment:				
- Trade and other receivables	**3,267**	1,674	**-**	-
- Amounts owing by subsidiaries	**-**	-	**184**	1,534
- Amounts owing by associates	**1,154**	-	**1,154**	-
and crediting:				
Bad debts recovered:				
- Trade and other receivables	**955**	363	**-**	-
Reversal of provision for impairment:				
- Trade and other receivables	**254**	7,183	**212**	3,576
- Amount owing by subsidiaries	**-**	-	**2,283**	-
Profit on disposal of land held for development	**5,643**	31,225	**-**	-
Foreign exchange gain - unrealised	**11,092**	535	**6,974**	-
Rental income on investment properties	**1,394**	1,332	**-**	-
Gain on revaluation of financial assets at fair value through profit or loss	**355**	-	**355**	-
Reversal of impairment loss:				
- property, plant and equipment	**3,595**	-	**-**	-
Gain on disposal of a subsidiary	**-**	-	**213,879**	-
Gain on disposal of an associate	**87,965**	-	**-**	-

* *Direct operating expenses from investment properties that generated rental income of the Group during the financial year amounted to approximately RM183,386,000 (2010: RM163,469,000).*

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

6. Profit from operations (continued)

Included in direct operating expenses are the following expenses:

	Group	
	2011	**2010**
	RM'000	**RM'000**
Repairs and maintenance	**37,354**	34,284
Utilities	**48,489**	45,735
Staff costs	**2,768**	2,670
Depreciation of investment properties	**54,089**	49,179

7. Directors' remuneration

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Fees:				
Directors of the Company	**314**	340	**314**	340
Directors of subsidiaries	**320**	200	**-**	-
Other emoluments:				
Directors of the Company	**4,365**	3,629	**3,505**	3,629
Directors of subsidiaries	**4,348**	4,430	**-**	-
Defined contribution plan	**466**	854	**460**	392
Benefits-in-kind	**167**	143	**91**	99
	9,980	9,596	**4,370**	4,460

The Directors' remuneration has been included in staff costs as disclosed in Note 6.

8. Finance income and costs

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Finance costs:				
Interest expense on borrowings	**32,220**	33,500	**11,812**	11,824
Interest expense on amounts owing to subsidiaries	**-**	-	**49**	5
Redeemable secured bonds	**10,781**	14,988	**-**	-
Redeemable convertible secured bonds	**10,399**	-	**-**	-
Accretion of discount on bonds	**2,118**	1,223	**-**	-
Other financing costs	**400**	4,042	**-**	-
	55,918	53,753	**11,861**	11,829
Finance income:				
Interest income on deposits with licensed banks	**18,082**	11,138	**11,858**	4,790
Interest income on late payment from tenants	**1,418**	1,640	**132**	336
Interest income from advances to subsidiaries	**-**	-	**8,538**	8,912
Fair value gain on initial recognition of financial liabilities measured at amortised cost	**2,588**	4,380	**-**	-
Total finance income	**22,088**	17,158	**20,528**	14,038
Net finance costs/(income)	**33,830**	36,595	**(8,667)**	(2,209)

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

9. Tax expense/(credit)

		Group		Company	
		2011	2010	2011	2010
	Note	RM'000	RM'000	RM'000	RM'000
Current tax:					
Malaysian tax		**79,340**	69,732	**(1,088)**	5,273
Foreign tax		**146**	106	-	-
Deferred tax	18	**11,169**	8,128	-	-
		90,655	77,966	**(1,088)**	5,273
Current tax					
Current financial year		**82,328**	73,158	-	2,088
(Over)/under accrual in prior financial years		**(2,842)**	(3,320)	**(1,088)**	3,185
		79,486	69,838	**(1,088)**	5,273
Deferred tax					
Origination and reversal of temporary differences	18	**11,169**	8,128	-	-
		90,655	77,966	**(1,088)**	5,273

The explanation of the relationship between tax expense and profit before tax is as follows:

	Group		Company	
	2011	2010	2011	2010
	%	%	%	%
Reconciliation between the average effective tax rate and the Malaysian income tax rate				
Malaysian income tax rate	**25**	25	**25**	25
Tax effects of :				
Share of results of associates	**(2)**	(2)	-	-
Expenses not deductible for tax purposes	**23**	14	-	12
Income not subject to tax	**(21)**	(7)	**(25)**	(33)
Current financial year's tax loss not recognised	**3**	1	-	-
Utilisation of previously unrecognised tax losses	**(2)**	(2)	-	-
(Over)/under accrual in prior financial years	**(1)**	(1)	-	7
Average effective tax rate	**25**	28	**0**	11

Included in taxation of the Group are tax savings from utilisation of tax losses as follows:

	Group	
	2011	2010
	RM'000	RM'000
Tax losses:		
Tax savings as a result of the utilisation of tax losses brought forward for which the related credit is recognised during the financial year	**5,938**	5,372

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

10. Earnings per ordinary share

Basic earnings per ordinary share

Basic earnings per ordinary share of the Group is calculated by dividing the profit attributable to equity holders of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year, excluding ordinary shares purchased by the Company and held as treasury shares (Note 14).

	Group	
	2011	**2010**
Profit attributable to the equity holders of the Company (RM'000)	**237,650**	174,617
Weighted average number of ordinary shares in issue ('000)	**1,461,420**	1,455,786
Basic earnings per ordinary share (sen)	**16.26**	11.99

11. Dividends

Dividends paid, declared or proposed since the end of the previous financial year are as follows:

	Group and Company			
	2011		**2010**	
	Gross dividend per share	**Amount of dividend, net of tax**	**Gross dividend per share**	**Amount of dividend, net of tax**
	Sen	**RM'000**	**Sen**	**RM'000**
Ordinary shares				
Paid interim dividend of 5.0% less tax at 25% for financial year ended 31 December 2010	**2.5**	**27,244**	-	-
Paid interim dividend of 10.0% less tax at 25% for financial year ended 31 December 2011	**5.0**	**54,845**	-	-
Paid interim dividend of 5.0% less tax at 25% for financial year ended 31 December 2009	**-**	**-**	2.5	27,374
Dividend per share recognised as distribution to ordinary equity holders	**7.5**	**82,089**	2.5	27,374

On 14 February 2011, the Directors declared an interim dividend in respect of the financial year ended 31 December 2010 of 5% less tax at 25% which was paid on 8 April 2011 to every member who is entitled to receive the dividend as at 4.00 p.m. on 15 March 2011. The interim dividend has not been recognised in the Statement of Changes in Equity as it was declared subsequent to the financial year.

On 14 February 2011, the Directors also declared a dividend in respect of the financial year ended 31 December 2010 by way of distribution of a tax-exempt share dividend on the basis of one (1) treasury share for every one hundred (100) existing shares held at 4.00 p.m. on 15 March 2011. The share dividend involved the distribution of 14,528,233 treasury shares which were credited into the entitled Depositors' Securities Accounts on 8 April 2011.

On 24 August 2011, the Directors declared an interim dividend in respect of the financial year ended 31 December 2011 of 10% less tax at 25% which was paid on 30 September 2011 to every member who is entitled to receive the dividend as at 4.00 pm on 15 September 2011.

On 22 February 2012, the Directors declared an interim dividend in respect of the financial year ended 31 December 2011 of 5% less tax at 25% which was paid on 6 April 2012 to every member who is entitled to receive the dividend as at 4.00 pm on 8 March 2012.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

12. Share capital

	Group and Company	
	2011	2010
	RM'000	RM'000
Ordinary shares of RM0.50 each:		
Authorised		
At 1 January/31 December	**1,000,000**	1,000,000
1% Irredeemable Convertible Preference Shares of RM1.00 each:		
Authorised		
At 1 January/31 December	**200,000**	200,000
Ordinary shares of RM0.50 each:		
Issued and fully paid		
At 1 January/31 December	**745,148**	745,148

13. Share premium

	Group and Company	
	2011	2010
	RM'000	RM'000
Relating to ordinary shares:		
At 1 January	**427,221**	427,221
Less:		
Distribution of treasury shares as dividend	**(23,109)**	-
At 31 December	**404,112**	427,221

14. Treasury shares

Shareholders of the Company, by an ordinary resolution passed at the Annual General Meeting held on 12 May 2011, approved the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

During the financial year, the Company repurchased 6,552,100 of its own shares. The average price paid for the shares repurchased was RM1.96 per share. As at 31 December 2011, a total of 29,306,467 (2010: 37,282,600) ordinary shares of RM0.50 each were held as treasury shares.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

14. Treasury shares (continued)

2011	Number of shares	Total cost RM	Purchase price per share RM Lowest	Purchase price per share RM Highest	Average cost per share RM
At 1 January	**37,282,600**	**59,300,914**	**1.15**	**2.82**	**1.59**
Distributed as share dividend:					
April	(14,528,233)	(23,108,607)			
Repurchased during the financial year:					
May	10,000	21,355	2.12	2.12	2.14
August	4,987,600	9,883,106	1.92	2.03	1.98
September	1,544,500	2,903,765	1.80	1.93	1.88
November	10,000	20,045	1.99	1.99	2.00
At 31 December	**29,306,467**	**49,020,578**	**1.15**	**2.82**	**1.67**
2010					
At 1 January	30,338,200	48,474,060	1.15	2.82	1.60
Repurchased during the financial year:					
May	6,339,400	9,793,164	1.54	1.54	1.54
June	600,000	1,023,566	1.70	1.70	1.70
November	5,000	10,124	2.01	2.01	2.01
At 31 December	37,282,600	59,300,914	1.15	2.82	1.59

The repurchase transactions during the financial year were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965 and carried at historical cost of repurchase. The Company has the right to reissue these shares at a later date. As treasury shares, the rights attached as to voting, dividends and participation in other distribution are suspended.

As at the reporting date, the number of outstanding shares in issue after setting off treasury shares against equity is 1,460,989,540 (2010: 1,453,013,407).

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

15. Revaluation and other reserves

The revaluation and other reserves comprise:

Group	Surplus on revaluation of properties RM'000	Share of revaluation reserves in an associate RM'000	Capital distribution in-specie of KrisAssets shares RM'000	Exchange fluctuation reserve RM'000	Capital redemption reserve RM'000	Total RM'000
2011						
At 1 January	**228,297**	**69,442**	**183,019**	**(43,224)**	**293**	**437,827**
Currency translation differences	**-**	**-**	**-**	**3,611**	**-**	**3,611**
Revaluation surplus on property, plant and equipment	**194,551**	**-**	**-**	**-**	**-**	**194,551**
Reversal of revaluation surplus on property, plant and equipment	**(3,754)**	**-**	**-**	**-**	**-**	**(3,754)**
Deferred tax on revaluation surplus	**(46,094)**	**-**	**-**	**-**	**-**	**(46,094)**
Realisation of revaluation surplus on property, plant and equipment, net of tax	**(2,343)**	**(238)**	**-**	**-**	**-**	**(2,581)**
Share of revaluation surplus in an associate	**-**	**34,977**	**-**	**-**	**-**	**34,977**
At 31 December	**370,657**	**104,181**	**183,019**	**(39,613)**	**293**	**618,537**
2010						
At 1 January	95,563	69,680	183,019	(18,104)	23,293	353,451
Currency translation differences	-	-	-	(25,120)	-	(25,120)
Revaluation surplus on property, plant and equipment	162,668	-	-	-	-	162,668
Deferred tax on revaluation surplus	(29,059)	-	-	-	-	(29,059)
Realisation of revaluation surplus on property, plant and equipment, net of tax	(875)	(238)	-	-	-	(1,113)
Repayment of capital redemption reserve by a subsidiary	-	-	-	-	(23,000)	(23,000)
At 31 December	228,297	69,442	183,019	(43,224)	293	437,827

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

16. Retained earnings

Under the single-tier tax system which comes into effect from the year of assessment 2008, companies are not required to have tax credit under Section 108 of the Income Tax Act, 1967 for dividend payment purposes. Dividends paid under this system are tax exempt in the hands of shareholders.

Companies with Section 108 credits as at 31 December 2007 may continue to pay franked dividends until the Section 108 credits are exhausted or 31 December 2013, whichever is earlier, unless they opt to disregard the Section 108 credits to pay single-tier dividends under the special transitional provisions of the Finance Act, 2007.

Subject to the agreement by the Inland Revenue Board, the Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 to frank the payment of net dividends up to RM175,385,000 (2010: RM257,475,000) out of its retained earnings of approximately RM1,682,465,000 as at 31 December 2011 (2010: RM1,494,814,000). The Company also has tax exempt income as at 31 December 2011 amounting to RM59,282,000 (2010: RM59,282,000) available for distribution as tax exempt dividends to shareholders.

17. Borrowings

		Group		Company	
		2011	**2010**	**2011**	**2010**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Secured					
Term loans	17(a)	**430,415**	490,519	**201,282**	201,282
Redeemable secured bonds	17(b)	**202,437**	203,766	-	-
Redeemable convertible secured bonds	17(c)	**254,908**	-	-	-
Revolving credits	17(d)	**217,880**	135,003	-	-
		1,105,640	829,288	**201,282**	201,282
Unsecured					
Term loans	17(a)	-	2,328	-	-
Revolving credits	17(d)	-	4,875	-	-
		-	7,203	-	-
Total repayable		**1,105,640**	836,491	**201,282**	201,282

Currency exposure profile of borrowings is as follows:

	Group	
	2011	**2010**
	RM'000	**RM'000**
Australian Dollar	**87,230**	-
US Dollar	-	2,328
	87,230	2,328

The term loans, redeemable secured bonds, bank guaranteed bonds and revolving credits of the Group and Company are secured by way of fixed registered charges over certain property, plant and equipment, investment properties and long term prepaid lease with market value of not less than the facility amount of the Group as disclosed in Notes 19, 21 and 22.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

17. Borrowings (continued)

As at the reporting date, the weighted average effective rates for the borrowings are as follows:

	Group		Company	
	2011	**2010**	**2011**	2010
	% per annum	**% per annum**	**% per annum**	% per annum
Weighted average effective interest rates at reporting date:				
Term loans	**5.40**	5.34	**5.85**	5.84
Redeemable secured bonds	**4.20**	6.00	**-**	-
Redeemable convertible secured bonds	**5.50**	-	**-**	-
Revolving credits	**4.47**	3.57	**-**	-

Estimated fair values

The carrying amounts and fair values of non-current term loans, bonds and revolving credits are as follows:

	Group			
	2011		**2010**	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Term loans	**430,415**	**428,930**	492,847	481,438
Redeemable secured bonds	**202,437**	**204,037**	203,766	212,236
Redeemable convertible secured bonds	**254,908**	**254,908**	-	-
Revolving credits	**217,880**	**217,880**	139,878	139,878
	1,105,640	**1,105,755**	836,491	833,552

	Company			
	2011		**2010**	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Term loan	**201,282**	**209,213**	201,282	199,452

The fair value of current borrowings approximates their carrying amount as the impact of discounting is not significant.

(a) Term loans

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current:				
Secured	**60,415**	60,519	**1,282**	1,282
Unsecured	**-**	2,328	**-**	-
	60,415	62,847	**1,282**	1,282
Non-current:				
Secured	**370,000**	430,000	**200,000**	200,000
Total repayable	**430,415**	492,847	**201,282**	201,282

17. Borrowings (continued)

(a) Term loans (continued)

Currency profile of term loans

The currency profile of term loans is as follows:

	Group 2011 RM'000	Group 2010 RM'000
- US Dollar	-	2,328
	-	2,328

The term loan of RM230,000,000 (2010: RM290,000,000) of a subsidiary is secured by way of deposit of master title of an investment property (Note 21), deposits pledged with licensed banks (Note 33) and corporate guarantee by the Group.

The maturity of term loans is as follows:

		Fixed interest rate						Floating interest rate		
	Currency	< 1 year	1 – 2 years	2 – 3 years	3 – 4 years	4 – 5 years	> 5 years	< 1 year	1 – 2 years	Total
Group		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 December 2011										
Secured										
Term loans	RM	**60,415**	**170,000**	-	-	**50,000**	**150,000**	-	-	**430,415**
Company										
At 31 December 2011										
Secured										
Term loan	RM	**1,282**	-	-	-	**50,000**	**150,000**	-	-	**201,282**
Group										
At 31 December 2010										
Secured										
Term loans	RM	60,519	60,000	170,000	-	-	200,000	-	-	490,519
Unsecured										
Term loan	USD	-	-	-	-	-	-	2,328	-	2,328
		60,519	60,000	170,000	-	-	200,000	2,328	-	492,847
Company										
At 31 December 2010										
Secured										
Term loan	RM	1,282	-	-	-	-	200,000	-	-	201,282

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

17. Borrowings (continued)

(b) Redeemable secured bonds

	Group	
	2011	**2010**
	RM'000	**RM'000**
Current:		
Secured	**2,437**	53,766
Non-current:		
Secured	**200,000**	150,000
	202,437	203,766

The maturity of the redeemable secured bonds is as follows:

	Fixed interest rate						
	<1 year	**1 – 2 years**	**2 - 3 years**	**3 – 4 years**	**4 – 5 years**	**> 5 years**	**Total**
Group	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
At 31 December 2011							
Redeemable secured bonds	**2,437**	**-**	**-**	**-**	**200,000**	**-**	**202,437**
At 31 December 2010							
Redeemable secured bonds	53,766	50,000	50,000	50,000	-	-	203,766

In September 2004, a subsidiary, Mid Valley Capital Sdn Bhd, issued 2 classes of RM400 million nominal value redeemable secured bonds ('MVCap Bonds'). Class 1 Bonds comprise 6 series with issue amount up to RM285 million and Class 2 Bonds comprise 4 series with issue amount up to RM115 million. As at 31 December 2011, the nominal value of the MVCap Bonds outstanding was RM200 million.

The MVCap Bonds are secured as follows:

(a) Legal assignment of all cashflows, tenancy agreements and insurance policies in relation to the Mid Valley Megamall;
(b) Third party first rank fixed and floating charge over the Mid Valley Megamall (Note 21) and by way of debenture over assets, undertakings and paid-up capital of Mid Valley City Sdn Bhd and Mid Valley Capital Sdn Bhd; and
(c) Power of Attorney granted in favour of the trustee for the MVCap Bonds for the sale of Mid Valley Megamall.

The MVCap Bonds contains covenants which require Mid Valley City Sdn Bhd to maintain a Debt Service Coverage Ratio ('DSCR') of 1.5 times.

The holders of MVCap Bonds approved the extension of tenure of the aggregate nominal amount outstanding of RM200 million to 5 years from 15 September 2011 and maturing on 14 September 2016, subject to an aggregate indebtedness not exceeding 60% of the prevailing market value of Mid Valley Megamall. The extended MVCap Bonds are rated AAA with a coupon-rate-to-expected-maturity of 4.20% per annum.

In addition, all relevant obligations and covenants have been complied with and no event of default or trigger event has occurred.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

17. Borrowings (continued)

(c) Redeemable convertible secured bonds

	Group	
	2011	**2010**
	RM'000	**RM'000**
Current:		
Secured	**1,895**	-
Non-current:		
Secured	**253,013**	-
	254,908	-

The maturity of the redeemable convertible secured bonds is as follows:

Group	< 1 year RM'000	1 – 2 years RM'000	2 - 3 years RM'000	3 – 4 years RM'000	4 – 5 years RM'000	> 5 years RM'000	Total RM'000
At 31 December 2011							
- Redeemable convertible secured bonds	**1,895**	-	-	-	-	**253,013**	**254,908**

On 30 March 2011, a subsidiary, KrisAssets Holdings Berhad ("KrisAssets"), issued RM300 million nominal value 7-year redeemable convertible secured bonds ("CB Bonds") with 2.5% per annum coupon rate. The CB Bonds could be converted into ordinary shares within conversion period at a conversion price of RM3.72 per share. The CB Bonds contain a covenant which requires the KrisAssets to maintain a DSCR of 1.25 times. In addition, all relevant obligations and covenants have been complied with and no event of default or trigger event has occurred.

The fair value of the liability component, included in non-current borrowings, was calculated using a market interest rate for an equivalent non-convertible bond. The residual amount, representing the value of the equity conversion option, is included in non-controlling interests, net of tax.

The CB Bonds recognised in the statement of financial position were calculated as follows:

	Group	
	2011	**2010**
	RM'000	**RM'000**
Nominal value of CB Bonds	**300,000**	-
Equity component	**(19,504)**	-
Liability component on 30 March 2011 (issue date)	**280,496**	-
Discount on bonds	**(27,483)**	-
Interest expense	**1,895**	-
Liability component as at 31 December	**254,908**	-

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

17. Borrowings (continued)

(d) Revolving credits

	Group	
	2011	**2010**
	RM'000	**RM'000**
Current:		
Secured	**217,880**	135,003
Unsecured	**-**	4,875
	217,880	139,878

The revolving credits are secured by way of:
(a) Corporate guarantee by the company to its subsidiaries
(b) Deposit of master title of an land held for property development (Note 20(b))
(c) Deposits pledged with licensed banks (Note 33)

The revolving credits is repayable on maturity date/due date of each drawdown. As at the reporting date, the total revolving credits outstanding was RM216,994,000.

18. Deferred taxation

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 taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statements of financial position:

	Group	
	2011	**2010**
	RM'000	**RM'000**
Deferred tax assets	**6,664**	9,209
Deferred tax liabilities	**(168,275)**	(113,557)
At 31 December	**(161,611)**	(104,348)

		Group	
		2011	**2010**
	Note	**RM'000**	**RM'000**
At 1 January		**(104,348)**	(67,162)
Credited/(charged) to statement of comprehensive income:			
Property, plant and equipment		**(11,287)**	(9,137)
Property development costs		**221**	844
Realisation of deferred tax on property, plant and equipment		**-**	292
Tax losses		**(1)**	-
Provisions		**(102)**	(127)
	9	**(11,169)**	(8,128)
Charged to equity:			
Deferred tax on revaluation surplus on property, plant and equipment		**(46,094)**	(29,058)
At 31 December		**(161,611)**	(104,348)

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

18. Deferred taxation (continued)

	Group	
	2011	**2010**
	RM'000	**RM'000**
Subject to income tax		
Deferred tax assets:		
Property, plant and equipment	**4,879**	7,321
Tax losses	**4**	5
Provisions	**1,781**	1,883
Deferred tax assets	**6,664**	9,209
Deferred tax liabilities:		
Property, plant and equipment	**(163,789)**	(108,850)
Property development costs	**(3,379)**	(3,600)
Land held for property development	**(990)**	(990)
Others	**(117)**	(117)
Deferred tax liabilities	**(168,275)**	(113,557)

The amount of deductible temporary differences and unused tax losses (both of which have no expiry date) for which no deferred tax assets are recognised in the statement of financial position are as follows:

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Deductible temporary differences	**262**	278	**4,666**	3,905
Tax losses	**47,114**	49,277	**-**	-
	47,376	49,555	**4,666**	3,905
Deferred tax assets not recognised at 25% (2010: 25%)	**11,844**	12,389	**1,167**	976

No deferred tax assets has been recognised in respect of the above deductible temporary differences and unused tax losses as it is not probable that taxable profits will be available against which the deductible temporary differences and unused tax losses can be utilised.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

19. Property, plant and equipment

Group	Freehold land	Leasehold land	Hotel properties: Freehold land	Hotel properties: Hotel buildings	Hotel properties: Plant and machinery	Buildings	Plant and machinery	Motor vehicles	Office furniture, fittings and equipment	Capital work-in-progress	Total
2011	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January											
At cost	9,495	1,558	-	174,927	77,624	23,777	11,503	7,522	310,689	20,152	637,247
At valuation	18,200	-	141,500	402,373	-	-	-	-	-	-	562,073
Surplus on revaluation	-	-	1,500	193,051	-	-	-	-	-	-	194,551
Reversal of revaluation surplus	-	-	-	(3,754)	-	-	-	-	-	-	(3,754)
Additions	25,791	-	-	3,110	2,417	-	3	234	1,666	22,217	55,438
Currency translation differences	-	-	-	788	497	-	-	6	176	-	1,467
Transferred from accumulated depreciation on revaluation surplus	-	-	-	(18,771)	(7,195)	-	-	-	-	-	(25,966)
Reclassification	-	-	-	25,223	(6,439)	(21,020)	-	156	2,080	-	-
Write-offs	-	-	-	-	-	(1,765)	(8)	(1)	(9,932)	-	(11,706)
Disposals	-	-	-	-	(768)	-	-	(123)	(651)	-	(1,542)
At 31 December	53,486	1,558	143,000	776,947	66,136	992	11,498	7,794	304,028	42,369	1,407,808
Accumulated depreciation											
At 1 January	-	221	-	40,836	41,811	872	3,929	5,671	136,083	-	229,423
Charge for the financial year	-	16	-	17,132	6,363	52	495	752	28,853	-	53,663
Currency translation differences	-	-	-	311	227	-	-	6	143	-	687
Transferred to cost on revaluation surplus	-	-	-	(18,771)	(7,195)	-	-	-	-	-	(25,966)
Reclassification	-	-	-	483	(2,845)	-	-	42	2,320	-	-
Write-offs	-	-	-	-	-	(583)	(8)	(1)	(4,900)	-	(5,492)
Disposals	-	-	-	-	(759)	-	-	(123)	(596)	-	(1,478)
At 31 December	-	237	-	39,991	37,602	341	4,416	6,347	161,903	-	250,837
Accumulated impairment losses											
At 1 January	-	-	-	21,020	-	-	-	-	-	-	21,020
Reversal of impairment loss	-	-	-	(3,595)	-	-	-	-	-	-	(3,595)
At 31 December	-	-	-	17,425	-	-	-	-	-	-	17,425
Net book value											
At 31 December 2011											
At cost	35,286	1,321	-	182,731	28,534	651	7,082	1,447	142,125	42,369	441,546
At valuation	18,200	-	143,000	536,800	-	-	-	-	-	-	698,000
	53,486	1,321	143,000	719,531	28,534	651	7,082	1,447	142,125	42,369	1,139,546

19. Property, plant and equipment (continued)

Group			Hotel properties								
	Freehold land	Leasehold land	Freehold land	Hotel buildings	Plant and machinery	Buildings	Plant and machinery	Motor vehicles	Office furniture, fittings and equipment	Capital work in progress	Total
2010	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January											
At cost	9,495	1,558	-	211,202	96,794	35,871	12,796	6,763	264,766	56,393	695,638
At valuation	18,200	-	96,377	225,708	-	-	-	-	-	-	340,285
Surplus on revaluation	-	-	45,123	117,545	-	-	-	-	-	-	162,668
Additions	-	-	-	14,215	296	-	1	1,215	30,423	7,208	53,358
Currency translation differences	-	-	-	(3,256)	(2,037)	-	-	(26)	(717)	-	(6,036)
Transferred to investment properties (Note 21)	-	-	-	-	-	-	-	-	-	(43,449)	(43,449)
Reclassification	-	-	-	11,906	(17,429)	(11,901)	-	-	17,424	-	-
Write off	-	-	-	-	-	(193)	(1,294)	(4)	(516)	-	(2,007)
Disposals	-	-	-	(20)	-	-	-	(426)	(691)	-	(1,137)
At 31 December	27,695	1,558	141,500	577,300	77,624	23,777	11,503	7,522	310,689	20,152	1,199,320
Accumulated depreciation											
At 1 January	-	205	-	22,350	35,836	12,757	4,555	5,290	104,874	-	185,867
Charge for the financial year	-	16	-	7,672	7,459	59	668	674	32,216	-	48,764
Currency translation differences	-	-	-	(1,177)	(871)	-	-	(26)	(593)	-	(2,667)
Reclassification	-	-	-	11,992	(613)	(11,913)	-	-	534	-	-
Write off	-	-	-	-	-	(31)	(1,294)	(2)	(502)	-	(1,829)
Disposals	-	-	-	(1)	-	-	-	(265)	(446)	-	(712)
At 31 December	-	221	-	40,836	41,811	872	3,929	5,671	136,083	-	229,423
Accumulated impairment losses											
At 1 January/31 December	-	-	-	21,020	-	-	-	-	-	-	21,020
Net book value											
At 31 December 2010											
At cost	9,495	1,337	-	135,963	35,813	22,905	7,574	1,851	174,606	20,152	409,696
At valuation	18,200	-	141,500	379,481	-	-	-	-	-	-	539,181
	27,695	1,337	141,500	515,444	35,813	22,905	7,574	1,851	174,606	20,152	948,877

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

19. Property, plant and equipment (continued)

Company	**Buildings**	**Plant and machinery**	**Motor vehicles**	**Office furniture, fittings and equipment**	**Total**
2011	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
At cost					
At 1 January	**1,739**	**5,508**	**1,621**	**8,750**	**17,618**
Additions	**-**	**-**	**-**	**183**	**183**
Disposals	**-**	**-**	**-**	**(15)**	**(15)**
Write-offs	**(1,739)**	**(302)**	**-**	**(2,024)**	**(4,065)**
At 31 December	**-**	**5,206**	**1,621**	**6,894**	**13,721**
Accumulated depreciation					
At 1 January	**550**	**5,508**	**1,332**	**6,461**	**13,851**
Charge for the financial year	**35**	**-**	**181**	**679**	**895**
Disposals	**-**	**-**	**-**	**(15)**	**(15)**
Write-offs	**(585)**	**(302)**	**-**	**(1,999)**	**(2,886)**
At 31 December	**-**	**5,206**	**1,513**	**5,126**	**11,845**
Net book value					
At 31 December 2011	**-**	**-**	**108**	**1,768**	**1,876**
2010					
At cost					
At 1 January	1,932	5,621	1,621	8,856	18,030
Additions	-	-	-	249	249
Write-offs	(193)	(113)	-	(355)	(661)
At 31 December	1,739	5,508	1,621	8,750	17,618
Accumulated depreciation					
At 1 January	542	5,621	1,140	5,700	13,003
Charge for the financial year	39	-	192	1,107	1,338
Write-offs	(31)	(113)	-	(346)	(490)
At 31 December	550	5,508	1,332	6,461	13,851
Net book value					
At 31 December 2010	1,189	-	289	2,289	3,767

(a) Freehold land

The freehold land of Pangkor Island Resort Sdn. Bhd, a subsidiary of the Company, stated at valuation was revalued during the financial year ended 31 December 2006 by an independent qualified valuer, Elvin Fernandez, a member of the Institute of Surveyors, Malaysia, and a partner with Khong & Jaafar Sdn Bhd. The valuation was arrived at by the Comparison Method of Valuation where reference was made to sales transactions as well as selling prices of similar properties in the neighbourhood. Based on this valuation, the value of the freehold land was RM18,200,000 as compared to its carrying value of RM26,998,000. The deficit of RM8,798,000 had been accounted for by reversing previous revaluation surplus of RM8,798,000 for the same asset.

19. Property, plant and equipment (continued)

(b) Hotel properties

In accordance with the Group's accounting policy on property, plant and equipment, hotel properties (land and building) are revalued on a periodic basis, but at least once every five years, by external independent valuers. The following were the valuations performed on hotel properties during the current and preceding financial years:

(i) The hotel building and freehold land of Pangkor Island Resort Sdn. Bhd., a subsidiary of the Company, stated at valuation was revalued during the current financial year by an independent qualified valuer, Mr Thoo Sing Choon, a member of the Institute of Surveyors, Malaysia and a registered valuer of Jordan Lee & Jaafar Sdn Bhd. The valuation was arrived at by the Profits Method of Valuation to derive at the present market value of the hotel property and a combination of the Comparison Method for the land and the Cost Method of Valuation for the building as cross-check method.

Based on this valuation, the value of the hotel building was RM46,000,000, as compared to the carrying value of RM49,754,142. The resultant deficit of RM3,754,142 had been accounted for by reversing previous revaluation surplus for the same asset and adjusted to the hotel building by eliminating the accumulated depreciation of RM5,000,000.

Based on this valuation, the value of the freehold land was RM17,000,000 as compared to its carrying value of RM15,500,000. The surplus of RM1,500,000 had been credited to revaluation reserve.

(ii) The hotel building of Tanah Permata Sdn. Bhd, a subsidiary of the Company, stated at valuation was revalued during the current financial year by an independent qualified valuer, Mr Yap Kian Ann, a member of the Institute of Surveyors, Malaysia, a registered valuer of Jordan Lee & Jaafar Sdn Bhd using the Comparison and Profits Methods of Valuation to derive at the market value of the hotel building.

Based on this valuation, the value of the hotel building was RM290,000,000, as compared to its carrying value of RM101,842,608. The resultant surplus of RM188,157,392 had been credited to revaluation reserve.

(iii) The hotel building and freehold land of Central Review Sdn. Bhd., a subsidiary of the Company, stated at valuation was revalued during the financial year ended 31 December 2009 by an independent qualified valuer, Mr Yap Kian Ann, a member of the Institute of Surveyors, Malaysia, a registered valuer of Jordan Lee & Jaafar Sdn Bhd. The valuation was arrived at by the Comparison and Profits Methods of Valuation where reference was made to similar properties that were sold recently and those that are currently offered for sale in the vicinity.

Based on this valuation, the value of the hotel building was RM24,000,000, as compared to the carrying value of RM18,824,000. The resultant surplus of RM5,176,000 had been accounted for by reversing the revaluation of RM3,936,000 previously recognised in income statement. The balance of RM1,240,000 had been credited to revaluation reserve and adjusted to the hotel building by eliminating the accumulated depreciation of RM1,583,000.

Based on this valuation, the value of the freehold land was RM16,000,000 as compared to its carrying value of RM8,200,000. The resultant surplus of RM7,800,000 had been credited to revaluation surplus.

(iv) The hotel building and development rights of Mid Valley City Enterprise Sdn. Bhd., a subsidiary of the Company, stated at cost was revalued during the financial year ended 31 December 2010 by an independent qualified valuer, Yap Kian Ann, a member of the Institute of Surveyors, Malaysia, a registered valuer of Jordan Lee & Jaafar Sdn Bhd. The valuation was arrived at by the Comparison and Profits Methods of Valuation where reference was made to similar properties that were sold recently and those that are currently offered for sale in the vicinity.

Based on this valuation, the value of the hotel building was RM105,132,000, as compared to the carrying value of RM39,065,000. The resultant surplus of RM66,067,000 had been credited to revaluation reserve and adjusted to the hotel building by eliminating the accumulated depreciation of RM3,995,000.

Based on this valuation, the value of the development rights was RM57,000,000 as compared to its carrying value of RM9,838,000. The resultant surplus of RM47,162,000 had been credited to revaluation surplus.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

19. Property, plant and equipment (continued)

(b) Hotel properties (continued)

(v) The hotel building and freehold land of TTD Sdn. Bhd., a subsidiary of the Company, stated at valuation was revalued during the financial year ended 31 December 2010 by an independent qualified valuer, Yap Kian Ann, a member of the Institute of Surveyors, Malaysia, a registered valuer of Jordan Lee & Jaafar Sdn Bhd. The valuation was arrived at by the Comparison Method of Valuation where reference was made to similar properties that were sold recently and those that are currently offered for sale in the vicinity.

Based on this valuation, the value of the hotel building was RM56,541,000, as compared to the carrying value of RM53,536,000. The resultant surplus of RM3,005,000 had been credited to revaluation reserve and adjusted to the hotel building by eliminating the accumulated depreciation of RM3,005,000.

Based on this valuation, the value of the freehold land was RM110,000,000 as compared to its carrying value of RM65,025,000. The resultant surplus of RM44,975,000 had been credited to revaluation surplus.

	Group	
	2011	**2010**
	RM'000	**RM'000**
Net book value of revalued property, plant and equipment had these assets been carried at cost less accumulated depreciation:		
Freehold land	**1,040**	1,040
Hotel properties:		
Land	**74,892**	74,892
Buildings	**186,885**	195,291
	261,777	270,183
Net book value of assets pledged as security for borrowings (Note 17):		
Hotel properties	**42,919**	43,793

20. Property development activities

(a) Land held for property development

		Group		Company	
		2011	2010	**2011**	2010
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
At 1 January					
Freehold land, at cost		**217,637**	196,600	**6,345**	6,345
Leasehold land, at cost		**25,757**	33,100	**-**	-
Development costs		**107,012**	110,294	**2,372**	1,916
		350,406	339,994	**8,717**	8,261
Add:					
Costs incurred during the financial year:					
Freehold land		**-**	21,791	**-**	-
Development costs		**9,636**	1,381	**321**	456
Less:					
Disposal:					
Freehold land		**(3,712)**	(754)	**-**	-
Leasehold land		**-**	(7,343)	**-**	-
Development costs		**(50)**	(5)	**-**	-
		356,280	355,064	**9,038**	8,717
Less:					
Transferred to property development costs:					
Leasehold land	20(b)	**(25,424)**	-	**-**	-
Development costs	20(b)	**(15,072)**	(4,658)	**-**	-
Less: Accumulated impairment losses		**(72,842)**	(72,842)	**-**	-
At 31 December		**242,942**	277,564	**9,038**	8,717
Land held for property development is analysed as follows:					
Freehold land, at cost		**213,925**	217,637	**6,345**	6,345
Leasehold land, at cost		**333**	25,757	**-**	-
Development costs		**101,526**	107,012	**2,693**	2,372
Less: Accumulated impairment losses		**(72,842)**	(72,842)	**-**	-
At 31 December		**242,942**	277,564	**9,038**	8,717

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

20. Property development activities (continued)

(b) Property development costs

	Note	Group 2011 RM'000	Group 2010 RM'000
At 1 January			
Freehold land, at cost		**124,286**	124,286
Leasehold land, at cost		**58,321**	14,314
Development costs		**182,284**	158,726
		364,891	297,326
Add: Costs incurred during the financial year:			
Leasehold land		**907**	44,007
Development costs		**25,269**	18,900
Add: Transferred from land held for property development:			
Leasehold land	20(a)	**25,424**	-
Development costs	20(a)	**15,072**	4,658
Charge out of costs in respect of completed developments during the financial year:			
Freehold land		**(28,219)**	-
Development costs		**(155,775)**	-
		(117,322)	67,565
Less:			
Costs recognised to income statement in previous financial years		**(220,436)**	(201,557)
Costs recognised to income statement in current financial year		**(7,950)**	(18,879)
Charge out of costs recognised in income statement in respect of completed developments		**183,994**	-
		(44,392)	(220,436)
At 31 December		**203,177**	144,455

	Group 2011 RM'000	Group 2010 RM'000
Property development costs are analysed as follows:		
Freehold land, at cost	**96,067**	124,286
Leasehold land, at cost	**84,652**	58,321
Development costs	**66,850**	182,284
Accumulated costs recognised as an expense in income statement	**(44,392)**	(220,436)
At 31 December	**203,177**	144,455
Leasehold land at cost charged as security for borrowings (Note 17(d))	57,633	59,094

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

21. Investment properties

Group	Leasehold land RM'000	Freehold land RM'000	Buildings RM'000	Building fittings RM'000	Capital work in progress RM'000	Total RM'000
2011						
At cost						
At 1 January	**102,773**	**107,935**	**1,564,231**	**365,488**	**26,920**	**2,167,347**
Reclassification	**140,987**	**441**	**(140,987)**	**-**	**(441)**	**-**
Additions	**2,389**	**69,932**	**84,952**	**632**	**64,312**	**222,217**
Reversal of over accrual in prior year	**-**	**-**	**(5,340)**	**(330)**	**-**	**(5,670)**
At 31 December	**246,149**	**178,308**	**1,502,856**	**365,790**	**90,791**	**2,383,894**
Accumulated depreciation						
At 1 January	**8,347**	**-**	**176,787**	**231,630**	**-**	**416,764**
Reclassification	**3,542**	**-**	**(3,542)**	**-**	**-**	**-**
Charge for the financial year	**4,646**	**-**	**30,194**	**19,249**	**-**	**54,089**
Reversal of over accrual in prior year	**-**	**-**	**(282)**	**(99)**	**-**	**(381)**
At 31 December	**16,535**	**-**	**203,157**	**250,780**	**-**	**470,472**
Net book value						
At 31 December 2011	**229,614**	**178,308**	**1,299,699**	**115,010**	**90,791**	**1,913,422**

Group	Note	Leasehold land RM'000	Freehold land RM'000	Buildings RM'000	Building fittings RM'000	Capital work in progress RM'000	Total RM'000
2010							
At cost							
At 1 January		102,773	107,935	1,460,504	359,479	-	2,030,691
Reclassification		-	-	(498)	498	-	-
Additions		-	-	67,606	5,511	20,090	93,207
Transferred from property, plant and equipment	19	-	-	36,619	-	6,830	43,449
At 31 December		102,773	107,935	1,564,231	365,488	26,920	2,167,347
Accumulated depreciation							
At 1 January		6,470	-	149,922	211,193	-	367,585
Charge for the financial year		1,877	-	26,865	20,437	-	49,179
At 31 December		8,347	-	176,787	231,630	-	416,764
Net book value							
At 31 December 2010		94,426	107,935	1,387,444	133,858	26,920	1,750,583

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

21. Investment properties (continued)

The fair value of the investment properties above were estimated at RM4,535,318,000 (2010: RM3,927,818,000) based on either valuations by independent qualified valuers or management's estimates. Valuations were based on current prices in an active market for certain properties and where appropriate, the investment method reflecting receipt of contractual rentals, expected future market rentals, current market yields, void periods, sinking funds and maintenance requirements and approximate capitalisation rates is used.

The Group uses assumptions that are mainly based on market conditions existing at each reporting date. Investment property with net book value RM433,695,000 (2010: RM443,671,000) have been charged as security for borrowings as disclosed in Note 17. In addition, the master title of an investment property with net book value of RM597,823,000 (2010: RM602,851,000) had been deposited with a licensed bank for the security of a term loan as disclosed in Note 17.

22. Long term prepaid lease

	Group	
	2011	**2010**
	RM'000	**RM'000**
At cost		
At 1 January	**6,668**	7,327
Foreign exchange difference	**159**	(659)
At 31 December	**6,827**	6,668
Accumulated amortisation		
At 1 January	**2,482**	2,497
Current year amortisation	**232**	227
Foreign exchange difference	**64**	(242)
At 31 December	**2,778**	2,482
Net book value		
At 31 December	**4,049**	4,186

23. Investments in subsidiaries

	Company	
	2011	**2010**
	RM'000	**RM'000**
At cost		
Quoted shares	**858,152**	858,152
Unquoted shares	**966,052**	1,137,412
	1,824,204	1,995,564
Less: Accumulated impairment losses	**(5,969)**	(5,745)
	1,818,235	1,989,819
Market value of quoted shares	**2,067,769**	1,114,941

Details of subsidiaries are set out in Note 40.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

24. Investments in associates

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At cost				
Unquoted shares in Malaysia	**244,918**	257,935	**134,482**	134,482
Unquoted shares outside Malaysia	**40,788**	28,586	**-**	-
	285,706	286,521	**134,482**	134,482
Group's share of revaluation surplus, net of tax	**104,181**	69,442	**-**	-
Group's share of post acquisition reserves less losses	**166,459**	212,327	**-**	-
	556,346	568,290	**134,482**	134,482
Less: Accumulated impairment losses	**(17,908)**	(17,908)	**(4,059)**	(4,059)
	538,438	550,382	**130,423**	130,423

The Group's share of revenue, profit, assets and liabilities of associates is as follows:

	Group	
	2011	**2010**
	RM'000	**RM'000**
Revenue	**247,901**	245,835
Profit after tax	**35,655**	24,751
Non-current assets	**461,002**	686,431
Current assets	**333,092**	316,968
Current liabilities	**(151,950)**	(272,340)
Non-current liabilities	**(85,798)**	(162,769)
Net assets	**556,346**	568,290
Less: Accumulated impairment losses	**(17,908)**	(17,908)
	538,438	550,382

On 19 December 2011, an Agreement was signed between Pacific Land Sdn Bhd ("Pacific Land"), a wholly-owned subsidiary of the Company and Handsome Profits Limited for the disposal of Pacific Land's two (2) ordinary shares of HK$1.00 each in Istaron Limited ("Istaron") representing 50% of the issued and paid-up share capital of Istaron for a total cash consideration of RM114,325,000. Istaron holds 90% of the total issued and paid-up share capital in Crystal Centre Properties (International) Limited which in turn holds 65% of the total issued and paid-up share capital of Saigon Inn Hotel Company, the owner and operator of New World Hotel Ho Chi Minh City. The disposal was completed and the gain was recognised in the income statement during the current financial year.

Details of associates are set out in Note 41.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

25(A). Financial instruments by category

Group	Financial assets at fair value through profit or loss RM'000	Loans and receivables at amortised cost RM'000	Total RM'000
2011			
Assets as per statement of financial position:			
Financial assets at fair value through profit or loss (marketable securities)	**23,771**	**-**	**23,771**
Trade and other receivables excluding prepayments (including intercompany balances)	**-**	**328,312**	**328,312**
Cash held under Housing Development Accounts	**-**	**22,271**	**22,271**
Cash and bank balances (excluding cash in hand)	**-**	**820,301**	**820,301**
Total financial assets	**23,771**	**1,170,884**	**1,194,655**

	Other financial liabilities at amortised cost RM'000
Liabilities as per statement of financial position:	
Borrowings	**1,105,640**
Trade and other payables excluding statutory liabilities (including intercompany balances)	**384,133**
	1,489,773

Group	Financial assets at fair value through profit or loss RM'000	Loans and receivables at amortised cost RM'000	Total RM'000
2010			
Assets as per statement of financial position:			
Financial assets at fair value through profit or loss (marketable securities)	60,438	-	60,438
Trade and other receivables excluding prepayments (including intercompany balances)	-	199,277	`199,277
Cash held under Housing Development Accounts	-	47,901	47,901
Cash and bank balances (excluding cash in hand)	-	579,207	579,207
Total financial assets	60,438	826,385	886,823

	Other financial liabilities at amortised cost RM'000
Liabilities as per statement of financial position:	
Borrowings	836,491
Trade and other payables excluding statutory liabilities (including intercompany balances)	457,202
	1,293,693

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

25(A). Financial instruments by category (continued)

Company	**Financial assets at fair value through profit or loss RM'000**	**Loans and receivables at amortised cost RM'000**	**Total RM'000**
2011			
Assets as per statement of financial position:			
Financial assets at fair value through profit or loss (marketable securities)	**23,771**	**-**	**23,771**
Trade and other receivables excluding prepayments (including intercompany balances)	**-**	**454,116**	**454,116**
Cash held under Housing Development Accounts	**-**	**10,399**	**10,399**
Cash and bank balances (excluding cash in hand)	**-**	**565,916**	**565,916**
Total financial assets	**23,771**	**1,030,431**	**1,054,202**

	Other financial liabilities at amortised cost RM'000
Liabilities as per statement of financial position:	
Borrowings	**201,282**
Trade and other payables excluding statutory liabilities (including intercompany balances)	**68,872**
	270,154

Company	**Financial assets at fair value through profit or loss RM'000**	**Loans and receivables at amortised cost RM'000**	**Total RM'000**
2010			
Assets as per statement of financial position:			
Financial assets at fair value through profit or loss (marketable securities)	60,438	-	60,438
Trade and other receivables excluding prepayments (including intercompany balances)	-	419,723	419,723
Cash held under Housing Development Accounts	-	16,284	16,284
Cash and bank balances (excluding cash in hand)	-	218,230	218,230
Total financial assets	60,438	654,237	714,675

	Other financial liabilities at amortised cost RM'000
Liabilities as per statement of financial position:	
Borrowings	201,282
Trade and other payables excluding statutory liabilities (including intercompany balances)	82,823
	284,105

25(B). Credit quality of financial assets

The credit quality of trade receivables that are past due but not impaired are substantially amounts due from customers with good collection track record with the Group. Management will also continuously monitor closely the trade receivables which are past due with outstanding balances exceeding the security deposits.

Bank deposits are mainly deposits with banks with high credit ratings assigned by international credit rating agencies.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

26. Available-for-sale financial assets

	Group	
	2011	**2010**
	RM'000	**RM'000**
At cost		
Unquoted shares:		
In Malaysia	**5,632**	5,632
Outside Malaysia	**23,271**	23,271
	28,903	28,903
Less: Accumulated impairment losses	**(28,903)**	(28,903)
	-	-

Available-for-sale financial assets consist of investment in unquoted ordinary shares and preference shares.

The cumulative preferential dividend rate and payment date, as well as redemption of all or any of the redeemable preference shares at par or at such other premium, are at the sole discretion of the Directors of the issuers of the redeemable preference shares.

The unquoted ordinary shares are measured at cost, less impairment as the range of reasonable fair value estimates is significantly wide and the possibilities of the various estimates cannot be reasonably assessed.

27. Inventories

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At cost				
Inventories of unsold properties	**65,723**	63,097	**40,781**	38,224
Hotel operating supplies	**1,597**	1,712	**-**	-
	67,320	64,809	**40,781**	38,224

28. Financial assets at fair value through profit or loss

	Group and Company	
	2011	**2010**
	RM'000	**RM'000**
Quoted shares - held for trading:		
In Malaysia	**23,771**	60,438

Changes in fair values of financial assets at fair value through profit or loss are recorded in the income statement (Note 6). The fair value of equity securities is based on their current quoted prices in an active market as at 31 December 2011.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

29. Trade and other receivables

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade receivables	**38,319**	34,126	**442**	2,723
Less: Provision for impairment	**(9,961)**	(10,313)	**(383)**	(595)
	28,358	23,813	**59**	2,128
Other receivables	**157,125**	24,605	**7,131**	3,655
Less: Provision for impairment	**(2,234)**	(355)	**(2,234)**	(2,234)
	154,891	24,250	**4,897**	1,421
Dividend receivable	**-**	-	**24,813**	24,813
Sundry deposits	**8,873**	9,480	**3,810**	2,402
	192,122	57,543	**33,579**	30,764
Accrued billings in relation to property development	**5,984**	16,186	**-**	-
Prepayments	**20,938**	19,486	**-**	1,124
	219,044	93,215	**33,579**	31,888

The carrying amounts of trade and other receivables as at 31 December 2011 and 31 December 2010 approximated their fair values. Credit terms of trade receivables of the Group and Company ranged from 7 to 30 days (2010: 7 to 30 days).

As at 31 December 2011, trade receivables for the Group of RM23,698,000 (2010: RM15,054,000) were past due but not impaired. These relate to a number of customers for whom there is no recent history of default, have met the Group's credit approval policies and are monitored on an on-going basis.

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Up to 3 months	**16,581**	11,430	**5**	-
3 to 6 months	**7,105**	2,551	**-**	-
Above 6 months	**12**	1,073	**54**	2,128
	23,698	15,054	**59**	2,128

As at 31 December 2011, trade and other receivables for the Group of RM12,195,000 (2010: RM10,668,000) were provided for impairment. The ageing of these receivables is as follows:

	Group		Company	
	2011	2010	**2011**	2010
	RM'000	RM'000	**RM'000**	RM'000
Above 6 months	**12,195**	10,668	**2,617**	2,829

	Group	
	2011	**2010**
	RM'000	**RM'000**
The currency profile of trade receivables is as follows:		
US Dollar	**1,694**	937
Australian Dollar	**67**	-
	1,761	937

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

29. Trade and other receivables (continued)

Movements on the Group's provision for impairment of trade and other receivables are as follows:

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At 1 January	**10,668**	18,100	**2,829**	6,405
Provision for impairment of receivables	**3,267**	1,674	**-**	-
Receivables recovered	**(955)**	(363)	**-**	-
Receivables written off during the financial year as uncollectible	**(531)**	(1,560)	**-**	-
Unused amount reversed upon re-assessment of provision	**(254)**	(7,183)	**(212)**	(3,576)
At 31 December	**12,195**	10,668	**2,617**	2,829

The creation and reversal of provision for impairment have been included in the income statement. Amounts charged to the provision account are generally written off, when there is no expectation of recovering additional cash.

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above.

30. Amounts owing by/(to) subsidiaries

	Company	
	2011	**2010**
	RM'000	**RM'000**
Amounts owing by subsidiaries	**308,031**	283,831
Less: Provision for impairment	**(2,064)**	(4,163)
	305,967	279,668
Amounts owing to subsidiaries	**57,300**	55,433

The amounts owing by subsidiaries represent advances which are unsecured and are repayable on demand. The amounts owing by subsidiaries are interest free (2010: interest free) except for an amount of RM253,911,000 (2010: RM219,805,000), which carries interest at a rate of 3.75% (2010: 3.75%) per annum. The amounts owing to subsidiaries are interest free (2010: interest free) per annum.

The currency exposure profile of amounts owing by/(to) subsidiaries is as follows:

	Company	
	2011	**2010**
	RM'000	**RM'000**
Amounts owing by subsidiaries:		
Singapore Dollar	**75**	75
Amounts owing to subsidiaries:		
Hong Kong Dollar	**17,548**	17,556

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

31. Amounts owing by/(to) associates

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Amounts owing by associates	**140,572**	134,140	**119,201**	112,768
Less: Provision for impairment	**(4,631)**	(3,477)	**(4,631)**	(3,477)
	135,941	130,663	**114,570**	109,291
Amounts owing to associates	**25,518**	26,321	-	-

The amounts owing by/(to) associates represent advances, which are unsecured, interest free (2010: interest free) and are repayable on demand.

The currency exposure profile of amount owing by/(to) associates is as follows:

	Group	
	2011	2010
	RM'000	RM'000
Amounts owing by associates:		
Great Britain Pound Sterling	**19,912**	19,537
Thai Baht	**277**	269
Philippines Peso	-	65
US Dollar	**7**	7
	20,196	19,878
Amounts owing to associates:		
Australian Dollar	**15,466**	15,130
Great Britain Pound Sterling	**4**	4
	15,470	15,134

32. Cash held under Housing Development Accounts

Bank balances held under the Housing Development Accounts represents receipts from purchasers of residential properties less payments or withdrawals provided under Section 7A of the Housing Development (Control and Licensing) Amendment Act, 2002 held at call with banks and are denominated in Ringgit Malaysia.

The weighted average effective interest rates of bank balances under Housing Development Accounts during the financial year were 2% per annum (2010: 2% per annum).

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

33. Cash and bank balances

Cash and bank balances included in the statements of cash flows comprise the following statement of financial position amounts:

Non-current assets	Group 2011 RM'000	Group 2010 RM'000
Deposits with licensed banks	**1,983**	1,924
Cash and bank balances	**1,983**	1,924
Less: Restricted cash	**(1,983)**	(1,924)
Cash and cash equivalents	**-**	-

Deposits with licensed banks amounting to RM1,983,000 (2010: RM1,924,000) are pledged as security for fixed term loans (Note 17(a)) and the interest earned are required to be added to the principal and shall form part of the security.

Current assets	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Deposits with licensed banks	**729,841**	524,408	**560,975**	216,159
Cash in hand	**2,032**	1,649	**7**	7
Bank balances	**88,477**	52,875	**4,941**	2,071
	820,350	578,932	**565,923**	218,237

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
The currency exposure profile of cash and bank balances is as follows:				
US Dollar	**74,800**	95,550	**70,508**	93,323
Singapore Dollar	**3,484**	3,410	**3,142**	3,070
Hong Kong Dollar	**19,063**	32,354	**19,052**	32,343
Australian Dollar	**30,958**	4,043	**28,969**	4,043
	128,305	135,357	**121,671**	132,779

Included in the above is cash and bank balances amounting to RM86,825,000 (2010: RM218,801,000) for which the Group has assigned as security pursuant to the redeemable secured bonds and term loans of certain subsidiaries (Note 17), out of which RM17,790,000 (2010: RM13,924,000) is restricted for use and is maintained by the trustee for the payment of interest, income tax and for redemption of the bond.

Deposits with licensed banks of the Group and Company at the reporting date both have an average maturity period of 70 days (2010: 32 days) and 77 days (2010: 23 days) respectively. Bank balances are deposits held at call with banks and earn no interest.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

33. Cash and bank balances (continued)

The weighted average effective interest rates of deposits with licensed banks as at financial year end are as follows:

	Group		Company	
	2011	2010	2011	2010
	% per annum	% per annum	% per annum	% per annum
Deposits with licensed banks:				
Ringgit Malaysia	**3.19**	2.76	**3.27**	2.91
US Dollar	**0.16**	0.14	**0.16**	0.14
Singapore Dollar	**0.19**	0.25	**0.19**	0.25
Hong Kong Dollar	**0.16**	0.18	**0.16**	0.18
Australian Dollar	**4.31**	3.10	**4.31**	3.10

34. Trade and other payables

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Trade payables	**181,338**	260,665	**6,852**	21,203
Accruals	**77,505**	77,960	**1,525**	2,048
Other payables	**38,204**	35,849	**2,213**	2,931
Deposits received from tenants	**61,568**	56,407	**982**	1,208
	358,615	430,881	**11,572**	27,390
Less: Non-current portion:				
Deposit received from tenants	**(39,381)**	(30,728)	**-**	-
Current portion	**319,234**	400,153	**11,572**	27,390
The currency exposure profile of trade payables is as follows:				
US Dollar	**10,624**	149	**-**	-
Australian Dollar	**27**	-	**-**	-
	10,651	149	**-**	-

Credit term of trade payables is 30 days (2010: 30 days). Included in trade payables of the Group is retention on contract sum of RM14,514,000 (2010: RM17,129,000). The fair value of the non-current portion of deposits received from tenants at the reporting date was approximately RM39.3 million (2010: RM30.7 million)

35. Amount owing by a jointly controlled entity

	Group	
	2011	2010
	RM'000	RM'000
Amount owing by a jointly controlled entity	**974**	10,969
Share of (loss)/profit of a jointly controlled entity	**(725)**	102
	249	11,071

The Group has a 50% interest in a Malaysian jointly controlled entity, Shimizu-Ensignia Joint Venture, which is in the construction industry.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

35. Amount owing by a jointly controlled entity (continued)

The Group's share of the assets and liabilities of the jointly controlled entity is as follows:

	Group	
	2011	**2010**
	RM'000	**RM'000**
Current assets	**6,320**	21,718
Current liabilities	**(6,071)**	(10,647)
	249	11,071

The share of results of the jointly controlled entity is as follows:

	Group	
	2011	**2010**
	RM'000	**RM'000**
Contract revenue	**2,280**	12,059
Contract costs	**(3,005)**	(11,957)
(Loss)/profit for the financial year distributed	**(725)**	102

In accordance with the provisions of the Malaysian Income Tax Act, 1967, the partners of the joint venture are taxed individually on their share of profit arising from the joint venture.

36. Segment reporting – Group – By business segments

Management has determined the operating segments based on the various reports prepared for the Board of Directors that are used to make strategic decisions.

The Group is organised into four main business segments:

- Property development - development and sale of condominiums, bungalows, linked houses, shoplots and office suites
- Property investment and management - rental income and service charge from retail and office building
- Hotel - income from hotel operations
- Construction - civil and building construction

Other operations of the Group mainly comprise investment holding and project management services; none of which are of a significant size to be reported separately.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

36. Segment reporting – Group – By business segments (continued)

Inter segment revenues comprise construction work for internal projects and office rental under terms and conditions negotiated amongst the parties.

2011	Note	Property development RM'000	Property investment and management RM'000	Hotel RM'000	Construction RM'000	Others RM'000	Group RM'000
Revenue							
Total revenue		23,432	484,735	234,786	89,833	36,599	869,385
Intersegment revenue		-	(19,044)	(6,410)	(47,910)	(23,892)	(97,256)
External revenue		23,432	465,691	228,376	41,923	12,707	772,129
Results							
Segment results (external)		(17,746)	252,831	80,025	(917)	4,591	318,784
Unallocated corporate expenses							(30,553)
Interest income							22,088
Profit from operations							310,319
Finance costs							(55,918)
Share of results of associates		2,181	845	12,056	-	56	15,138
Gain on disposal of an associate		-	-	87,965	-	-	87,965
Profit before tax							357,504
Tax expense							(90,655)
Profit for the financial year							266,849
Other information							
Segment assets		385,457	2,120,006	1,083,140	144,017	431,226	4,163,846
Associates		65,218	20,896	316,350	-	37,286	439,750
Jointly controlled entity		-	-	-	249	-	249
Unallocated assets		591,885	40,274	95,159	754	10,987	739,059
Total assets							5,342,904
Segment liabilities		128,763	1,023,809	40,898	1,439	94,863	1,289,772
Unallocated liabilities							408,555
Total liabilities							1,698,327
Capital expenditure:							
Property, plant and equipment	19	565	34,418	20,428	6	21	55,438
Investment properties	21	-	222,217	-	-	-	222,217
Depreciation:							
Property, plant and equipment	19	1,094	4,853	47,166	261	289	53,663
Investment properties	21	-	54,089	-	-	-	54,089
Long term prepaid lease	22	-	-	232	-	-	232
Reversal of impairment loss:							
Property, plant and equipment		-	-	3,595	-	-	3,595
Financial assets at fair value through profit or loss	6	355	-	-	-	-	355

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

36. Segment reporting – Group – By business segments (continued)

2010	Note	Property development RM'000	Property investment and management RM'000	Hotel RM'000	Construction RM'000	Others RM'000	Group RM'000
Revenue							
Total revenue		71,269	444,374	207,999	31,711	33,488	788,841
Intersegment revenue		-	(18,586)	(5,465)	(22,675)	(22,755)	(69,481)
External revenue		71,269	425,788	202,534	9,036	10,733	719,360
Results							
Segment results (external)		40,201	230,559	45,080	59	(627)	315,272
Unallocated corporate expenses							(25,506)
Interest income							17,158
Profit from operations							306,924
Finance costs							(53,753)
Share of results of associates		4,783	2,975	14,475	-	2,518	24,751
Profit before tax							277,922
Tax expense							(77,966)
Profit for the financial year							199,956
Other information							
Segment assets		640,603	1,997,219	711,196	151,222	262,244	3,762,484
Associates		83,998	22,526	398,026	-	39,680	544,230
Jointly controlled entity		-	-	-	11,071	-	11,071
Unallocated assets		247,572	34,605	59,154	252	26,478	368,061
Total assets							4,685,846
Segment liabilities		215,516	787,526	40,831	36,029	6,594	1,086,496
Unallocated liabilities							344,148
Total liabilities							1,430,644
Capital expenditure:							
Property, plant and equipment	19	4,424	7,032	41,817	19	66	53,358
Investment properties	21	-	93,207	-	-	-	93,207
Depreciation:							
Property, plant and equipment	19	1,526	5,117	41,347	456	318	48,764
Investment properties	21	-	49,179	-	-	-	49,179
Long term prepaid lease	22	-	-	227	-	-	227
Impairment losses:							
Financial assets at fair value through profit or loss	6	38	-	-	-	-	38

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

37. Capital commitment

Capital expenditure not provided for in the financial statements is as follows:

	Group	
	2011	2010
	RM'000	RM'000
Authorised by Directors and contracted:		
Property, plant and equipment	-	22,126
Authorised by Directors but not contracted:		
Property, plant and equipment	**6,405**	11,944
	6,405	34,070

38. Significant related party disclosures

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The related party transactions described below are carried out on terms and conditions negotiated amongst the parties.

(i) Group

		Group	
		2011	2010
		RM'000	RM'000
(a)	**Associates**		
	Repayments of advances from associates	**2,135**	5,212
	Advances to associates	**7,180**	5,794
	Repayment of advances to associates	**2,450**	-
	Advances from associates	**600**	266
(b)	**Jointly controlled entity**		
	Repayments of advances from jointly controlled entity	**4,976**	-
	Repayments of advances to jointly controlled entity	**5,846**	5,640
	Advances to jointly controlled entity	-	8,848

(c)	**Other related parties**	**Relationship**
	Cahaya Utara Sdn Bhd	An associate of Wah Seong (Malaya) Trading Co. Sdn Bhd., a company in which Robert Tan Chung Meng, Pauline Tan Suat Ming and Tony Tan @ Choon Keat, Directors of the Company, have substantial financial interest.
	Strass Media Sdn Bhd	A subsidiary of Wah Seong (Malaya) Trading Co. Sdn Bhd, a company in which Robert Tan Chung Meng, Pauline Tan Suat Ming and Tony Tan @ Choon Keat, Directors of the Company, have substantial financial interest.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

38. Significant related party disclosures (continued)

(i) Group (continued)

	Group 2011 RM'000	Group 2010 RM'000
Light boxes rental, pedestrian bridge and office rental:		
Strass Media Sdn Bhd	**1,186**	1,168
Management/marketing fee income:		
Cahaya Utara Sdn Bhd	**1,330**	1,276

(ii) Company

	Company 2011 RM'000	Company 2010 RM'000
(a) Subsidiaries		
Interest charged to subsidiaries	**8,538**	8,911
Advances to subsidiaries	**548,361**	216,031
Advances from subsidiaries	**40,475**	47,935
Repayment of advances from subsidiaries	**509,058**	256,647
Repayment of advances to subsidiaries	**14,291**	12,106
(b) Associates		
Repayment of advances from associates	**572**	977
Advances to associates	**7,004**	1,160

(c) Other related parties — **Relationship**

Mr Chong Kim Weng — Spouse of Tan Lei Cheng, a Director of the Company

	Company 2011 RM'000	Company 2010 RM'000
Purchase of shares in Great Union Properties Sdn Bhd (Note 44(a))		
Chong Kim Weng	**2,027**	-

(iii) Remuneration of key management personnel compensation for the financial year is as follows:

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Salaries, bonus and allowance	**19,142**	17,478	**7,511**	5,983
Post-employment benefits	-	181	-	-
Defined contribution plan	**1,984**	1,953	**727**	673
Other short term benefits	**212**	296	**124**	225
	21,338	19,908	**8,362**	6,881

Key management comprises management personnel having authority and responsibility for planning, directing and controlling the activities of the Group.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

39. Changes in Group structure

Incorporation of subsidiary during the financial year

(a) On 28 March 2011, the Company announced to Bursa Malaysia that Cititel Hotel Management Sdn Bhd, a 60%-owned subsidiary, had on 28 March 2011 incorporated a wholly-owned subsidiary known as St Giles Hotels (Asia) Limited ("SGHL") under the Labuan Companies Act 1990 with an issued and paid-up capital of USD100,000 comprising of 100,000 ordinary shares of USD1.00 each. SGHL is currently dormant and its intended principal activity is hotel management services.

Voluntary liquidation during the financial year

(b) On 27 January 2011, the Company announced to Bursa Malaysia that the following wholly-owned subsidiaries will be dissolved on 28 January 2011 pursuant to Section 272(5) of the Companies Act, 1965:

(i) K Parking Sdn Bhd
(ii) Mid Valley City Residences Sdn Bhd
(iii) T-Bond Construction Sdn Bhd

(c) On 13 September 2011, the Company announced to Bursa Malaysia that the Liquidator had convened the final meetings of the following dormant wholly-owned subsidiaries of the Group on 12 September 2011 and on the expiration of 3 months from 12 September 2011, the four companies will be dissolved:

(i) Ipoh Garden Shopping Complex Sdn Bhd
(ii) Express Management Consultants Sdn Bhd
(iii) Pinex Sdn Bhd
(iv) Teamwork M & E Sdn Bhd

The changes in Group structure had no significant effect on the financial results of the Group in the current financial year and the financial position of the Group as at the end of the current financial year.

40. Subsidiaries

	Name of company	Principal activities	Place of incorporation	Group's effective interest (%) 2011	2010
	Abad Flora Sdn. Bhd. [1]	Property Investment	Malaysia	**100.0**	100.0
	Amanbest Sdn. Bhd. [2] *(Striking off completed in 2011)*	Dormant	Malaysia	**0.0**	51.0
	Amandamai Dua Sdn. Bhd. [3]	Property Holding	Malaysia	**100.0**	100.0
	Amandamai Satu Sdn. Bhd. [4]	Property Development	Malaysia	**100.0**	100.0
	Angkasa Gagah Sdn. Bhd. [5]	Property Development	Malaysia	**100.0**	100.0
*	Asian Equity Limited [6]	Investment Holding	British Virgin Islands	**55.0**	55.0
	Atar Deras Sdn. Bhd. [7]	Property Development	Malaysia	**100.0**	100.0
*	Auspicious Prospects Ltd. [8]	Investment Holding	Liberia	**100.0**	100.0
	Belimbing Hills Sdn. Bhd. [9]	Property Development	Malaysia	**100.0**	100.0
*	Beswell Limited [10]	Investment Holding	Hong Kong	**100.0**	100.0
	Bintang Buana Sdn. Bhd. [11]	Property Development	Malaysia	**90.0**	90.0
	Central Review (M) Sdn. Bhd. [12]	Hotelier	Malaysia	**100.0**	100.0
	Cipta Klasik (M) Sdn. Bhd. [13]	Property Investment	Malaysia	**100.0**	100.0
	Cititel Hotel Management Sdn. Bhd.	Provision of Hotel Management Services	Malaysia	**60.0**	60.0
	Cititel Hotels Pty Ltd [14]	Investment Holding	Australia	**100.0**	100.0
	Corpool Holdings Sdn. Bhd.	Investment Holding	Malaysia	**100.0**	100.0
	Danau Bidara (M) Sdn. Bhd. [15]	Property Holding	Malaysia	**100.0**	100.0
	Dian Rezeki Sdn. Bhd.	Investment Holding	Malaysia	**100.0**	100.0
	Earning Edge Sdn. Bhd. [16]	Investment Holding	Malaysia	**65.0**	65.0
	Ensignia Construction Sdn. Bhd.	Investment Holding and Construction	Malaysia	**100.0**	100.0
	Express Management Consultants Sdn. Bhd. [17] *(Liquidated via members' voluntary liquidation in 2011)*	Dormant	Malaysia	**0.0**	100.0

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

40. Subsidiaries (continued)

	Name of company	Principal activities	Place of incorporation	Group's effective interest (%) 2011	2010
*	Grapevine Investments Pte. Ltd.	Investment Holding	Singapore	**100.0**	100.0
	Harta Villa Sdn. Bhd. 1[8]	Property Development	Malaysia	**100.0**	100.0
	ICDC Holdings Sdn. Bhd.	Investment Holding	Malaysia	**100.0**	100.0
	ICDC Management Sdn. Bhd. [19] *(Under application for strike-off)*	Property Management	Malaysia	**100.0**	100.0
	Idaman Spektra Sdn Bhd	Property Investment	Malaysia	**100.0**	100.0
	IGB Management Services Sdn. Bhd.	Property Management Services	Malaysia	**100.0**	100.0
	IGB Project Management Services Sdn. Bhd.	Project Management Services	Malaysia	**100.0**	100.0
	IGB Properties Sdn. Bhd.	Property Investment and Management	Malaysia	**100.0**	100.0
	Innovation & Concept Development Co. Sdn Bhd. [20]	Property Development	Malaysia	**100.0**	100.0
	Intercontinental Aviation Services Sdn. Bhd.	Investment Holding	Malaysia	**100.0**	100.0
	Ipoh Garden Shopping Complex Sdn. Bhd. *(Liquidated via members' voluntary liquidation in 2011)*	Dormant	Malaysia	**0.0**	100.0
	IST Building Products Sdn Bhd	Trading of Building Materials	Malaysia	**100.0**	100.0
	IT&T Engineering & Construction Sdn. Bhd.	Investment Holding	Malaysia	**100.0**	100.0
	Kemas Muhibbah Sdn. Bhd. [21]	Property Development	Malaysia	**100.0**	100.0
	KennyVale Sdn. Bhd. [22]	Property Development	Malaysia	**100.0**	100.0
	Kondoservis Sdn. Bhd. [23]	Provision of Management Services to Condominiums	Malaysia	**100.0**	100.0
	K Parking Sdn. Bhd. *(Liquidated via members' voluntary liquidation in 2011)*	Dormant	Malaysia	**0.0**	100.0
	KrisAssets Holdings Berhad	Investment Holding	Malaysia	**75.1**	73.5
	Lagenda Sutera (M) Sdn. Bhd. [24]	Hotelier	Malaysia	**100.0**	100.0
*	Lingame Company Limited	Investment Holding	Hong Kong	**100.0**	100.0
*	MiCasa Hotel Limited [25]	Hotelier	Myanmar	**65.0**	65.0
	Mid Valley Capital Sdn Bhd [26]	Special Purpose Vehicle for Issuance of Bonds	Malaysia	**75.1**	73.5
	Mid Valley City Sdn. Bhd. [27]	Owner and Operator of Mid Valley Megamall	Malaysia	**75.1**	73.5
	Mid Valley City Developments Sdn. Bhd.	Property Development	Malaysia	**100.0**	100.0
	Mid Valley City Energy Sdn Bhd	Distribution of Electricity	Malaysia	**100.0**	100.0
	Mid Valley City Enterprise Sdn.Bhd.	Hotelier	Malaysia	**100.0**	100.0
	Mid Valley City Gardens Sdn Bhd [28]	Property Investment	Malaysia	**75.1**	100.0
	Mid Valley City Hotels Sdn Bhd	Hotelier	Malaysia	**100.0**	100.0
	Mid Valley City North Tower Sdn Bhd	Property Investment	Malaysia	**100.0**	100.0
	Mid Valley City Property Services Sdn Bhd [29]	Provision of building and maintenance services for all common areas within Mid Valley City	Malaysia	**100.0**	100.0
	Mid Valley City Residences Sdn Bhd *(Liquidated via members' voluntary liquidation in 2011)*	Dormant	Malaysia	**0.0**	100.0
	Mid Valley City South Tower Sdn Bhd	Property Investment	Malaysia	**100.0**	100.0
	Mid Valley City Southpoint Sdn Bhd	Property Investment	Malaysia	**100.0**	100.0
	Murni Properties Sdn. Bhd.	Property Investment	Malaysia	**100.0**	100.0
	MVC Centrepoint North Sdn Bhd	Property Investment	Malaysia	**100.0**	100.0
	MVC Centrepoint South Sdn Bhd	Property Investment	Malaysia	**100.0**	100.0
	MVC CyberManager Sdn Bhd	Operation of MSC cyber centre in Mid Valley City	Malaysia	**100.0**	100.0
	MVEC Exhibition and Event Services Sdn. Bhd.	Provision of Exhibition Services	Malaysia	**100.0**	100.0
	Nova Pesona Sdn Bhd [30]	Property Development	Malaysia	**100.0**	100.0
	OPT Ventures Sdn. Bhd. [31]	Property Development	Malaysia	**70.0**	70.0

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

40. Subsidiaries (continued)

	Name of company	Principal activities	Place of incorporation	Group's effective interest (%) 2011	2010
	Outline Avenue (M) Sdn. Bhd. [32]	Property Development	Malaysia	**89.6**	89.6
	Pacific Land Sdn. Bhd.	Investment Holding	Malaysia	**100.0**	100.0
*	Pacific Land Pte Ltd [33]	Investment Holding	Singapore	**100.0**	100.0
	Pangkor Island Resort Sdn. Bhd.	Hotelier	Malaysia	**100.0**	100.0
	Pekeliling Land Sdn. Bhd.	Property Holding	Malaysia	**100.0**	100.0
	Pekeliling Property Sdn. Bhd.	Property Management Services	Malaysia	**100.0**	100.0
	Penang Garden Sdn. Bhd.	Property Development and Letting of Properties	Malaysia	**100.0**	100.0
	Permata Efektif (M) Sdn. Bhd. [34]	Property Development	Malaysia	**100.0**	100.0
	Pinex Sdn. Bhd. [35] *(Liquidated via members' voluntary liquidation in 2011)*	Dormant	Malaysia	**0.0**	100.0
	Plaza Permata Management Services Sdn. Bhd.	Property Management Services	Malaysia	**100.0**	100.0
	Prima Condominium Sdn. Bhd.	Investment Holding	Malaysia	**100.0**	100.0
	Primanah Property Sdn. Bhd.	Property Development	Malaysia	**100.0**	100.0
	Puncak Megah (M) Sdn. Bhd.	Investment Holding	Malaysia	**100.0**	100.0
	Rapid Alpha Sdn. Bhd.	Construction	Malaysia	**100.0**	100.0
	Reka Handal Sdn. Bhd. [36]	Property Development	Malaysia	**75.0**	75.0
	Riraiance Enterprise Sdn. Bhd.	Investment Holding	Malaysia	**100.0**	100.0
	Salient Glory City Sdn. Bhd.	Property Investment	Malaysia	**100.0**	100.0
	Sigma Setiaria Sdn Bhd	Property Investment	Malaysia	**100.0**	100.0
	St Giles Hotels (Asia) Limited [37]	Provision of Hotel Management Services	Labuan	**60.0**	0.0
	Tanah Permata Sdn. Bhd. [38]	Hotelier	Malaysia	**100.0**	100.0
	Tan & Tan Developments Berhad	Property Development, Provision of Project Management Services and Investment Holding	Malaysia	**100.0**	100.0
	Tan & Tan Realty Sdn. Bhd. [39]	Property Investment and Provision of Related Services and Operating of Food Court	Malaysia	**80.0**	80.0
	T-Bond Construction Sdn. Bhd. [40] *(Liquidated via members' voluntary liquidation in 2011)*	Dormant	Malaysia	**0.0**	100.0
	Teamwork M & E Sdn. Bhd. [41] *(Liquidated via members' voluntary liquidation in 2011)*	Dormant	Malaysia	**0.0**	100.0
	TTD Sdn. Bhd. [42]	Hotelier	Malaysia	**100.0**	100.0
	Verokey Sdn Bhd	Dormant	Malaysia	**100.0**	100.0
	Wong Siew Choong Sdn Bhd [43]	Property Investment	Malaysia	**0.0**	100.0
	X-Speed Sdn. Bhd.	Dormant	Malaysia	**100.0**	100.0

Notes:

1-5, 7, 9, 11-13, 15, 18, 22, 23, 30-32, 34-36, 39-42	- Held by Tan & Tan Developments Berhad.
6	- Held by Pacific Land Sdn. Bhd. and TTD Sdn. Bhd. 35.0% and 20.0% respectively.
8	- Held by Lingame Company Limited.
10, 14, 24, 33, 38	- Held by Pacific Land Sdn. Bhd.
16	- Held by Pacific Land Sdn. Bhd. and TTD Sdn. Bhd. 45.0% and 20.0% respectively.
17, 19, 20	- Held by ICDC Holdings Sdn. Bhd.
21	- Held by IGB Project Management Services Sdn. Bhd.
25	- Held by Earning Edge Sdn. Bhd.
26, 27, 28	- Held by KrisAssets Holdings Berhad
29	- Held by Mid Valley City Developments Sdn. Bhd.
37	- Held by Cititel Hotel Management Sdn. Bhd
43	- Held by Dian Rezki Sdn. Bhd.

* Companies audited by firms other than member firm of PricewaterhouseCoopers International Limited.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

41. Associates

	Name of company	Principal activities	Place of incorporation	Group's effective interest (%) 2011	2010
*	Aroma Laundry and Dry Cleaners Sdn. Bhd. [1] (Under members' voluntary liquidation)	Provision of Laundry and Dry Cleaning Services	Malaysia	**20.0**	20.0
+	Crystal Centre Properties (International) Limited. [2]	Investment Holding	Hong Kong	**0.0**	45.0
	Detik Harapan Sdn Bhd	Operator of Educational Institutions	Malaysia	**40.0**	40.0
*	DMV Sdn Bhd [3]	Property Development	Malaysia	**39.0**	39.0
	Gleneagles Medical Centre (Kuala Lumpur) Sdn. Bhd. [4]	Development and Investment in Medical Centres	Malaysia	**30.0**	30.0
	Great Union Properties Sdn. Bhd.	Hotelier	Malaysia	**50.0**	50.0
	Hampshire Properties Sdn Bhd [5]	Property Development and Property Investment	Malaysia	**50.0**	50.0
*	HICOM Tan & Tan Sdn. Bhd. [6]	Property Development	Malaysia	**50.0**	50.0
+	Istaron Limited [7]	Investment Holding	Hong Kong	**0.0**	50.0
	Johan Kekal Sdn. Bhd.	Property Development	Malaysia	**50.0**	50.0
	Kumpulan Sierramas (M) Sdn.Bhd. [8]	Property Development	Malaysia	**50.0**	50.0
	Kundang Properties Sdn. Bhd.	Property Development	Malaysia	**50.0**	50.0
*	Kyami Pty. Ltd. [9]	Investment Holding	Australia	**40.0**	40.0
	Merchant Firm Limited [10]	Investment Holding	British Virgin Islands	**49.5**	49.5
	New Commercial Investments Limited [11]	Investment Holding	British Virgin Islands	**49.6**	49.6
	Orion Corridor Sdn Bhd [12]	Dormant	Malaysia	**24.8**	0.0
	Pacific Land Company Limited [13]	Investment Holding	Thailand	**25.0**	25.0
	Permata Alasan (M) Sdn Bhd [14]	Property Development and Property Investment	Malaysia	**50.0**	50.0
	Ravencroft Investments Incorporated [15]	Investment Holding	British Virgin Islands	**49.5**	49.5
+	Saigon Inn Hotel Co. [16]	Hotelier	Vietnam	**0.0**	29.3
*	Sierramas Landscape Services Sdn Bhd [17]	Landscaping and Horticulture	Malaysia	**50.0**	50.0
*	St Giles Hotel Limited. [18]	Hotels and Motels with Restaurants	United Kingdom	**49.5**	49.5
*	St Giles Hotel LLC [19]	Hotelier	United States of America	**49.5**	49.5
*	St Giles Hotel (Heathrow) Limited. [20]	Hotels and Motels with Restaurants	United Kingdom	**49.6**	49.6
*	St Giles Hotel (Manila) Inc [21]	Hotelier	Philippines	**49.5**	49.5
	Technoltic Engineering Sdn Bhd	Servicing, Maintenance and Installation of Elevators	Malaysia	**40.0**	40.0
*	Tentang Emas Sdn. Bhd. [22]	Investment Holding	Malaysia	**49.0**	49.0

Notes:

1, 4, 5, 6, 8, 9, 14, 22	- Held by Tan & Tan Developments Berhad.
2	- Held by Istaron Limited.
3	- Held by Tan & Tan Developments Berhad and IGB Corporation Berhad 26% and 13% respectively.
7, 13	- Held by Pacific Land Sdn. Bhd.
10	- Held by Ravencroft Investments Incorporated
11	- Held by Pacific Land Sdn. Bhd. and TTD Sdn. Bhd. 31.53% and 18.02% respectively.
12, 21	- Held by Merchant Firm Limited
15, 18	- Held by Pacific Land Sdn. Bhd., Beswell Limited and TTD Sdn. Bhd. 27.72%, 7.65% and 14.10% respectively.
16	- Held by Crystal Centre Properties (International) Ltd.
17	- Held by Kumpulan Sierramas (M) Sdn. Bhd.
19	- Held by St Giles Hotel Limited
20	- Held by Pacific Land Sdn. Bhd. and TTD Sdn. Bhd. 31.53% and 18.02% respectively.

+ Companies audited by member firms of PricewaterhouseCoopers International Limited which is a separate and independent legal entity from PricewaterhouseCoopers Malaysia.

* Companies audited by firms other than member firm of PricewaterhouseCoopers International Limited.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

42. Changes in accounting policies

The following describes the impact of revised FRS 3 "Business combinations", revised FRS 127 "Consolidated and separate financial statements" and Amendment to FRS 7 "Financial instruments: Disclosures – improving disclosures about financial instruments" on the accounting policies and the financial statements of the Group.

(a) Revised FRS 3 "Business combinations"

The Group has changed its accounting policy on business combinations when it adopted the revised FRS 3 "Business combinations".

Previously, contingent consideration in a business combination was recognised when it is probable that payment will be made. Acquisition-related costs were included as part of the cost of business combination. With the adoption of the revised FRS 3 "Business combinations", the cost of acquisition includes the fair values of any asset or liability resulting from a contingent consideration arrangement.

Acquisition-related costs were previously included as part of the cost of business combination. With the adoption of the revised FRS 3 "Business combinations", the costs directly attributable to the acquisition are expensed as incurred.

The Group has applied the new policy prospectively to transactions occurring on or after 1 January 2011. As a consequence, no adjustments were necessary to any of the amounts previously recognised in the financial statements.

(b) FRS 127 "Consolidated and separate financial statements"

The Group has changed its accounting policy on non-controlling interests when it adopted the revised FRS 127 "Consolidated and separate financial statements".

Previously, the Group had stopped attributing losses to the non-controlling interests where the losses exceeded the carrying amount of the non-controlling interests. With the adoption of the revised FRS 127 "Consolidated and separate financial statements", all earnings and losses of the subsidiary are attributed to the owners of the company and non-controlling interests, even if the attribution of losses to the non-controlling interests results in a debit balance in the shareholders' equity.

The Group has applied this policy prospectively. On the date of adoption of the new policy, no adjustments have been made to the non-controlling interests previously recognised in the financial statements.

(c) Amendment to FRS 7 "Financial instruments: Disclosures – improving disclosures about financial instruments"

The amendment to FRS 7 requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy.

Except for additional disclosure in the notes to the financial statements, the adoption of the amendment to FRS 7 has no significant impact on the financial statements of the Group and of the Company in the current financial year.

43. Cash and cash equivalents

		Group		Company	
	Note	2011	2010	2011	2010
		RM '000	RM '000	RM '000	RM '000
Cash in hand	33	**2,032**	1,649	**7**	7
Bank balances	33	**88,477**	52,875	**4,941**	2,071
Deposit with licensed banks	33	**731,824**	526,332	**560,975**	216,159
Cash held under Housing Development Accounts	32	**22,271**	47,901	**10,399**	16,284
		844,604	628,757	**576,322**	234,521
Less: Restricted cash	33	**(17,790)**	(13,924)	**-**	-
		826,814	614,833	**576,322**	234,521

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

44. Significant events after reporting date

(a) Purchase of shares in Great Union Properties Sdn Bhd

On 19 December 2011, a Sale and Purchase Agreement was signed between the Company, Stapleton Developments Limited and Mr Chong Kim Weng for the purchase of a total of 50,000,000 ordinary shares of RM1.00 each in Great Union Properties Sdn Bhd, the owner and operator of Renaissance Hotel Kuala Lumpur, for a total cash consideration of RM101,348,967. The acquisition was completed on 23 March 2012, on which date Great Union Properties Sdn Bhd became a 100%-owned subsidiary.

(b) Proposed establishment and listing of a real estate investment trust ("IGB REIT")

On 16 April 2012, an announcement was made to Bursa Malaysia that the Company proposes to establish and list a real estate investment trust ("IGB REIT") on the Main Market of Bursa Malaysia. The initial investment portfolio of IGB REIT shall comprise a 8-storey retail mall known as The Gardens Mall and a 5-storey retail mall with 1 mezzanine floor known as Mid Valley Megamall ("Subject Properties") which are currently owned by Mid Valley City Gardens Sdn Bhd and Mid Valley City Sdn Bhd respectively, both of which are wholly-owned subsidiaries of KrisAssets Holdings Berhad ("KrisAssets") which is in turn a subsidiary of the Company. KrisAssets, via its subsidiaries, proposes to dispose the Subject Properties to IGB REIT. In conjunction with the above, on the same day, an application was submitted to the Securities Commission for its approval of the valuation of the Subject Properties.

45. Approval of financial statements

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors dated 26 April 2012.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2011
(continued)

46. Disclosure of realised and unrealised retained profits /(accumulated losses)

The following analysis is 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.

	Group	
	2011	**2010**
	RM '000	**RM '000**
Total retained profits of the Company and its subsidiaries:		
Realised	**1,958,260**	1,747,262
Unrealised	**(183,556)**	(110,162)
	1,774,704	1,637,100
Total retained profits of the associates:		
Realised	**204,062**	200,431
Unrealised	**6,919**	(277)
	210,981	200,154
Less: Consolidation adjustments	**(280,461)**	(282,560)
Total Group retained profits	**1,705,224**	1,554,694

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

We, Robert Tan Chung Meng and Tan Kai Seng, being two of the Directors of IGB Corporation Berhad, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 33 to 104 are drawn up in accordance with the provisions of the Companies Act, 1965 and the MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities so as to give a true and fair view of the state of affairs of the Group and Company as at 31 December 2011 and of the results and cash flows of the Group and Company for the financial year ended on that date.

Signed in accordance with a resolution of the Directors dated 26 April 2012.

Robert Tan Chung Meng
Managing Director

Tan Kai Seng
Director

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

I, Chai Lai Sim, the officer primarily responsible for the financial management of IGB Corporation Berhad, do solemnly and sincerely declare that the financial statements set out on pages 33 to 105 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Chai Lai Sim

Subscribed and solemnly declared by the abovenamed Chai Lai Sim at Kuala Lumpur on 26 April 2012.

Before me:

Aishah bt Shahul Hameed, PJK
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT
to the members of IGB Corporation Berhad
(Incorporated in Malaysia)
(Company No. 5745-A)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of IGB Corporation Berhad, on pages 33 to 104, which comprise the statements of financial position as at 31 December 2011 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory Notes, as set out in notes 1 to 45.

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 MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act, 1965, 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 whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of 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 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 MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2011 and of their financial performance and cash flows for the year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries 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 40 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) Our 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
to the members of IGB Corporation Berhad
(Incorporated in Malaysia)
(Company No. 5745-A)
(continued)

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 46 on page 105 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 dated 20 December 2011 ("Bursa Directive"). 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.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

SOO HOO KHOON YEAN
(No. 2682/10/13 (J))
Chartered Accountant

Kuala Lumpur
26 April 2012

IGB Corporation Berhad (5745-A)

PROXY FORM

I/We (name as per Identification/Certificate of Incorporation) ______________________________

Identification/Company No. ____________________ CDS Account No. ____________________

of (address) ______________________________

____

being a member of IGB Corporation Berhad hereby appoint (name as per Identification/Passport) ____________________

Identification/Passport No. ____________________ of (address) ____________________

____

or failing him/her, the Chairman as my/our proxy to vote for me/us on my/our behalf at the 48th AGM of IGB to be held at Bintang Ballroom, Level 5, Cititel Mid Valley, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur on Tuesday, 26 June 2012 at 3.00 p.m. and at any adjournment thereof, in the manner indicated below:

No.	Resolutions	For	Against
1.	Re-election of Tan Boon Lee		
2.	Re-election of Tan Lei Cheng		
3.	Re-election of Pauline Tan Suat Ming		
4.	Re-appointment of PricewaterhouseCoopers as Auditors		
5.	Re-appointment of Tan Sri Abu Talib bin Othman		
6.	Renewal of Section 132D Mandate		
7.	Renewal of Share Buy-Back Mandate		
8.	Renewal of RRPT Mandate		
9.	Proposed Amendments of Articles		

Signed (and sealed) this ____________ day of ____________ 2012

Number of Shares held

____
Signature of Member/Common Seal

Notes:

(a) A member is entitled to appoint not more than two (2) proxies and they need not be members;
(b) A member, who is an exempt authorised nominee as defined under the Central Depositories Act which holds shares in the Company for multiple beneficial owners in one securities account ('omnibus account'), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds;
(c) A member who appoints a proxy must execute the proxy form, and if two (2) proxies are appointed, the number of shares to be represented by each proxy must be clearly indicated;
(d) A corporate member who appoints a proxy must execute the proxy form under seal or the hand of its officer or attorney duly authorised;
(e) Only members registered in the Record of Depositors as at 20 June 2012 shall be eligible to attend the 48th AGM or appoint a proxy to attend and vote on his behalf;
(f) The executed proxy form must be deposited at the Registered Office not less than 48 hours before the time set for the 48th AGM; and
(g) The Annual Report 2011 and proxy form can be accessed at www.igbcorp.com

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Company Secretary/Share Registrar
IGB Corporation Berhad (5745-A)
Level 32, The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Malaysia

1st fold here