MKH BERHAD (50948-T)

(Formerly known as Metro Kajang Holdings Berhad)

Annual Report 2011

Contents

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Thirty-Second Annual General Meeting ("32nd AGM") of MKH Berhad (formerly known as Metro Kajang Holdings Berhad) will be held at Ballroom, First Floor, Prescott Metro Inn, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan on Friday, 2 March 2012 at 10.00 a.m. to transact the following businesses:

Ordinary Business:

1. To receive the Audited Financial Statements for the financial year ended 30 September 2011 together with the Directors' and Auditors' reports thereon. **(Please refer to Explanatory Note A)**

2. To approve Directors' fees amounting to RM120,000-00 for the financial year ended 30 September 2011. **(Ordinary Resolution 1)**

3. To approve a Final Dividend of 5.0 sen less 25% Malaysian Income Tax per ordinary share of RM1.00 each for the financial year ended 30 September 2011. **(Ordinary Resolution 2)**

4. To re-elect the following Directors who retire by rotation pursuant to Article 110(1) of the Company's Articles of Association and being eligible, have offered themselves for re-election:-

   (i) Mr. Chen Ying @ Chin Ying **(Ordinary Resolution 3)**
   (ii) Mr. Chen Fook Wah **(Ordinary Resolution 4)**
   (iii) Encik Jeffrey Bin Bosra **(Ordinary Resolution 5)**

5. To re-elect Ms. Mah Swee Buoy, who retires by rotation pursuant to Article 117 of the Company's Articles of Association and being eligible, has offered herself for re-election. **(Ordinary Resolution 6)**

6. To re-appoint Haji Mohamed Bin Ismail, who retires pursuant to Section 129(2) of the Companies Act, 1965. **(Ordinary Resolution 7)**

7. To re-appoint Messrs Moore Stephens AC as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 8)**

SPECIAL BUSINESS:

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

8. Ordinary Resolution
   Authority To Issue Shares Pursuant To Section 132D Of The Companies Act, 1965.

   "**THAT** pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to issue shares of the Company at any time until the conclusion of the next Annual General Meeting of the Company upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10 per centum of the issued share capital of the Company for the time being and that the Directors are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad." **(Ordinary Resolution 9)**

Notice of Annual General Meeting (continued)

9. Ordinary Resolution
Proposed Renewal Of Authority For The Company To Purchase Its Own Shares ("Proposed Renewal Of Share Buy-Back")

"**THAT** subject to Section 67A of the Companies Act, 1965, provisions of the Memorandum and Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authorities, the Directors of the Company be and are hereby authorised to exercise the power of the Company to purchase such amount of ordinary shares in the Company from time to time through Bursa Securities subject further to the following:

(i) the aggregate number of shares purchased does not exceed 10% of the total issued and paid-up share capital of the Company ("Purchased Shares") at the point of purchase;

(ii) the maximum funds to be allocated by the Company for the purpose of purchasing the Purchased Shares shall not exceed the total retained profits and share premium account of the Company at the time of the purchase(s); and

(iii) the authority conferred by this resolution will commence immediately upon passing of this resolution and will continue to be in force until:
(a) the conclusion of the next Annual General Meeting ("AGM") of the Company unless the authority is renewed subject to conditions; or
(b) the expiration of the period within which the next AGM after that date is required by law to be held; or
(c) it is revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting;

whichever occurs first,

(iv) upon the completion of the purchase(s) of the Purchased Shares, the Directors of the Company be and are hereby authorised to deal with the Purchased Shares in the following manner:-
(a) to cancel the Purchased Shares so purchased; or
(b) to retain the Purchased Shares so purchased as treasury shares for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities; or
(c) to retain part of the Purchased Shares so purchased as treasury shares and cancel the remainder; or
(d) to deal in such other manner as the Bursa Securities and such other relevant authorities may allow from time to time.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary to implement, finalize and give full effect to the Proposed Renewal of Share Buy-Back with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities and with fullest power to do all such acts and things thereafter as the Directors may deem fit and expedient in the best interest of the Company." **(Ordinary Resolution 10)**

ANY OTHER BUSINESS:

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

Notice of Annual General Meeting (continued)

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN THAT a Final Dividend of 5.0 sen less 25% Malaysian Income Tax per ordinary share of RM1.00 each in respect of the financial year ended 30 September 2011, if approved by the members, will be paid on 26 March 2012 to Depositors registered in the Record of Depositors at the close of business on 16 March 2012.

A Depositor shall qualify for entitlement only in respect of:

a) Shares transferred to the Depositor's Securities Account before 4.00 p.m. on 16 March 2012 in respect of ordinary transfers; and

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

By Order of the Board,

TAN WAN SAN (MIA 10195)
Group Company Secretary
Kajang, Selangor Darul Ehsan
9 February 2012

NOTES:

1. *A member entitled to attend and vote at the meeting is entitled to attend and vote in person or by proxy or by attorney or by duly authorised representative. A proxy or attorney or duly authorised representative may but need not be a member of the Company.*

2. *The power of attorney or an office copy or a notarially certified copy thereof or the instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing. If the appointor is a corporation, it must be executed under its common seal or in the manner authorised by its constitution.*

3. *If the Form of Proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.*

4. *The instrument appointing a proxy together with the power of attorney (if any) under which it is signed or an office copy or a notarially certified copy thereof must be deposited at the Registered Office, Suite 1, 5th Floor, Wisma MKH, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan at least 48 hours before the time appointed for holding the meeting or any adjournment thereof.*

5. ***Explanatory Note A***

   This Agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the audited financial statements. As such, this item is not put forward for voting.

6. ***Explanatory Statement Pertaining to Ordinary Business***

   Ordinary Resolution 7

   The proposed Ordinary Resolution 7 under item 6 is in accordance with Section 129(6) of the Companies Act, 1965 which requires that a separate resolution be passed to re-appoint Haji Mohamed Bin Ismail who is over 70 years of age as Director of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company. This resolution must be passed by a majority of not less than three-fourth of such Members of the Company as being entitled to vote in person or where proxies are allowed, by proxy at the Annual General Meeting of the Company.

Notice of Annual General Meeting (continued)

7. ***Explanatory Statement Pertaining to Special Business***

Ordinary Resolution 9

The proposed Ordinary Resolution 9, if passed, will give the Directors authority to issue and allot new shares of the Company at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion consider to be in the best interest of the Company, without having to convene a general meeting, provided that the aggregate number of shares issued pursuant thereto does not exceed 10% of the issued and paid-up share capital of the Company for the time being. This authority, unless revoked or varied by the Company in a general meeting, will expire at the next Annual General Meeting ("AGM") of the Company.

The general mandate sought to grant authority to Directors to allot and issue of shares is a renewal of the mandate that was approved by the shareholders at the 31st AGM held on 29 March 2011. The renewal of the general mandate is to provide flexibility to the Company to issue new shares without the need to convene a separate general meeting to obtain shareholders' approval so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible future bonus issue and/or fund raising exercises including but not limited to further placement of shares for the purpose of funding current and/or future investment projects, working capital and/or acquisitions.

Up to the date of this Notice, the Company did not issue any shares pursuant to the mandate granted to the Directors at the 31st AGM which will lapse at the conclusion of the 32nd AGM to be held on 2 March 2012.

Ordinary Resolution 10

The proposed Ordinary Resolution 10, if passed, will give authority to the Directors of the Company to exercise the power of the Company to purchase up to 10% of the issued and paid-up share capital of the Company for the time being. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held, whichever is the earlier.

The detailed information on the Proposed Renewal of Share Buy-Back is set out in the Statement to Shareholders dated 9 February 2012 which is dispatched together with the Annual Report 2011.

Statement Accompanying
Notice of Annual General Meeting

1. Directors who are standing for re-election or re-appointment at the 32nd AGM of MKH Berhad (formerly known as Metro Kajang Holdings Berhad) are as follows:-

    i) Mr. Chen Ying @ Chin Ying (Ordinary Resolution 3)
    ii) Mr. Chen Fook Wah (Ordinary Resolution 4)
    iii) Encik Jeffrey Bin Bosra (Ordinary Resolution 5)
    iv) Ms. Mah Swee Buoy (Ordinary Resolution 6)
    v) Haji Mohamed Bin Ismail (Ordinary Resolution 7)

2. The profiles of the Directors who are standing for re-election/re-appointment are set out on pages 12 and 13 of the Annual Report.

3. The information relating to the shareholding of the above directors in the Company and its related corporation are set out on page 144 of this Annual Report.

Corporate Information

Directors

Y. Bhg. Dato' Chen Kooi Chiew @ Cheng Ngi Chong
Executive Chairman

Y. Bhg. Datuk Chen Lok Loi
Managing Director

Chen Fook Wah
Deputy Managing Director

Chen Ying @ Chin Ying
Executive Director

Mah Swee Buoy (Appointed w.e.f. 05.05.11)
Executive Director

Haji Othman Bin Sonoh
Independent Non-Executive Director

Mohammed Chudi Bin Haji Ghazali
Senior Independent Non-Executive Director

Haji Mohamed Bin Ismail
Independent Non-Executive Director

Jeffrey Bin Bosra
Independent Non-Executive Director

Chief Operating Officer

Mah Swee Buoy

Group Company Secretary

Tan Wan San (MIA 10195)

External Auditors

Moore Stephens AC
A-37-1, Level 37
Menara UOA Bangsar
No. 5, Jalan Bangsar Utama 1
59000 Kuala Lumpur
Tel No : (603) 2302 1888
Fax No: (603) 2302 1999

Internal Auditors

KPMG Business Advisory Sdn Bhd
Level 10, KPMG Tower
8, First Avenue
Bandar Utama, 47800 Petaling Jaya
Selangor Darul Ehsan
Tel No: (603) 7721 3388
Fax No: (603) 7721 3399

Principal Bankers

Affin Bank Berhad
Alliance Bank Malaysia Berhad
AmBank (M) Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
RHB Bank Berhad
RHB Bank (L) Ltd
United Overseas Bank (Malaysia) Berhad

Registrar

Tricor Investor Services Sdn. Bhd.
Level 17, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel No : (603) 2264 3883
Fax No: (603) 2282 1886

Registered Office

Suite 1, 5th Floor
Wisma MKH
Jalan Semenyih
43000 Kajang
Selangor Darul Ehsan
Tel No : (603) 8737 8228
Fax No: (603) 8736 5436

Stock Exchange Listing

Main Market of
Bursa Malaysia Securities Berhad
Stock Code : MKH
Stock No : 6114

Website

www.mkhberhad.com

Chairman's Statement
and Operational Review

On behalf of the Board of MKH Berhad (formerly known as Metro Kajang Holdings Berhad) ("the Company" or "the Group"), it gives me great pleasure to present the Annual Report and Audited Financial Statements of the Group and of the Company for the financial year ended 30 September 2011.

OVERVIEW

Despite the challenging global environment, the Malaysian economy registered a higher Gross Domestic Product ("GDP") growth of 5.8% in the third quarter of 2011 (2Q11: 4.3%, 1Q11: 5.2%), due to stronger domestic demand. The robust domestic demand was driven by an expansion in both household and business spending and as well as higher public sector expenditure through the implementation of Economic Transformation Programme ("ETP").

The Malaysian economy is projected to be on track to achieve the 5.0% to 5.5% official growth target for 2011. The monetary policy by Bank Negara remained supportive of the economic activities although its Overnight Policy Rate has been raised from 2.75% to 3.0% following a 25 basis points increase in May 2011.

Overall, the market demand for affordable properties and well planned high end developments located in Klang Valley remained strong. The on going ETP projects such as the Greater Kuala Lumpur plan and the proposed Klang Valley Mass Rapid Transit ("MRT") with its first phase covering Kajang – Sungai Buloh route have a positive effect on the property market in the Klang Valley.

FINANCIAL REVIEW

Despite the challenging operating environment, the Group's operating revenue recorded an increase of 18.3% to RM342.02 million compared to RM289.22 million in the preceding year attributed mainly to the higher sales contribution from the property and construction and trading divisions. The Group registered a higher profit before tax of RM47.19 million for the financial year ended 30 September 2011 as compared to preceding year of RM41.88 million which was mainly attributable to higher profit contribution from the associated company and higher percentage of profit recognition of on-going and new projects from the property development and construction division. The Group's profit after tax increased by 21.8% to RM37.69 million compared to RM30.94 million in the preceding year. The Group has locked-in unbilled sales value of RM370.0 million as at 30 September 2011, of which the sales revenue and profits will be recognized progressively as their development percentage of completion progresses.


Kajang 2

The Net Assets per share was RM2.77 for the financial year under review. The Group's gearing ratio increased from 35% to 52% for the financial year ended 30 September 2011 mainly due to funding of the Group's oil palm plantation in East Kalimantan, Indonesia.

The Group posted an uninterrupted profit track record since commencing business more than twenty-three years ago. This achievement can be attributed to the concerted effort by the Board to continuously enhance value for its shareholders.

The property development and construction division remains the major contributor to the Group's operating revenue and profit.

Chairman's Statement and Operational Review (continued)

PROPERTY DEVELOPMENT AND CONSTRUCTION

For the purpose of segmental reporting, the construction division has been combined with the property development division to form a reportable segment as a major part of the construction's revenue is derived from internal development projects.

The Group's property development and construction division posted a higher profit before tax of RM31.42 million as compared to profit before tax of RM16.42 million in the preceding year.

The Group's **Hill Park 1** development is ahead of schedule with the handing over vacant possession of its development units to its customers in December 2011 as compared to the statutory development schedule in January 2012.

Pelangi Semenyih 2

The Group's high-end projects comprising mainly of semi-detached and bungalows at **Sentosa Heights in Kajang and Areca Residence in Kepong** recorded good sales with over 50% and 70% take-up rate as at to-date since its launching in July and November 2010 respectively.

Pelangi Semenyih 2, an integrated township project launched in September 2010 is set to continue to perform well with over 85% of the units launched taken as at to-date.

Saville @ Melawati, a serviced apartment project within the proximity of Taman Melawati in Kuala Lumpur, comprising 408 units service apartment and 24 strata units shop-office recorded very encouraging take-up rate of 83% since its launching in November 2010.

Kajang 2, another major integrated township project recorded good sales with over 65% take-up rate as at to-date since its launching in December 2010.

Sentosa Heights

Hill Park 2, newly launched medium-end project comprising mainly of semi-detached and terrace houses totaling 311 units in Kajang, experienced a very strong demand and good take-up rate of 76% since its launching in January 2011.

The Board is confident that its property development and construction division will achieve satisfactory results for the financial year ending 30 September 2012.

HOTEL AND PROPERTY INVESTMENT

The Group's hotel and property investment division comprises of two shopping complexes, a 3-star hotel cum office block and four parcels of commercial land leased to two hypermarkets and two leading fast food restaurants located in Kajang and Semenyih, and 4 units stratified office lots with 125 bays of car park. The Group has out-sourced the management of the hotel since year 2003 to a professional hotel management company to enable the Group's management to focus on its core business.

The five storey shopping complex known as Plaza Metro Kajang, which is strategically located in the heart of Kajang town, continues to enjoy excellent occupancy rate of over 99% (2010 : 99%). The Metro Point Complex which started its business operation since June 2007 recorded an occupancy rate of 94% (2010 : 92%).

Chairman's Statement and Operational Review (continued)

This division recorded a lower profit before tax of RM20.34 million as compared to profit before tax of RM22.31 million in the preceding year mainly due to higher interest expenses.

This division is expected to achieve satisfactory results for the financial year ending 30 September 2012.

LIVESTOCK FARMING, FOOD PROCESSING AND RETAIL

This division's operating revenue increased by 7.9% to RM35.99 million compared to RM33.36 million in preceding year. However, profit before tax was lower by 15.5% to RM4.31 million compared to RM5.10 million in preceding year mainly due to lower profit contribution from the farming division as a result of an increase in cost of production of livestock.

The Company has on 29 December 2011 entered into a Sale and Purchase Agreement ("SPA") with Charoen Pokphand Foods (Malaysia) Sdn Bhd for the disposal of this division for a total cash consideration of RM64.0 million and the SPA was completed on 16 January 2012. The disposal is in line with the Group's direction to focus on its core business namely in property development, property investment, construction and oil palm plantation.

Plaza Metro Kajang

MANUFACTURING

For the financial year under review, the furniture manufacturing subsidiary company in China, Vast Furniture Manufacturing (Kunshan) Co. Ltd. recorded a lower profit before tax of RM0.54 million as compared to profit before tax of RM1.64 million in the preceding year, mainly due to an increase in the cost of production arising from the increase in raw material prices and labour costs.

This division is expected to achieve satisfactory results for the financial year ending 30 September 2012.

TRADING

The trading division is mainly involved in the trading of building materials and fixtures for the Group's property development projects. This division recorded a higher profit before tax of RM3.45 million as compared to profit before tax of RM1.02 million in the preceding year mainly due to increase in sales of building materials to the Group's subcontractors.

This division is expected to achieve satisfactory results for the financial year ending 30 September 2012.

Chairman's Statement and Operational Review (continued)

OIL PALM PLANTATION DIVISION

The Group has in January 2008 acquired approximately 15,942.60 hectares (39,395 acres) of land in East Kalimantan, Indonesia for the development of oil palm plantation. The planting is progressing well and as at to-date, the Group has planted approximately 98% out of plantable area of 15,200 hectares with oil palm trees.

The construction of the Crude Palm Oil ("CPO") mill with a capacity to process 60 metric tonnes of fresh fruit bunch ("FFB") per hour has been completed.

The oil palm plantation division is expected to contribute positively to the Group's earnings over the years when harvesting activities peak.

DIVIDEND

The Board of Directors has proposed a Final Dividend of 5.0 sen less 25% tax per ordinary share of RM1-00 each for the financial year ended 30 September 2011. The Board do not recommended any further dividend for the financial year ended 30 September 2011. (2010 : First Interim Dividend of 5.0 sen less 25% tax per ordinary share of RM1-00 each).

PROSPECTS

The Malaysian economy is expected to moderate due to the debt crisis in Europe. Nevertheless, the Malaysian economy is expected to be resilient due to the supportive Government policies and the implementation of projects such as the Tenth Malaysia Plan, ongoing ETP and 1Malaysia Housing Programme amongst others. Private consumption is expected to remain healthy with the implementation of mega infrastructure projects such as MRT and the ETP which will generate significant multiplier effects in the economy. In addition, our country's fundamentals remain sound, backed by large international reserves and a well capitalised and well managed banking system.

The Property and Construction Division is expected to expand further with the maiden launch of Pelangi Seri Alam mixed residential and commercial development in Puncak Alam, Shah Alam coupled with the on-going three township projects namely Kajang 2, Hillpark Homes and Pelangi Semenyih 2 in Kajang and Semenyih area and Melawati Serviced Apartments project, which is located in Desa Melawati, Kuala Lumpur.

The key risks to the Group is the moderation to the economy arising from the debt crisis in Europe. However, the risk is mitigated as a portion of the Group's property development comprise of affordable properties which will continue to enjoy good demand.

Chairman's Statement and Operational Review (continued)

Moving forward, the Group will continue to focus on strengthening its position as a developer of choice through innovative, modern lifestyle and quality home-themed development. The Group is committed in ensuring quality products and has adopted the Quality Assessment System in Construction ("QLASSIC") by the Construction Industry Development Board ("CIDB") Malaysia, for its projects. The Group's construction division has also obtained the ISO 9001:2000. The Group will leverage on the good demand for affordable residential units and selected exclusive lifestyle themed residential and commercial development at prime locations to ensure continuous growth in sales and earnings. Your Board is confident that affordable homes and selected exclusive residential and commercial development at prime locations in the south of Klang Valley such as Kajang, Semenyih and Cyberjaya will continue to be in demand in 2012.

In addition, the Group will continue to focus on the oil palm plantation sector which has a very good prospect and will enable the Group to have a steady source of income.

The Board is confident that the Group will achieve satisfactory results for the financial year ending 30 September 2012.

ACKNOWLEDGEMENT

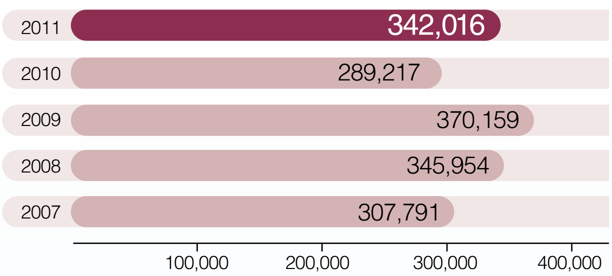
On behalf of the Board of Directors, I would like to extend our sincere appreciation and thanks to our shareholders, valued customers, bankers, business associates and the relevant authorities for their continued confidence and support in us. I would also like to extend our heartfelt thanks to the management team and staff for all their hard work during the past year, as well as for their unwavering dedication, loyalty and commitment which has made the success of the Group possible.

Thank you.

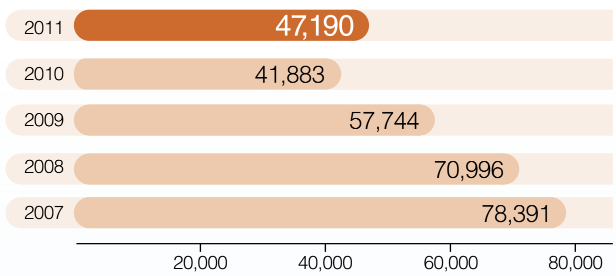
DATO' CHEN KOOI CHIEW @ CHENG NGI CHONG
Executive Chairman

5 Years Group Financial Highlights

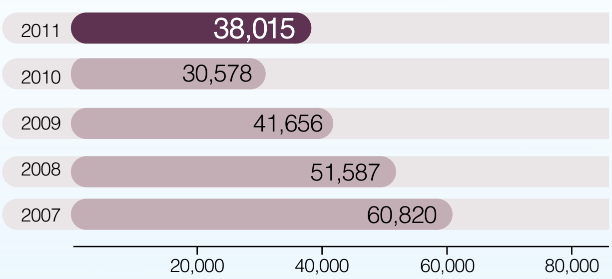
Operating Revenue (RM'000)



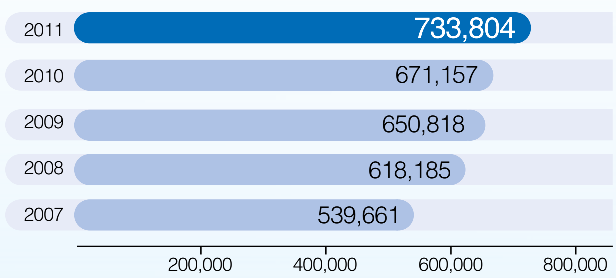
Profit Before Taxation (RM'000)



Profit Attributable to Shareholders of the Company (RM'000)



Shareholders' Equity (RM'000)



	*2011 RM'000	2010 RM'000	2009 RM'000	2008 RM'000	2007 RM'000
Income Statement					
Revenue	**342,016**	289,217	370,159	345,954	307,791
Profit Before Taxation	**47,190**	41,883	57,744	70,996	78,391
Profit After Taxation	**37,688**	30,935	42,731	51,437	60,820
Profit Attributable to Shareholders of the Company	**38,015**	30,578	41,656	51,587	60,820
Balance Sheet					
Issued and Paid up Capital	**264,585**	240,532	229,078	229,078	199,420
Shareholders' Equity	**733,804**	671,157	650,818	618,185	539,661
Ratios					
Dividend per share (sen)	**–**	5.00	5.00	5.00	5.00
@ ^Net Earnings per share (sen)	**14.37**	11.56	15.74	19.50	22.99
^Net Assets per share (RM)	**2.77**	2.54	2.46	2.34	2.04
Debt/Equity ratio (%)	**52**	35	25	28	35
Return on Shareholders' Equity (%)	**5**	5	6	8	11

* Represents continuing operations and discontinued operations of the Group.
@ Attributable to the equity holders of the Company.
^ The preceding years' net earnings per share and net assets per share have been restated to effect the Bonus Issues made in March 2010 and March 2011.

The above information should be read in conjunction with the Group's audited financial statements for the financial year ended 30 September 2011.

Directors' Profile

Dato' Chen Kooi Chiew @ Cheng Ngi Chong

Executive Chairman

Dato' Chen Kooi Chiew @ Cheng Ngi Chong, aged 68, a Malaysian, was appointed to the Board on 27 September 1979 and holding the present position as Executive Chairman since 30 October 2006. He is also a member of the Executive Committee. He has been involved in business for about 51 years of which 33 years were in property development and construction industries and 19 years were in plantation sector. He is the brother of Datuk Chen Lok Loi, Mr. Chen Ying @ Chin Ying and Mr. Chen Fook Wah. He has no conflict of interest with the Company by virtue of his interest in certain privately owned companies, which are no longer involved in property development business. Dato' Chen Kooi Chiew attended all the five Board Meetings held during the financial year ended 30 September 2011.

Datuk Chen Lok Loi

Managing Director

Datuk Chen Lok Loi, aged 59, a Malaysian, holds a Bachelor Degree in Marketing from Monash University, Australia. He was appointed to the Board on 31 July 1984 and holding the present position as Managing Director since 19 January 2005. He is also a member of the Executive Committee. He has more than 30 years of experience in property development and construction related businesses. He is a Patron, Past President of the Real Estate and Housing Developers' Association of Malaysia ("REHDA") and Chairman of the Board of Trustees of REHDA. He is currently the Deputy Chairman for Construction and Property Committee in the Associated Chinese Chambers of Commerce and Industry of Malaysia and a member of the Advisory Board of the Construction Labour Exchange Berhad. He is also the Honorary Treasurer of the Malaysia Crime Prevention Foundation, the President of ASEAN Association for Planning and Housing Malaysia, the President of the Race Walkers' Association of Malaysia, Deputy President of Eastern Regional Organization for Planning and Housing Malaysia ("EAROPH"). Datuk Chen Lok Loi is the brother of Dato' Chen Kooi Chiew @ Cheng Ngi Chong, Mr. Chen Ying @ Chin Ying and Mr. Chen Fook Wah. He has no conflict of interest with the Company by virtue of his interest in certain privately owned companies, which are no longer involved in property development business. Datuk Chen Lok Loi attended all the five Board Meetings held during the financial year ended 30 September 2011.

Mr. Chen Fook Wah

Deputy Managing Director

Mr. Chen Fook Wah, aged 55, a Malaysian, completed his Master in Business Administration from University of Wales. He was appointed to the Board on 25 November 1999 and holding the present position as Deputy Managing Director since 19 January 2005. He is currently a member of the Executive Committee. He was admitted to the Board of Valuers and Real Estate Agent of Malaysia in 1986. Prior to joining the Group, he was with Guthrie Trading Sdn Bhd from 1973 to 1974 and Hilton Realty from 1975 to 1978. He is the brother of Dato' Chen Kooi Chiew @ Cheng Ngi Chong, Datuk Chen Lok Loi and Mr. Chen Ying @ Chin Ying. He has no conflict of interest with the Company by virtue of his interest in certain privately owned companies, which are no longer involved in property development business. Mr. Chen Fook Wah attended all the five Board Meetings held during the financial year ended 30 September 2011.

Mr. Chen Ying @ Chin Ying

Executive Director

Mr. Chen Ying @ Chin Ying, aged 65, a Malaysian, holds a Bachelor Degree in Engineering (Mechanical) from University of Western Australia. He was appointed to the Board on 7 March 2005. He is currently a member of the Executive Committee and is managing the Group's furniture manufacturing subsidiary in China. Prior to joining the Group, he was with UMW Holdings Berhad for 5 years as Project Engineer and subsequently promoted to Project Manager. He later joined Scotts & English Sdn Bhd for about 6 years as Service/Workshop Manager and Head of Industrial Sales and Marketing Division. He is the brother of Dato' Chen Kooi Chiew @ Cheng Ngi Chong, Datuk Chen Lok Loi and Mr. Chen Fook Wah. He has no conflict of interest with the Company by virtue of his interest in certain privately owned companies, which are no longer involved in property development business. Mr. Chen Ying @ Chin Ying attended all the five Board Meetings held during the financial year ended 30 September 2011.

Directors' Profile (continued)

Ms. Mah Swee Buoy

Executive Director/Chief Operating Officer

Ms. Mah Swee Buoy, aged 50, a Malaysian, was appointed to the Board on 5 May 2011. She started her professional career with Somura Development Sdn Bhd in July 1985. She later joined MKH Berhad in January 1988 as an Accountant. She was promoted to Chief Accountant in 1994 and subsequently promoted to General Manager (Corporate Finance) in 2003. On 19th January 2005, she was appointed as the Chief Operating Officer of MKH Berhad and held the position until today. She does not have any family relationship with any other Directors and/or major shareholders of the Company and has no conflict of interest with the Company. Ms. Mah Swee Buoy attended all the two Board Meetings held since the date of her appointment up to the financial year ended 30 September 2011.

Haji Othman Bin Sonoh

Independent Non-Executive Director

Haji Othman Bin Sonoh, aged 69, a Malaysian, was appointed to the Board on 24 October 1996. He was appointed as a member of the Audit Committee on 12 February 2004. He was a civil servant from 1968 to 1993 in various departments including a position in the Ministry of Finance. He is involved in the supply of telecommunication equipment since 1996. He does not have any family relationship with any other Directors and/or major shareholders of the Company and has no conflict of interest with the Company. Haji Othman Bin Sonoh attended all the five Board Meetings held during the financial year ended 30 September 2011.

Encik Mohammed Chudi Bin Haji Ghazali

Senior Independent Non-Executive Director

Encik Mohammed Chudi Bin Haji Ghazali, aged 68, a Malaysian, was appointed to the Board on 19 March 2003. He is also a member of the Audit Committee. He was attached to Standard Chartered Bank Malaysia Berhad for 36 years and was a Senior Manager prior to his retirement in 1999. He has attended banking courses conducted at National Westminister Bank Staff College, Oxford and Manchester University Business School. He is currently a Board member of Koperasi Serbaguna Anak-Anak Selangor Berhad. He does not have any family relationship with any other Directors and/or major shareholders of the Company and has no conflict of interest with the Company. Encik Mohammed Chudi attended all the five Board Meetings held during the financial year ended 30 September 2011.

Haji Mohamed Bin Ismail

Independent Non-Executive Director

Haji Mohamed Bin Ismail, aged 71, a Malaysian, was appointed to the Board on 18 March 2004. He was the State Director of Lembaga Pertubuhan Peladang from 1978 to 1989. He later became the Director General of Lembaga Tembakau Negara ("LTN") from 1990 to 2000 and was the Chairman of LTN from 2001 to 2002. He does not have any family relationship with any other Directors and/or major shareholders of the Company and has no conflict of interest with the Company. Haji Mohamed Bin Ismail attended all the five Board Meetings held during the financial year ended 30 September 2011.

Encik Jeffrey Bin Bosra

Independent Non-Executive Director

Encik Jeffrey Bin Bosra, aged 43, a Malaysian, was appointed to the Board on 1 August 2008. He is also the Chairman of the Audit Committee. He is currently a member of The Malaysian Institute of Certified Public Accountants ("MICPA") and The Malaysian Institute of Accountants ("MIA"). He started his professional career with Arthur Andersen & Co. focusing on external audits and business advisory works. He later joined an established commercial group as the Finance Manager from 1996 to 2000. He then joined Ernst & Young as the Senior Manager specializing in corporate governance, risk management, internal audits, special investigation and turnaround management related service. Encik Jeffrey Bin Bosra left Ernst & Young in 2004 and started his own audit firm. He does not have any family relationship with any other Directors and/or major shareholders of the Company and has no conflict of interest with the Company. Encik Jeffrey Bin Bosra attended all the five Board Meetings held during the financial year ended 30 September 2011.

Statement on Corporate Governance

The Board of MKH Berhad (formerly known as Metro Kajang Holdings Berhad) is pleased to report to stockholders on the manner the Company has applied the Principles, and the extent of compliance with the Best Practices of good governance as set out in Part 1 and Part 2 respectively of the Malaysian Code on Corporate Governance (Revised 2007) ("the Code") pursuant to Paragraph 15.25 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Listing Requirements") to safeguard the interest of shareholders and other stakeholders. Any areas where the Company has not complied with the Code are explained in this report.

THE BOARD OF DIRECTORS

1. Composition, Duties and Responsibilities

During the year in review, the Board, led by an experienced Executive Chairman, Dato' Chen Kooi Chiew was made up of nine (9) members comprising five (5) executive directors and four (4) other non-executive directors whom are independent directors. The composition of the Board was well balanced, representing both the major and minority shareholders' interests and complied with:-

(a) the Listing Requirements where at least two (2) directors or one-third (1/3) of the Board, whichever is higher, must comprise of independent directors; and
(b) the Best Practices where one-third (1/3) of the Board should comprise of independent non-executive directors.

The Board having reviewed its size and composition is satisfied that its current size and composition is well balanced, with diverse professional background, skills, expertise and knowledge in discharging its responsibilities for the proper functioning of the Board and fairly reflects the investment in the Company by shareholders apart from the largest shareholder.

The roles of the Executive Chairman and Managing Director are distinct and separate to ensure a balance of power and authority. The Executive Chairman's primary role is to lead and manage the Board. The Managing Director is responsible for the development and implementation of strategy, and overseeing and managing the day-to-day operations of the Group. The Executive Directors take on the primary responsibility of managing the Group's business and resources, led by the Executive Chairman, Dato' Chen Kooi Chiew and the Managing Director, Datuk Chen Lok Loi.

As part of its commitment, the Board supports the highest standards of corporate governance and the development of best practices for the Company. The independent non-executive directors as defined under Paragraph 1.01 of the Listing Requirements are independent from management and are free from any business or other relationships that could materially interfere with the exercise of their independent judgement. Independent non-executive directors are required to voice their reservations of any board decisions in areas such as policies and strategies which could be detrimental to the interest of the minority shareholders.

The Board has identified and appointed Encik Mohammed Chudi Bin Haji Ghazali as the Senior Independent Non-Executive Director to whom concerns of shareholders, management and others may be conveyed. The Independent Directors led by Encik Mohammed Chudi Bin Haji Ghazali provide a broader view, independent and balanced assessment of proposals from the Executive Directors. The Board is assisted by a management team relevant to the Group's business operations.

Statement on Corporate Governance (continued)

1. Composition, Duties and Responsibilities (continued)

The Board takes full responsibility for the overall performance of the Company and the Group. This includes the following 6 specific areas: -

- reviewing and adopting strategic plans for the Group.
- overseeing the conduct of the Group's businesses to evaluate whether the businesses are being properly managed.
- identifying principal risks and ensuring the implementation of appropriate systems to manage these risks.
- succession planning, including the implementation of appropriate systems for appointing, training, fixing the compensation of and where appropriate, replacing senior management.
- developing and implementing an investor relations programme for the Company, as it is important that the Company is able to communicate effectively with its shareholders.
- reviewing the adequacy and the integrity of the Group's internal control systems and management systems; including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

2. Board Meeting and Supply of Information

The Board meets at least 4 times a year and has a formal schedule of matters reserved to it. Additional meetings are held on an ad-hoc basis to deliberate on matters requiring its immediate attention. The Board is supplied with full and timely information to enable it to discharge its responsibilities. During these meetings, the Board reviews the Group's financial performance, business operations, reports of the various board committees and results are deliberated and considered. Management and performance of the Group and any other strategic issues that affect or may affect the Group's businesses are also deliberated.

During the financial year, the Board met 5 times; whereat it deliberated and considered a variety of matters affecting the Company's operations including the Group's financial results, business plan and direction of the Group.

Directors have access to all information within the Company and to the advice and services of a competent Company Secretary who is qualified under the Companies Act, 1965 and is responsible for ensuring that Board meeting procedures are followed and that applicable rules and regulations are complied with. The Directors may seek independent professional advice, at the Company's expense, if required in furtherance of their duties. The Board recognises that the Chairman is entitled to the strong and positive support of the Company Secretary in ensuring the effective functioning of the Board.

3. Retirement by Rotation and Re-Election of Directors

In accordance with the Company's Articles of Association, all Directors who are appointed by the Board are subjected to re-election by the shareholders in the next Annual General Meeting subsequent to their appointment. At least one third of the Directors are required to retire from office by rotation annually and subject to re-election at each Annual General Meeting. All Directors shall retire from office at least once in three (3) years but shall be eligible for re-election.

Any person appointed by the Board either to fill a casual vacancy or as an addition to the existing directors, shall hold office until the conclusion of the next Annual General Meeting and shall then be eligible for re-election.

Pursuant to Section 129(2) of the Companies Act, 1965, directors who are or over the age of seventy (70) years shall retire at every Annual General Meeting and may offer themselves for re-appointment to hold office until the conclusion of the next Annual General Meeting.

Statement on Corporate Governance (continued)

4. Directors' Training

In order to keep abreast with the latest regulatory development, all Directors are required to attend the Mandatory Accreditation Programme ("MAP"). All the directors have successfully completed the MAP conducted by Bursatra Sdn Bhd.

The Board has taken on the responsibility in evaluating and determining the specific and continuous training needs of the Directors on a regular basis. The Directors have attended courses/seminars and in house training from time to time to enhance their skills and knowledge and to keep abreast with the relevant changes in laws, regulations and business environment in order to discharge their duties more effectively. The training programmes, seminars and conferences attended by the Directors during the financial year are as follows:

Risks Management	a) Half day Governance Program Assessing the Risk and Control Environment organised by Bursa Malaysia Securities Berhad; and b) Government Financial Assistance - Enabling Business Expansion & Growth organised by Malaysian Institute of Accountants.
Regulatory and Compliance	In house briefing on the following changes:- a) Malaysian Code On Take-Overs And Mergers 2010; b) Amendments to Bursa Malaysia Securities Berhad Main Market Listing Requirements in relation to privatization of listed corporations via disposal of assets; c) New Reporting in the Accounting Policies:- • FRS 8 Operating Segments • FRS 101 Presentation of Financial Statements; • Amendment to FRS 117 Leases; and • FRS 139 Financial Instruments, Recognition and Measurement.

5. Directors' Remuneration

The Director's remuneration is linked to experience, scope of responsibilities, service seniority, performance and published market survey information.

(i) Aggregate remuneration of Directors categorised into appropriate components: -

Remuneration (in RM)	Executive	Non-Executive
Fees	–	120,000
Other emoluments	7,839,280	106,480
Estimated monetary value of benefits-in-kind	137,446	5,300
Total	7,976,726	231,780

Statement on Corporate Governance (continued)

5. Directors' Remuneration (continued)

(ii) Breakdown of Directors' remuneration for the year ended 30 September 2011, by category and in each successive band of RM50,000-00 are as follows: -

Range of Remuneration (RM)	No. of Directors	
	Executive	Non-Executive
1 – 50,000	–	2
50,001 – 100,000	–	2
200,001 – 250,000	1	–
250,001 – 300,000	1	–
650,001 – 700,000	1	–
1,200,001 – 1,250,000	1	–
2,600,001 – 2,650,000	1	–
3,000,001 – 3,050,000	1	–
Total	6	4

6. Board Committees

To assist the Board to discharge its role and functions effectively, the Board has delegated certain responsibilities to the various Board Committees. The terms of reference, functions and authorities delegated to the Board Committees are as follows: -

6.1 The Executive Committee

The Executive Committee which meets at least once a month to examine strategic matters, policies and business risks which may affect the Group such as any new investment proposed to be undertaken by the Group and reviews the performance of each of the Group's business divisions.

6.2 The Audit Committee

The Audit Committee's composition complies with the Listing Requirements. The key functions and responsibilities of the Audit Committee, its activities during the financial year, details of attendance of each member and the number of meetings held are set out on pages 22 to 23 of this Annual Report.

6.3 Risk Management Committee

The Risk Management Committee whose current members comprised of three (3) members from the Senior Management assists the Audit Committee and the Board in discharging its risk management and control responsibilities.

In fulfilling the primary objectives, the Risk Management Committee has been tasked to identify and communicate the existing and potential critical risk areas faced by the Group and the management action plans to mitigate such risks by working with the internal auditors in providing periodic reports and updates to the Audit Committee.

Statement on Corporate Governance (continued)

7. Accountability and Audit

7.1 Financial Reporting: Statement of Directors' Responsibilities in respect of the Audited Financial Statements

The Board aims to provide and present a balanced and meaningful assessment of the Company's financial performance and prospects at the end of the financial year, primarily through the financial statements; the Chairman's Statement and Operations review in the Annual Report.

In preparing the above financial statements the Directors have:

- adopted suitable accounting policies and then apply them consistently;
- made judgements and estimates that are prudent and reasonable;
- ensured applicable approved accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis.

7.2 Internal Audit Function

(a) The Internal Audit Function and Its Role

To assist the Audit Committee in monitoring and ensuring that an appropriate system of internal control is in place, the Company outsourced its internal audit function to KPMG Business Advisory Sdn Bhd, an independent professional firm. The internal audit function reported directly to the Audit Committee.

The principal role of the internal audit function is to undertake, on a prioritized approach, an independent and systematic assessment of the Group's system of internal controls as established by Management so as to provide reasonable assurance that such system continues to operate satisfactorily and effectively as intended in addressing business risks faced by the Group. The internal audit report issued to the Audit Committee highlighted the areas for improvements as observed, pertinent recommendations thereof and action plans as committed by the auditee to address the issues that were brought up.

(b) Internal Audit Carried Out During the Year

During the financial year, the internal auditors conducted its work based on an annual audit plan which was approved by the Audit Committee. The main activities carried out during the financial year under review by the Internal Audit function are set out below:

(i) Conduct of Internal Audit

The internal audit function adopted a risk-based approach in identifying the areas to be covered. During the financial year, the internal auditors focused on the Investment Properties Division and Trading Business Division, including the risks inherent in these divisions. Issues relating to control deficiencies or areas for improvements, including relevant recommendations to address the issues noted, were highlighted in an internal audit report furnished to the Audit Committee; and

(ii) Follow-up Audit Report

The internal auditors also performed a follow-up on the status of Management-agreed action plans on recommendations which were either partially or yet to be implemented on issues raised in previous internal audit reports.

(c) Remuneration of Internal Auditors

The cost incurred on internal audit function for the financial year ended 30 September 2011 amounted to RM74,000 (2010: RM50,000).

Statement on Corporate Governance (continued)

7.3 External Audit

The Company's independent External Auditors fill an essential role for the shareholders by enhancing the reliability of the Company's financial statements and giving assurance of that reliability to users of these financial statements.

The External Auditors will communicate to the Audit Committee and the Board when they become aware of any significant weaknesses in the Company's system of internal control, including fraud, during the course of their audit.

8. Relations with Shareholders, Investors and Media

The annual report and the quarterly announcements are the primary modes of communication to report on the Group's business activities and financial performance.

The Annual General Meeting ("AGM") is the principal forum for dialogue with individual stockholders. At the Company's AGM, stockholders have direct access to the Board and are given the opportunity to ask questions during the AGM. The stockholders are encouraged to ask questions both about the resolutions being proposed or about the Company's operations in general. The Chairman of the Board also addresses the stockholders on the review of the Company's operations for the financial year and outline the prospects of the Company for the new financial year.

Additionally, immediately after the AGM, the Board also meets members of the press. The Company's website www.mkhberhad.com provides easy access to the latest corporate information on the Group. In addition, the Company has also appointed an Investor Relations firm to carry out the Group's Investor Relations programme and met up with the financial analysts on quarterly basis.

9. Compliance Statement

The Group has complied throughout the year ended 30 September 2011 with all the best practices of corporate governance set out in Part 1 and Part 2 of the Code other than those set out below. The reasons for such non-compliances are as follows:

(i) Nomination Committee

Establishment of a Nomination Committee has not been effected as its functions are carried out by the Board. The Board will be provided with the relevant particulars of the new director candidate beforehand for consideration and deliberation on the suitability of the new candidate taking into account the required mix of skills, expertise and experience.

(ii) Remuneration Committee

Establishment of a Remuneration Committee has not been effected as the Directors' remuneration scheme is linked to experience, scope of responsibilities, service seniority and published market survey information.

Corporate Social Responsibility

The Group is committed towards good corporate social responsibility practices especially the areas on the workplace, the community, the environment and the marketplace to deliver sustainable value to the society at large.

The Workplace

We strongly believe that human capital is the most important value to an organization. To ensure a safe and healthy working condition for our employees and support workers, the Group has adopted the Malaysian Standard on the Occupational Safety and Health Management System. In additional, necessary preventive actions and risk mitigation measures such as fire drills, site safety briefing/training, fire and flood mitigation surveys have been conducted from time to time. As part of the human capital development, the Group has conducted various in-house training programme focusing on quality leadership, productivity and job related training to equip the employees with the required skills and knowledge with high commitment. The Group also provides study loan to its employees for the betterment of the staff welfare. During the financial year, in-house sports activities, yoga, aerobic, line dance classes and team building were carried out for health betterment and further enhance the working relationship and team spirit amongst the employees.

The Community

As a caring and responsible corporate citizen, the Group has contributed funds to various under-privileged children, old folks, schools and charitable activities during the financial year under review. Over the years, the Group has offered internship programmes and graduate placement programmes for the wellness of the communities. During the financial year, the Group has participated in community activities as follows: -

- Sponsorship for New Era College "Environment-Care Se3D" Green Campaign 2010.
- Sponsorship for SMK Tinggi Kajang on Form Six Graduation Book 2010.
- Sponsorship for Majlis Jaksa Pendamai Negeri Melaka.
- Sponsorship for REHDA Malaysia New Building.
- Sponsor hampers for BACATHON SK Bandar Rinching.
- Sponsor souvenir sets for Persatuan Penduduk Taman Pelangi Semenyih Fasa 6 & 7 Selangor on "Badminton Competition Muhibbah".
- Sponsor hampers and stationery sets for "Bowling Competition" for Kawasan Rukun Tetangga, Fasa 3, Taman Pelangi Semenyih.
- Sponsorship for SKC Education Fund for St. Katherine's Church, Kajang.
- Sponsorship for Taiwan Buddhist Tzu-Chi Foundation Malaysia on Recycle Campaign.
- Sponsorship for UKM "Bengkel Seni Bina Ke-23" at UTM Skudai, Johor.
- Sponsorship for SK Bandar Rinching for 2011/12 School Activity Expenses.
- Sponsorship for Program Sabutan Bulan Kemerdekaan dan Kempen Kibar Jalur Gemilang, SK Bandar Rinching, Semenyih.
- Sponsorship for Jamuan Hari Raya Aidilfitri, IPD Kajang.
- Organised MKH Blood Donation at Metro Point Complex, Kajang.

Corporate Social Responsibility (continued)

The Environment

The Group recognizes the importance of environmental conservation. For example, waste and construction debris were disposed at approved dumpsites. We have implemented the recycling of water at the factory belonging to the Group's subsidiary. During the financial year, the Group has also implemented the recycling of used papers and promoting good practices on energy saving.

The Marketplace

The Group is committed to continuously enhance value for its shareholders and this can be evidenced through the Group's uninterrupted profit track record since commencing business over twenty years ago. It is our aim to provide high quality products and services to our customers. During the financial year under review, customer surveys were conducted to gauge the level of customers' satisfaction and also to obtain constructive feedbacks. The Group is committed in ensuring quality products and has adopted Quality Assessment System in Construction ("QLASSIC") by the Construction Industry Development Board ("CIDB") Malaysia, for its projects. The Group's construction division has also obtained the ISO 9001:2000.

Audit Committee Report

1. Role of Audit Committee

The Audit Committee assists, supports and implements the Board's responsibility to oversee the Group's operations in the following manner: -

- provides a means for review of the Group's processes for producing financial data, its internal controls and independence of the Group's External and Internal Auditors.
- reinforces the independence of the Group's External Auditors.
- reinforces the objectivity of the Group's Internal Auditors.

2. Key Functions and Responsibilities

The key functions and responsibilities of the Audit Committee are as follows:

(a) to review the quarterly and year-end financial statements focusing on compliance with accounting standard;

(b) to discuss matters arising from the interim and final audits, and any matters that the External Auditors may wish to discuss (in the absence of Management);

(c) to review the adequacy of the scope of internal audit programme and results of the internal audit process and where necessary ensure that appropriate actions are taken on the recommendations of the internal audit findings.

(d) to recommend to the Board the appointment of the External Auditors and Internal Auditors and the audit fee thereof;

(e) to review any related party transactions that may arise within the Company or Group;

(f) to review the major findings of internal audit investigations and management's response;

(g) to review any External Auditors' Letter to management (if any) and management's response; and

(h) to review the adequacy of the scope of internal audit programme and results of the internal audit process and where necessary ensure that appropriate actions are taken on the recommendations of the internal audit function.

Audit Committee Report (continued)

3. Membership and Meetings of the Committee

The Audit Committee comprises the following members:-

Chairman	
En. Jeffrey Bin Bosra *(Independent Non-Executive Director – Chairman)*	

Member	Member
En. Mohammed Chudi Bin Haji Ghazali *(Senior Independent Non-Executive Director)*	Haji Othman Bin Sonoh *(Independent Non-Executive Director)*

During its tenure, the Audit Committee met four (4) times during the financial year, details as follows: -

Name of Audit Committee	Attendance of Meetings
En. Jeffrey Bin Bosra	4/4
En. Mohammed Chudi Bin Haji Ghazali	4/4
Haji Othman Bin Sonoh	4/4

The meetings were structured through the use of agendas and relevant board papers which were distributed to the Audit Committee prior to such meetings. The Chief Operating Officer and the Group Financial Controller were also present in these meetings. Representatives from the external and/or the internal auditors also attended the meetings upon invitation where matters relating to the external and internal audit were discussed.

4. Activities Undertaken By The Audit Committee

During the financial year, the activities of the Audit Committee were as follows:-

- Reviewed the financial statements and unaudited quarterly financial results and announcements of the results before recommending for the Board of Directors' approval;
- Reviewed the scope of the audit plan from the Internal Auditors and External Auditors;
- Reviewed the audit reports and recommendation to improve internal control and management's response thereto; and
- Reviewed and recommended to the Board the appointment of the External Auditors.

INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function with the appointment of the professional accounting firm, KPMG Business Advisory Sdn Bhd since 30 April 2001.

Statement on Internal Control

The Malaysian Code on Corporate Governance ("the Code") sets out as a principle that the Board of a company listed on the Bursa Malaysia Securities Berhad ("Bursa Securities") should maintain a sound system of internal control to safeguard shareholders' investment and the Group's assets. The Board is committed to maintain a sound system on internal control for the Group and is pleased to provide the following statement in accordance with paragraph 15.26(b) of Bursa Securities Main Market Listing Requirements and as guided by the Bursa Securities' Statement on Internal Control : Guidance for Directors of Public Listed Companies ("the Guidance").

Board's Responsibilities

The Board acknowledges its responsibilities for maintaining sound internal control systems to safeguard shareholders' interest and the Group's assets. The Board's responsibilities include:-

- identifying principal risks and ensuring the implementation of appropriate internal control systems to manage these risks; and
- reviewing the adequacy and the integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

However, due to the limitations inherent in any system of internal control, it should be noted that such system is designed to manage rather than to eliminate the risk of failure to achieve the Group's business objectives. Such system can only provide reasonable and not absolute assurance against material misstatement or loss. The system of internal control of the Group covers, inter-alia, risk management, financial, operational and compliance controls.

Accompanying the maintenance of an appropriate system of internal control, is an on-going process to identify, evaluate, monitor and manage principal risks faced by the Group and this process is regularly reviewed by the Board and accords with the Guidance. The process is undertaken by the Audit Committee which reports its findings to the Board. Whilst the Audit Committee has delegated the implementation of the system of internal controls within an established framework to the management, it is assisted by an internal audit function which provides an independent assessment and the relevant assurance on the effectiveness, adequacy and integrity of the system of internal control based on findings from internal audit reviews carried out during the year.

Risk Management Framework

The Board with the assistance of the Audit Committee, the Risk Management Committee and the Internal Auditors, Messrs KPMG Business Advisory Sdn Bhd, continuously review existing risks and identify new risks that the Group faces and management action plans to manage the risks. To further enhance the risk management process within the culture of the Group, review of existing risks and identification of new risks is also conducted periodically with involvement of selected management and staff. In additions, nominated key management in each business unit have prepared action plans or/and exit plans to address key risks and control issues highlighted by the Internal Auditors. During the financial year ended 30 September 2011, the Risk Management Committee has:

(a) Reviewed management action plans presented by the nominated key management of certain business units of the Group;

(b) Reviewed the Group's quarterly financial and non-financial performances measured against the approved Budget;

(c) Reported its findings on major issues relating to risks and risk management to the Audit Committee on quarterly basis which then reports to the Board; and

(d) Reviewed new property development projects and business investment in the subsidiaries and/or associates.

Statement on Internal Control (continued)

Internal Audit Function

During the financial year, the Audit Committee continued to engage the services of an external professional firm, Messrs KPMG Business Advisory Sdn Bhd, distinct from the external auditors, to provide independent internal audit services to the Group, who reports independently to the Audit Committee. The internal audit function provides the Audit Committee with periodic reports, based on the audits conducted, highlighting observations, recommendations and management action plans to improve the system of internal control.

The key role of the internal audit function is to assess management's adherence to established policies and procedures as well as to act as an independent sounding board to the Audit Committee concerning areas of weaknesses or deficiencies in the risk management, governance and control processes for appropriate remedial measures to be carried out by the management.

Risk Management Committee also assists the Board and the Audit Committee to identify critical risks that the Group faces and proposes management action plans to manage the risks on an ongoing basis. The Committee will present the Group's risk profile and control measures to the Audit Committee.

Other Risks and Control Process

Apart from risk management and internal audit, the Board has put in place an organizational structure with formally defined lines of responsibility and delegation of authority. A process of hierarchical reporting has been established which provides for a documented and auditable trail of accountability.

The Executive Committee, comprising Executive Directors and certain key management staff, reviewed the monthly financial information which includes actual results compare against budget, explanation on significant variances and management actions taken, where necessary. In addition, the Audit Committee and the Board reviewed the quarterly financial results. Where areas of improvement in the internal control system are identified, the Board considered the recommendations made by the Audit Committee and the Risk Management Committee.

Review by the External Auditors

As required by paragraph 15.23 of Bursa Securities Main Market Listing Requirements, the external auditors have reviewed this Statement on 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 adopted by the Board in reviewing the adequacy and integrity of the system of internal control of the Group. RPG 5 does not require the external auditors to 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.

Board's Conclusion

Based on the processes set out above, the Board is of the view that an appropriate system of internal control in operation during the year in review was reasonably adequate and sufficient to safeguard the assets of the Group and interest of shareholders. No significant control failures or weaknesses that would result in material losses and require disclosure in the Group's Annual Report were identified during the review.

Directors' Responsibility Statement

The Board of Directors is required under Paragraph 15.26(a) of the Main Market Listing Requirements to issue a statement explaining their responsibility in the preparation of the annual audited financial statements.

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and the results of the operations, changes in equity and cash flows of the Group and of the Company for the financial year.

In preparing those financial statements, the Directors are required to: -

- use appropriate accounting policies and consistently apply them;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable approved accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared financial statements on the going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

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

Additional Compliance Information

In compliance with Part A of Appendix 9C of the Listing Requirements, the following are additional information in respect of the financial year ended 30 September 2011 to be disclosed in this Annual Report:-

1. Utilisation of Proceeds Raised from Corporate Proposals

There were no proceeds raised from any corporate proposals during the financial year under review.

2. Share Buy-back

The Company did not purchase any of its own shares during the financial year under review.

3. Options or Convertible Securities

The Company did not issue any options and convertible securities during the financial year under review.

4. American Depository Receipt ("ADR") or Global Depository Receipt ("GDR") Programme

The Company did not sponsor any ADR or GDR programme during the financial year under review.

5. Imposition of Sanctions and/or Penalties

There were no public sanctions and/or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies during the financial year under review except as disclosed in Note 29(d) and 33(b) of the Notes to the Financial Statements.

6. Non-audit Fees

The amount of non-audit fees paid by the Company and its subsidiaries to the external auditors and their affiliated company/firm for the financial year 2011 was RM12,800.

7. Variation in Results

There was no material variance between the results for the financial year and the unaudited results previously announced.

8. Profit Guarantee

The Company did not give any profit guarantee during the financial year under review.

9. Material Contracts Involving Directors and Major Shareholders' Interest

There are no material contracts entered into by the Company and its subsidiaries which involved Directors' and major shareholders' interests either still subsisting at the end of the financial year under review or entered into since the end of the previous financial year.

Additional Compliance Information (continued)

10. Family Relationship of Directors and/or Major Shareholders

There is no family relationship among the Directors and/or major shareholders except that:-

Dato' Chen Kooi Chiew @ Cheng Ngi Chong; Datuk Chen Lok Loi; Mr. Chen Ying @ Chin Ying; and Mr. Chen Fook Wah	Brothers' Relationship

11. Conflict of Interest

None of the Directors of the Company have any conflict of interest with the Company.

12. Conviction for Offences

None of the Directors have been convicted of any offences within the past 10 years other than traffic offences, if any.

Directors' Report

The Directors have pleasure in presenting their report to the members together with the audited financial statements of the Group and of the Company for the financial year ended 30 September 2011.

CHANGE OF NAME

On 1 April 2011, the Company changed its name from Metro Kajang Holdings Berhad to MKH Berhad.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and providing building and other management services.

The principal activities of the subsidiaries are stated in Note 15 to the financial statements.

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

RESULTS

	Group RM	Company RM
Profit for the year:		
From continuing operations	34,802,212	59,132,148
From discontinued operations	2,885,934	–
	37,688,146	59,132,148
Attributable to:		
Owners of the parent	38,015,235	59,132,148
Non-controlling interests	(327,089)	–
	37,688,146	59,132,148

DIVIDEND

Since the end of the previous financial year, the Company paid a first interim dividend of 5.0 sen less 25% tax per ordinary share of RM1/- each amounting to RM9,019,962 in respect of the financial year ended 30 September 2010 as reported in the directors' report of that year on 28 October 2010.

The Directors recommended a final dividend of 5.0 sen less 25% tax per ordinary share of RM1/- each amounting to RM9,921,947 for the current financial year ended 30 September 2011, subject to shareholders' approval at the forthcoming Annual General Meeting to be held at a date to be determined later.

ISSUE OF SHARES

During the financial year, the following issue of shares was made by the Company:

Class	Number	Term of Issue	Purpose of Issue
Ordinary share of RM1/- each	24,053,204	Non-cash	Bonus Issue of 1 new ordinary share for every 10 existing ordinary shares via capitalisation of share premium and retained earnings

There were no other changes in the authorised, issued and paid up capital of the Company during the financial year.

Directors' Report (continued)

DIRECTORS

The names of the Directors of the Company in office since the date of the last report and on the date of this report are as follows:

DATO' CHEN KOOI CHIEW @ CHENG NGI CHONG
DATUK CHEN LOK LOI
CHEN FOOK WAH
CHEN YING @ CHIN YING
HAJI OTHMAN BIN SONOH
MOHAMMED CHUDI BIN HAJI GHAZALI
MOHAMED BIN ISMAIL
JEFFREY BIN BOSRA
MAH SWEE BUOY (Appointed on 5 May 2011)

DIRECTORS' INTERESTS

The holdings and deemed holdings in the ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end as recorded in the Register of Directors' Shareholdings are as follows:

(a) Shareholdings in the Company

		Number of Ordinary Shares of RM1/- Each				
		At 1 October 2010	**Bought**	**Bonus Issue**	**Sold**	**At 30 September 2011**
Direct interest:						
Dato' Chen Kooi Chiew @ Cheng Ngi Chong	^	1,404,901	–	140,490	(1,000,000)	545,391
Datuk Chen Lok Loi		3,752,701	1,250,000	500,270	–	5,502,971
Chen Fook Wah		539,004	184,940	70,700	–	794,644
Haji Othman Bin Sonoh		15,400	–	1,540	(16,940)	–
Mohammed Chudi Bin Haji Ghazali		10,500	–	1,050	–	11,550
Mah Swee Buoy		78,049	–	7,804	–	85,853
Deemed interest:						
Dato' Chen Kooi Chiew @ Cheng Ngi Chong	*	108,356,354	1,070,000	10,836,168	–	120,262,522
Datuk Chen Lok Loi	**	103,602,611	–	10,360,794	–	113,963,405
Chen Fook Wah	**	103,602,611	–	10,360,794	–	113,963,405
Chen Ying @ Chin Ying	*	104,264,811	–	10,427,014	–	114,691,825

Directors' Report (continued)

DIRECTORS' INTERESTS (continued)

(b) Shareholdings in the Subsidiary
- Srijang Kemajuan Sdn. Bhd.

	Number of Ordinary Shares of RM1/- Each			
	At 1 October 2010	Bought	Sold	At 30 September 2011
Direct interest:				
Dato' Chen Kooi Chiew @ Cheng Ngi Chong	1	–	–	1
Chen Ying @ Chin Ying	1	–	–	1

^ Transfer of shares to nominee company.
* Shares held through corporations in which directors have substantial financial interest and through nominee companies.
** Shares held through a corporation in which directors have substantial financial interest.

By virtue of their interests in the shares of the Company, the above-mentioned Directors are also deemed interested in the shares of the subsidiaries during the financial year to the extent the Company has an interest.

DIRECTORS' BENEFITS

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

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling 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.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

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:

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

Directors' Report (continued)

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (continued)

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

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

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

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

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

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

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

(ii) any contingent liability of the Group or of the 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:

(i) 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 will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

(ii) 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 of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS

Details of significant events during the financial year are disclosed in Note 37 to the financial statements.

SUBSEQUENT EVENT

Details of subsequent event are disclosed in Note 38 to the financial statements.

Directors' Report (continued)

AUDITORS

The auditors, Messrs. Moore Stephens AC, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 10 January 2012.

DATO' CHEN KOOI CHIEW
@ CHENG NGI CHONG

DATUK CHEN LOK LOI

Statement by Directors
Pursuant to Section 169(15) of the Companies Act 1965

We, **Dato' Chen Kooi Chiew @ Cheng Ngi Chong** and **Datuk Chen Lok Loi**, being two of the Directors of the Company, do hereby state that in the opinion of the Directors, the accompanying financial statements as set out on pages 37 to 133, are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2011 and of their financial performance and cash flows for the year then ended.

The supplemental information set out in Note 44 to the financial statements has been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and presented based on the format as prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 10 January 2012.

DATO' CHEN KOOI CHIEW
@ CHENG NGI CHONG

DATUK CHEN LOK LOI

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

I, **Mah Swee Buoy,** being the Director primarily responsible for the financial management of **MKH BERHAD**, do solemnly and sincerely declare that the financial statements as set out on pages 37 to 133 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the above named at
Kuala Lumpur in the Federal Territory
on 10 January 2012

MAH SWEE BUOY

Before me

TENGKU FARIDDUDIN BIN TENGKU SULAIMAN (W 533)
Commissioner for Oaths

Independent Auditors' Report to the Members of MKH Berhad (Formerly Known As Metro Kajang Holdings Berhad) (Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of **MKH Berhad**, which comprise the statements of financial position as at 30 September 2011 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 37 to 133.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the directors determine is 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 Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2011 and of their financial performance and cash flows for the year then ended.

Independent Auditors' Report (continued)

Report on Other Legal and Regulatory Requirements

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

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

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, except for the unaudited financial statements of a subsidiary and we have considered its unaudited financial statements thereon, which are indicated in Note 15 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 purpose of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The auditors' 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.

Other Reporting Responsibilities

The supplementary information set out in Note 44 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad ("Bursa Malaysia") 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. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia.

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.

MOORE STEPHENS AC
(AF. 001826)
Chartered Accountants

LEE KONG WENG
2967/07/13(J)
Chartered Accountant

Kuala Lumpur
10 January 2012

Statements of Comprehensive Income
for the year ended 30 September 2011

	Note	Group 2011 RM	Group 2010 RM (restated)	Company 2011 RM	Company 2010 RM
Continuing operations					
Revenue	3	**306,022,133**	255,860,656	**94,099,650**	140,630,454
Cost of sales	4	**(213,415,014)**	(185,543,605)	**–**	–
Gross profit		**92,607,119**	70,317,051	**94,099,650**	140,630,454
Other income		**15,420,990**	17,434,110	**1,222,019**	980,922
Sales and marketing expenses		**(17,614,851)**	(7,398,013)	**–**	–
Administrative expenses		**(36,184,061)**	(31,619,157)	**(9,975,235)**	(10,107,630)
Other expenses		**(10,558,107)**	(4,965,155)	**(1,846,402)**	(153,542)
Profit from operations		**43,671,090**	43,768,836	**83,500,032**	131,350,204
Finance costs		**(16,211,122)**	(10,407,368)	**(3,268,681)**	(1,017,182)
Share of profits of an associate		**15,420,574**	3,424,725	**–**	–
Profit before tax from continuing operations	5	**42,880,542**	36,786,193	**80,231,351**	130,333,022
Tax expense	7	**(8,078,330)**	(9,461,639)	**(21,099,203)**	(28,318,653)
Profit for the year from continuing operations		**34,802,212**	27,324,554	**59,132,148**	102,014,369
Discontinued operations					
Profit for the year from discontinued operations	8	**2,885,934**	3,610,613	**–**	–
Profit for the year		**37,688,146**	30,935,167	**59,132,148**	102,014,369
Other comprehensive income					
Foreign currency translation differences		**10,605,770**	(8,935,792)	**–**	–
Revaluation surplus on land and buildings		**16,599,375**	11,818,304	**–**	16,500
Income tax relating to components of other comprehensive income	7	**(2,726,098)**	(3,541,459)	**–**	(4,125)
Other comprehensive income for the year		**24,479,047**	(658,947)	**–**	12,375
Total comprehensive income for the year		**62,167,193**	30,276,220	**59,132,148**	102,026,744

Statements of Comprehensive Income (continued)

	Note	Group 2011 RM	Group 2010 RM (restated)	Company 2011 RM	Company 2010 RM
Profit attributable to:					
Owners of the parent		**38,015,235**	30,578,141	**59,132,148**	102,014,369
Non-controlling interests		**(327,089)**	357,026	**–**	–
		37,688,146	30,935,167	**59,132,148**	102,014,369
Total comprehensive income attributable to:-					
Owners of the parent		**62,468,591**	29,936,656		
Non-controlling interests		**(301,398)**	339,564		
		62,167,193	30,276,220		
Basic earnings per share (sen)	9				
From continuing operations		**13.28**	10.19		
From discontinued operations		**1.09**	1.37		
From continuing and discontinued operations		**14.37**	11.56		

Statements of Financial Position
As At 30 September 2011

	Note	Group 2011 RM	Group 2010 RM (restated)	Group As at 1.10.2009 RM (restated)	Company 2011 RM	Company 2010 RM
Assets						
Property, plant and equipment	10	**124,079,271**	118,537,945	103,032,421	**635,592**	653,475
Intangible assets	11	**6,107,777**	7,377,777	7,383,938	**–**	–
Biological assets	12	**176,509,868**	106,895,886	60,758,638	**–**	–
Prepaid lease payments	13	**30,470,484**	30,774,465	32,128,323	**–**	–
Investment properties	14	**216,081,400**	206,933,400	183,803,575	**–**	–
Investment in subsidiaries	15	**–**	–	–	**514,587,241**	370,367,239
Investment in an associate	16	**38,277,108**	25,121,364	53,327,547	**–**	–
Other investment	17	**–**	88,000	158,000	**–**	–
Land held for property development	18	**263,474,043**	249,301,264	204,533,735	**–**	–
Deferred tax assets	19	**12,975,075**	9,588,756	8,901,481	**754,575**	754,575
Receivables, deposits and prepayments	20	**12,197,001**	7,197,367	165,621	**–**	88,072,586
Total non-current assets		**880,172,027**	761,816,224	654,193,279	**515,977,408**	459,847,875
Property development costs	21	**114,894,979**	79,258,234	65,057,235	**–**	–
Inventories	22	**11,742,097**	16,393,071	17,629,975	**–**	–
Amount due from customers on contracts	23	**1,650,172**	1,576,042	3,345,766	**–**	–
Accrued billings in respect of property development costs		**29,564,095**	17,925,894	38,623,826	**–**	–
Receivables, deposits and prepayments	20	**92,614,255**	73,347,105	89,555,045	**57,969,777**	1,263,948
Current tax assets		**1,751,429**	2,204,100	2,379,855	**189,454**	65,663
Cash and cash equivalents	24	**62,868,100**	89,800,826	70,169,923	**1,628,536**	15,409,909
		315,085,127	280,505,272	286,761,625	**59,787,767**	16,739,520
Non-current assets classified as held for sale	25	**–**	251,175	14,303,492	**–**	–
Assets of disposal group classified as held for sale	8	**83,788,365**	–	–	**34,800,000**	–
		83,788,365	251,175	14,303,492	**34,800,000**	–
Total current assets		**398,873,492**	280,756,447	301,065,117	**94,587,767**	16,739,520
Total assets		**1,279,045,519**	1,042,572,671	955,258,396	**610,565,175**	476,587,395

Statements of Financial Position (continued)

	Note	Group 2011 RM	Group 2010 RM (restated)	Group As at 1.10.2009 RM (restated)	Company 2011 RM	Company 2010 RM
Equity						
Share capital	26	**264,585,251**	240,532,047	229,078,140	**264,585,251**	240,532,047
Reserves	27	**448,648,090**	430,625,492	421,739,478	**220,494,384**	185,415,440
Reserves of disposal group classified as held for sale	8	**20,570,586**	–	–	**–**	–
Equity attributable to owners of the parent		**733,803,927**	671,157,539	650,817,618	**485,079,635**	425,947,487
Non-controlling interest		**153,605**	455,003	1,538,666	**–**	–
Total equity		**733,957,532**	671,612,542	652,356,284	**485,079,635**	425,947,487
Liabilities						
Deferred tax liabilities	19	**41,028,472**	46,111,369	41,919,809	**–**	–
Deferred income	28	**–**	3,008,974	2,000,000	**–**	–
Provisions	29	**1,153,393**	390,876	148,799	**–**	–
Payables and accruals	30	**9,964,025**	–	–	**–**	–
Loans and borrowings	31	**243,297,830**	167,384,293	106,787,454	**39,089,750**	22,393,075
Total non-current liabilities		**295,443,720**	216,895,512	150,856,062	**39,089,750**	22,393,075
Provisions	29	**8,755,245**	7,868,282	10,334,034	**3,074,400**	3,074,400
Amount due to customers on contracts	23	**–**	1,212,207	36,346	**–**	–
Progress billings in respect of property development costs		**8,040,536**	2,473,852	2,864,468	**–**	–
Payables and accruals	30	**73,708,561**	66,064,283	69,505,134	**65,890,345**	835,946
Loans and borrowings	31	**133,204,289**	66,123,736	57,525,304	**17,431,045**	15,316,525
Dividend payables		**–**	9,019,962	8,590,438	**–**	9,019,962
Current tax liabilities		**3,207,634**	1,302,295	3,190,326	**–**	–
		226,916,265	154,064,617	152,046,050	**86,395,790**	28,246,833
Liabilities of disposal group classified as held for sale	8	**22,728,002**	–	–	**–**	–
Total current liabilities		**249,644,267**	154,064,617	152,046,050	**86,395,790**	28,246,833
Total liabilities		**545,087,987**	370,960,129	302,902,112	**125,485,540**	50,639,908
Total equity and liabilities		**1,279,045,519**	1,042,572,671	955,258,396	**610,565,175**	476,587,395
Net assets per share (RM)	9	**2.77**	2.54			

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

Consolidated Statement of Changes in Equity
for the year ended 30 September 2011

	Note	Share Capital RM	Share Premium RM	Translation Reserve RM	Revaluation Reserve RM	Revaluation Reserve of Disposal Group Classified as Held for Sale RM	Retained Earnings RM	Total RM	Non-controlling Interests RM	Total Equity RM
		← Non-distributable				→	Distributable			
At 1 October 2009		229,078,140	3,571,695	5,322,385	8,522,279	–	404,323,119	650,817,618	1,538,666	652,356,284
Total comprehensive income for the year		–	–	(8,918,330)	8,276,845	–	30,578,141	29,936,656	339,564	30,276,220
Transactions with owners										
Acquisition of non-controlling interest		–	–	–	–	–	–	–	(1,423,227)	(1,423,227)
Effect of acquisition of non-controlling interest		–	–	–	–	–	(576,773)	(576,773)	–	(576,773)
Issuance of shares pursuant to - Bonus issue		11,453,907	(3,571,695)	–	–	–	(7,882,212)	–	–	–
Dividend	32	–	–	–	–	–	(9,019,962)	(9,019,962)	–	(9,019,962)
Total transactions with owners		11,453,907	(3,571,695)	–	–	–	(17,478,947)	(9,596,735)	(1,423,227)	(11,019,962)
At 30 September 2010		240,532,047	–	(3,595,945)	16,799,124	–	417,422,313	671,157,539	455,003	671,612,542

Consolidated Statement of Changes in Equity (continued)

	Note	Share Capital RM	Share Premium RM	Translation Reserve RM	Revaluation Reserve RM	Revaluation Reserve of Disposal Group Classified as Held for Sale RM	Retained Earnings RM	Total RM	Non-controlling Interests RM	Total Equity RM
		← Non-distributable				→	Distributable			
At 1 October 2010										
As previously stated		240,532,047	–	(3,595,945)	17,316,747	–	417,422,313	671,675,162	455,003	672,130,165
Effect of adopting Amendments to FRS 117		–	–	–	(517,623)	–	–	(517,623)	–	(517,623)
As restated		240,532,047	–	(3,595,945)	16,799,124	–	417,422,313	671,157,539	455,003	671,612,542
Effect of adopting FRS 139		–	–	–	–	–	177,797	177,797	–	177,797
		240,532,047	–	(3,595,945)	16,799,124	–	417,600,110	671,335,336	455,003	671,790,339
Total comprehensive income for the year		–	–	10,580,079	13,873,277	–	38,015,235	62,468,591	(301,398)	62,167,193
Transactions with owners										
Issuance of shares pursuant to - Bonus issue		24,053,204	–	–	–	–	(24,053,204)	–	–	–
Reserve attributable to disposal group classified as held for sale		–	–	–	(20,570,586)	20,570,586	–	–	–	–
Total transactions with owners		24,053,204	–	–	(20,570,586)	20,570,586	(24,053,204)	–	–	–
At 30 September 2011		**264,585,251**	**–**	**6,984,134**	**10,101,815**	**20,570,586**	**431,562,141**	**733,803,927**	**153,605**	**733,957,532**

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

Statement of Changes in Equity
for the year ended 30 September 2011

	Note	Share Capital RM	← Non-distributable → Share Premium RM	Revaluation Reserve RM	Distributable Retained Earnings RM	Total Equity RM
At 1 October 2009		229,078,140	3,571,695	–	100,290,870	332,940,705
Total comprehensive income for the year		–	–	12,375	102,014,369	102,026,744
Transaction with owners						
Issuance of shares pursuant to - Bonus issue		11,453,907	(3,571,695)	–	(7,882,212)	–
Dividend	32	–	–	–	(9,019,962)	(9,019,962)
		11,453,907	(3,571,695)	–	(16,902,174)	(9,019,962)
At 30 September 2010		240,532,047	–	12,375	185,403,065	425,947,487
Total comprehensive income for the year		–	–	–	59,132,148	59,132,148
Transaction with owners						
Issuance of shares pursuant to - Bonus issue		24,053,204	–	–	(24,053,204)	–
		24,053,204	–	–	(24,053,204)	–
At 30 September 2011		**264,585,251**	**–**	**12,375**	**220,482,009**	**485,079,635**

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

Statements of Cash Flow
for the year ended 30 September 2011

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Cash flows from operating activities					
Profit before tax from:					
- continuing operations		**42,880,542**	36,786,193	**80,231,351**	130,333,022
- discontinued operations	8	**4,309,382**	5,096,892	**–**	–
Adjustments for:					
Amortisation of prepaid lease payments		**796,374**	802,575	**–**	–
Bad debts written off		**36,888**	192,352	**–**	81,000
Changes in fair value of investment properties		**(9,160,000)**	(8,339,000)	**–**	–
Depreciation of property, plant and equipment		**5,667,143**	4,872,551	**21,222**	17,027
Dividend income		**–**	–	**(83,856,000)**	(130,798,234)
Impairment loss on:					
- goodwill on acquisition		**–**	6,161	**–**	–
- land held for property development		**90,267**	–	**–**	–
- receivables		**720,984**	323,312	**85,765**	–
Interest expense		**16,003,189**	10,035,959	**3,193,351**	913,045
Inventories written off		**23,416**	33,082	**–**	–
Landowner's share of (loss)/profit		**(40,507)**	186,716	**–**	–
Net loss /(gain) on foreign exchange - unrealised		**997,271**	(327,660)	**1,479,325**	(376,997)
Property, plant and equipment written off		**53,020**	287,800	**1**	1
Provision for foreseeable loss		**–**	34,927	**–**	–
Provision for retirement benefit obligations		**723,747**	264,690	**–**	–
Provision for tax penalty		**1,074,794**	–	**–**	–
Loss on disposal of non-current assets held for sale		**1,175**	–	**–**	–
Gain on disposal of investment property		**(6,000)**	–	**–**	–
Gain on disposal of land held for property development		**(397,547)**	–	**–**	–
Gain on transfer from inventories to investment properties		**–**	(3,076,051)	**–**	–
Gain on transfer from property, plant and equipment to investment properties		**–**	(205,597)	**–**	–
Gain on disposal of property, plant and equipment		**(246,920)**	(46,999)	**–**	–
Gain on disposal of other investment		**(65,600)**	(6,359)	**–**	–
Gain on disposal of non-current assets held for sale		**–**	(3,992,734)	**–**	–
Interest income		**(1,736,824)**	(717,873)	**(1,182,280)**	(20,873)
Reversal of provision for rectification works		**–**	(250,000)	**–**	–
Reversal of impairment loss on receivables		**(239,942)**	(545,934)	**–**	(83,427)
Share of profits of an associate		**(15,420,574)**	(3,424,725)	**–**	–
Operating profit/(loss) before changes in working capital carried down		**46,064,278**	37,990,278	**(27,265)**	64,564

Statements of Cash Flow (continued)

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Operating profit/(loss) before changes in working capital brought down		**46,064,278**	37,990,278	**(27,265)**	64,564
Change in property development costs		**(9,947,566)**	4,612,032	**–**	–
Change in inventories		**(2,444,187)**	4,691,383	**–**	–
Change in amount due from/(to) customers on contracts		**(1,286,337)**	2,910,658	**–**	–
Change in receivables, deposits and prepayments		**(37,788,117)**	29,905,096	**(3,027,825)**	3,394,920
Change in payables and accruals		**28,753,229**	(5,906,275)	**189,035**	544,671
Cash generated from/(used in) operations		**23,351,300**	74,203,172	**(2,866,055)**	4,004,155
Interest received		**868,714**	717,873	**1,182,280**	20,873
Interest paid		**(16,580,318)**	(10,995,825)	**(3,193,351)**	(913,045)
Tax paid		**(13,553,673)**	(13,258,477)	**(293,994)**	(226,162)
Tax refunded		**1,131,446**	585,416	**–**	–
Net (used in)/cash from operating activities		**(4,782,531)**	51,252,159	**(5,171,120)**	2,885,821
Cash flows from investing activities					
Acquisition of subsidiaries		**–**	–	**(2,020,002)**	–
Acquisition of investment properties		**–**	(8,261,000)	**–**	–
Acquisition of shares in subsidiaries from minority shareholders		**–**	(2,000,000)	**–**	(2,000,000)
Acquisition of property, plant and equipment		**(61,471,343)**	(17,364,409)	**(3,340)**	(45,261)
Additions to biological assets		**(57,761,478)**	(50,770,607)	**–**	–
Additions to land held for property development		**(40,320,015)**	(70,241,297)	**–**	–
Additional subscription of shares in subsidiaries		**–**	–	**–**	(52,031)
Advances to subsidiaries		**–**	–	**(142,691,183)**	(93,937,669)
Dividends received		**2,264,830**	31,630,908	**62,927,000**	102,779,875
Proceeds from disposal of investment properties		**18,000**	4,500,000	**–**	–
Proceeds from disposal of non-current assets classified as held for sale		**250,000**	18,296,226	**–**	–
Proceeds from disposal of property, plant and equipment		**530,518**	84,917	**–**	–
Proceeds from disposal of other investment		**153,600**	76,359	**–**	–
Proceeds from disposal of land held for property development		**1,303,848**	–	**–**	–
Net cash (used in)/from investing activities carried down		**(155,032,040)**	(94,048,903)	**(81,787,525)**	6,744,914

Statements of Cash Flow (continued)

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Net cash (used in)/from investing activities brought down		**(155,032,040)**	(94,048,903)	**(81,787,525)**	6,744,914
Cash flows from financing actvities					
Net drawdown of short term bank borrowings		**42,300,000**	12,090,806	**2,000,000**	5,316,525
Drawdown of bridging loan		**5,900,000**	–	**–**	–
Drawdown of revolving credits		**50,200,000**	5,500,000	**–**	–
Drawdown of term loans		**64,077,626**	67,377,795	**15,294,075**	22,393,075
Repayment of term loans		**(26,582,518)**	(10,713,926)	**–**	–
Repayments of bridging loan		**(7,848,610)**	(4,000,000)	**–**	–
Payments of finance lease		**(669,195)**	(829,811)	**–**	–
Proceeds from government grant		**1,741,026**	1,008,974	**–**	–
Advances from/(repayments to) subsidiaries		**–**	–	**64,865,364**	(13,508,914)
Dividend paid		**(9,019,962)**	(8,590,438)	**(9,019,962)**	(8,590,438)
Net cash from financing activities		**120,098,367**	61,843,400	**73,139,477**	5,610,248
Net (decrease)/increase in cash and cash equivalents		**(39,716,204)**	19,046,656	**(13,819,168)**	15,240,983
Effect of exchange rate fluctuations		**(320,405)**	893,840	**–**	376,997
Cash and cash equivalents at beginning of the year		**85,635,492**	65,694,996	**15,409,909**	(208,071)
Cash and cash equivalents at end of the year		**45,598,883**	85,635,492	**1,590,741**	15,409,909

Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following amounts:

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Continuing operations					
Deposits with licensed financial banks	24	**7,722,869**	18,442,123	**–**	11,295,995
Cash and bank balances	24	**26,005,604**	44,113,473	**1,628,536**	4,113,914
Cash held under housing development accounts	24	**27,352,502**	25,311,193	**–**	–
Cash held under sinking fund account	24	**3,020**	2,860	**–**	–
Cash held under trust fund account	24	**174**	20	**–**	–
Fixed income funds	24				
- redeemable at call		**1,145,015**	179,328	**–**	–
- redeemable upon 1 day notice		**582,767**	862,300	**–**	–
- redeemable upon 7 days notice		**56,149**	889,529	**–**	–
Balance carried down		**62,868,100**	89,800,826	**1,628,536**	15,409,909

Statements of Cash Flow (continued)

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Balance brought down		**62,868,100**	89,800,826	**1,628,536**	15,409,909
Bank overdrafts	31	**(19,826,210)**	(4,165,334)	**(37,795)**	–
		43,041,890	85,635,492	**1,590,741**	15,409,909
Discontinued operations					
Cash and bank balances		**3,769,509**	–	**–**	–
Bank overdrafts		**(1,212,516)**	–	**–**	–
		2,556,993	–	**–**	–
		45,598,883	85,635,492	**1,590,741**	15,409,909

Acquisition of property, plant and equipment

During the year, the Group and the Company acquired property, plant and equipment with aggregate costs of RM65,040,260 (2010: RM17,444,409) and RM3,340 (2010: RM45,261) respectively, which were satisfied as follows:

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Finance lease arrangements	**3,568,917**	80,000	**–**	–
Cash payments	**61,471,343**	17,364,409	**3,340**	45,261
	65,040,260	17,444,409	**3,340**	45,261

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

Notes to the Financial Statements
– 30 September 2011

CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

MKH Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad. The addresses of its registered office and principal place of business are as follows:

Registered office:
Suite 1, 5th Floor,
Wisma MKH,
Jalan Semenyih,
43000 Kajang,
Selangor Darul Ehsan.

Principal place of business:
5th Floor, Wisma MKH,
Jalan Semenyih,
43000 Kajang,
Selangor Darul Ehsan.

The Company is principally engaged in investment holding and providing building and other management services while the principal activities of the subsidiaries are stated in Note 15. There have been no significant changes in the nature of these activities during the year.

The financial statements were authorised for issue in accordance with a resolution passed at the Board of Directors' meeting held on 10 January 2012.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with the Financial Reporting Standards ("FRSs") issued by the Malaysian Accounting Standards Board ("MASB") and complied with the provisions of the Companies Act, 1965.

New and revised FRSs, Amendments to FRSs, Issues Committee ("IC") Interpretations and Technical Releases ("TRs") adopted

At 1 October 2010, the Group and the Company adopted the following new and revised FRSs, Amendments to FRSs, IC Interpretations and TRs:

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations (Revised)
FRS 4	Insurance Contracts
FRS 7	Financial Instruments : Disclosures
FRS 101	Presentation of Financial Statements (Revised)
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
FRS 127	Consolidated and Separate Financial Statements (Revised)

Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2 Share-based Payment: Vesting Conditions and Cancellations
Amendments to FRS 2 Share-based Payment
Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 132 Financial Instruments: Presentation
Amendments to FRS 138 Intangible Assets

Notes to the Financial Statements – 30 September 2011 (continued)

1. BASIS OF PREPARATION (continued)

(a) Statement of compliance (continued)

New and revised FRSs, Amendments to FRSs, Issues Committee ("IC") Interpretations and Technical Releases ("TRs") adopted (continued)

Amendments to FRS 139 Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives
Amendments to FRSs contained in the document entitled "Improvements to FRSs (2009)"

IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners

Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives

TR 3	Guidance on Disclosures of Transition to IFRSs
TR i-3	Presentation of Financial Statements of Islamic Financial Institutions

The adoption of the above FRSs, Amendments to FRSs, IC Interpretations and TRs does not have any effect on the financial statements of the Group and of the Company except for those discussed below.

FRS 7 Financial Instruments: Disclosures
Prior to 1 October 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 Financial Instruments: Disclosure and Presentation. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Group and the Company have applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Group's and the Company's financial statements for the year ended 30 September 2011.

FRS 3, Business Combinations (Revised) and FRS 127, Consolidated and Separate Financial Statements
The revised FRS 3 introduces a number of significant changes to the accounting for business combinations with greater use of fair value. These changes include recognising all acquisition-related costs as expense, measuring any pre-existing interest at fair value and allowing measurement of non-controlling interest (previously known as minority interest) at either fair value or at its proportionate share of the acquiree's net identifiable assets. The revised FRS 127 requires accounting for changes in ownership interests by the Group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the Group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The revised standard also requires all losses attributable to the non-controlling interests to be absorbed by minority shareholders instead of by the parent even if the losses exceed the non-controlling interests in the subsidiary's equity. The Group has applied the changes of revised FRS 3 and FRS 127 prospectively. There is no financial impact on the financial statements of the Group for the current financial year other than changes in accounting policies.

Notes to the Financial Statements – 30 September 2011 (continued)

1. BASIS OF PREPARATION (continued)

(a) Statement of compliance (continued)

FRS 101 Presentation of Financial Statements (Revised)
The revised FRS 101 requires owner and non-owner changes in equity to be presented separately. The statement of changes of equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line item. In addition, the revised standard introduces the statement of comprehensive income. It presents all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense, either in one single statement, or in two link statements. The Company has elected to present this statement as one single statement. New terminologies will replace 'balance sheet' with 'statement of financial position' and 'cash flow statement' with 'statement of cash flows'.

The revised FRS 101 also requires the Group to make new disclosures to enable users of the financial statements to evaluate the Company's objectives, policies and processes for managing capital.

In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the classification of items in the financial statements.

The revised FRS 101 was adopted retrospectively by the Group and the Company.

FRS 139 Financial Instruments: Recognition and Measurement
FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Group and the Company have adopted FRS 139 prospectively on 1 October 2010 in accordance with the transitional provisions. The effects arising from the adoption of this Standard has been accounted for by adjusting the opening balance of retained earnings as at 1 October 2010. Comparatives are not restated. The details of the changes in accounting policies and the effects arising from the adoption of FRS 139 are discussed below.

(i) Receivables, deposits and prepayments - deposits paid
Prior to 1 October 2010, included in deposits paid of the Group is a deposit amounting to RM4,000,000 relating to performance deposit placed with a third party for a development project which is expected to be refunded upon completion of the project. Upon adoption of FRS 139, the deposit is stated at fair value on initial recognition and subsequently measured at amortised cost using effective interest method. The remaining unamortised amount of RM953,926 has been recognised as adjustments to the opening balance of retained earnings as at 1 October 2010.

(ii) Receivables, deposits and prepayments – loan receivables
Prior to 1 October 2010, the Company recognised interest earned on housing loans and term loans on monthly rest basis. When an amount became non-performing, interest was suspended until it is realised on a cash basis. Upon the adoption of FRS 139 are now recognised initially at their fair values, which are estimated by discounting the expected cash flows using the current market interest rate of a loan with similar risk and tenure. Finance income and costs are recognised in profit or loss using the effective interest method.

Upon adoption of FRS 139, once a loan has been written down to impairment loss, interest income is recognised based on the interest rate used to discount the future cash flows for the purpose of measuring impairment loss. There is no financial impact on the financial statements of the Group other than the change in accounting policies.

Notes to the Financial Statements – 30 September 2011 (continued)

1. BASIS OF PREPARATION (continued)

(a) Statement of compliance (continued)

(iii) Payables and accruals– subcontractor retention sum

Prior to 1 October 2010, included in trade payables of the Group are retention sums amounting to RM11,963,513 relating to retention monies payable to third parties for property development projects which are expected to be paid upon receiving the certificate of making good defects from projects consultants. Upon adoption of FRS 139, the retention sums, which are non-interest bearings are stated at fair value on initial recognition and subsequently measured at amortised cost using effective interest method. The remaining unamortized amount of RM1,191,023 has been recognised as an adjustments to the opening balance of retained earnings as at 1 October 2010.

The following are effects arising from the adoption of FRS 139:

	Increase/(Decrease)	
	As at 30.9.2011 RM	**As at 1.10.2010 RM**
Statement of financial position		
Group		
Deferred tax assets	**(349,200)**	(59,300)
Receivables, deposits and prepayments	**(783,346)**	(953,926)
Payables and accruals	**(2,180,039)**	(1,191,023)
Retained earnings	**1,047,493**	177,797

	Increase/ (Decrease) 2011 RM
Statement of comprehensive income	
Group	
Other income	2,263,889
Interest expenses	1,104,293
Profit before tax	1,159,596
Tax expense	289,900
Profit for the year	869,696
Total comprehensive income for the year	869,696

Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

The amendment to FRS 127 removes the definition of cost method currently set out in FRS 127 and therefore, making the distinction between pre- and post-acquisition profit no longer required. Instead, an entity is required to recognise all dividends from subsidiaries, jointly-controlled entities or associates in its separate financial statements. The Group has applied the amendment prospectively. There is no financial impact on the financial statements of the Group for the current financial year other than changes in accounting policies.

Notes to the Financial Statements – 30 September 2011 (continued)

1. BASIS OF PREPARATION (continued)

(a) Statement of compliance (continued)

Amendments to FRS 117, Leases

Prior to 1 October 2010, for all leases of land and buildings, if title is not expected to pass to the lessee by end of the lease term, the lessee normally does not receive substantially all of the risks and rewards incidental to ownership. Hence, all leasehold land held for own use was classified by the Group as operating lease. The amendments to FRS 117 require an entity with existing leases of land and buildings to reassess the classification of land as finance or operating lease based on the general principle of FRS 117.

The Group has reassessed and determined that the long term leasehold land of the Group is in substance a finance lease and has reclassified the leasehold land to property, plant and equipment. The Group has adopted the amendments to FRS 117 retrospectively. The effects on the comparative figures arising from the above change in accounting policy are as follows:

	Group RM
At 1 October 2009	
Statement of financial position	
Increase in property, plant and equipment	15,166,187
Decrease in prepaid lease payments	15,166,187
At 30 September 2010	
Statement of financial position	
Increase in property, plant and equipment	14,300,000
Decrease in prepaid lease payments	14,990,163
Decrease in revaluation reserve	517,623
Decrease in deferred tax liabilities	172,540

Amendments to FRS 140, Investment Property

The amendments require investment properties under construction which were previously accounted as property, plant and equipment to be reclassified as investment properties and measured at fair value with changes in fair value being recognised in the profit or loss when fair value can be determined reliably. However, where the fair value is not reliably determinable, the investment properties under construction are measured at cost until the earlier of the construction completion date or the date that the fair value can be reliably determinable. The Group will apply the amendment prospectively and therefore there will not have any financial impact on the financial statements of the Group for the current financial year other than changes in accounting policies.

MFRS Framework, new and revised FRSs, Amendments to FRSs, IC Interpretations and TR issued but not yet effective

On 19 November 2011, MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework") in conjunction with the MASB's plan to converge with International Financial Reporting Standards ("IFRS") in 2012. The MFRS Framework comprises Standards as issued by the International Accounting Standards Board ("IASB") that are effective on 1 January 2012 and new/revised Standards that will be effective after 1 January 2012.

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual financial periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer (herein referred as "Transitioning Entities"). The adoption of the MFRS Framework by Transitioning Entities is deferred by another year and hence, will be mandatory only for annual financial period beginning on or after 1 January 2013.

Notes to the Financial Statements – 30 September 2011 (continued)

1. BASIS OF PREPARATION (continued)

(a) Statement of compliance (continued)

***MFRS Framework, new and revised FRSs, Amendments to FRSs, IC Interpretations and TR issued but not yet effective** (continued)*

The Group, which is a transitioning entity, elected to continue preparing its financial statements in accordance with the FRS framework for annual financial periods beginning before 1 January 2013. As such, the Company will present its first financial statements in accordance with the MFRS framework for the financial year beginning on 1 October 2013. The Group is currently in the process of determining the impact arising from the initial application of MFRS Framework.

At the date of authorisation of these financial statements, MASB has issued the following new and revised FRSs, Amendments to FRSs, IC Interpretations and TR that are not yet effective and have not been early adopted in preparing these financial statements:

		For financial periods beginning on or after
FRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009)	1 January 2013
FRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)	1 January 2013
FRS 10	Consolidated Financial Statements	1 January 2013
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosure of Interests in Other Entities	1 January 2013
FRS 13	Fair value Measurement	1 January 2013
FRS 119	Employee Benefits (as amended in November 2011)	1 January 2013
FRS 124	Related Party Disclosures (Revised)	1 January 2012
FRS 127	Separate Financial Statements (as amended in November 2011)	1 January 2013
FRS 128	Investments in Associates and Joint Venture (as amended in November 2011)	1 January 2013
Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters (Amendment to FRS 1)		1 January 2011
Improving Disclosures about Financial Instruments (Amendment to FRS 7)		1 January 2011
Additional Exemptions for First-time Adopters (Amendment to FRS 1)		1 January 2011
Group Cash-settled Share-based Payment Transactions (Amendments to FRS 2)		1 January 2011
Amendments to FRSs contained in the document entitled “Improvements to FRSs (2010)”		1 January 2011
Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (Amendments to FRS 1)		1 January 2013
Disclosures - Transfers of Financial Assets (Amendments to FRS 7)		1 January 2013
Presentation of Items of Other Comprehensive Income (Amendments to FRS 101)		1 January 2013
Deferred tax: Recovery of Underlying Assets (Amendments to FRS 112)		1 January 2013
IC Interpretation 4	Determining whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 18	Transfers of Assets from Customers	1 January 2011
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Prepayments of a Minimum Funding Requirement (Amendments to IC Interpretation 14)		1 July 2011
TR i-4	Shariah Compliant Sale Contracts	1 January 2011

The adoption of the above FRSs, Amendments to FRSs, IC Interpretations and TR is not expected to have any significant impact on the financial statements of the Group and of the Company upon their initial application, except for the following except for those discussed below:

Notes to the Financial Statements – 30 September 2011 (continued)

1. BASIS OF PREPARATION (continued)

(a) Statement of compliance (continued)

Deferred tax: Recovery of Underlying Assets (Amendments to FRS 112)

Amendments to FRS 112 provide a limited exception for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model. The amendments introduce a rebuttable presumption that the investment property is recovered entirely through sale. However, this presumption is rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The Group has not evaluated the full extant of the impact that the amendments will have on its financial statements.

(b) Basis of measurement

The financial statements have been prepared on the historical cost convention except for those as disclosed in the accounting policy notes.

(c) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ('RM'), which is also the Company's functional currency. All financial information presented in RM has been rounded to the nearest RM, unless otherwise stated.

(d) Significant accounting estimates and judgements

The preparation of the financial statements requires management to make judgement, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Significant areas of estimation, uncertainty and critical judgements in applying accounting principles that have significant effect on the amount recognised in the financial statements are described in the following notes:

(i) Revenue and cost of sales recognition (Note 3 and 4) – the Company recognises property development revenue and cost of sales 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 of development costs incurred for work performed to-date bears to the estimated total property development costs. 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/(loss) recognised.

(ii) Tax expense (Note 7) - significant judgement is required in determining the capital allowances and deductibility of certain expenses when estimating the provision for taxation. There were transactions during the ordinary course of business for which the ultimate tax determination of whether additional taxes will be due is uncertain. The Group recognises liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax in the periods in which the outcome is known.

(iii) Useful life of property, plant and equipment (Note 10) – the cost of property, plant and equipment is depreciated on a straight line basis over the assets' useful lives. Management estimates the useful lives of these property, plant and equipments to be within 5 to 50 years based on past experience with similar assets. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets resulting in revision of future depreciation charges.

Notes to the Financial Statements – 30 September 2011 (continued)

1. **BASIS OF PREPARATION** (continued)

(d) **Significant accounting estimates and judgements** (continued)

(iv) Impairment of intangible assets (Note 11) – significant judgement is used in the estimation of the present value of future cash flows generated by the cash-generating units which involve uncertainties and are based on assumptions used and judgement made regarding estimates of future cash flows and discount rate.

(v) Fair value of investment properties (Note 14) – the measurement of the fair value for investment properties performed by management is based on independent professional valuations with reference to current prices in an active market for similar properties in the same location and condition and subject to similar lease and other contracts.

(vi) Deferred tax assets (Note 19) – deferred tax assets are recognised for deductible temporary differences in respect of expenses, unutilised tax losses, unabsorbed industrial building allowances and unabsorbed capital allowances based on the projected future profits of the subsidiaries to the extent that is probable that taxable profit will be available against which the temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the future financial performance of the Group.

(vii) Impairment loss on receivables (Note 20) – the Group assesses at each reporting date whether there is any objective evidence that a receivable is impaired. Allowances are applied where events or changes in circumstances indicate that the balances may not be collectable. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. Where the expectation is different from the original estimate, such difference will impact the carrying amount of receivables at the reporting date.

(viii) Inventories (Note 22) – the saleability of inventories are reviewed by management on a periodic basis. This review involves comparison of the carrying value of the inventory items with the respective net realisable value. The purpose is to ascertain whether a write down to net realisable value is required to be made.

(ix) Construction contracts (Note 23) – significant judgement is used in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue (for contracts other than fixed price contracts) and costs, as well as the recoverability of the contracts. Total contract revenue also includes an estimation of the works that are recoverable from the customers. In making judgements, the Group evaluates based on past experience and work of specialists.

(x) Contingent liabilities on under payment of input Value Added Tax (Note 33) – the Group determined the expected outcome of the contingencies which will result in an outflow of resources based on consultation of internal and external experts. According to such basis, the Group evaluated if a provision needs to be recognised in the financial statements.

(xi) Provision of retirement benefit obligations (Note 29) – the provision is determined using actuarial valuation prepared by an independent actuary. The actuarial valuation involved making assumptions about discount rate, future salary increase, mortality rates, resignation rate and normal retirement age. As such, this estimated provision amount is subject to significant uncertainty.

(xii) Provision for tax penalty (Note 29) – the Group recognised a provision for tax penalty in respect of the year 2009 using similar basis as in the decision letters of the local tax authority for a subsidiary's tax under payment of input Value Added Tax for the year 2008.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Group, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the existence and effect of potential voting rights that are currently exercisable are taken into account.

Investments in subsidiaries are stated in the Company's statement of financial position at cost less impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale). Acquisition related costs are recognised as expenses in the period in which the costs are incurred.

The financial statements of subsidiaries acquired or disposed off during the financial year are included in the consolidated financial statements based on the purchase method from the effective date of acquisition or up to the effective date of disposal respectively. The assets, liabilities and contingent liabilities assumed of the acquired subsidiary are measured at their fair values at the date of acquisition and these values are reflected in the consolidated statement of financial positions.

The Group elects for each individual business combination, whether non-controlling interests in the acquisition is recognised on the acquisition date at fair value, or at the non-controlling interests' proportionate share of the acquiree net identifiable assets.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities assumed represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

(ii) Associates

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not in control, over the financial and operating policies.

Associates are accounted for in the consolidated financial statements using the equity method unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). The consolidated financial statements include the Group's share of the income and expenses of the associates, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest (including any long-term investment) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee. Should the associate subsequently report profits, the Group will only resume to recognise its share of profits after its share of profits equals to the share of losses previously not recognised.

Where the audited financial statements of the associates are not co-terminous with those of the Group, the share of results is based on a limited review on the financial statements performed by auditors of the associate made up to the financial year end of the Group.

Investments in associates are stated in the Company's statement of financial position at cost less impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

Notes to the Financial Statements – 30 September 2011 (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of consolidation (continued)

(iii) Non-controlling interests

Non-controlling interests are the portion of the net assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, and are presented in the consolidated statement of financial positions and statement of changes in equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests presented on the face of the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

All losses attributable to the non-controlling interests are allocated to the minority shareholders even if the losses exceed the non-controlling interests in the subsidiary's equity.

(iv) Changes in group composition

The Group treats changes in the group composition that do not result in a loss of control as equity transaction between the Group and the minority shareholders. Any difference between the Group's shares of net assets before and after the change, and any consideration received or paid, is recognised directly in equity and attributed to owners of the Company.

(v) Transactions eliminated on consolidation

Intra-group balances and unrealised gains and losses arising from intra-group transactions are eliminated in full. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent the Group has interests. Unrealised losses are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in currencies other than the Group entities' functional currency (foreign currencies) are translated into the Group entities' functional currency at the rates of exchange ruling at the time of the transaction date. Monetary items denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non-monetary items denominated in foreign currencies are not retranslated at the reporting date except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation of monetary items are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operations are recognised in profit or loss in the Company's separate financial statements or the individual financial statements of the foreign operation, as appropriate.

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

(ii) Operations denominated in functional currencies other than Ringgit Malaysia

The results and financial position of foreign operations that have a functional currency different from the presentation currency (RM) of the consolidated financial statements are translated into RM as follows:

Notes to the Financial Statements – 30 September 2011 (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Foreign currency (continued)

(ii) Operations denominated in functional currencies other than Ringgit Malaysia (continued)

(i) Assets and liabilities for each reporting date presented are translated at the closing rate prevailing at the reporting date;

(ii) Income and expenses are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and

(iii) All resulting exchange differences are taken to other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date. Goodwill and fair value adjustments which arose on the acquisition of foreign subsidiaries before 1 January 2006 are deemed to be assets and liabilities of the parent company and are recorded in RM at the rate prevailing at the date of acquisition.

Upon disposal of a foreign subsidiary company, the cumulative amount of translation differences at the date of disposal of the subsidiary company is taken to the consolidated statement of comprehensive income.

(c) Revenue recognition

(i) Development properties

Revenue from development properties sold is recognised on the percentage of completion method when the outcome of the property development projects can be reliably estimated. The stage of completion is measured by the proportion that development costs incurred for work performed to-date bear to the estimated total development costs for units sold. Where foreseeable losses on development properties are anticipated, full allowance of those losses is made in the financial statements.

Revenue from the sale of completed development properties and land held for development are measured at fair value of the consideration received or receivable net of trade discounts and rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of properties can be estimated reliably, and there is no continuing management involvement with the properties.

(ii) Construction contracts

Revenue from construction contracts is recognised on the percentage of completion method when the outcome of the construction contracts can be reliably estimated. The stage of completion is measured by reference to the certified work done to-date or by the proportion that contract costs incurred for work performed to-date bear to the estimated total construction costs. Where foreseeable losses on construction contracts are anticipated, full allowance of those losses is made in the financial statements.

(iii) Investment properties

Revenue from sale of investment properties is measured at fair value of the consideration received or receivable. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the properties.

Notes to the Financial Statements – 30 September 2011 (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Revenue recognition (continued)

(iv) Goods sold

Revenue from sales of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised upon delivery of goods when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(v) Services

Revenue from services is recognised as and when services are rendered.

(vi) Entrance and subscription fees

Entrance and subscription fees received from club members are recognised on an accrual basis. When members account become inactive, subscription fee is suspended until it is realised on a cash basis. Members' accounts are deemed to be inactive where subscriptions are in arrears for more than 6 months.

(vii) Rental income

Rental income is recognised on an accrual basis.

(viii) Interest income

Interest income from deposits with licensed banks and contract revenue under deferred payment term is recognised on an accrual basis using the effective interest method.

Interest income from hire purchase financing, housing loan and term loan are recognised on an accrual basis as follows:

(i) interest earned on hire purchase financing is recognised using the 'sum-of-digits' method so as to produce a constant periodic rate of interest on the balance for each period. Unearned interest is deducted in arriving at the net balance of the hire purchase debts;

(ii) interest earned on housing loan and term loan is calculated on a monthly rest basis.

(ix) Dividend income

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

(d) Employee benefits

(i) Short term employee benefits

Short-term employee benefit obligation in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short term cash bonus or profit-sharing plans, if any, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group's contributions to the Employees Provident Fund or other defined contributable plans are charged to profit or loss in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

Notes to the Financial Statements – 30 September 2011 (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Employee benefits (continued)

(ii) Defined benefit plans

A subsidiary of the Company operates an unfunded defined benefit scheme. The subsidiary's net obligation under the scheme is determined by estimating the amount of benefit that employees have earned in return for their service in the current and prior periods and that benefit is discounted to determine the present value of the liability. The subsidiary's obligation is calculated using the projected unit credit method.

Past service costs are recognised immediately to the extent that the benefits are already vested, and otherwise are amortised on a straight-line basis over the average period until the amended benefits become vested.

(iii) Retirement gratuity scheme

The Company established a retirement gratuity scheme in 2005 for certain Executive Directors of the Company. The amount of retirement gratuity payable is determined by the Board of Directors in relation to the past services rendered and it does not account for the director's services to be rendered in later years up to retirement. The retirement gratuity is calculated based on the last drawn monthly salaries of the eligible directors and contribution to Employees Provident Fund for three years. The retirement gratuity payable is vested upon the directors reaching retirement age and is classified as current liabilities.

(e) Borrowing costs

All borrowing costs are recognised in profit or loss using the effective interest method, in the period in which they are incurred except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

(f) Leases - The Group as lessee

(i) Finance leases

Leases of property, plant and equipment where the Group and the Company assume substantially all the benefits and risks of ownership are classified as finance leases.

Finance leases are capitalised at the inception of the lease 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 so as to achieve a periodic constant rate of interest on the remaining balance. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance charge is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(ii) Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on the straight-line basis.

Notes to the Financial Statements – 30 September 2011 (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Leases - The Group as lessor

(i) Finance leases

Leases where the Group transfers substantially all the risks and rewards of ownership of the asset are classified as finance leases. initial direct costs are included in the initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term. The interest earned on hire purchase or finance lease financing is recognised using the 'sum-of-digits' method so as to produce a constant periodic rate of interest on the balance for each period. Unearned interest is deducted in arriving at the net balance of the hire purchase or finance lease debts.

(h) Tax expense

Tax expense represents the aggregate amount of current and deferred tax. Current tax is the expected amount payable in respect of taxable income for the year and any adjustments recognised in the year of current tax of prior years. When an item is recognised outside profit or loss, the related tax effect is recognised either in other comprehensive income or directly in equity.

Deferred tax is recognised, using the liability method, on all temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction, which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit. Deferred tax is measured at the tax rates that are expected to apply in the period in which the assets are realised or the liabilities are settled.

Deferred tax assets are recognised only to the extent that there are sufficient taxable temporary differences relating to the same taxation authority to offset or when it is probable that future taxable income will be available against which the assets can be utilised.

(i) Property, plant and equipment

(i) Recognition and measurement

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment except for freehold land and buildings are stated at cost less accumulated depreciation and impairment loss, if any. Freehold land is stated at valuation, which is the fair value at the date of valuation, less impairment loss, if any. Buildings are stated at valuation, which is the fair value at the date of the valuation, less accumulated depreciation and impairment loss, if any.

The Group revalues its property comprising land and building every five years from the last date of valuation and at shorter intervals whenever the fair value of the said assets is expected to differ substantially from its carrying amounts.

Surplus arising from revaluation are transferred to revaluation reserve. Any deficits are offset against the unutilised previously recognised revaluation surplus to the extent of a previous increase for the same property and the balance is thereafter recognised in profit or loss. Upon disposal or retirement of an asset, any unutilised revaluation reserve relating to the particular asset is transferred to retained earnings.

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

Notes to the Financial Statements – 30 September 2011 (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss.

(ii) Reclassification to investment properties

When the use of a property changes from owner-occupied to investment property, it is remeasured to fair value and reclassified as investment property. Any gain arising from remeasurement is recognised in equity. Any loss arising from remeasurement is recognised in profit or loss.

The fair value of property, plant and equipment recognised in a business combination is based on market value. The market value is the estimate amount for which a property could be exchanged on the date of valuation between a willing seller and a willing buyer in an arm's length transaction. The market value of items of plant and equipment, fixtures and fittings is based on the quoted market prices for similar items.

(iii) Subsequent costs

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

(iv) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until these assets are ready for their intended use.

The principal annual rates for the current and comparative years are as follows:

Long term leasehold land	Over 78 to 99 years
Buildings	2% to 12.5%
Motor vehicles	20%
Plant and machinery	10% to 20%
Furniture, fittings and equipment	10% to 20%
Plantation infrastructure	12.5%

The initial cost of operating equipment comprising of linen, crockery and related items are treated as base inventories and depreciated over a period of 5 years. Subsequent replacements are written off in the profit or loss as and when incurred.

The depreciable amount is determined after deducting the residual value.

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these property, plant and equipment.

Notes to the Financial Statements – 30 September 2011 (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Intangible assets

(i) Goodwill

Goodwill arises on the acquisition of subsidiaries.

The goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Goodwill is measured at cost and is not amortised but tested for impairment at least annually or more frequently when there is objective evidence of impairment.

Goodwill is allocated to cash generating units and is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired.

In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment. The entire carrying amount of the investment is tested for impairment when there is objective evidence of impairment.

(ii) Other intangible assets

Other intangible assets acquired by the Group are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised on a straight line basis over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each reporting date.

Intangible assets with indefinite useful lives are not amortised but tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash generating unit level.

(k) Biological assets

This represents plantation development expenditure consisting of cost incurred on land clearing and planting and upkeep of oil palm trees to maturity which are initially recognised at cost and amortised on a straight-line basis over the crop's production cycle or the remaining period of the lease, whichever is shorter.

(l) Investment properties

Investment properties are properties which are owned or held to earn rental income or for capital appreciation or for both. These include land held for a currently undetermined future use. Properties that are occupied by the companies within the Group are accounted for as owner's occupied rather than as investment properties.

All investment properties are measured initially and subsequently at fair value with any change therein recognised in profit or loss.

When an item of inventory or land held for property development is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to the transfer and its fair value is recognised in profit or loss.

Notes to the Financial Statements – 30 September 2011 (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Investment properties (continued)

An external, independent valuer, having appropriate professional qualifications and experience, values the Group's investment property portfolio. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion or direct comparison method, being comparison of transactions and asking prices of similar properties in the locality and adjusting for location, terrain, size, present market trends and other differences.

Investment property under construction is classified as investment property. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

(m) Land held for property development

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

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

(n) Impairment of non-financial assets

The carrying amounts of non-financial assets other than deferred tax assets and inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of fair value less cost to sell and the value in use, which is measured by reference to discounted future cash flows and is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs to.

An impairment loss is recognised whenever the carrying amount of an item of assets exceeds its recoverable amount. An impairment loss is recognised as an expense in profit or loss.

Any subsequent increase in recoverable amount of an asset, other than goodwill, due to a reversal of impairment loss is restricted to the carrying amount that would have been determined (net of accumulated depreciation, where applicable) had no impairment loss been recognised in prior years. The reversal of impairment loss is recognised in profit or loss.

(o) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities. Costs consist of land, construction costs and other development costs including related overheads and capitalised borrowing costs.

When the financial outcome of a development activity can be reliably estimated, property development revenue and costs are recognised in profit or loss by reference to the stage of completion of development activities at the reporting date.

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

Notes to the Financial Statements – 30 September 2011 (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Property development costs (continued)

Any expected loss on a development project, including costs to be incurred over the defect liability period, is recognised as an expense immediately. Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

Accrued billings within receivables represent the excess of revenue recognised in profit or loss over billings to purchasers. Progress billings within payables represent the excess of billings to purchasers over revenue recognised in profit or loss.

(p) Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is based on the specific identification, first-in first-out and weighted average principles, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of work-in-progress and finished goods cost includes raw materials, direct labour and an appropriate production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The fair value of inventory acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventory.

Cost of completed development properties is determined on specific identification basis and includes land, construction and appropriate development overheads.

(q) Construction contracts

Construction contracts are measured at contract cost plus profit recognised to date less progress billing and recognised losses. Contract cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

When the cost incurred on construction contract plus profit recognised to date less recognised losses exceeds progress billings, the balance is classified as amounts due from customers on contracts. When progress billings exceed cost incurred plus recognised profits to date less recognised losses, the balance is classified as amounts due to customers on contracts.

(r) Non-current assets classified as held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale.

Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter, generally the assets (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell.

(s) Financial assets

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

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

Notes to the Financial Statements – 30 September 2011 (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Financial assets (continued)

The Group and the Company determine the classification of their financial assets at initial recognition, and have categorised financial assets in financial assets at fair value through profit or loss ("FVTPL"), loans and receivables and available-for-sale financial assets.

(i) Financial assets at FVTPL

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

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

Financial assets at FVTPL could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

The Company classified its quoted fixed income fund which is held for trading as financial assets at FVTPL.

(ii) Loans and receivables

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

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

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

The Group and the Company classified the following financial assets as loans and receivables:
- cash and cash equivalents, except for bank overdraft; and
- trade and other receivables, including amount due from subsidiaries.

(iii) Available-for-sale financial assets

Available-for-sale are financial assets that are designated as available for sale or are not classified in financial assets at FVTPL, held-to-maturity investments and loans and receivables.

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

Notes to the Financial Statements – 30 September 2011 (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Financial assets (continued)

(iii) Available-for-sale financial assets (continued)

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

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

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

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

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or where appropriate, a shorter period to the net carrying amount on initial recognition.

(t) Impairment of financial assets

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

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Impairment of financial assets (continued)

(ii) Available-for-sale Financial Assets

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

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

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

(u) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term highly liquid investments which are subject to an insignificant risk of changes in value. For the purposes of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

(v) Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(w) Financial liabilities

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

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

(i) Other financial liabilities

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

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

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Loans and 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.

Notes to the Financial Statements – 30 September 2011 (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Financial liabilities (continued)

(i) Other financial liabilities (continued)

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

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

(x) Financial guarantee contracts

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

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

(y) Governments grants

Government grants relating to the purchase of assets are treated as deferred income and are credited to profit or loss on the straight line basis over the expected lives of the related assets.

(z) Provisions

A provision is recognised if, as a result of a past event, the Group has present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(aa) Contingencies

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

Contingent liabilities or assets are not recognised in the statements of financial positions.

(ab) Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by their respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are disclosed in Note 36, including the factors used to identify the reportable segments and the measurement basis of segment information.

Notes to the Financial Statements – 30 September 2011 (continued)

3. REVENUE

	Group 2011 RM	Group 2010 RM (restated)	Company 2011 RM	Company 2010 RM
Attributable revenue from sales of uncompleted development properties and sales of completed development properties	**201,545,152**	162,713,148	**–**	–
Attributable revenue from construction contracts	**2,806,569**	2,756,770	**–**	–
Dividend income	**–**	–	**83,856,000**	130,798,234
Interest income from money lending	**24,288**	76,739	**–**	–
Management fees	**–**	–	**10,112,000**	9,686,000
Rental income	**262,975**	319,555	**–**	–
Rental income from investment properties	**23,783,803**	22,307,358	**–**	–
Revenue from hotel operations	**4,779,897**	4,371,334	**–**	–
Sales of goods and livestock	**69,704,536**	38,195,288	**–**	–
Sales of investment properties	**18,000**	4,500,000	**–**	–
Sales of land held for property development	**1,303,848**	–	**–**	–
Sales of non-current assets classified as held for sale	**250,000**	19,214,656	**–**	–
Services rendered	**1,543,065**	1,405,808	**131,650**	146,220
	306,022,133	255,860,656	**94,099,650**	140,630,454

Group revenue excludes intra-group transactions.

4. COST OF SALES

	Group 2011 RM	Group 2010 RM (restated)	Company 2011 RM	Company 2010 RM
Attributable property development costs and cost of completed development properties sold	**135,809,116**	118,458,056	**–**	–
Attributable construction contract costs	**2,039,444**	3,177,144	**–**	–
Cost of investment properties disposed (Note 14)	**12,000**	4,500,000	**–**	–
Cost of land held for property development	**906,301**	–	**–**	–
Cost of infrastructure and earthwork improvement on disposal of non-current assets held for sale	**–**	918,430	**–**	–
Cost of non-current assets classified as held for sale (Note 25)	**251,175**	14,303,492	**–**	–
Direct operating expenses from investment properties				
- Did not generate rental income	**–**	13,994	**–**	–
- Generated rental income	**7,380,380**	7,901,707	**–**	–
Cost of goods sold	**62,906,864**	32,736,686	**–**	–
Cost of services	**4,109,734**	3,499,169	**–**	–
Provision for foreseeable loss on construction contract	**–**	34,927	**–**	–
	213,415,014	185,543,605	**–**	–

Notes to the Financial Statements – 30 September 2011 (continued)

5. PROFIT BEFORE TAX FROM CONTINUING OPERATIONS

	Group		Company	
	2011 RM	2010 RM (restated)	2011 RM	2010 RM
Profit before tax is arrived at after charging:				
Amortisation of prepaid lease payments	**796,374**	802,575	**–**	–
Auditors' remuneration				
- Audit services	**206,222**	197,025	**42,000**	36,000
- Other services by auditors of the Company	**12,800**	12,800	**9,800**	9,800
Bad debts written off	**36,888**	179,992	**–**	81,000
Depreciation of property, plant and equipment	**2,875,406**	2,793,219	**21,222**	17,027
Loss on disposal of non-current assets held for sale	**1,175**	–	**–**	–
Interest expense	**15,880,614**	9,949,125	**3,193,351**	913,045
Impairment loss on:				
- land held for property development	**90,267**	–	**–**	–
- goodwill on acquisition	**–**	6,161	**–**	–
- receivables	**704,159**	140,762	**85,765**	–
Landowner's share of profit	**–**	186,716	**–**	–
Net loss on foreign exchange - realised	**190,890**	–	**–**	–
- unrealised	**997,772**	–	**1,479,325**	–
Personnel expenses (including key management personnel)				
- Contributions to Employees Provident Fund	**2,884,144**	2,965,066	**1,245,168**	1,240,197
- Provision for retirement benefit obligations	**723,747**	264,690	**–**	–
- Wages, salaries and others	**23,398,020**	21,309,847	**7,164,938**	6,985,621
Property, plant and equipment written off	**14,520**	74,445	**1**	1
Provision for foreseeable loss	**–**	34,927	**–**	–
Provision for tax penalty	**1,074,794**	–	**–**	–
Rental of motor vehicles, equipment and machinery	**85,992**	27,785	**–**	–
Rental of premises	**601,450**	427,984	**261,694**	261,694
and after crediting:				
Changes in fair value of investment properties	**9,160,000**	8,339,000	**–**	–
Dividend income (gross)	**–**	–	**83,856,000**	130,798,234
Gain on disposal of investment properties	**6,000**	–	**–**	–
Gain on disposal of land held for property development	**397,547**	–	**–**	–
Gain on changes in fair value of fixed income fund	**16,234**	–	**–**	–
Gain on disposal of non-current assets held for sale	**–**	3,992,734	**–**	–
Gain on disposal of property, plant and equipment	**191,064**	46,999	**–**	–
Gain on disposal of other investment	**65,600**	6,359	**–**	–
Gain on transfer from property, plant and equipment to investment properties	**–**	205,597	**–**	–
Gain on transfer from inventories to investment properties	**–**	3,076,051	**–**	–
Interest income	**1,724,898**	708,273	**1,182,280**	20,873
Landowner's share of loss	**40,507**	–	**–**	–

Notes to the Financial Statements – 30 September 2011 (continued)

5. PROFIT BEFORE TAX FROM CONTINUING OPERATIONS (continued)

	Group		Company	
	2011 RM	**2010 RM (restated)**	**2011 RM**	**2010 RM**
Net gain on foreign exchange - realised	**–**	845,916	**39,739**	499,353
- unrealised	**–**	327,660	**–**	376,997
Rental income	**24,123,584**	22,880,624	**–**	–
Reversal of impairment loss on receivables	**239,942**	528,465	**–**	83,427
Reversal of provision for rectification works	**–**	250,000	**–**	–

6. DIRECTORS' REMUNERATION

	Group		Company	
	2011 RM	**2010 RM**	**2011 RM**	**2010 RM**
Directors of the Company				
Executive Directors				
- Other emoluments	**7,839,280**	7,788,734	**6,945,590**	6,914,084
- Estimated monetary value of benefits-in-kind	**137,446**	149,695	**–**	–
	7,976,726	7,938,429	**6,945,590**	6,914,084
Non-Executive Directors				
- Fees	**120,000**	80,000	**120,000**	80,000
- Other emoluments	**106,480**	105,480	**12,000**	11,000
- Estimated monetary value of benefits-in-kind	**5,300**	5,300	**–**	–
	231,780	190,780	**132,000**	91,000
Directors of subsidiaries				
Executive Directors				
- Other emoluments	**1,279,643**	1,157,924	**–**	–
- Estimated monetary value of benefits-in-kind	**8,800**	8,800	**–**	–
	1,288,443	1,166,724	**–**	–
	9,496,949	9,295,933	**7,077,590**	7,005,084

The number of directors of the Company for the financial year which fall within the following bands are as follows:

	Number of Directors	
Executive Directors	**2011**	**2010**
RM1 - RM200,000	**–**	–
RM200,001 - RM250,000	**1**	–
RM250,001 - RM300,000	**1**	–
RM300,001 - RM500,000	**–**	–
RM500,001 - RM600,000	**–**	1
RM600,001 - RM650,000	**–**	1
RM650,001 - RM700,000	**1**	–
RM700,001 - RM1,150,000	**–**	–
RM1,150,001 - RM1,200,000	**–**	1
RM1,200,001 - RM1,250,000	**1**	–
RM1,250,001 - RM2,600,000	**–**	–

Notes to the Financial Statements – 30 September 2011 (continued)

6. DIRECTORS' REMUNERATION (continued)

	Number of Directors 2011	2010
Executive Directors		
RM2,600,001 - RM2,650,000	**1**	1
RM2,650,001 - RM3,000,000	**–**	–
RM3,000,001 - RM3,050,000	**1**	1

The Executive Directors are as follows:
2011/2010
- Dato' Chen Kooi Chiew @ Cheng Ngi Chong
- Datuk Chen Lok Loi
- Chen Fook Wah
- Chen Ying @ Chin Ying
- Mah Swee Buoy (Appointed on 5 May 2011)
- Seow Wei Tang (Resigned on 6 January 2011)

	Number of Directors 2011	2010
Non-Executive Directors		
RM1 - RM50,000	**2**	2
RM50,001 - RM100,000	**2**	2

The Non-Executive Directors are as follows:
2011/2010
- Haji Othman Bin Sonoh
- Mohammed Chudi Bin Haji Ghazali
- Haji Mohamed Bin Ismail
- Jeffrey Bin Bosra

7. TAX EXPENSE EXPENSE

	Group 2011 RM	Group 2010 RM (restated)	Company 2011 RM	Company 2010 RM
Continuing operations:				
Current tax expense				
Malaysian - current year	**14,420,160**	10,395,991	**20,846,400**	28,081,300
- prior year	**313,788**	148,056	**252,803**	231,853
Overseas - current year	**105,888**	416,038	**–**	–
	14,839,836	10,960,085	**21,099,203**	28,313,153
Deferred tax expense				
Origination and reversal of temporary differences	**(5,069,458)**	(39,767)	**–**	4,800
(Over)/Under provision in prior year	**(268,600)**	27,600	**–**	700
	(5,338,058)	(12,167)	**–**	5,500
Tax expense attributable to continuing operations	**8,078,330**	9,461,639	**21,099,203**	28,318,653
Tax expense attributable to discontinued operations (Note 8)	**1,423,448**	1,486,279	**–**	–
Total tax expense recognised in profit or loss	**9,501,778**	10,947,918	**21,099,203**	28,318,653

Notes to the Financial Statements – 30 September 2011 (continued)

7. TAX EXPENSE (continued)

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Deferred tax related to other comprehensive income				
- Surplus on revaluation of land and buildings	**2,726,098**	3,541,459	**–**	4,125

Reconciliation of effective tax expense

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Profit before tax from continuing operations	**42,880,542**	36,786,193	**80,231,351**	130,333,022
Profit before tax from discontinued operations	**4,309,382**	5,096,892	**–**	–
Accounting profit before tax	**47,189,924**	41,883,085	**80,231,351**	130,333,022
Tax calculated using Malaysian tax rate of 25%	**11,797,500**	10,471,000	**20,057,800**	32,583,300
Effect of different tax rate in				
- The People's Republic of China	**–**	5,042	**–**	–
Share of results of an associate	**(3,855,100)**	(856,200)	**–**	–
Non-taxable income	**(920,000)**	(305,200)	**(44,900)**	(4,906,600)
Non-deductible expenses	**3,490,290**	1,405,520	**833,500**	409,400
Deferred tax assets not recognised during the year	**745,200**	1,668,200	**–**	–
Utilisation of deferred tax assets not recognised in prior years	**(360,900)**	–	**–**	–
Recognition of previously unrecognised deferred tax assets	**(1,609,900)**	(1,014,100)	**–**	–
Reversal of deferred tax assets	**185,900**	316,000	**–**	–
Reversal of deferred tax liabilities	**(16,400)**	(918,000)	**–**	–
Under/(Over) provision in prior years				
- Current tax expense	**313,788**	148,056	**252,803**	231,853
- Deferred tax expense	**(268,600)**	27,600	**–**	700
Tax expense	**9,501,778**	10,947,918	**21,099,203**	28,318,653

The Group has estimated unutilised tax losses of RM22,481,400 (2010: RM17,753,000), and unabsorbed capital allowances of RM92,400 (2010: RM1,215,200) carried forward, available for set-off against future taxable profits.

During the year, the Group utilised its brought forward unutilised tax losses and unabsorbed capital allowance to set off against its chargeable income resulting in a tax saving of approximately RM286,600 (2010: RM260,375).

8. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

During the year, the Company was in negotiation with a third party to dispose of its wholly-owned subsidiary, Makin Jernih Sdn. Bhd. ("MJSB") which is classified as the farming, food processing and retail segment. The decision to sell the segment is in line with the Group's objective of disposing its non-core business and focus on its core business in property development, property investment, construction and oil palm plantation. The Company has on 29 December 2011 entered into a Sale and Purchase Agreement with the third party for the said disposal as mentioned in Note 38.

Notes to the Financial Statements – 30 September 2011 (continued)

8. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (continued)

As at 30 September 2011, the assets and liabilities related to MJSB and its subsidiaries ("MJSB Group") have been presented in the consolidated statement of financial position as "Assets of disposal group classified as held for sale" and "Liabilities of disposal group classified as held for sale". The results of MJSB Group are presented separately on the consolidated statement of comprehensive income as "Profit for the year from discontinued operation". The comparative consolidated statement of comprehensive income has also been re-presented to show the discontinued operation separately from continuing operations.

Statements of financial position disclosures

The major classes of assets and liabilities of MJSB Group classified as held for sale and the related revaluation reserve as at 30 September 2011 are as follows:

	Group RM
Assets:	
Property, plant and equipment	70,397,727
Intangible asset	1,270,000
Inventories	7,071,745
Receivables, deposits and prepayments	1,279,384
Cash and cash equivalents	3,769,509
Assets of disposal group classified as held for sale	83,788,365
Liabilities:	
Loans and borrowings	4,825,522
Payables and accruals	5,516,042
Deferred income	4,750,000
Deferred tax liabilities	7,576,840
Current tax liabilities	59,598
Liabilities of disposal group classified as held for sale	22,728,002
Net assets of disposal group classified as held for sale	61,060,363
Reserve of disposal group classified as held for sale:	
Revaluation reserve	20,570,586

The assets of disposal group classified as held for sale on the Company's statement of financial position as at 30 September 2011 is as follows:

	Company RM
Asset:	
Investment in subsidiaries	34,800,000

Notes to the Financial Statements – 30 September 2011 (continued)

8. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (continued)

Included in loans and borrowings are:

	Group RM
Secured term loan	1,691,934
Secured revolving credit	1,500,754
Unsecured bank overdrafts	1,212,516
Finance lease liabilities	420,318
	4,825,522

Finance lease liabilities bear effective interest at rates ranging from 3.37% to 8.15% (2010: 5.56% to 8.33%) per annum.

The term loan of RM1,681,363 is part of the total term loan of RM4,000,000 and is repayable by 20 quarterly principal instalments of RM200,000 each commencing on 1 April 2012. The revolving credit of RM1,500,000 is part of the total revolving credit of RM2,000,000 and is repayable on demand. The term loan and revolving credit are secured and supported by:

(i) first legal charge over part of the freehold land of a subsidiary;
(ii) corporate guarantee of the holding company; and
(iii) negative pledge.

The term loan, revolving credit and bank overdraft bear interest at rates of 7.6% (2010: Nil), 6.6% (2010: Nil) and 7.85% (2010: Nil) respectively per annum.

The unsecured bank overdraft bears effective interest at a rate of 7.85% (2010: Nil) per annum and is supported by corporate guarantee of the holding company.

Statement of profit or loss disclosure

The results of MJSB Group for the years ended 30 September are as follows:

	Group	
	2011 RM	2010 RM
Revenue	**35,993,759**	33,356,031
Cost of sales	**(24,073,656)**	(20,564,206)
Gross profit	**11,920,103**	12,791,825
Other income	**224,563**	288,013
Sales and marketing expenses	**(862,481)**	(855,387)
Administrative expenses	**(6,512,272)**	(6,297,310)
Other expenses	**(307,182)**	(728,341)
Profit from operations	**4,462,731**	5,198,800
Finance cost	**(153,349)**	(101,908)
Profit before tax	**4,309,382**	5,096,892
Tax expense	**(1,423,448)**	(1,486,279)
Profit for the year, net of tax	**2,885,934**	3,610,613

Notes to the Financial Statements – 30 September 2011 (continued)

8. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (continued)

Included in profit before tax from discontinued operations are:

	Group 2011 RM	Group 2010 RM
Auditors' remuneration		
- audit services	**27,100**	23,100
- other services	**1,500**	500
Bad debts written off	**–**	12,360
Depreciation of property, plant and equipment	**2,791,737**	2,079,332
Impairment loss on:		
- receivables	**16,825**	182,550
Interest expense	**122,575**	86,834
Inventories written off	**23,416**	33,082
Personnel expenses (including key management personnel) ^		
- Contributions to Employees Provident Fund	**591,378**	519,367
- Wages, salaries and others	**7,973,011**	7,120,052
Property, plant and equipment written off	**38,500**	213,355
Rental of office equipment	**5,335**	900
Rental of machinery and equipment	**6,303**	19,490
Rental of factory	**24,000**	–
Rental of motor vehicles	**7,711**	26,544
Rental of premises	**577,840**	450,025
Loss on disposal of property, plant and equipment	**–**	2,025
Realised loss on foreign exchange	**–**	53,175
Bad debts recovered	**–**	(600)
Interest income	**(11,926)**	(9,600)
Gain on disposal of property, plant and equipment	**(55,856)**	–
Net gain on foreign exchange		
- realised	**(8,323)**	–
- unrealised	**(501)**	–
Rental income	**(6,000)**	(4,000)
Reversal of impairment loss on receivables	**–**	(17,469)

^ Included in personnel expenses are other emoluments of directors of a subsidiary amounting to RM24,000 (2010: RM20,000).

Statement of cash flows disclosure

The cash flows attributable to MJSB Group are as follows:

	Group 2011 RM	Group 2010 RM
Operating	**6,081,385**	4,602,841
Investing	**(11,602,809)**	(4,506,172)
Financing	**3,585,684**	(82,207)
Net cash (outflow)/inflow	**(1,935,740)**	14,462

Notes to the Financial Statements – 30 September 2011 (continued)

9. EARNINGS AND NET ASSETS PER SHARE

Basic earnings per share

The basic earnings per share is calculated by dividing the Group profit attributable to shareholders by the weighted average number of ordinary shares of RM1/- each in issue during the year.

The previous year's basic earnings per share has been restated based on the weighted average number of shares of RM264,585,251 ordinary shares in issue during the year after taking into consideration the bonus issue of 24,053,204 ordinary shares of RM1/- each.

Basic earnings per share are calculated based on the following information:

	Group	
	2011	**2010**
	RM	**RM**
Profit attributable to shareholders:		
From continuing operations	**35,129,301**	26,967,528
From discontinued operation	**2,885,934**	3,610,613
	38,015,235	30,578,141
Weighted average number of ordinary shares in issue during the year	**264,585,251**	264,585,251

Diluted earnings per share

As at the year end, the Company has no potential ordinary shares which are dilutive in nature. Accordingly, diluted earnings per share has not been presented.

Net assets per share

The net assets per share is calculated by dividing the total equity attributable to shareholders by the number of ordinary shares in issue as at the reporting date.

The previous year's net assets per share has been restated based on the number of ordinary shares in issue as at the reporting date after taking into consideration the bonus issue of 24,053,204 ordinary shares of RM1/- each.

Notes to the Financial Statements – 30 September 2011 (continued)

10. PROPERTY, PLANT AND EQUIPMENT

Group 2011	Freehold Land RM	Long term Leasehold Land RM	Buildings RM	Motor Vehicles, Plant & Machinery RM	Furniture, Fittings & Equipment RM	Plantation Infrastructure RM	Under Construction RM	Total RM
Cost/Valuation								
At 1 October 2010 (previously stated)	15,317,000	–	59,146,035	25,293,713	11,532,886	5,834,380	8,105,603	125,229,617
Effect of adopting Amendments to FRS 117	–	14,300,000	–	–	–	–	–	14,300,000
At 1 October 2010 (restated)	15,317,000	14,300,000	59,146,035	25,293,713	11,532,886	5,834,380	8,105,603	139,529,617
Additions #	–	–	1,794,318	10,063,837	2,757,797	2,602,907	47,894,814	65,113,673
Disposals	–	–	–	(1,366,968)	(322,603)	–	–	(1,689,571)
Written off	–	–	–	(22,590)	(175,890)	–	(18,000)	(216,480)
Reclassification	–	–	131,156	926,327	6,618	–	(1,064,101)	–
Adjustment on revaluation	5,693,000	8,795,962	2,110,683	–	–	–	–	16,599,645
Elimination of accumulated depreciation on revaluation	–	(95,962)	(903,991)	–	–	–	–	(999,953)
Reclassify as held for sale	(11,400,000)	(17,400,000)	(22,950,000)	(13,339,856)	(2,536,319)	–	(11,503,415)	(79,129,590)
Effect of movements in exchange rates	–	–	804,642	660,151	52,381	428,767	995,669	2,941,610
At 30 September 2011	**9,610,000**	**5,600,000**	**40,132,843**	**22,214,614**	**11,314,870**	**8,866,054**	**44,410,570**	**142,148,951**

Notes to the Financial Statements – 30 September 2011 (continued)

10. PROPERTY, PLANT AND EQUIPMENT (continued)

Group 2011	Freehold Land RM	Long term Leasehold Land RM	Buildings RM	Motor Vehicles, Plant & Machinery RM	Furniture, Fittings & Equipment RM	Plantation Infrastructure RM	Under Construction RM	Total RM
Accumulated Depreciation								
At 1 October 2010 (previously stated)	–	–	157,716	14,280,275	5,803,448	750,233	–	20,991,672
Effect of adopting Amendments to FRS 117	–	–	–	–	–	–	–	–
At 1 October 2010 (restated)	–	–	157,716	14,280,275	5,803,448	750,233	–	20,991,672
Charge for the year *	–	166,803	2,038,810	3,696,947	1,287,170	830,813	–	8,020,543
Disposals	–	–	–	(1,246,987)	(158,986)	–	–	(1,405,973)
Written off	–	–	–	(10,982)	(152,478)	–	–	(163,460)
Elimination of accumulated depreciation on revaluation	–	(95,692)	(903,991)	–	–	–	–	(999,683)
Reclassify as held for sale	–	–	–	(7,826,957)	(904,906)	–	–	(8,731,863)
Effect of movements in exchange rates	–	–	31,338	234,426	28,474	64,206	–	358,444
At 30 September 2011	–	71,111	1,323,873	9,126,722	5,902,722	1,645,252	–	18,069,680
Net Carrying Amount								
At 30 September 2011	**9,610,000**	**5,528,889**	**38,808,970**	**13,087,892**	**5,412,148**	**7,220,802**	**44,410,570**	**124,079,271**

Notes to the Financial Statements – 30 September 2011 (continued)

10. PROPERTY, PLANT AND EQUIPMENT (continued)

Group 2010 **Cost/Valuation**	Freehold Land RM	Long term Leasehold Land RM	Buildings RM	Motor Vehicles, Plant & Machinery RM	Furniture, Fittings & Equipment RM	Plantation Infrastructure RM	Under Construction RM	Total RM
At 1 October 2009 (previously stated)	13,810,000	–	53,275,693	24,385,465	10,067,547	2,185,676	5,075,091	108,799,472
Effect of adopting Amendments to FRS 117	–	15,870,072	–	–	–	–	–	15,870,072
At 1 October 2009 (restated)	13,810,000	15,870,072	53,275,693	24,385,465	10,067,547	2,185,676	5,075,091	124,669,544
Additions	–	–	210,718	1,672,357	1,991,783	3,986,394	9,583,157	17,444,409
Transfer to investment properties (Note 14)	–	–	–	–	–		(4,294,403)	(4,294,403)
Disposals	–	–	–	(260,844)	(80,030)	–	–	(340,874)
Written off	–	–	–	(210,464)	(409,355)	–	–	(619,819)
Reclassification	–	–	1,746,756	246,987	14,701	–	(2,008,444)	
Adjustment on revaluation	1,507,000	(690,163)	9,717,093	–	–	–	–	10,533,930
Elimination of accumulated depreciation on revaluation	–	(879,909)	(4,840,345)	–	–	–	–	(5,720,254)
Effect of movements in exchange rates	–	–	(963,880)	(539,788)	(51,760)	(337,690)	(249,798)	(2,142,916)
At 30 September 2010	15,317,000	14,300,000	59,146,035	25,293,713	11,532,886	5,834,380	8,105,603	139,529,617

10. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Freehold Land RM	Long term Leasehold Land RM	Buildings RM	Motor Vehicles, Plant & Machinery RM	Furniture, Fittings & Equipment RM	Plantation Infrastructure RM	Under Construction RM	Total RM
Accumulated Depreciation								
At 1 October 2009 (previously stated)	–	–	3,844,971	11,779,480	5,081,113	227,674	–	20,933,238
Effect of adopting Amendments to FRS 117	–	703,885	–	–	–	–	–	703,885
At 1 October 2009 (restated)	–	703,885	3,844,971	11,779,480	5,081,113	227,674	–	21,637,123
Charge for the year *	–	176,024	1,245,986	3,118,446	1,081,533	566,205	–	6,188,194
Disposals	–	–	–	(255,155)	(47,801)	–	–	(302,956)
Written off	–	–	–	(54,606)	(277,413)	–	–	(332,019)
Elimination of accumulated depreciation on revaluation	–	(879,909)	(4,840,345)	–	–	–	–	(5,720,254)
Effect of movements in exchange rates	–	–	(92,896)	(307,890)	(33,984)	(43,646)	–	(478,416)
At 30 September 2010	–	–	157,716	14,280,275	5,803,448	750,233	–	20,991,672
Net Carrying Amount								
At 30 September 2010	15,317,000	14,300,000	58,988,319	11,013,438	5,729,438	5,084,147	8,105,603	118,537,945

\# Included in the property, plant and equipment under construction is interest capitalised during the year amounting to RM73,413 (2010: RM nil).

* Included in depreciation charge for the year is an amount of RM2,353,400 (2010: RM1,315,643) capitalised in biological assets.

Notes to the Financial Statements – 30 September 2011 (continued)

10. PROPERTY, PLANT AND EQUIPMENT (continued)

The freehold and leasehold land and buildings stated at valuation were revalued by the Directors in September 2010 based on independent professional valuation on the market value basis using the cost method of valuation or direct comparison method.

Group	Freehold Land RM	Long term Leasehold Land RM	Buildings RM	Motor Vehicles, Plant & Machinery RM	Furniture, Fittings & Equipment RM	Plantation Infrastructure RM	Under Construction RM	Total RM
2011								
Analysis of Cost and Valuation								
At valuation - 2010	9,610,000	5,600,000	40,132,843	–	–	–	–	55,342,843
At cost	–	–	–	22,214,614	11,314,870	8,866,054	44,410,570	86,806,108
	9,610,000	**5,600,000**	**40,132,843**	**22,214,614**	**11,314,870**	**8,866,054**	**44,410,570**	**142,148,951**
Net Carrying Amount								
At valuation - 2010	9,610,000	5,528,889	38,808,970	–	–	–	–	53,947,859
At cost	–	–	–	13,087,892	5,412,148	7,220,802	44,410,570	70,131,412
	9,610,000	**5,528,889**	**38,808,970**	**13,087,892**	**5,412,148**	**7,220,802**	**44,410,570**	**124,079,271**
2010								
Analysis of Cost and Valuation								
At valuation - 2010	15,317,000	14,300,000	59,146,035	–	–	–	–	88,763,035
At cost	–	–	–	25,293,713	11,532,886	5,834,380	8,105,603	50,766,582
	15,317,000	14,300,000	59,146,035	25,293,713	11,532,886	5,834,380	8,105,603	139,529,617
Net Carrying Amount								
At valuation - 2010	15,317,000	14,300,000	58,988,319	–	–	–	–	88,605,319
At cost	–	–	–	11,013,438	5,729,438	5,084,147	8,105,603	29,932,626
	15,317,000	14,300,000	58,988,319	11,013,438	5,729,438	5,084,147	8,105,603	118,537,945

Notes to the Financial Statements – 30 September 2011 (continued)

10. PROPERTY, PLANT AND EQUIPMENT (continued)

The net carrying amount of revalued assets had they been carried at cost would have been as follows:

	Group		Company	
	2011 **RM**	**2010** **RM**	**2011** **RM**	**2010** **RM**
Freehold land	**666,424**	6,166,424	**110,000**	110,000
Long term leasehold land	**1,045,209**	1,475,727	**–**	–
Buildings	**26,286,227**	41,720,411	**455,558**	448,500
	27,997,860	49,362,562	**565,558**	558,500

Included in the above property, plant and equipment are:

(a) Motor vehicles, plant and machinery are analysed as follows:

	Motor Vehicles RM	**Plant & Machinery RM**	**Total RM**
2011			
Cost	9,937,150	12,277,464	22,214,614
Accumulated depreciation	(5,308,994)	(3,817,728)	(9,126,722)
Net carrying amount	**4,628,156**	**8,459,736**	**13,087,892**
2010			
Cost	8,002,960	17,290,753	25,293,713
Accumulated depreciation	(5,272,094)	(9,008,181)	(14,280,275)
Net carrying amount	2,730,866	8,282,572	11,013,438

(b) Property, plant and equipment pledged as security for bank guarantee and credit facilities granted to certain subsidiaries as mentioned in Note 31 as follows:

	Group	
	2011 **RM**	**2010** **RM**
Cost/Valuation		
Buildings	**24,800,000**	47,719,073
Long term leasehold land	**–**	14,300,000
Motor vehicles, plant and machinery	**–**	10,029,773
Furniture, fittings and equipment	**–**	548,394
Under construction	**–**	3,227,778
	24,800,000	75,825,018
Net Carrying Amount		
Buildings	**24,260,870**	47,719,073
Long term leasehold land	**–**	14,300,000
Motor vehicles, plant and machinery	**–**	3,950,570
Furniture, fittings and equipment	**–**	220,145
Under construction	**–**	3,227,778
	24,260,870	69,417,566

Notes to the Financial Statements – 30 September 2011 (continued)

10. PROPERTY, PLANT AND EQUIPMENT (continued)

(c) Motor vehicles under finance lease arrangements as follows:

	Group 2011 RM	Group 2010 RM
Cost	**6,049,238**	3,451,083
Net Carrying Amount	**3,473,920**	1,285,304

(d) Property, plant and equipment under construction

These are in respect of construction of buildings, plant and machinery.

(e) The long term leasehold land of the Group has an unexpired lease period of more than 50 years.

Company	Freehold Land RM	Buildings RM	Furniture, Fittings & Equipment RM	Total RM
2011				
Cost/Valuation				
At 1 October 2010	110,000	465,000	93,979	668,979
Additions	–	–	3,340	3,340
Written off	–	–	(800)	(800)
At 30 September 2011	110,000	465,000	96,519	671,519
Accumulated Depreciation				
At 1 October 2010	–	–	15,504	15,504
Charge for the year	–	9,442	11,780	21,222
Written off	–	–	(799)	(799)
At 30 September 2011	–	9,442	26,485	35,927
Net Carrying Amount				
At 30 September 2011	**110,000**	**455,558**	**70,034**	**635,592**
2010				
Cost/Valuation				
At 1 October 2009	110,000	460,000	52,718	622,718
Additions	–	–	45,261	45,261
Written off	–	–	(4,000)	(4,000)
Adjustment on revaluation	–	16,500	–	16,500
Elimination of accumulated depreciation on revaluation	–	(11,500)	–	(11,500)
At 30 September 2010	110,000	465,000	93,979	668,979
Accumulated Depreciation				
At 1 October 2009	–	2,300	11,676	13,976
Charge for the year	–	9,200	7,827	17,027
Written off	–	–	(3,999)	(3,999)
Elimination of accumulated depreciation on revaluation	–	(11,500)	–	(11,500)
At 30 September 2010	–	–	15,504	15,504
Net Carrying Amount				
At 30 September 2010	110,000	465,000	78,475	653,475

Notes to the Financial Statements – 30 September 2011 (continued)

11. INTANGIBLE ASSETS

		Group	
		2011 RM	2010 RM
(i)	**Goodwill on acquisition**		
	At cost:		
	Goodwill on acquisition	**6,212,005**	6,212,005
	Less: Accumulated impairment losses	**(104,228)**	(104,228)
		6,107,777	6,107,777
(ii)	**Other intangible asset**		
	At cost:		
	In respect of a license to operate a livestock farm	**–**	1,270,000
		6,107,777	7,377,777

Impairment test for intangible assets
Goodwill on acquisition is allocated to the Group's cash-generating units ("CGUs"), business segments as follows:

	Group	
	2011 RM	2010 RM
Plantation	**6,077,777**	6,077,777
Property development	**31,698**	31,698
Services	**98,067**	98,067
Investment holding	**4,463**	4,463
	6,212,005	6,212,005

The license to operate a livestock farm is assessed as having an indefinite useful life as the license is renewable at minimal cost and the management does not foresee any factors that suggest the non-renewal of the license. The Group intends to continue renewing the license indefinitely.

The license to operate a livestock farm is allocated to the farming segment. Goodwill and the license are tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount of each CGU. The recoverable amount of CGU is determined based on value-in-use calculations using cash flow projections from the financial budgets and projections approved by management.

Key assumptions used in the value-in-use calculations based on a twenty-year cash flow projections in respect of impairment test for goodwill on plantation segment are:

(i) discount rate of 11.5% (2010: 13%) which is pre-tax and reflected specific risks of the plantation segment in Indonesia;
(ii) oil palm trees with an average life of 25 (2010: 25) years with the first three years as immature and remaining years as mature;
(iii) Crude Palm Oil ("CPO") average selling price of RM2,500 (2010: RM2,500) per metric tonne;
(iv) Average CPO extraction rate of 20% (2010: 20%); and
(v) Average annual oil palm yield per hectare of 7 to 24 (2009: 6 to 24) metric tonnes.

In the previous year, key assumptions used in the value-in-use calculations based on a one-year cash flow forecast in respect of impairment test for the license are:

Notes to the Financial Statements – 30 September 2011 (continued)

11. INTANGIBLE ASSETS (continued)

(i) discount rate of 10% which is pre-tax and reflected the specific risk of farming operation;
(ii) budgeted gross profit based on past performance and management's expectation of the market development; and
(iii) sales growth rate of 3% per annum.

In assessing the value-in-use, management does not foresee any possible changes in the above key assumptions that would cause the carrying amounts of the intangible assets to materially exceed its recoverable amounts.

12. BIOLOGICAL ASSETS

	Group	
	2011 RM	**2010 RM**
At cost:		
At 1 October 2010/2009	**106,895,886**	60,758,638
Additions	**61,184,377**	52,514,343
Effect of movements in exchange rate	**8,429,605**	(6,377,095)
At 30 September	**176,509,868**	106,895,886

Biological assets represent the plantation development expenditure for oil palm in Indonesia.

Expenses capitalised during the year include the following:

	Group	
	2011 RM	**2010 RM**
Depreciation	**2,353,400**	1,315,643
Interest expense	**1,069,499**	428,093
Personnel expenses		
- Wages, salaries and others	**4,179,852**	2,690,422

The biological assets have been pledged as security for credit facilities granted to a subsidiary and the Company as mentioned in Note 31.

13. PREPAID LEASE PAYMENTS

	Group	
	2011 RM	**2010 RM (restated)**
At 1 October 2010/2009 (previously stated)	**45,764,628**	47,294,510
Effect of adopting Amendments to FRS 117	**(14,990,163)**	(15,166,187)
At 1 October 2010/2009 (restated)	**30,774,465**	32,128,323
Amortisation for the year	**(796,374)**	(802,575)
Effect of movements in exchange rate	**492,393**	(551,283)
At 30 September	**30,470,484**	30,774,465

The above is short term leasehold land with an unexpired lease period of less than 50 years.

The short term leasehold land of RM27,124,524 (2010 : RM27,589,274) is pledged as security for credit facilities granted to the Group as disclosed in Note 31.

Notes to the Financial Statements – 30 September 2011 (continued)

14. INVESTMENT PROPERTIES

	Group 2011 RM	Group 2010 RM
At fair value:		
At 1 October 2010/2009	**206,933,400**	183,803,575
Additions	**–**	8,261,000
Transfer from property, plant and equipment	**–**	4,500,000
Disposals (Note 4)	**(12,000)**	(4,500,000)
Reclassify as non-current assets held for sale (Note 25)	**–**	(251,175)
Transfer from inventories	**–**	6,781,000
Changes in fair value	**9,160,000**	8,339,000
At 30 September	**216,081,400**	206,933,400

Included in the above are:

	Group 2011 RM	Group 2010 RM
Freehold Land and Buildings		
Freehold land		
- at fair value	**20,460,000**	17,350,000
Buildings		
- at fair value	**12,569,000**	12,581,000
	33,029,000	29,931,000
Leasehold Land and Buildings		
Leasehold land		
- at fair value		
- unexpired lease period of more than 50 years	**47,030,000**	41,330,000
Buildings		
- at fair value	**136,022,400**	135,672,400
	183,052,400	177,002,400
	216,081,400	206,933,400

Included in the above are leasehold land and buildings amounting to RM172,500,000 (2010: RM167,500,000) pledged for credit facilities granted to subsidiaries as mentioned in Note 31.

15. INVESTMENT IN SUBSIDIARIES

	Company 2011 RM	Company 2010 RM
At cost:		
Unquoted shares		
Ordinary shares	**359,687,240**	370,467,238
Redeemable convertible preference shares ("RCPS")	**155,000,000**	–
Less: Accumulated impairment loss	**(99,999)**	(99,999)
	514,587,241	370,367,239

Notes to the Financial Statements – 30 September 2011 (continued)

15. INVESTMENT IN SUBSIDIARIE (continued)

Details of the subsidiaries are as follows:

	Name of subsidiary	Country of incorporation	Principal activities	Effective equity interest 2011	2010
+	Aliran Perkasa Sdn. Bhd.	Malaysia	Property development	**100%**	100%
	Cekap Corporation Berhad	Malaysia	Property development and operating a recreational club	**100%**	100%
	Dapat Jaya Builder Sdn. Bhd.	Malaysia	Building and civil works contracting and project management services	**100%**	100%
	Detik Merdu Sdn. Bhd.	Malaysia	Investment holding	**100%**	100%
+	Everland Asia Development Sdn. Bhd.	Malaysia	Property development	**100%**	100%
	Fresh Partners Malaysia Sdn. Bhd.	Malaysia	Ceased operation	**100%**	–
	Gabung Wajib Sdn. Bhd.	Malaysia	Property development	**100%**	100%
	Gerak Teguh Sdn. Bhd.	Malaysia	Property development	**100%**	100%
	GK Resort Berhad	Malaysia	Investment holding	**100%**	100%
	Global Retreat (MM2H) Sdn. Bhd.	Malaysia	An agent for the Malaysia My Second Home Programme	**100%**	100%
	Intelek Kekal (M) Sdn. Bhd.	Malaysia	Building and civil works contracting	**100%**	100%
∞	Intra Tegas (M) Sdn. Bhd.	Malaysia	Property development	**100%**	–
+	Kajang Resources Corporation Sdn. Bhd.	Malaysia	Property development	**100%**	100%
	Kumpulan Indah Bersatu Sdn. Bhd.	Malaysia	Property development	**100%**	100%
*+	Makin Jernih Sdn. Bhd. µ	Malaysia	Investment holding	**100%**	100%
	Metro Kajang Construction Sdn. Bhd.	Malaysia	Building and civil works contracting and project and building management services	**100%**	100%
	MKH Credit Corporation Sdn. Bhd. (formerly known as Metro Kajang Credit Corporation Sdn. Bhd.)	Malaysia	Money lending, hire purchase and leasing finance	**100%**	100%
	MKH Management Sdn. Bhd. (formerly known as Metro Kajang Management Sdn. Bhd.)	Malaysia	Management, secretarial services and insurance agency	**100%**	100%
	Metro Kajang Trading Sdn. Bhd.	Malaysia	Trading of building materials and household related products	**100%**	100%
^+	Metro Kajang (Oversea) Sdn. Bhd.	Malaysia	Investment holding	**100%**	100%
∞	Metro K.L. City Sdn. Bhd.	Malaysia	Property development	**100%**	–
	Metro Nusantara Sdn. Bhd.	Malaysia	Dormant	**100%**	100%
+	Metro Tiara (M) Sdn. Bhd.	Malaysia	Property investment	**100%**	100%
	Metro Kajang Development Sdn. Bhd.	Malaysia	Ceased operation	**100%**	100%
	Pelangi Semenyih Sdn. Bhd.	Malaysia	Property development	**100%**	100%
	Perkasa Bernas (M) Sdn. Bhd.	Malaysia	Property development	**100%**	100%
+	MKH Resources Sdn. Bhd. (formerly known as Rumus Mewah Sdn. Bhd.)	Malaysia	Property development	**100%**	100%
+	Serba Sentosa Sdn. Bhd.	Malaysia	Property development	**100%**	100%
∞	Serentak Maju Corporation Sdn. Bhd.	Malaysia	Property development	**100%**	–

Notes to the Financial Statements – 30 September 2011 (continued)

15. INVESTMENT IN SUBSIDIARIE (continued)

	Name of subsidiary	Country of incorporation	Principal activities	Effective equity interest 2011	Effective equity interest 2010
	Srijang Indah Sdn. Bhd.	Malaysia	Property investment and management and investment holding	**100%**	100%
	Srijang Kemajuan Sdn. Bhd.	Malaysia	Property development and property investment	**99.99%**	99.99%
	Stand Allied Corporation Sdn. Bhd.	Malaysia	Property development	**100%**	100%
∞	Sumber Lengkap Sdn. Bhd.	Malaysia	Property development	**100%**	–
	Vast Marketing & Services Sdn. Bhd.	Malaysia	Trading and marketing	**100%**	100%
	Subsidiaries of Cekap Corporation Berhad				
	Intra Tegas (M) Sdn. Bhd.	Malaysia	Property development	**–**	100%
	Serentak Maju Corporation Sdn. Bhd.	Malaysia	Property development	**–**	100%
	Sumber Lengkap Sdn. Bhd.	Malaysia	Property development	**–**	100%
	Subsidiaries of Detik Merdu Sdn. Bhd.				
@	PT Khaleda Agroprima Malindo	Republic of Indonesia	Oil palm plantation	**94.99%**	94.99%
©	PT Nusantara Makmur Jaya	Republic of Indonesia	Dormant	**100%**	–
	Subsidiary of Gabung Wajib Sdn. Bhd.				
	Amona Metro Development Sdn. Bhd.	Malaysia	Property development	**60%**	60%
	Subsidiary of GK Resort Berhad				
	PNSB-GK Resort Sdn. Bhd.	Malaysia	Property development	**70%**	70%
	Subsidiary of Kumpulan Indah Bersatu Sdn. Bhd.				
	Palga Sdn. Bhd.	Malaysia	Investment holding	**100%**	100%
	Subsidiaries of Makin Jernih Sdn. Bhd. µ				
	AA Meat Shop Sdn. Bhd.	Malaysia	Trading of food and meat related products	**100%**	100%
#	Chau Yang Farming Sdn. Bhd.	Malaysia	Livestock farming and oil palm cultivation	**100%**	100%
	Tip Top Meat Sdn. Bhd.	Malaysia	Food processing and trading	**100%**	100%
	Fresh Partners Malaysia Sdn. Bhd.	Malaysia	Ceased operation	**–**	100%
	Subsidiary of Metro Kajang (Oversea) Sdn. Bhd.				
#	Vast Furniture Manufacturing (Kunshan) Co. Ltd.	The People's Republic of China	Furniture manufacturing	**100%**	100%
	Subsidiary of Metro Kajang Trading Sdn. Bhd.				
	Intelek Murni (M) Sdn. Bhd.	Malaysia	Ceased operation	**100%**	100%

Notes to the Financial Statements – 30 September 2011 (continued)

15. INVESTMENT IN SUBSIDIARIE (continued)

Name of subsidiary	Country of incorporation	Principal activities	Effective equity interest 2011	Effective equity interest 2010
Subsidiary of Palga Sdn. Bhd.				
Hiliran Juara Sdn. Bhd.	Malaysia	Property development	**100%**	100%
Subsidiaries of Srijang Indah Sdn. Bhd.				
Laju Jaya Sdn. Bhd.	Malaysia	Hotel business and property investment	**100%**	100%
Maha Usaha Sdn. Bhd.	Malaysia	Property investment and management	**100%**	100%
Metro K.L. City Sdn. Bhd.	Malaysia	Property investment	**–**	100%

\# Subsidiaries audited by firms of auditors other than member firms of Moore Stephens International Limited and Moore Stephens AC.

@ Subsidiary audited by independent member firm of Moore Stephens International Limited.

© Unaudited and was consolidated using management financial statements.

* The Company fully subscribed for a total of 22,000,000 (+2010: 227,097,869) new ordinary shares of RM1/- each in the respective subsidiaries via settlement of debts due from the subsidiaries to the Company.

^ During the year, the Company fully subscribed for 1,550,000 new redeemable convertible preference shares of RM1/- at a premium of RM99 each in a subsidiary via settlement of debts due from the subsidiary to the Company.

∞ The Company acquired the respective subsidiaries for a total cash consideration of RM2,020,002 (2010: RM nil).

µ Classified as discontinued operations during the year as disclosed in Note 8.

The salient features of the Redeemable Convertible Preference Shares ("RCPS") are as follows:

(a) Dividends

(i) The holder has the right to be paid, out of such profits of the subsidiary available for distribution determined by the Directors at their discretion to be distributed in respect of each financial year or other accounting period of the subsidiary, a dividend at a rate as the Board of Directors shall determine from time to time.

(b) Voting rights

The RCPS carry rights to vote at any general meeting of the subsidiary if:

(i) any resolution is proposed for the winding up of the subsidiary, in which case the holder of the RCPS may only then vote at such general meeting on the election of a chairman, any motion for adjournment and the resolution for winding up; or

(ii) the meeting is convened for the purpose of considering the reduction of the capital of the subsidiary; or

(iii) the meeting is relating to any dividend or part thereof unpaid on any RCPS; or

(iv) the proposition which is submitted to the meeting proposes to abrogate or vary or otherwise directly affects the special rights and privileges attaching to the RCPS; in which event the holder of the RCPS shall have such number of votes for each RCPS registered in his name equivalent to the number of ordinary shares, which solely for the purpose of calculating the number of votes of the holder of the RCPS is entitled to, one RCPS held by the holder of RCPS shall be deemed to be equivalent to one of ordinary share of the subsidiary. The holder of the RCPS shall further be entitled to speak, demand a poll, to move resolutions and participate in the meeting of the shareholders of RCPS of the subsidiary.

Notes to the Financial Statements – 30 September 2011 (continued)

15. INVESTMENT IN SUBSIDIARIE (continued)

(c) Redemption

(i) Subject to the provision of Section 61 of the Companies Act,1965, the subsidiary shall have the right to redeem all or any of the RCPS at RM100 only per RCPS (being the par value of RM1 and premium of RM99 per RCPS) at anytime after the date of issuance of RCPS; and

(ii) no RCPS redeemed by the subsidiary shall be capable of reissue.

(d) Conversion

The subsidiary is entitled, at any time during the period commencing on the date of issuance of RCPS to convert all or any of the RCPS registered in the name of each holder of the RCPS. Each RCPS is convertible into 100 ordinary shares of RM1 each in the share capital of the subsidiary.

(e) Capital

The holder has the right on winding up or other return of capital (other than on the redemption of the RCPS) to receive, in priority to the holders of any other class of shares in the capital of the subsidiary.

16. INVESTMENT IN AN ASSOCIATE

	Group	
	2011	**2010**
	RM	**RM**
At cost:		
Unquoted shares	**2,250,000**	2,250,000
5% Non-Cumulative Redeemable Preference Shares of RM1/- each	**7,496,591**	7,496,591
Share of post-acquisition reserves	**28,530,517**	15,374,773
	38,277,108	25,121,364

The salient features of the 5% Non-Cumulative Redeemable Preference Shares ("NCRPS") are as follows:

(i) The NCRPS holders have the right to a fixed non-cumulative preferential dividend at a rate of 5% per annum on its nominal value;

(ii) The NCRPS do not carry any rights to participate in the profits or surplus assets of the associate;

(iii) The NCRPS holders do not carry any right to vote at any general meeting of the associate except on resolutions of reduction and return of capital, winding up of the associate, for sanctioning the disposal of the whole of the associate property, business and undertaking and for the consideration of any matter which directly affects the NCRPS holders' rights; and

(iv) The NCRPS may at the option of the associate be converted into ordinary shares or redeemable at par.

The details of the associate, incorporated in Malaysia, are as follows:

Name of associate	Principal activity	Effective equity interest 2011	Effective equity interest 2010	Financial year end
*# Rimbunan Melati Sdn. Bhd.	Property development	**45%**	45%	31 December

* Interest held through Dapat Jaya Builder Sdn. Bhd..

\# Associate audited by a firm of auditors other than Moore Stephens AC.

Notes to the Financial Statements – 30 September 2011 (continued)

15. INVESTMENT IN SUBSIDIARIE (continued)

The summarised financial information of the associate is as follows:

	Group 2011 RM	Group 2010 RM
Total assets	**109,145,315**	85,254,879
Total liabilities	**24,085,071**	29,429,624
Revenue	**90,081,312**	40,639,806
Profit for the year	**34,267,942**	7,610,499

17. OTHER INVESTMENT

	Group 2011 RM	Group 2010 RM
At cost:		
Transferable club membership	–	172,800
Less: Allowance for diminution in value	–	(84,800)
	–	88,000

18. LAND HELD FOR PROPERTY DEVELOPMENT

	Group 2011 RM	Group 2010 RM
At cost:		
Freehold land and land equivalent		
At 1 October 2010/2009	**177,702,636**	141,305,854
Additions	**21,660,366**	50,897,838
Reclassify to development costs	–	(265,375)
Transfer to property development costs (Note 21)	**(18,037,391)**	(14,235,681)
Disposal	**(833,633)**	–
At 30 September	**180,491,978**	177,702,636
Leasehold land and land equivalent		
At 1 October 2010/2009	**45,285,056**	53,639,967
Additions	**10,600**	1,339,559
Transfer to property development costs (Note 21)	–	(9,535,959)
Reclassify to development costs	–	(158,511)
At 30 September	**45,295,656**	45,285,056
Balance carried down	**225,787,634**	222,987,692

Notes to the Financial Statements – 30 September 2011 (continued)

18. LAND HELD FOR PROPERTY DEVELOPMENT (continued)

	Group 2011 RM	Group 2010 RM
Balance brought down	**225,787,634**	222,987,692
Development costs		
At 1 October 2010/2009	**32,853,101**	16,127,443
Additions	**18,649,049**	18,003,900
Disposal	**(1,516,216)**	–
Reclassify from freehold land and land equivalent	**–**	265,375
Reclassify from leasehold land and land equivalent	**–**	158,511
Transfer to property development costs (Note 21)	**(7,113,277)**	(1,702,128)
At 30 September	**42,872,657**	32,853,101
Total land and land equivalent and development costs	**268,660,291**	255,840,793
Less: Accumulated impairment loss		
At 1 October 2010/2009	**(6,539,529)**	(6,539,529)
Additions	**(90,267)**	–
Disposal	**1,443,548**	–
At 30 September	**(5,186,248)**	(6,539,529)
	263,474,043	249,301,264

Included in land held for property development are:

(i) titles of freehold land and land equivalent amounting to RM81,833,093 (2010: RM78,317,789) which have been deposited with a financial institution for term loan facility granted to subsidiaries as mentioned in Note 31;

(ii) freehold land and land equivalent amounting to RM74,719,376 (2010: RM60,606,669) which have been pledged for term loan facility granted to certain subsidiaries as mentioned in Note 31.

19. DEFERRED TAX ASSETS AND LIABILITIES

	Group 2011 RM	Group 2010 RM (restated)	Company 2011 RM	Company 2010 RM
Deferred tax assets				
At 1 October 2010/2009	**9,588,756**	8,901,481	**754,575**	764,200
Effect of adopting FRS 139	**(59,300)**	–	**–**	–
	9,529,456	8,901,481	**754,575**	764,200
Recognised in profit or loss	**3,445,619**	768,900	**–**	(5,500)
Recognised in other comprehensive income	**–**	(81,625)	**–**	(4,125)
At 30 September	**12,975,075**	9,588,756	**754,575**	754,575

Notes to the Financial Statements – 30 September 2011 (continued)

19. DEFERRED TAX ASSETS AND LIABILITIES (continued)

	Group		Company	
	2011 RM	2010 RM (restated)	2011 RM	2010 RM
Deferred tax liabilities				
At 1 October 2010/2009				
As previously stated	**(46,283,909)**	(41,919,809)	**–**	–
Effect of adopting Amendments to FRS	**117 172,540**	–	**–**	–
As restated	**(46,111,369)**	(41,919,809)	**–**	–
Recognised in profit or loss	**333,540**	(756,734)	**–**	–
Recognised in other comprehensive income	**(2,726,098)**	(3,541,459)	**–**	–
Reclassify as held for sale	**7,576,840**	–	**–**	–
Effect of movements in exchange rate	**(101,385)**	106,633	**–**	–
At 30 September	**(41,028,472)**	(46,111,369)	**–**	–

Deferred tax assets and liabilities are attributable to the following:

	Group		Company	
	2011 RM	2010 RM (restated)	2011 RM	2010 RM
Deferred tax assets				
Differences between the carrying amount of property, plant and equipment and its tax base	**(357,900)**	(287,450)	**(9,900)**	(9,900)
Deductible temporary differences in respect of expenses	**9,347,500**	6,729,050	**768,600**	768,600
Deficit arising from revaluation of building	**–**	185,800	**–**	–
Fair value adjustment in respect of contract revenue	**357,000**	191,700	**–**	–
Fair value adjustment in respect of long term deposits	**195,800**	–	**–**	–
Fair value adjustment in respect of long term retention sum	**(545,000)**	–	**–**	–
Impairment loss on land held for property development	**202,300**	202,300	**–**	–
Surplus arising from revaluation of buildings	**(4,125)**	(4,125)	**(4,125)**	(4,125)
Unutilised tax losses	**1,414,400**	1,650,100	**–**	–
Unabsorbed capital allowances	**11,700**	8,600	**–**	–
Unrealised profits on intercompany construction contract	**1,257,400**	387,500	**–**	–
Unrealised profits on intercompany sale of properties	**1,096,000**	525,281	**–**	–
	12,975,075	9,588,756	**754,575**	754,575

Notes to the Financial Statements – 30 September 2011 (continued)

19. DEFERRED TAX ASSETS AND LIABILITIES (continued)

	Group 2011 RM	Group 2010 RM (restated)	Company 2011 RM	Company 2010 RM
Deferred tax liabilities				
Differences between the carrying amount of property, plant and equipment and its tax base	**(2,079,810)**	(3,808,630)	**–**	–
Differences between the carrying amount of biological assets and its tax base	**(4,287,425)**	(1,929,526)	**–**	–
Capital allowances claimed on certain assets recognised as part of investment properties	**(2,524,600)**	(2,524,600)	**–**	–
Surplus arising from revaluation of land and buildings	**(3,691,300)**	(4,910,160)	**–**	–
Deductible temporary differences in respect of expenses	**648,633**	322,274	**–**	–
Unutilised tax losses	**3,092,643**	–	**–**	–
Unabsorbed capital allowances	**–**	133,100	**–**	–
Fair value adjustment in respect of investment properties	**(19,727,913)**	(18,648,389)	**–**	–
Fair value adjustment in respect of subsidiaries acquired	**(12,458,700)**	(14,745,438)	**–**	–
	(41,028,472)	(46,111,369)	**–**	–

The deferred tax assets and liabilities are not available for set-off as they arise from different taxable entities within the Group.

Unrecognised deferred tax assets

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

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Impairment loss on land held for property development	**4,376,900**	5,730,100	**–**	–
Unutilised tax losses	**4,452,900**	11,152,400	**–**	–
Unabsorbed capital allowances	**45,700**	648,300	**–**	–
Other deductible temporary differences	**2,366,200**	1,571,900	**–**	–
	11,241,700	19,102,700	**–**	–

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the subsidiaries can utilise the benefits therefrom.

Notes to the Financial Statements – 30 September 2011 (continued)

20. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Non-current					
Trade					
Trade receivable	(a)	**9,463,119**	7,171,227	**–**	–
Finance lease receivables	(b)	**–**	26,140	**–**	–
		9,463,119	7,197,367	**–**	–
Non-trade					
Amount due from subsidiaries	(c)	**–**	–	**–**	88,250,586
Less : Allowance for impairment loss		**–**	–	**–**	(178,000)
		–	–	**–**	88,072,586
Other receivable	(d)	**2,733,882**	–	**–**	–
		12,197,001	7,197,367	**–**	88,072,586
Current					
Trade					
Trade receivables	(e)	**56,678,201**	40,704,045	**4,055,670**	1,100,545
Less : Allowance for impairment loss		**(962,369)**	(1,052,783)	**–**	–
		55,715,832	39,651,262	**4,055,670**	1,100,545
Finance lease receivables	(b)	**26,912**	91,969	**–**	–
Loan receivables	(f)	**25,739**	447,750	**–**	–
		55,768,483	40,190,981	**4,055,670**	1,100,545
Non-trade					
Amount due from subsidiaries	(g)	**–**	–	**53,941,769**	–
Less: Allowance for impairment loss		**–**	–	**(178,000)**	–
		–	–	**53,763,769**	–
Other receivables	(h)	**11,963,652**	13,830,926	**200,255**	127,555
Less : Allowance for impairment loss		**(1,600,315)**	(1,444,560)	**(96,725)**	(10,960)
		10,363,337	12,386,366	**103,530**	116,595
Deposits	(i)	**24,558,197**	19,674,475	**46,808**	46,808
Prepayments		**1,924,238**	1,095,283	**–**	–
		92,614,255	73,347,105	**57,969,777**	1,263,948

(a) The trade receivable represents net present value of progress billings in respect of a construction contract under deferred payment term. The discount rate used is 6.18% (2010: 6.18%) per annum.

The maturity profile of trade receivable is as follows:

	Group 2011 RM	Group 2010 RM
Receivable after 1 year but not later than 2 years	**9,463,119**	3,964,420
Receivable after 2 years but not later than 3 years	**–**	3,206,807
	9,463,119	7,171,227

The above receivable is neither pass due nor impaired as the debtor is a creditworthy customer. This amount has not been renegotiated during the year.

Notes to the Financial Statements – 30 September 2011 (continued)

20. RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

(b) Finance lease receivables

	Group 2011 RM	Group 2010 RM
Current assets		
Receivable within 1 year		
Gross investment in finance lease receivables	**1,144,177**	1,149,137
Less: Unearned finance income	**(90,099)**	(92,152)
Present value of minimum lease payment receivables	**1,054,078**	1,056,985
Less: Allowance for impairment loss		
At 1 October 2010/2009	**(965,016)**	(965,016)
Charge for the year	**(66,844)**	–
Reversal of impairment loss	**4,694**	–
At 30 September	**(1,027,166)**	(965,016)
	26,912	91,969
Non-current assets		
Receivable after 1 year but not later than 5 years		
Gross investment in finance lease receivables	**–**	26,976
Less: Unearned finance income	**–**	(836)
Present value of minimum lease payment receivables	**–**	26,140
	26,912	118,109

The finance lease receivables bear effective interest at rate of 8.15% (2010: 8.15%) per annum.

The maturity profile of finance lease receivables is as follows:

	Group 2011 RM	Group 2010 RM
Fixed rate instrument		
Receivable within 1 year	**26,912**	91,969
Receivable after 1 year but not later than 2 years	**–**	26,140
	26,912	118,109

(c) In the previous year, these amounts were non-trade in nature, unsecured, interest free, expected to be settled in cash and were not expected to be settled within one year.

(d) This is in respect of an amount due from Plasma Farmers Cooperative in Indonesia as mentioned in Note 20(h)(iii).

(e) Trade receivables

(i) Credit term of trade receivables
The Group's and the Company's normal trade credit term ranges from 7 to 90 days (2010: 7 to 90 days).

Notes to the Financial Statements – 30 September 2011 (continued)

20. RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

(e) Trade receivables (continued)

(ii) The ageing analysis of the Group's and of the Company's trade receivables is as follows:

	Group 2011 RM	Company 2010 RM
Neither past due nor impaired	**24,827,316**	4,055,670
1 to 30 days past due not impaired	**9,003,046**	–
31 to 60 days past due not impaired	**10,167,372**	–
61 to 90 days past due not impaired	**5,397,692**	–
More than 90 days past due	**6,320,406**	–
	30,888,516	–
Impaired	**962,369**	–
	56,678,201	4,055,670

<u>Receivables that are neither past due nor impaired</u>
Trade receivables that are neither past due nor impaired comprise property purchasers mostly are with end financing facilities from reputable end-financiers whilst the other debtors are creditworthy customers with good payment records and mostly are regular customers that have been transacting with the Group.

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

<u>Receivables that are past due but not impaired</u>
Trade receivables of the Group amounting to RM30,888,516 which are past due but not impaired because there have been no significant changes in credit quality of the debtors and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

<u>Receivables that are impaired</u>
The movement of allowance accounts used to record the impairment is as follows:

	Group 2011 RM	Company 2010 RM
At beginning of the year	**1,052,783**	–
Charge for the year	**100,477**	–
Reversal during the year	**(8,341)**	–
Reclassified as held for sale	**(182,550)**	–
At end of the year	**962,369**	–

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

Notes to the Financial Statements – 30 September 2011 (continued)

20. RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

(e) Trade receivables (continued)

(iii) Included in trade receivables of the Group are:

(a) retention sums amounting to RM4,331,355 (2010: RM12,275,783) held by stakeholders;
(b) an amount of RM38,580 (2010: RM2,779,873) due from a joint venture partner in respect of previous land held for joint development; and
(c) amounts of RM116,300 (2010: RM4,048) due from key management personnel of the Group in respect of purchase of development properties of the Group.

(iv) Trade receivables of the Company are in respect of amounts due from subsidiaries.

(f) Loan receivables

	Group 2011 RM	Group 2010 RM
Housing loan	**198,807**	221,817
Term loan (business)	**221,007**	220,402
Other loan	**9,520**	10,720
Gross outstanding	**429,334**	452,939
Less: Allowance for impairment loss		
At 1 October 2010/2009		
- As previously stated	**(5,189)**	(5,189)
- Effect of adopting FRS139	**(242,979)**	–
- As restated	**(248,168)**	(5,189)
Charge for the year	**(371,379)**	–
Reversal during the year	**215,952**	–
At 30 September	**(403,595)**	(5,189)
	25,739	447,750

The maturity profile of loan receivables, net of allowance for impairment loss, is as follows:

	Housing Loan RM	Term Loan RM	Other Loan RM	Total RM
2011				
Fixed rate instruments				
Receivable within 1 year	**–**	**21,408**	**4,331**	**25,739**
2010				
Fixed rate instruments				
Receivable within 1 year	221,817	220,402	5,531	447,750

The loan receivables bear effective interest at rates ranging from 7.30% to 12.00% (2010: 5.00% to 11.50%) per annum.

(g) The amounts are non-trade in nature, unsecured, interest free, expected to be settled in cash and is repayable on demand.

Notes to the Financial Statements – 30 September 2011 (continued)

20. RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

(h) Included in other receivables of the Group are:

(i) an amount of RM3,597,708 (2010: RM7,502,642) being indirect taxes paid in advance to tax authorities by a foreign subsidiary;

(ii) amounts of RM 4,362,088 (2010: RM494,888) being advances paid to a third parties to source for plantation land in Indonesia; and

(iii) an amount of RM nil (2010: RM2,965,201) being advances to a contractor, in which a minority shareholder of a foreign subsidiary has substantial equity interest, for the development of plantation under the Plasma Programme. In accordance with existing Indonesian Government policy, a subsidiary assumes the responsibilities to develop plantation for small land holders (known as Plasma Farmers) in addition to its own plantation. The subsidiary is also required to train and supervise the Plasma Farmers and purchase the fresh fruit bunches from the farmers at prices determined by the Government. The amount is unsecured, interest free and expected to be settled within one year in cash. Pursuant to a Novation Agreement signed with Plasma Farmers Cooperative ("the Cooperative"), the advance of approximately Rp 7.5 billion were assumed by the cooperative.

The movement of allowance accounts used to record the impairment of other receivables is as follows:

	Group 2011 RM	Company 2010 RM
At beginning of the year	**1,444,560**	10,960
Charge for the year	**165,459**	85,765
Reversal during the year	**(10,955)**	–
Translation differences	**1,251**	–
At end of the year	**1,600,315**	96,725

The impaired other receivables at the reporting date are in significant financial difficulties.

(i) Included in deposits of the Company are amounts of RM21,808 (2010: RM21,808) being deposits paid to a subsidiary.

Included in deposits of the Group are:

(i) amounts of RM9,054,210 (2010: RM6,049,705) being downpayment for acquisition of development land by subsidiaries;

(ii) an amount of RM3,216,654 (2010: RM4,000,000) being performance deposit placed for a development project which shall be refundable upon completion of projects and expiry of defects liability period;

(iii) amounts of RM1,636,668 (2010: RM1,270,627) paid to suppliers for purchase of inventories and machineries;

(iv) an amount of RM1,106,238 (2010: RM1,106,238) paid for acquisition of land in Indonesia.; and

(v) an amount of RM2,650,000 (2010: RM nil) being joint venture deposit placed for a joint development project.

Notes to the Financial Statements – 30 September 2011 (continued)

21. PROPERTY DEVELOPMENT COSTS

	Group 2011 RM	2010 RM
At cost:		
Freehold land and land equivalent		
At 1 October 2010/2009	**51,099,790**	41,274,413
Additions	**80,990**	12,561,133
Reversal of incidental cost	**–**	(52,616)
Transfer from land held for property development (Note 18)	**18,037,391**	14,235,681
Transfer to inventories	**–**	(939,947)
Adjustment on completion of projects	**(6,289,441)**	(15,978,874)
At 30 September	**62,928,730**	51,099,790
Leasehold land and land equivalents		
At 1 October 2010/2009	**12,712,401**	12,584,050
Additions	**–**	212,257
Transfer from land held for property development (Note 18)	**–**	9,535,959
Transfer to inventories	**–**	(304,361)
Adjustment on completion of projects	**–**	(9,315,504)
At 30 September	**12,712,401**	12,712,401
Development costs		
At 1 October 2010/2009	**106,567,628**	232,321,935
Additions	**154,302,200**	109,555,143
Transfer from land held for property development (Note 18)	**7,113,277**	1,702,128
Transfer to inventories	**–**	(6,252,563)
Adjustment on completion of projects	**(67,355,427)**	(230,759,015)
At 30 September	**200,627,678**	106,567,628
Total land and land equivalents and development costs	**276,268,809**	170,379,819
Less: Costs recognised as an expense in profit or loss		
At 1 October 2010/2009	**91,121,585**	221,123,163
Additions	**143,897,113**	126,051,815
Adjustment on completion of projects	**(73,644,868)**	(256,053,393)
At 30 September	**161,373,830**	91,121,585
	114,894,979	79,258,234

Included in the above are:

(i) interest on borrowing capitalised for the year amounting to RM538,510 (2010: RM531,773);

(ii) freehold land and land equivalent amounting to RM11,945,293 (2010: RM8,033,101) which have been pledged for term loan facility granted to a subsidiary as mentioned in Note 31;

(iii) titles of freehold land and land equivalent amounting to RM40,105,472 (2010: RM13,712,438) which have been deposited with a financial institution for term loan and revolving credit facilities granted to certain subsidiaries as mentioned in Note 31;

Notes to the Financial Statements – 30 September 2011 (continued)

21. PROPERTY DEVELOPMENT COSTS (continued)

(iv) titles of freehold land and land equivalent amounting to RM12,777,583 (2010: RM12,777,583) which have been on lien holder's caveat by a financial institution for term loan facility granted to a subsidiary as mentioned in Note 31; and

(v) titles of leasehold land and land equivalents amounting to RM12,712,401 (2010: RM nil) which have been deposited with a financial institution for bridging loan facility granted to a subsidiary as mentioned in Note 31.

22. INVENTORIES

	Group	
	2011	**2010**
	RM	**RM**
At cost:		
Raw materials	**735,353**	418,557
Animal feeds	**–**	473,990
Work-in-progress	**751,743**	193,555
Finished goods	**735,821**	1,065,796
Food and beverage	**19,970**	–
Consumables	**–**	1,211,780
Fertilizers	**6,844,575**	2,277,431
Livestocks	**–**	3,855,096
Completed development properties	**2,508,565**	6,028,356
	11,596,027	15,524,561
At net realisable value:		
Trading inventories	**–**	41,308
Building materials	**104,070**	785,202
Completed development properties	**42,000**	42,000
	146,070	868,510
	11,742,097	16,393,071

23. AMOUNT DUE FROM/(TO) CUSTOMERS ON CONTRACTS

	Group	
	2011	**2010**
	RM	**RM**
Aggregate costs incurred to-date	**1,650,172**	8,418,397
Add: Attributable profits	**–**	40,312
Less: Provision for foreseeable loss	**–**	(34,927)
Less: Progress billings	**–**	(8,059,947)
	1,650,172	363,835
Amount due from customers on contracts	**1,650,172**	1,576,042
Amount due to customers on contracts	**–**	(1,212,207)
	1,650,172	363,835

Notes to the Financial Statements – 30 September 2011 (continued)

24. CASH AND CASH EQUIVALENTS

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Deposits with licensed financial banks	**7,722,869**	18,442,123	**–**	11,295,995
Cash and bank balances	**26,005,604**	44,113,473	**1,628,536**	4,113,914
Cash held under housing development accounts	**27,352,502**	25,311,193	**–**	–
Cash held under sinking fund account	**3,020**	2,860	**–**	–
Cash held under trust fund account	**174**	20	**–**	–
Fixed income funds				
- redeemable at call	**1,145,015**	179,328	**–**	–
- redeemable upon 1 day notice	**582,767**	862,300	**–**	–
- redeemable upon 7 days notice	**56,149**	889,529	**–**	–
	62,868,100	89,800,826	**1,628,536**	15,409,909

Included in deposits with licensed financial institutions of the Group are:

(i) deposits held under sinking fund account amounting to RM4,241 (2010: RM32,129); and

(ii) deposits of RM444,174 (2010: RM442,083) pledged for bank guarantee facilities granted to a subsidiary.

The deposits bear effective interest at rates ranging from 1.80% to 3.25% (2010: 0.25% to 2.75%) per annum with maturity period ranging from 1 day to 365 days (2010: 1 day to 60 days).

Cash and cash equivalents held by the Group which are not freely available for use are as follows:

(i) cash held under housing development accounts maintained pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966;

(ii) deposits amounting to RM444,174 (2010: RM442,083) pledged for bank guarantee facilities granted to a subsidiary;

(iii) deposits amounting to RM4,241 (2010: RM32,129) and cash held under sinking fund and trust accounts which are held for the recreational club;

(iv) cash and bank balances of RM246,426 (2010: RM393,468) being a grant from the Government of Malaysia as mentioned in Note 28; and

(v) cash and bank balances of RM562,109 (2010 : RM30,248) pledged as restricted fund held as security for the credit facilities as mentioned in Note 31.

25. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Investment properties and land held for property development that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale.

The Group has entered into agreements to dispose off investment properties and land held for property development.

Notes to the Financial Statements – 30 September 2011 (continued)

25. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE (continued)

	Group 2011 RM	Group 2010 RM
At lower of carrying amount and fair value less cost to sell:		
At 1 October 2010/2009	**251,175**	14,303,492
Reclassify from investment properties (Note 14)	**–**	251,175
Disposals (Note 4)	**(251,175)**	(14,303,492)
At 30 September	**–**	251,175
Included in the above are:		
Leasehold shopoffice	**–**	251,175
	–	251,175

26. SHARE CAPITAL

	Group/Company Number of shares 2011 RM	Number of shares 2010 RM	Amount 2011 RM	Amount 2010 RM
Authorised:				
Ordinary shares of RM1/- each	**500,000,000**	500,000,000	**500,000,000**	500,000,000
Issued and fully paid:				
Ordinary shares of RM1/- each				
At 1 October 2010/2009	**240,532,047**	229,078,140	**240,532,047**	229,078,140
Issuance of shares pursuant to:				
- Bonus issue	**24,053,204**	11,453,907	**24,053,204**	11,453,907
At 30 September	**264,585,251**	240,532,047	**264,585,251**	240,532,047

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

27. RESERVES

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Non-distributable				
Translation reserve	**6,984,134**	(3,595,945)	**–**	–
Revaluation reserve	**10,101,815**	16,799,124	**12,375**	12,375
	17,085,949	13,203,179	**12,375**	12,375
Distributable				
Retained earnings	**431,562,141**	417,422,313	**220,482,009**	185,403,065
	448,648,090	430,625,492	**220,494,384**	185,415,440

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations as well as from the translation of liabilities that hedge the Company's net investment in a foreign subsidiary.

Notes to the Financial Statements – 30 September 2011 (continued)

27. RESERVES (continued)

Revaluation reserve

The revaluation reserve relates to the revaluation of property, plant and equipment.

Retained earnings

Section 108 tax credit

With effect from year of assessment 2008, a single tier company income tax system ("single tier system") was introduced. The Company did not elect for the irrevocable option to disregard the Section 108 tax credit. Accordingly, the Section 108 tax credit as at 30 September 2011 will be available to the Company until such time the credit is fully utilised or upon expiry of the six years transitional period on 31 December 2013, whichever is earlier.

The Company has sufficient Section 108 tax credit of approximately RM20,381,400 (2010: RM23,388,000) and tax exempt income of approximately RM2,328,000 (2010: RM2,328,000) to frank future dividends of approximately RM63,472,200 (2010: RM72,492,000). If the balance of retained earnings of approximately RM157,009,800 (2010: RM112,911,000) were to be distributed as dividends, the Company may distribute such dividends under the single tier system.

28. DEFERRED INCOME

This is part of a grant totalling RM5,000,000 from the Government of Malaysia ("the Government") as financial assistance under the Techno Fund grant to develop and up-scale a new technology biogas plant to treat slaughter house waste and utilisation of biogas for energy saving ("the Project"). The total approved grant may be adjusted by the Government and the Government has the absolute discretion for any review of the grant or the aggregate amount to be paid to a subsidiary. The duration of the Project shall be for a period of 24 months commencing from 15 September 2008 until 14 September 2010. The duration of the project has been extended to 30 April 2011. The certificate of practical completion of the biogas plant was received in April 2011. However, the operation of the plant has not commenced due to some rectification works on the plant before full commissioning of the plant. As at 30 September 2011, the amount of RM4,750,000 was reclassified as held for sale (Note 8).

29. PROVISIONS

Group	Retirement Benefit Obligations RM	Retirement Gratuity RM	Rectification Works RM	Tax Penalty RM	Total RM
2011					
At 1 October 2010	390,876	7,660,800	207,482	–	8,259,158
Provision made during the year	723,747	–	–	1,074,794	1,798,541
Incurred during the year	–	–	(207,482)	–	(207,482)
Effect of movements in exchange rate	38,770	–	–	19,651	58,421
At 30 September 2011	**1,153,393**	**7,660,800**	**–**	**1,094,445**	**9,908,638**

Notes to the Financial Statements – 30 September 2011 (continued)

29. PROVISIONS (continued)

Group	Retirement Benefit Obligations RM	Retirement Gratuity RM	Rectification Works RM	Tax Penalty RM	Total RM
2010					
At 1 October 2009	148,799	7,660,800	2,673,234	–	10,482,833
Provision made during the year	264,690	–	–	–	264,690
Incurred during the year	–	–	(2,215,752)	–	(2,215,752)
Reversal of unused amounts	–	–	(250,000)	–	(250,000)
Effect of movements in exchange rate	(22,613)	–	–	–	(22,613)
At 30 September 2010	390,876	7,660,800	207,482	–	8,259,158

The above provisions are classified as follows:

Group	Retirement Benefit Obligations RM	Retirement Gratuity RM	Rectification Works RM	Tax Penalty RM	Total RM
2011					
Non-current	1,153,393	–	–	–	1,153,393
Current	–	7,660,800	–	1,094,445	8,755,245
	1,153,393	**7,660,800**	**–**	**1,094,445**	**9,908,638**
2010					
Non-current	390,876	–	–	–	390,876
Current	–	7,660,800	207,482	–	7,868,282
	390,876	7,660,800	207,482	–	8,259,158
Company					
2011					
Current					
At 1 October 2010/ 30 September 2011	**–**	**3,074,400**	**–**	**–**	**3,074,400**
2010					
Current					
At 1 October 2009/ 30 September 2010	–	3,074,400	–	–	3,074,400

(a) Retirement benefit obligations

A subsidiary of the Company in Indonesia operates an unfunded defined benefit scheme, as required under the Labour Law of the Republic of Indonesia.

Notes to the Financial Statements – 30 September 2011 (continued)

29. PROVISIONS (continued)

(a) Retirement benefit obligations (continued)

The expenses recognised in profit or loss are as follows:

	Group	
	2011	**2010**
	RM	**RM**
Current service costs	**648,475**	243,770
Interest on obligation	**62,818**	19,804
Adjustment due to actuary calculation	**12,454**	1,116
	723,747	264,690

The defined benefit obligation expenses were determined based on actuarial valuations prepared by an independent actuary using the projected unit credit method. Principal assumptions at reporting date are as follows:

	Group	
	2011	**2010**
	RM	**RM**
Discount rate	**7.8%**	8.5%
Future salary increase	**10%**	10%
Mortality rate	**100% TMI2**	100% TMI2
Resignation rate	**4%**	1%
Normal retirement age	**58 - 60**	58 - 60

(b) Retirement gratuity

Provision for retirement gratuity are for certain eligible directors. The details of the retirement gratuity scheme is disclosed in Note 2(d)(iii).

(c) Rectification works

This is in respect of rectification works on completed property development projects.

(d) Tax penalty

Provision for tax penalty relates to penalty in respect of value-added tax of the subsidiary. PT Khaleda Agroproma Malindo ("PTKAM"), a subsidiary of the Company. In May 2011, PTKAM received tax assessment letters from the local tax office for under payment of input Value Added Tax ("VAT") for the period from January to September 2009 amounting to approximately IDR 6.3 billion and penalty of approximately IDR 6.3 billion, totalling approximately IDR 12.6 billion (equivalent to approximately RM4.6 million). Based on the tax audit, the subsidiary was denied the input VAT credit in relation to its planting activities on the ground that the subsidiary engages in the production and sale of Fresh Fruit Bunches ("FFB"). The subsidiary disagrees with the assessment as the subsidiary has not generated any sale of FFB and has submitted an objection letter dated 11 July 2011. The subsidiary has made a provision amounting to approximately IDR 3.0 billion (equivalent to RM1,094,445) using similar basis as in the decision letters of the local tax authority for the subsidiary's tax under payment of input VAT for the year 2008.

Notes to the Financial Statements – 30 September 2011 (continued)

30. PAYABLES AND ACCRUALS

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Non-current					
Retention sum payable after one year		**9,964,025**	–	**–**	–
Current					
Trade					
Trade payables	(a)	**43,918,711**	35,107,453	**–**	–
Retention sum payable within one year		**15,222,070**	11,963,513	**–**	–
Non-trade					
Amount due to subsidiaries	(b)	**–**	–	**65,215,578**	350,214
Amount due to landowner	(c)	**–**	1,763,259	**–**	–
Other payables	(d)	**2,213,438**	5,325,858	**59,541**	–
Deposits received	(e)	**8,649,498**	8,898,210	**–**	–
Accruals		**3,704,844**	3,005,990	**615,226**	485,732
		73,708,561	66,064,283	**65,890,345**	835,946

(a) The normal trade credit term granted to the Group ranges from 7 to 90 days (2010: 7 to 90 days) unless as specified in agreements.

(b) The amounts are non-trade in nature, unsecured, bears interest at a rate of 5.6% (2010: nil) per annum, expected to be settled in cash and are repayable on demand.

(c) In the previous year, the amount due to landowner was related to a third party landowner's share of a subsidiary profit. This was in accordance with an agreement entered into with the landowner whereby the subsidiary undertakes to develop the land belonging to the landowner and in consideration of which the landowner was entitled to a minimum guaranteed sum of RM8 million or 50% of the net profit from the development project, whichever is higher.

(d) Included in other payables of the Group is an amount of RM nil (2010: RM315,652) owing to suppliers in respect of construction of property, plant and equipment and investment properties.

(e) Included in deposits received of the Group are:

(i) rental, utilities and other deposits received of RM7,399,546 (2010: RM7,259,805) from tenants; and

(ii) down payments of RM nil (2010: RM150,500) from purchasers of investment properties which have been reclassified as non–current assets held for sale.

Notes to the Financial Statements – 30 September 2011 (continued)

31. LOANS AND BORROWINGS

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Non-current				
Term loans				
- secured				
- RM	**104,070,304**	115,935,000	**–**	–
- United States Dollar	**78,215,344**	44,377,795	**39,089,750**	22,393,075
Bridging loan				
- secured	**3,051,390**	1,000,000	**–**	–
Revolving credits				
- secured	**55,425,000**	5,500,000	**–**	–
Finance lease liabilities	**2,535,792**	571,498	**–**	–
	243,297,830	167,384,293	**39,089,750**	22,393,075
Current				
Term loans				
- secured	**16,288,198**	4,211,132	**–**	–
Bridging loan				
- secured	**–**	4,000,000	**–**	–
Revolving credits				
- secured				
- RM	**58,329,612**	25,000,000	**–**	–
- United States Dollar	**4,788,695**	4,590,806	**2,393,250**	2,316,525
- unsecured				
- RM	**33,000,000**	23,700,000	**15,000,000**	13,000,000
Bank overdrafts				
- secured	**16,030,785**	1,565,634	**–**	–
- unsecured	**3,795,425**	2,599,700	**37,795**	–
Finance lease liabilities	**971,574**	456,464	**–**	–
	133,204,289	66,123,736	**17,431,045**	15,316,525
	376,502,119	233,508,029	**56,520,795**	37,709,600

The maturity profile of loans and borrowings of the Group is as follows:

Group	Carrying amount RM	Within 1 year RM	1-2 years RM	2-3 years RM	3-4 years RM	4-5 years RM	More than 5 years RM
2011							
Fixed rate instrument							
Finance lease liabilities	**3,507,366**	**971,583**	**1,026,478**	**1,010,938**	**303,979**	**194,388**	**–**

Notes to the Financial Statements – 30 September 2011 (continued)

31. LOANS AND BORROWINGS (continued)

Group	Carrying amount RM	Within 1 year RM	1-2 years RM	2-3 years RM	3-4 years RM	4-5 years RM	More than 5 years RM
2011							
Floating rate instruments							
Term loans							
- secured							
- RM	120,358,502	16,288,198	15,673,956	19,743,956	25,853,956	25,322,956	17,475,480
- United States Dollar	78,215,344	–	–	–	–	17,789,825	60,425,519
Bridging loan							
- secured	3,051,390	–	3,051,390	–	–	–	–
Revolving credits							
- secured							
- RM	113,754,612	58,329,612	4,600,000	10,100,000	10,600,000	9,100,000	21,025,000
- United States Dollar	4,788,695	4,788,695	–	–	–	–	–
- unsecured							
- RM	33,000,000	33,000,000	–	–	–	–	–
Bank overdrafts							
- secured	16,030,785	16,030,785	–	–	–	–	–
- unsecured	3,795,425	3,795,425	–	–	–	–	–
	372,994,753	132,232,715	23,325,346	29,843,956	36,453,956	52,212,781	98,925,999
	376,502,119	**133,204,298**	**24,351,824**	**30,854,894**	**36,757,935**	**52,407,169**	**98,925,999**
2010							
Fixed rate instrument							
Finance lease liabilities	1,027,962	456,464	285,347	185,550	88,264	12,337	–
Floating rate instruments							
Term loans							
- secured							
- RM	120,146,132	4,211,132	16,460,000	19,260,000	22,265,000	24,300,000	33,650,000
- United States Dollar	44,377,795	–	–	–	–	3,596,132	40,781,663
Bridging loan							
- secured	5,000,000	4,000,000	1,000,000	–	–	–	
Revolving credit							
- secured							
- RM	30,500,000	25,000,000	–	1,100,000	1,100,000	1,100,000	2,200,000
- United States Dollar	4,590,806	4,590,806	–	–	–	–	–
- unsecured							
- RM	23,700,000	23,700,000	–	–	–	–	–
Bank overdrafts							
- secured	1,565,634	1,565,634	–	–	–	–	–
- unsecured	2,599,700	2,599,700	–	–	–	–	–
	232,480,067	65,667,272	17,460,000	20,360,000	23,365,000	28,996,132	76,631,663
	233,508,029	66,123,736	17,745,347	20,545,550	23,453,264	29,008,469	76,631,663

Notes to the Financial Statements – 30 September 2011 (continued)

31. LOANS AND BORROWINGS (continued)

The maturity profile of loans and borrowings of the Company is as follows:

Company	Carrying amount RM	Within 1 year RM	1-2 years RM	2-3 years RM	3-4 years RM	4-5 years RM	More than 5 years RM
2011							
Floating rate instruments							
Revolving credits							
- unsecured							
- RM	15,000,000	15,000,000	–	–	–	–	–
- secured							
- United States Dollar	2,393,250	2,393,250	–	–	–	–	–
Term loan							
- secured							
- United States Dollar	39,089,750	–	–	–	–	8,894,913	30,194,837
Bank overdraft							
- unsecured	37,795	37,795	–	–	–	–	–
	56,520,795	**17,431,045**	**–**	**–**	**–**	**8,894,913**	**30,194,837**
2010							
Floating rate instruments							
Revolving credit							
- unsecured							
- RM	13,000,000	13,000,000	–	–	–	–	–
- secured							
- United States Dollar	2,316,525	2,316,525	–	–	–	–	–
Term loan							
- secured							
- United States Dollar	22,393,075	–	–	–	–	1,814,611	20,578,464
	37,709,600	15,316,525	–	–	–	1,814,611	20,578,464

Finance lease liabilities

Finance lease liabilities are payable as follows:

	Future minimum lease payments RM 2011	Finance charges RM 2011	Present value of minimum lease payments RM 2011	Future minimum lease payments RM 2010	Finance charges RM 2010	Present value of minimum lease payments RM 2010
Less than one year	**1,043,707**	**72,133**	**971,574**	499,202	42,738	456,464
Between one and five years	**2,639,585**	**103,793**	**2,535,792**	607,821	36,323	571,498
	3,683,292	**175,926**	**3,507,366**	1,107,023	79,061	1,027,962

Notes to the Financial Statements – 30 September 2011 (continued)

31. LOANS AND BORROWINGS (continued)

The finance lease liabilities bear effective interest at rates ranging from 3.80% to 16% (2010: 3.80% to 8.33%) per annum.

The term loans, bridging loan and revolving credits bear effective interest at rates ranging from 2.80% to 8.00% (2010: 3.10% to 7.55%) per annum.

The bank overdrafts bear effective interest at rates from 6.80% to 8.10% (2010: 7.05% to 7.55%) per annum. **Unsecured bank overdrafts** are supported by corporate guarantee of the Company.

Term loan I of RM11,496,132 in the previous year was repayable by 32 quarterly principal instalments of RM500,000 each commencing October 2008 and was secured and supported as follows:

(a) legal charge over the leasehold land and building of a subsidiary;
(b) specific debenture by way of fixed and floating charge over the leasehold land and building of a subsidiary; and
(c) corporate guarantee of the Company.

Term loan II of RM7,475,000 (2010: RM8,775,000) is repayable by 40 quarterly principal instalments of RM325,000 over 10 years commencing from the third month from the day of first drawdown and is secured and supported as follows:

(a) legal charge over the leasehold land and building of a subsidiary;
(b) corporate guarantee of the Company;
(c) deposit of titles of the freehold land held for property development of a subsidiary; and
(d) debenture by way of fixed and floating charge over the freehold land held for property development and leasehold land and building of subsidiaries.

Term loan III of RM49,875,000 (2010: RM49,875,000) is repayable by 24 quarterly principal instalments of RM2,375,000 over 8 1/2 years commencing from the first day of the 34th month following the date of the first drawdown or payment by way of redemption, whichever is earlier. **Revolving credits I** of RM40,200,000 (2010: RM nil) are reduced by semi-annually with first reduction commencing June 2013. The term loan and revolving credits are secured and supported as follows:

(a) legal charge over the leasehold land and building of a subsidiary;
(b) corporate guarantee of the Company;
(c) deposit of titles of the land held for property development of a subsidiary;
(d) general debenture over a subsidiary; and
(e) debenture by way of fixed and floating charge over the land held for property development and leasehold land and building of subsidiaries.

Term loan IV RM5,000,000 in the previous year was repayable by 11 quarterly principal instalments of RM415,000 each commencing July 2011 or by way of redemption of the development units at the fixed redemption sum or redemption rate, whichever is earlier and was secured and supported as follows:
(a) an "all monies" facility agreement stamped to the amount of facility advanced;
(b) corporate guarantee of the Company; and
(c) lienholder's caveat over the freehold land held for property development of a subsidiary.

Term loan V of RM13,439,000 (2010: RM22,000,000) is repayable by 20 quarterly principal instalments commencing September 2010 or by way of redemption of the development units at the fixed redemption sum or redemption rate, whichever is earlier. In the previous year, the instalment commencement date was extended to July 2011 and is secured and supported as follows:

Notes to the Financial Statements – 30 September 2011 (continued)

31. LOANS AND BORROWINGS (continued)

(a) facility agreement;
(b) legal charge over the freehold land held for property development of a subsidiary; and
(c) corporate guarantee of the Company.

Term loan VI of RM23,000,000 (2010: RM23,000,000) is repayable by 20 quarterly principal instalments commencing June 2013 or by way of redemption of the development units at the fixed redemption sum or redemption rate to be determined by the financial institution, whichever is earlier and is secured and supported as follows:

(a) facility agreement;
(b) legal charge over the freehold land held for property development of a subsidiary; and
(c) corporate guarantee of the Company.

Term loan VII of RM39,125,594 (2010: RM21,984,720) is repayable in 16 quarterly principal instalments commencing 5 years from the day of first drawdown. **Revolving credit II** of RM2,395,445 (2010: RM2,274,281) is repayable on demand. The term loan and revolving credit are secured and supported as follows:

(a) facility agreement and security sharing agreement;
(b) legal charge over the oil palm plantation land of a subsidiary in Indonesia;
(c) deed of fiduciary by way of fixed and floating charge over the oil palm plantation in Indonesia;
(d) charge over a designated bank account of a subsidiary in Indonesia;
(e) corporate guarantee of the Company;
(f) pledged of shares of a subsidiary;
(g) assignment over all applicable insurance policies; and
(h) negative pledge over a subsidiary's assets.

Term loan VIII of RM11,700,000 (2010: RM nil) is repayable by 10 quarterly principal instalments commencing August 2014 and is secured and supported as follows:

(a) legal charge over the freehold land held for property development of a subsidiary; and
(b) corporate guarantee of the Company.

Term loan IX of RM3,825,260 (2010: RM nil) is repayable by 96 monthly instalments of RM51,163 each commencing December 2010 and is secured and supported as follows:

(a) first party deed of assignment and upon issuance of titles, the security shall be by way of charge over the freehold buildings of a subsidiary;
(b) first party open monies deed of assignment; and
(c) corporate guarantee of the Company.

Term loan X of RM11,044,242 (2010: RM nil) is repayable by 27 quarterly principal instalments of RM390,000 each and final principal instalment of RM470,000 commencing October 2011. **Revolving credit III** RM23,054,612 (2010: RM nil) is repayable on demand. The term loan and revolving credit are secured and supported as follows:

(a) facility agreement;
(b) legal charge over the leasehold land and building of a subsidiary;
(c) legal assignment over debt service account as mentioned in Note 25;
(d) general legal assignment over all tenancy and rent agreements;
(e) specific debenture on fixed and floating charge over the leasehold land and building of a subsidiary;
(f) deed of subordinate in respect of shareholders advances and loans to the subsidiary;
(g) legal assignment of all of the subsidiary's present and future rights, title and benefits in and under such insurance policies procure in respect of the charged; and
(h) corporate guarantee of the Company.

Notes to the Financial Statements – 30 September 2011 (continued)

31. LOANS AND BORROWINGS (continued)

Bridging loan I of RM5,000,000 in the previous year was repayable by five (5) quarterly principal instalments or by way of redemption of the development on the subsidiary's freehold land held for property development at the fixed redemption sum or redemption rate, whichever is earlier and was secured and supported as follows:

(a) deposit of land titles of a subsidiary's freehold land held for property development;
(b) negative pledge on fixed and floating assets of a subsidiary; and
(c) corporate guarantee of the Company.

Bridging loan II of RM3,051,390 (2010: RM nil) is part of the total bridging loan of RM16,000,000 granted to a subsidiary and is repayable by ten (10) quarterly principal instalments commencing December 2012 or by way of redemption of the development on the subsidiary's leasehold land at the fixed redemption sum or redemption rate, whichever is earlier and is secured and supported as follows:

(a) deposit of land titles of a subsidiary's leasehold land held for property development;
(b) negative pledge; and
(c) corporate guarantee of the Company.

Secured revolving credit IV of RM15,000,000 (2010: RM15,000,000) and **Secured bank overdraft** of RM7,009,837 (2010: RM1,565,634) are repayable on demand and are secured and supported as follows:

(a) legal charge over the leasehold land and building of a subsidiary; and
(b) corporate guarantee of the Company.

Secured revolving credit V of RM nil (2010: RM10,000,000) which is repayable on demand and is supported as follows:

(a) deposit of the title of the leasehold land held for property development of a subsidiary; and
(b) corporate guarantee of the Company.

Secured revolving credit VI of RM5,500,000 (2010: RM5,500,000) which is repayable after 2 years by 20 quarterly instalments of RM275,000 commencing on 25 August 2012 and is secured and supported as follows:

(a) legal charge over the leasehold land and building of a subsidiary; and
(b) corporate guarantee of the Company.

Secured revolving credit VII of RM20,000,000 (2010: RM nil) is repayable on demand. **Secured bank overdraft** of RM9,020,948 (2010: RM nil) is repayable on demand. The revolving credit and bank overdraft are secured and supported as follows:

(a) legal charge over the leasehold land held for property development of a subsidiary; and
(b) corporate guarantee of the Company.

Secured revolving credit VIII of RM10,000,000 (2010: RM nil) is repayable by eight (8) quarterly principal instalments commencing May 2013 and is secured and supported as follows:

(a) facility agreement;
(b) deposit part of land titles of the freehold land held for property development of a subsidiary;
(c) negative pledged on fixed and floating assets of a subsidiary; and
(d) corporate guarantee of the Company.

Notes to the Financial Statements – 30 September 2011 (continued)

31. LOANS AND BORROWINGS (continued)

Unsecured revolving credits of RM18,000,000 (2010: RM10,700,000) which is repayable on demand and is supported by corporate guarantee of the Company.

Term loan of RM39,089,750 (2010: RM22,393,075) of the Group and of the Company is repayable in 16 quarterly principal instalments commencing 5 years from the day of first drawdown. **Revolving credit IX** of RM2,393,250 (2010: RM2,316,525) is repayable on demand. The term loan and revolving credit are secured and supported as follows:

(a) facility agreement and security sharing agreement;
(b) legal charge over the oil palm plantation land of a subsidiary in Indonesia;
(c) deed of fiduciary by way of fixed and floating charge over the oil palm plantation in Indonesia;
(d) charge over a designated bank account of a subsidiary in Indonesia;
(e) pledged of shares of a subsidiary; and
(f) assignment over all applicable insurance policies.

32. DIVIDEND

	Total Amount RM	Date of payment
2011 - Nil		
2010		
First interim dividend of 5.0 sen less 25% tax per ordinary share in respect of financial year ended 30 September 2010	9,019,962	28 October 2010

The Directors have recommended a final dividend of 5.0 sen less 25% tax per ordinary share of RM1/- each amounting to RM9,921,947, subject to shareholders' approval at the forthcoming Annual General Meeting. The financial statements for the current financial year do not reflect the final dividend. The final dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 September 2012.

33. CONTINGENT LIABILITIES - UNSECURED

	Company 2011 RM	Company 2010 RM
(a) Corporate guarantees given by the Company to financial institutions and creditors for banking and credit facilities granted to the subsidiaries - outstanding as at year end	**328,865,450**	199,260,607

The financial guarantees have not been recognised since the fair value on initial recognition was immaterial as the financial guarantees provided by the Company did not contribute towards credit enhancement of the subsidiaries' borrowings in view of the security pledged by the subsidiaries and it was not probable that the counterparties to financial guarantee contracts will claim under the contracts.

Notes to the Financial Statements – 30 September 2011 (continued)

33. CONTINGENT LIABILITIES - UNSECURED (continued)

(b) PT Khaleda Agroprima Malindo, a subsidiary of the Company, had in September 2010 received tax assessment letters from the local tax office for under payment of input Value Added Tax ("VAT") for the period from January 2008 to December 2008 amounting to approximately IDR 6.4 billion and a penalty of IDR 6.4 billion, totally approximately IDR 12.6 billion (equivalent to RM4.6 million). Based on the tax audit, the subsidiary was denied the input VAT credit in relation to its planting activities on the ground that the subsidiary engages in the production and sale of Fresh Fruit Bunches ("FFB").

The subsidiary disagrees with the aforementioned assessment as the subsidiary has not generated any sale of FFB and that the intended activity of the subsidiary is that of production and sale of crude palm oil. Accordingly, the subsidiary had filed an objection and had not made any provision in the financial statements as of 30 September 2010..

Based on the decision letters from the local tax authority dated 6 June 2011, the subsidiary's under payment for input VAT for the year 2008 amounted to approximately IDR3.9 billion (equivalent to approximately RM1.4 million). The subsidiary has fully paid the amount on 5 July 2011.

34. CAPITAL COMMITMENTS

	Group	
	2011 RM	**2010 RM**
Approved and contracted for:		
- Property, plant and equipment	**12,743,782**	45,744,866
Approved but not contracted for:		
- Property, plant and equipment	**17,450,000**	–
- Biological assets	**–**	12,654,689
	17,450,000	12,654,689

35. RELATED PARTY DISCLOSURES

(a) Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group has a related party relationship with its subsidiaries, associate and key management personnel.

Notes to the Financial Statements – 30 September 2011 (continued)

35. RELATED PARTY DISCLOSURES (continued)

(b) Key management personnel compensation

The key management personnel compensation is as follows:

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Directors of the Company				
- Fees	**120,000**	80,000	**120,000**	80,000
- Remuneration	**6,730,839**	6,701,516	**5,891,839**	5,878,516
Estimated monetary value of benefits-in-kind	**142,746**	154,995	**–**	–
Total short-term employee benefits	**6,993,585**	6,936,511	**6,011,839**	5,958,516
- Post-employment benefits	**1,214,921**	1,192,698	**1,065,751**	1,046,568
	8,208,506	8,129,209	**7,077,590**	7,005,084
Other key management personnel				
- Remuneration	**5,411,873**	5,201,665	**777,890**	905,092
- Short term employee benefits	**15,574**	10,438	**–**	–
- Post-employment benefits	**601,181**	603,289	**147,957**	172,146
	6,028,628	5,815,392	**925,847**	1,077,238
	14,237,134	13,944,601	**8,003,437**	8,082,322

Other key management personnel comprises persons other than the Directors of Company, having authority and responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly.

(c) Related party transactions and balances of the Company

	Company	
	2011 RM	2010 RM
Received or receivable from subsidiaries		
Gross dividend	**(83,856,000)**	(130,798,234)
Interest income	**(1,155,374)**	–
Management fees	**(10,112,000)**	(9,686,000)
Paid or payable to subsidiaries		
Car parking fees	**5,400**	5,400
Interest expense	**1,244,121**	–
Rental of premises	**261,694**	261,694
Secondment fees	**71,633**	72,814
Other transactions		
Subscription of shares in subsidiaries via settlement of debts due from subsidiaries to the Company	**177,000,000**	227,097,869
Bad debts written off in respect of an amount due from a subsidiary	**–**	81,000
Reversal of impairment loss on receivables in respect of an amount due from a subsidiary	**–**	(81,000)

Information on outstanding balances with related parties of the Company are disclosed in Notes 20 and 30.

Notes to the Financial Statements – 30 September 2011 (continued)

35. RELATED PARTY DISCLOSURES (continued)

(d) Related party transactions and balances of the Group

	Group 2011 RM	2010 RM
Received or receivable from key management personnel		
Progress billings to certain key management personnel of the Group	**970,100**	636,530

Information on outstanding balances with related parties of the Group are disclosed in Note 20.

36. SEGMENT INFORMATION

For management purposes, the Group is organised into business segments based on their products and services. The Group's chief operation decision maker reviews the information of each business segment on at least monthly basis for the purposes of resource allocation and assessment of segment performance. Therefore, the Group's reportable segments under FRS 8 are as follows:

(i)	Property development and construction	-	property development, building and civil works contracting.
(ii)	Hotel and property investment	-	hotel business and property investment and management.
(iii)	Farming, food processing and retail	-	livestock farming, food processing and retail.
(iv)	Trading	-	trading in building materials and household related products and general trading.
(v)	Manufacturing	-	furniture manufacturing.
(vi)	Plantation	-	oil palm cultivation.
(vii)	Investment holding	-	Investment holding and management services.

Non-reportable segments comprise recreational club operation, money lending and provision of insurance broking services.

Segment revenue and result

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. Segment result represents profit before tax of the segment. Inter-segment transactions are entered in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

Segment assets

Segment assets are measured based on all assets (including goodwill) of the segment, excluding investment in an associate, deferred tax assets, current tax assets and other investment.

Segment liabilities

Segment liabilities are measured based on all liabilities, excluding current tax liabilities, interest bearing loans and borrowings and deferred tax liabilities.

Notes to the Financial Statements – 30 September 2011 (continued)

36. SEGMENT INFORMATION (continued)

Segment revenue and result

2011	Property development & construction RM	Hotel & property investment RM	Trading RM	Manu-facturing RM	Plantation RM	Investment holding RM	Non reportable segments RM	Farming, food processing & retail (Discontinued Operation) RM	Eli-minations RM	Consolidated RM
Revenue										
Total external revenue	203,417,094	31,788,675	58,821,383	10,883,153	–	131,650	980,178	35,993,759	–	342,015,892
Inter-segment revenue	–	–	158,837	–	–	11,272,868	–	–	(11,431,705)	–
Total segment revenue	**203,417,094**	**31,788,675**	**58,980,220**	**10,883,153**	**–**	**11,404,518**	**980,178**	**35,993,759**	**(11,431,705)**	**342,015,892**
Results										
Operating result	25,565,962	22,436,193	3,476,765	445,288	(8,701,601)	(441,537)	(48,518)	4,420,031	(1,116,868)	46,035,715
Interest expense	(12,679,446)	(2,223,904)	(26,466)	–	(40,032)	(4,799,786)	(93,113)	(122,575)	3,982,133	(16,003,189)
Interest income	3,114,478	129,764	–	90,984	43,590	1,185,007	26,340	11,926	(2,865,265)	1,736,824
Share of profits of an associate	15,420,574	–	–	–	–	–	–	–	–	15,420,574
Segment result	31,421,568	20,342,053	3,450,299	536,272	(8,698,043)	(4,056,316)	(115,291)	4,309,382	–	47,189,924
Tax expense	(6,693,721)	(4,073,921)	393,300	(105,888)	2,722,970	(170,203)	(150,867)	(1,423,448)	–	(9,501,778)
Profit /(Loss) for the year	**24,727,847**	**16,268,132**	**3,843,599**	**430,384**	**(5,975,073)**	**(4,226,519)**	**(266,158)**	**2,885,934**	**–**	**37,688,146**

36. SEGMENT INFORMATION (continued)

Segment revenue and result (continued)

2011	Property development & construction RM	Hotel & property investment RM	Trading RM	Manu-facturing RM	Plantation RM	Investment holding RM	Non reportable segments RM	Farming, food processing & retail (Discontinued Operation) RM	Eli-minations RM	Consolidated RM
Other segment information										
Bad debts written off	28,741	–	8,147	–	–	–	–	–	–	36,888
Depreciation and amortisation	1,331,667	957,313	22,572	562,806	769,861	21,222 6,339	2,791,737	–	6,463,517	
Changes in fair value of investment properties	–	(9,160,000)	–	–	–	–	–	–	–	(9,160,000)
(Gain)/Loss on disposal of property, plant and equipment	135,405	56,689	–	6,970	–	–	–	47,856	–	246,920
Impairment loss on receivables	86,109	51,362	–	–	42,920	85,765	438,223	16,605	–	720,984
Net (gain)/loss on foreign exchange - unrealised	–	–	–	–	(346,854)	1,479,325	(134,699)	(501)	–	997,271
Reversal of impairment loss on receivables	(19,296)	–	–	–	–	–	(220,646)	–	–	(239,942)
Provision for tax penalty	–	–	–	–	1,074,794	–	–	–	–	1,074,794

Notes to the Financial Statements – 30 September 2011 (continued)

36. SEGMENT INFORMATION (continued)

Segment revenue and result (continued)

2010	Property development & construction RM	Hotel & property investment RM	Trading RM	Manu-facturing RM	Plantation RM	Investment holding RM	Non reportable segments RM	Farming, food processing & retail (Discontinued Operation) RM	Eli-minations RM	Consolidated RM
Revenue										
Total external revenue	179,663,975	37,048,247	26,183,304	12,011,984	–	146,220	806,926	33,356,031	–	289,216,687
Inter-segment revenue	8,175,323	–	82,874	–	–	9,686,000	–	–	(17,944,197)	–
Total segment revenue	187,839,298	37,048,247	26,266,178	12,011,984	–	9,832,220	806,926	33,356,031	(17,944,197)	289,216,687
Results										
Operating result	20,090,887	23,721,959	1,016,117	1,592,415	(4,507,303)	402,955	285,290	5,174,126	–	47,776,446
Interest expense	(7,512,613)	(1,523,036)	(28)	–	(404)	(913,044)	–	(86,834)	–	(10,035,959)
Interest income	419,027	112,118	–	51,655	27,861	20,873	76,739	9,600	–	717,873
Share of profits of an associate	3,424,725	–	–	–	–	–	–	–	–	3,424,725
Segment result	16,422,026	22,311,041	1,016,089	1,644,070	(4,479,846)	(489,216)	362,029	5,096,892	–	41,883,085
Tax expense	(3,280,456)	(5,323,938)	(211,068)	(416,038)	176,901	(300,328)	(106,712)	(1,486,279)	–	(10,947,918)
Profit /(Loss) for the year	13,141,570	16,987,103	805,021	1,228,032	(4,302,945)	(789,544)	255,317	3,610,613	–	30,935,167

Notes to the Financial Statements – 30 September 2011 (continued)

36. SEGMENT INFORMATION (continued)

Segment revenue and result (continued)

2010	Property development & construction RM	Hotel & property investment RM	Trading RM	Manu-facturing RM	Plantation RM	Investment holding RM	Non reportable segments RM	Farming, food processing & retail (Discontinued Operation) RM	Eli-minations RM	Consolidated RM
Other segment information										
Bad debts written off	2,992	176,160	–	–	–	840	–	12,360	–	192,352
Depreciation and amortisation	1,381,709	833,728	21,492	574,161	761,501	17,027	6,176	2,079,332	–	5,675,126
Changes in fair value of investment properties	–	(8,339,000)	–	–	–	–	–	–	–	(8,339,000)
Gain on disposal of non-current assets held for sale	(3,992,734)	–	–	–	–	–	–	–	–	(3,992,734)
(Gain)/Loss on disposal of property	(43,274)	(5,750)	–	–	–	–	–	2,025	–	(46,999)
Gain on transfer from property, plant and equipment to investment properties	(205,597)	–	–	–	–	–	–	–	–	(205,597)
Gain on transfer from inventories to investment properties	(3,076,051)	–	–	–	–	–	–	–	–	(3,076,051)
Impairment loss on receivables	35,652	66,181	38,929	–	–	–	–	182,550	–	323,312
Net gain on foreign exchange - unrealised	–	–	–	–	(473)	(327,187)	–	–	–	(327,660)
Reversal of impairment loss on receivables	(38,050)	(482,862)	–	–	–	(2,427)	(5,126)	(17,469)	–	(545,934)
Reversal of provision for rectification works	(250,000)	–	–	–	–	–	–	–	–	(250,000)

Notes to the Financial Statements – 30 September 2011 (continued)

36. SEGMENT INFORMATION (continued)

Segment revenue and result (continued)

2011	Property development & construction RM	Hotel & property investment RM	Trading RM	Manu-facturing RM	Plantation RM	Investment holding RM	Non reportable segments RM	Farming, food processing & retail (Discontinued Operation) RM	Eli-minations RM	Consolidated RM
Assets										
Segment assets	526,182,644	253,558,995	20,319,030	23,463,491	296,642,480	4,231,422	17,855,480	83,788,365	–	1,226,041,907
Investment in an associate	38,277,108	–	–	–	–	–	–	–	–	38,277,108
Deferred tax assets	12,197,400	–	23,100	–	–	754,575	–	–	–	12,975,075
Current tax assets	1,398,093	128,937	–	2,154	100	193,295	28,850	–	–	1,751,429
Other investment	–	–	–	–	–	–	–	–	–	–
Total assets	**578,055,245**	**253,687,932**	**20,342,130**	**23,465,645**	**296,642,580**	**5,179,292**	**17,884,330**	**83,788,365**	**–**	**1,279,045,519**
Liabilities										
Segment liabilities	63,169,402	9,003,539	9,685,575	2,126,047	12,685,774	3,773,433	1,177,990	10,266,042	–	111,887,802
Current tax liabilities	2,188,675	663,094	355,865	–	–	–	–	59,598	–	3,267,232
Interest bearing liabilities	225,199,873	51,415,318	–	–	43,366,133	56,520,795	–	4,825,522	–	381,327,641
Deferred tax liabilities	4,870,900	29,668,867	–	1,025,000	5,461,005	–	2,700	7,576,840	–	48,605,312
Total liabilities	**295,428,850**	**90,750,818**	**10,041,440**	**3,151,047**	**61,512,912**	**60,294,228**	**1,180,690**	**22,728,002**	**–**	**545,087,987**
Other segment information										
Additons to non-current assets other than financial instruments and deferred tax assets	**42,452,571**	**1,878,119**	**18,504**	**47,228**	**107,308,852**	**3,340**	**3,000**	**11,985,139**	**(575,000)**	**163,121,753**

Notes to the Financial Statements – 30 September 2011 (continued)

36. SEGMENT INFORMATION (continued)

Segment revenue and result (continued)

2010	Property development & construction RM	Hotel & property investment RM	Trading RM	Manu-facturing RM	Plantation RM	Investment holding RM	Non reportable segments RM	Farming, food processing & retail RM	Assets classified as Held for Sale RM	Consolidated RM
Assets										
Segment assets	455,016,066	252,032,678	11,609,912	21,832,932	175,160,448	16,463,779	14,947,870	58,255,591	251,175	1,005,570,451
Investment in an associate	25,121,364	–	–	–	–	–	–	–	–	25,121,364
Deferred tax assets	8,501,181	–	147,200	–	–	754,575	185,800	–	–	9,588,756
Current tax assets	1,689,208	88,106	335,957	–	–	65,829	25,000	–	–	2,204,100
Other investment	88,000	–	–	–	–	–	–	–	–	88,000
Total assets	490,415,819	252,120,784	12,093,069	21,832,932	175,160,448	17,284,183	15,158,670	58,255,591	251,175	1,042,572,671
Liabilities										
Segment liabilities	52,886,633	8,620,493	4,304,826	2,334,463	2,649,927	12,581,669	1,225,088	5,435,337	–	90,038,436
Current tax liabilities	191,686	710,200	–	58,950	–	–	18,834	322,625	–	1,302,295
Interest bearing liabilities	144,662,192	25,771,132	–	–	24,259,001	37,709,600	–	1,106,104	–	233,508,029
Deferred tax liabilities	4,779,300	28,494,444	100	1,025,000	6,523,682	–	2,900	5,285,943	–	46,111,369
Total liabilities	202,519,811	63,596,269	4,304,926	3,418,413	33,432,610	50,291,269	1,246,822	12,150,009	–	370,960,129
Other segment information										
Additons to non-current assets other than financial instruments and deferred tax assets	72,281,332	8,251,628	4,594	62,556	61,114,341	45,261	2,758	4,264,679	–	146,027,149

Notes to the Financial Statements – 30 September 2011 (continued)

36. SEGMENT INFORMATION (continued)

Geographical information

Revenue and non-current assets information is presented based on the segment's country of domicile. Revenue from external customers based on the location of its customers has not been disclosed as revenue earned outside Malaysia is insignificant. Non-current assets do not include financial instruments and deferred tax assets.

	Revenue		Non-current assets	
	2011 RM	2010 RM	2011 RM	2010 RM
Malaysia	**331,132,739**	277,204,703	**601,286,310**	551,310,855
The Peoples' Republic of China	**10,883,153**	12,011,984	**12,440,679**	12,033,201
Republic of Indonesia	**–**	–	**274,663,581**	156,476,681
	342,015,892	289,216,687	**888,390,570**	719,820,737

Major customer information

There is no single customer with revenue equal or more than 10% of the Group revenue.

37. SIGNIFICANT EVENTS

a) On 17 December 2010, the subsidiaries of the Company, Detik Merdu Sdn. Bhd. ("DMSB") and Metro Kajang (Oversea) Sdn. Bhd. ("MKOSB") incorporated a new subsidiary, PT Nusantara Makmur Jaya ("PTNMJ") under the Laws of the Republic of Indonesia. PTNMJ will have an issued and paid-up share capital of IDR3,576 million (equivalent to USD400,000) divided into 400,000 shares of IDR8,940 (equivalent to USD1.00) each. DMSB and MKOSB will be holding 99.75% and 0.25% of the paid-up share capital of PTNMJ respectively. As a result, PTNMJ became an indirect wholly-owned subsidiary of the Company.

b) SJL Utama Pte. Ltd. ("SJL"), an indirect wholly-owned subsidiary of the Company, which has ceased its business operation on 1 July 2009, had earlier applied to Labuan Financial Services Authority ("LFSA") for it to be struck off from the register. On 22 November 2011, SJL has received the notice from LFSA that SJL has been struck off from the register of LFSA with effect from 15 November 2011 pursuant to Section 151(4) of the Labuan Companies Act, 1990 and hence, SJL ceased to be the subsidiary of the Company.

38. SUBSEQUENT EVENT

On 29 December 2011, the Company entered into a Sale and Purchase Agreement ("the SPA") with Charoen Pokphand Foods (Malaysia) Sdn Bhd for the Proposed Disposal of the entire issued and paid-up share capital of Makin Jernih Sdn. Bhd. ("MJSB") comprising 33,000,000 ordinary shares of RM1/- each together with its subsidiaries, Chau Yang Farming Sdn. Bhd., Tip Top Meat Sdn. Bhd. and AA Meat Shop Sdn. Bhd. for a total cash consideration of RM64.0 million.

Notes to the Financial Statements – 30 September 2011 (continued)

39. OPERATING LEASE ARRANGEMENTS – THE GROUP AS LESSOR

The Group have entered into property leases on its investment properties with non-cancellable lease terms of 30 years. The lease contracts contain fixed upward revision of the rental charges over the lease period.

Future minimum rental receivables under non-cancellable operating leases at reporting date but not recognised as receivables, are as follows:

	Group	
	2011	**2010**
	RM	**RM**
Not later than 1 year	**1,820,257**	1,798,692
Later than 1 year but not later than 5 years	**7,544,556**	7,437,600
Later than 5 years	**50,140,598**	52,100,466
	59,505,411	61,336,758

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The main risks and corresponding management policies arising from the Group's normal course of business are as follows:

(i) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

The Group's and the Company's exposure to credit risk primarily arises from its receivables. For other financial assets, the Group minimises credit risk by dealing with high credit rating counterparties. The maximum risk associated with recognised financial assets is the carrying amounts as presented in the statements of financial position and corporate guarantee provided by the Company to banks on subsidiaries' credit facilities.

The Group has a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

The Group determines concentrations of credit risk by monitoring the country of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's net trade related receivables at the reporting date are as follows:

	Group 2011 RM	% of total
By country:		
Malaysia	**64,677,892**	99.15
The Republic of Peoples' Republic of China	**553,710**	0.85
	65,231,602	100.00

The Group does not have any significant exposure to any individual customer at the reporting date.

Notes to the Financial Statements – 30 September 2011 (continued)

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(i) Credit risk (continued)

Financial guarantee

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to subsidiaries.

The Company monitors on an ongoing basis the repayments made by the subsidiaries and their financial performance.

The maximum exposure to credit risk amounts to RM328,865,450 (2010 : RM199,260,607) representing the outstanding credit facilities of the subsidiaries guaranteed by the Company at the reporting date. At the reporting date, there was no indication that the subsidiaries would default on its repayment.

(ii) Liquidity risk

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

The Group actively manages its operating cash flows and the availability of funding so as to ensure that all 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 so as to achieve overall cost effectiveness.

Analysis of financial instruments by remaining contractual maturities

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

	Total Carrying amount RM	On demand Contractual cash flows RM	or within 1 year RM	1 to 2 years RM	2 to 5 years RM	Over 5 years RM
Group						
2011						
Financial liabilities:						
Payables and accruals	83,672,586	83,672,586	73,708,561	9,546,806	417,219	–
Loans and borrowings	376,502,119	429,357,878	146,396,508	38,249,331	174,002,159	70,709,880
	460,174,705	**513,030,464**	**220,105,069**	**47,796,137**	**174,419,378**	**70,709,880**

Notes to the Financial Statements – 30 September 2011 (continued)

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(ii) Liquidity risk (continued)

	Total Carrying amount RM	Contractual cash flows RM	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	Over 5 years RM
Company						
2011						
Financial liabilities:						
Payables and accruals	65,890,345	65,890,345	65,890,345	–	–	–
Loans and borrowings	56,520,795	63,045,229	18,506,005	2,219,429	21,611,629	20,708,166
	122,411,140	**128,935,574**	**84,396,350**	**2,219,429**	**21,611,629**	**20,708,166**

(iii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk when the currency denomination differs from its functional currency.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of the Group entities, primarily Ringgit Malaysia ("RM"), Indonesian Rupiah ("IDR") and Chinese Renminbi ("RMB"). The foreign currency in which these transactions are denominated is mainly USD. Foreign currency exposure in transactions and currencies other than functional currencies of the operating entities are kept to an acceptable level.

The Group also holds cash and bank balances denominated in USD, Hong Kong Dollar ("HKD") and SGD for working capital purposes.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations. The Group's net investment in The Peoples' Republic of China and Republic of Indonesia are not hedged as currency positions in RMB and IDR are considered to be long-term in nature.

Notes to the Financial Statements – 30 September 2011 (continued)

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Foreign currency risk (continued)

Financial assets and liabilities denominated in USD, HKD and SGD are as follows:

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
United States Dollar				
Cash and bank balances	**1,513,528**	5,473,002	**580,945**	3,652,232
Trade receivables	**553,710**	982,329	**–**	–
Revolving credit	**4,788,695**	4,590,806	**2,393,250**	2,316,525
Term loans	**78,215,344**	44,377,795	**39,089,750**	22,393,075
	85,071,276	55,423,933	**42,063,945**	28,361,832
Hong Kong Dollar				
Cash and cash equivalents	**–**	2,601	**–**	–
Singapore Dollar				
Cash and cash equivalents	**–**	261	**–**	–

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit for the year to a reasonably possible change in the USD exchange rate against RM, with all other variables held constant.

		Group 2011 RM Profit for the year	Company 2011 RM Profit for the year
USD/RM	- strengthened 5%	**1,581,300**	1,577,400
	- weakened 5%	**1,581,300**	1,577,400
USD/RMB	- strengthened 5%	**29,000**	–
	- weakened 5%	**29,000**	–
USD/IDR	- strengthened 5%	**1,579,900**	–
	- weakened 5%	**1,579,900**	–

(iv) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk relates to interest bearing financial assets and financial liabilities. Interest bearing financial assets include finance lease receivables, loan receivables and deposits with licensed banks. Deposits are placed for better yield returns than cash at banks and to satisfy conditions for bank guarantee.

The Group's interest bearing financial liabilities comprise finance lease, bank overdrafts, revolving credits, bridging loan and term loans.

Notes to the Financial Statements – 30 September 2011 (continued)

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iv) Interest rate risk (continued)

The fixed deposits placed with licensed banks at fixed rate exposes the Group to fair value interest rate risk. The bank overdrafts, revolving credits, bridging loan and term loans totalling RM372,994,753 at floating rate expose the Group to cash flow interest rate risk whilst finance lease of RM3,507,366 at fixed rate expose the Group to fair value interest rate risk.

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group also actively reviews its debts portfolio to ensure favourable rates are obtained, taking into account the investment holding period and nature of assets.

<u>Sensitivity analysis for interest rate risk</u>
As at the reporting date, a change of 50 basis points in interest rates, with all other variables held constant, would decrease/increase the total equity and profit after tax by approximately RM1,398,700 , arising mainly as a result of higher/lower interest expense on floating rate loans and borrowings.

41 FAIR VALUE OF FINANCIAL INSTRUMENTS

The methods and assumptions used to estimate the fair value of the following classes of financial assets and liabilities are as follows:

(i) Cash and cash equivalents, trade and other receivables and payables and finance lease receivables
The carrying amounts approximate fair values due to the relatively short term maturities of these financial assets and liabilities.

(ii) Long term trade receivable, loan receivables and finance lease receivables
The fair values of long term trade receivable, loan receivables and finance lease receivables are estimated using expected future cash flows of contractual instalment payments discounted at current prevailing rates offered for similar types of credit or lending arrangements.

(iii) Borrowings
The carrying amounts of bank overdrafts, short term revolving credits, bridging loan and short term loans approximate fair values due to the relatively short term maturities of these financial liabilities.

The carrying amounts of long term floating rate revolving credits and loans approximate their fair values as the loans will be re-priced to market interest rate on or near reporting date.

The fair value of finance lease is estimated using discounted cash flow analysis, based on current lending rates for similar types of lending arrangements.

Notes to the Financial Statements – 30 September 2011 (continued)

41 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The carrying amounts of financial assets and liabilities recognised in the financial statements approximate their fair values except as follows:

	Group		Company	
	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
2011				
Financial assets				
Long term trade receivable	9,463,119	9,174,338	–	–
Long term other receivables	2,733,882	309,859	–	–
	12,197,001	**9,484,197**	**–**	**–**
Financial liabilities				
Finance lease liabilities	**3,507,366**	**3,514,092**	**–**	**–**
2010				
Financial assets				
Finance lease receivables	118,109	118,147	–	–
Financial liabilities				
Finance lease liabilities	1,027,962	1,001,802	–	–

42. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to sustain future development of the businesses so that it can continue to maximise returns for shareholders and benefits for other stakeholders.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, obtain new borrowings or repay existing borrowings. No changes were made in the objectives, policies and processes during the years ended 30 September 2011 and 30 September 2010.

The debt-to-equity ratio is calculated as total debts divided by total capital of the Group. Total debts comprise interest bearing loans and borrowings whilst total capital is the total equity attributable to owners of the parent. The Group's policy is to keep the debt-to-equity ratio not exceeding 70%. The debt-to-equity ratio as at 30 September 2011 and 2010, which are within the Group's objectives of capital management are as follows:

	Group	
	2011	2010
Loans and borrowings (RM)	**376,502,119**	233,508,029
Total equity attributable to owners of the parent (RM)	**733,803,927**	671,157,539
Debt-to-equity ratio (%)	**51%**	35%

The Group is not subject to any externally imposed capital requirements.

Notes to the Financial Statements – 30 September 2011 (continued)

43. COMPARATIVE FIGURES

The following comparative figures have been reclassified due to effect of adopting the Amendments to FRS117:

	As Reclassified RM	As Previousl Classified RM
Statement of financial position		
Property, plant and equipment	118,537,945	104,237,945
Prepaid lease payments	30,774,465	45,764,628
Revaluation reserve	16,799,124	17,316,747
Deferred tax liabilities	46,111,369	46,283,909

44. SUPPLEMENTARY INFORMATION ON THE DISCLOSURE OF REALISED AND UNREALISED PROFIT OR LOSS.

The following analysis of realised and unrealised retained earnings of the Group and of the Company at 30 September 2011 is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad ("Bursa Malaysia") dated 25 March 2010 and 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.*

The retained earnings of the Group and of the Company as at 30 September 2011 and 30 September 2010 is analysed as follows:

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Total retained earnings of the Company and its subsidiaries:				
- realised	**474,829,768**	479,484,061	**221,202,633**	184,267,368
- unrealised	**69,928,099**	54,547,962	**(720,624)**	1,135,697
	544,757,867	534,032,023	**220,482,009**	185,403,065
Total share of retained earnings from an associate:				
- realised	**28,530,517**	15,374,773	**–**	–
- unrealised	**–**	–	**–**	–
	573,288,384	549,406,796	**220,482,009**	185,403,065
Less: Consolidation adjustments	**(141,726,243)**	(131,984,483)	**–**	–
Total retained earnings	**431,562,141**	417,422,313	**220,482,009**	185,403,065

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

List of Properties
as at 30 September 2011

Location	Description and Existing Use	Land Area (acres)	Tenure	Carrying Amount RM'000	*Date of Revaluation/ Date of Acquisition
ALIRAN PERKASA SDN. BHD.					
Lot 42195, Mukim Kajang, Daerah Ulu Langat, Selangor	Agricultural title. Existing use: Vacant land	3.088	Freehold	1,345	01.04.2004
Lot 42182, Seksyen 10, Bandar Kajang, Daerah Ulu Langat, Selangor	Land approved for development, Existing use: Rubber trees	1.495	Freehold	660	07.02.2005
Lot 19390, Mukim Semenyih, Daerah Ulu Langat, Selangor	Vacant residential land	1.960	Freehold	990	30.08.2005
Lot 1996, Mukim Semenyih, Daerah Ulu Langat, Selangor	Agricultural title. Existing use: Vacant land	113.460	Freehold	36,606	22.03.2010
Part of Lot 25310 (Previously Lot 2322), Mukim Semenyih, Daerah Ulu Langat, Selangor	Agricultural title. Existing use: Vacant land	5.797	Freehold	2,022	01.07.2010
Lot 25301, Mukim Semenyih, Daerah Ulu Langat, Selangor	Agricultural title. Existing use: Oil palm/rubber trees	6.588	Freehold	1,992	01.08.2011
Lot 1990, Mukim Semenyih, Daerah Ulu Langat, Selangor	Agricultural title. Existing use: Oil palm/rubber trees	12.906	Freehold	3,899	01.08.2011
CEKAP CORPORATION BERHAD					
PT 25624, Taman Bukit Mewah, Kajang, Selangor	3-storey clubhouse, car park and swimming pool, all known as Mewah Club (built-up area of 39,478 sq. ft.) (Building age: 17 years)	4.840	Freehold	12,538	*29.09.2010
Lot 15694, Mukim Semenyih, Daerah Ulu Langat, Selangor	Vacant residential land	3.105	Freehold	1,667	30.04.1999
Lot 15683, Mukim Semenyih, Daerah Ulu Langat, Selangor	Vacant residential land	3.184	Freehold		
Lot 15703, Mukim Semenyih, Daerah Ulu Langat, Selangor	Partly vacant residential land	2.088	Freehold	478	30.04.1999

List of Properties As At 30 September 2011 (continued)

Location	Description and Existing Use	Land Area (acres)	Tenure	Carrying Amount RM'000	*Date of Revaluation/ Date of Acquisition
CHAU YANG FARMING SDN. BHD. #					
Lot 36251, 43180, 43177, 26781, 34212, 19208, 19043, 43179, 34213, 19163, 21738, 18920, 19844, 20968, 15407, 22261, 18921, 25157, 21739, 18922, 26785, 22260 and part of Lot 5591, 16148, 16418, PT 4996 (Previously 15248), all in Mukim Belanja, Daerah Kinta, Perak Lot 5437, Mukim Belanja, Daerah Perak Tengah, Perak	Land presently held under agricultural title, Existing use: Factory and office buildings, workers' quarter, livestock farming and oil palm cultivation. (Building age: 20 years)	224.26 (nett area)	Freehold	19,850	*29.09.2011
Lot 44742, Mukim Belanja, Daerah Kinta, Perak	Land presently held under agricultural title, Existing use: oil palm cultivation	3.850	Leasehold expiring in year 2106		
GERAK TEGUH SDN. BHD.					
All of the parcels of land held by this subsidiary are located at Mukim Semenyih, Daerah Ulu Langat, Selangor and form part of the mixed development project of Taman Pelangi Semenyih					
PT 26791	Vacant residential land	16.140	Freehold	1,429	08.10.2001
PT 26792	Vacant commercial land	0.500	Freehold	139	08.10.2001
PT 26793	Existing use: 1-storey clubhouse, car park and swimming pool (built-up area of 17,797 sq. ft., Building age: 3 years) and part of the land is vacant	2.530	Freehold	513	08.10.2001
PT 26794	Existing use: lease out for commercial building	2.200	Freehold	4,800	29.09.2011 (Investment Properties stated at fair value)
PT 26795	Existing use: lease out for commercial building	6.900	Freehold	10,500	29.09.2011 (Investment Properties stated at fair value)

List of Properties As At 30 September 2011 (continued)

Location	Description and Existing Use	Land Area (acres)	Tenure	Carrying Amount RM'000	*Date of Revaluation/ Date of Acquisition
HILIRAN JUARA SDN. BHD.					
PT 417 to 427 (11 lots), Pekan Baru Sungai Besi, Daerah Petaling, Selangor	Land approved for residential and commercial development Existing use: Vacant land	11.980	Leasehold expiring in year 2100	18,887	14.01.2005
KAJANG RESOURCES CORPORATION SDN. BHD.					
All of the parcels of land held by this subsidiary are located at Batu 18, Jalan Semenyih, Mukim Semenyih, Daerah Ulu Langat, Selangor					
PT 21725	Vacant commercial land	3.606	Freehold	1,883	1991
PT Nos. 50 and 51	Residential land Existing use: Oil palm plantation	9.660	Leasehold expiring in year 2089	2,800	1991
PT Nos. 131 and 132	Vacant residential land	1.570	Freehold	248	19.08.1997
Lot 27977	Agricultural title Existing use: Vacant land	9.219	Freehold	1,819	26.05.1994
Lot No. 2028	Agricultural title Existing use: Rubber plantation	9.369	Freehold	860	29.02.1996
Lot Nos. 2118 and 2119	Agricultural title Existing use: Vacant land	10.380	Freehold	1,206	11.08.1995
Lot No. 2217	Agricultural title Existing use: Vacant land	7.394	Freehold	2,149	19.08.1997
Lot 2231	Agricultural title Existing use: Vacant land	7.387	Freehold	3,332	23.04.2010
PT10952	Agricultural title Existing use: Vacant land	3.296	Freehold	1,726	06.08.2010
PT10953	Agricultural title Existing use: Vacant land	3.296	Freehold	1,484	04.08.2010
Lot 2227	Agricultural title Existing use: Vacant land	7.006	Freehold	4,576	14.01.2011
Lot 2822	Agricultural title Existing use: Vacant land	5.669	Freehold	3,426	13.01.2011
Lot 2823	Agricultural title Existing use: Vacant land	5.672	Freehold	3,427	13.01.2011

List of Properties As At 30 September 2011 (continued)

Location	Description and Existing Use	Land Area (acres)	Tenure	Carrying Amount RM'000	*Date of Revaluation/ Date of Acquisition
KAJANG RESOURCES CORPORATION SDN. BHD. (continued)					
Lot 2824	Agricultural title Existing use: Vacant land	5.666	Freehold	3,424	13.01.2011
LAJU JAYA SDN. BHD.					
PT Nos. 19379 to 19391 (13 lots) Jalan Semenyih, Kajang, Selangor	Wisma MKH. A 6-storey hotel cum office building with built-up area of 171,935 sq.ft. Existing use: 100% tenanted (Building age: 17 years)	0.585	Leasehold expiring in 2089	29,790	*29.09.2010
MAHA USAHA SDN. BHD.					
PT No. 19482, Bandar Kajang, Daerah Ulu Langat, Selangor	Commercial complex with built-up area of approximately 600,000 sq. ft. Existing use: 99% tenanted (Building age: 15 years)	2.330	Leasehold expiring in 2089	123,000	29.09.2011 (Investment Properties stated at fair value)
METRO TIARA (M) SDN. BHD.					
Unit 1-1, Tingkat 1, Dataran Pelangi Utama, Pelangi Utama, Jalan Masjid, PJU6A, Petaling Jaya, Selangor	1 unit of stratified office lot within a block of 6-storey shop offices with 58 bays of car park. (Building age: 3.5 years)	2,971 sq. ft (net lettable area)	Leasehold expiring in year 2101	2,380	29.09.2011 (Investment Properties stated at fair value)
PELANGI SEMENYIH SDN. BHD.					
Part of Lot 967, Mukim Beranang, Daerah Ulu Langat, Selangor	Land approved for mix development. Existing use: Vacant and partly oil palm plantation	43.740	Freehold	35,202	27.03.2009
PT. KHALEDA AGROPRIMA MALINDO					
East Kalimantan, Indonesia	Oil palm plantation	39,395	Leasehold of 35 years expiring in year 2042 with an option to renew for a further period of 25 years	@ 203,634	18.01.2008

List of Properties As At 30 September 2011 (continued)

Location	Description and Existing Use	Land Area (acres)	Tenure	Carrying Amount RM'000	*Date of Revaluation/ Date of Acquisition
SERBA SENTOSA SDN. BHD.					
Lot 462, Seksyen 7, Bandar Kajang, Daerah Ulu Langat, Selangor	Existing use: leased to Srijang Indah Sdn. Bhd. for a single-storey temporary Food Court (Built-up area: approximately 10,000 sq. ft.)	1.650	Leasehold expiring in year 2096	5,125	25.07.1995
Lot 463, Seksyen 7, Bandar Kajang, Daerah Ulu Langat, Selangor	Land approved for residential development. Existing use: partly occupied	1.670	Leasehold expiring in year 2096	2,219	25.07.1995
Lot 456, Seksyen 7, Bandar Kajang, Daerah Ulu Langat, Selangor	Existing use: lease out for commercial building	1.047	Leasehold expiring in year 2096	8,000	29.09.2011 (Investment Properties stated at fair value)
PT 35799, Bandar Kajang, Daerah Ulu Langat, Selangor	Land approved for commercial development. Existing use: office	1.210	Leasehold expiring in year 2096	3,020	25.07.1995
Lot 42275, Seksyen 9, Bandar Kajang, Daerah Ulu Langat, Selangor	Land approved for commercial development. Existing use: building	1.857	Leasehold expiring in year 2096	4,609	25.07.1995
PT 56159, Bandar Kajang, Daerah Ulu Langat, Selangor	Land approved for commercial development. Existing use: vacant land	3.720	Leasehold expiring in year 2103	9,229	25.07.1995
PT 69670, Bandar Kajang, Daerah Ulu Langat, Selangor	Vacant commercial land	1.194	Leasehold expiring in year 2107	3,715	25.07.1995
Lot 41078 and 41086 Seksyen 10, Bandar Kajang, Daerah Ulu Langat, Selangor	Vacant residential land	1.011	Freehold	953	05.08.2004
SRIJANG INDAH SDN. BHD.					
Lot 501, Seksyen 7, Bandar Kajang, Daerah Ulu Langat, Selangor	4-storey commercial complex with built-up area of approximately 358,707 sq. ft. Existing use: 92% tenanted (Building age: 4.5 years)	1.720	Leasehold expiring in year 2102	49,500	29.09.2011 (Investment Properties stated at fair value)
PT No. 54017, Bandar Baru Bangi, Daerah Ulu Langat, Selangor	1.5-storey hypermarket building (built-up area of 67,089 sq. ft.) (Building age: 8 years)	1.770	Freehold	10,750	29.09.2011 (Investment Properties stated at fair value)

List of Properties As At 30 September 2011 (continued)

Location	Description and Existing Use	Land Area (acres)	Tenure	Carrying Amount RM'000	*Date of Revaluation/ Date of Acquisition
SRIJANG INDAH SDN. BHD. (continued)					
Unit G-1, G-2 & G-3, Idaman KL 128 (Saville Residence), 128, Jalan Klang Lama, Kuala Lumpur	3 units of stratified office lot within a block of 30-storey serviced apartment with 69 bays of car park. (Building age: 1 year)	11,077 sq. ft (total net lettable area)	Freehold	6,979	29.09.2011 (Investment Properties stated at fair value)
Lot 462, Seksyen 7, Bandar Kajang, Daerah Ulu Langat, Selangor	Temporary lease the land from Serba Sentosa Sdn. Bhd. and constructed a single storey Food Court with built-up area approximately 10,000 sq. ft. (Building age: 8 years)	1.650	Leasehold expiring in year 2096	172	29.09.2011 (Investment Properties stated at fair value)
SRIJANG KEMAJUAN SDN. BHD.					
Part of Lot 660, 661, 662 and 663, Seksyen 10, Bandar Kajang, Part of Lot 246, 300, 1028, 1029, 1070 and 1127, Mukim Kajang, all in Daerah Hulu Langat, Selangor	Land approved for mixed development. Existing use: Vacant land	146.53	Freehold		05.05.2008
Lot 656, Seksyen 14, Bandar Kajang, Daerah Hulu Langat, Selangor.	Agricultural title. Existing use : Vacant land	2.068	Freehold	93,241	05.05.2008
Lot 2148, Mukim Kajang, Daerah Hulu Langat, Selangor	Agricultural title. Existing use : Vacant land	0.569	Freehold		05.05.2008
Geran 94270, Lot 38631 and Geran 94269, Lot 38636, Bandar Kajang, Daerah Hulu Langat, Selangor	Agricultural title. Existing use: Vacant land	4.028	Freehold		05.05.2008
Lot 13638, Mukim Kajang, Daerah Hulu Langat, Selangor	Agricultural title, Existing use: Vacant land	3.356	Freehold	3,680	04.01.2011
TIP TOP MEAT SDN. BHD. #					
PT No. 17840, Mukim Serendah, Daerah Ulu Selangor, Selangor	Office and factory building (Building age: 8 years)	50.000	Leasehold expiring in year 2101	31,900	* 29.09.2011

List of Properties As At 30 September 2011 (continued)

Location	Description and Existing Use	Land Area (acres)	Tenure	Carrying Amount RM'000	*Date of Revaluation/ Date of Acquisition
VAST FURNITURE MANUFACTURING (KUNSHAN) CO. LTD.					
Lot 1120101015 & Lot 1120101009, 588 Airport Road, Shipu Town, Kunshan City, Jiangsu Province, Republic of China	Office, factory buildings & partial vacant land (Building age: 11 years), New factory building (Building age: 6 years)	10.000	Leasehold of 50 years expiring in 2049	12,190	* 20.09.2010
MKH BERHAD (formerly known as Metro Kajang Holdings Berhad)					
Lot 2 and Lot 8, Jalan Bukit Mewah 66, 43000 Kajang, Selangor Darul Ehsan.	Two units of 2-Storey Shop Office (built up area: 8,802 sq. ft.) (Building age: 13 years)	4,401 sq. ft. (total net lettable area)	Freehold	566	* 29.09.2010

Note :

@ comprise of prepaid lease payment and biological assets.

Pursuant to the Sale and Purchase Agreement ("SPA") dated 29 December 2011, MKH Berhad has entered into an agreement to dispose its entire investment in Makin Jernih Sdn Bhd together with its subsidiaries, Chau Yang Farming Sdn Bhd, Tip Top Meat Sdn Bhd and AA Meat Shop Sdn Bhd to Charoen Pokphand Foods (Malaysia) Sdn Bhd for a total consideration of RM64.0 million only. The SPA was completed on 16 January 2012.

Analysis of Shareholdings
As At 13 January 2012

SHARE CAPITAL

Authorised Share Capital	:	RM500,000,000	
Issued and Fully Paid-up	:	RM264,585,251	
Type of Shares	:	Ordinary shares of RM1.00 each	
Voting Rights	:	One vote per shareholder on a show of hands	In the meeting
		One vote per ordinary share on a poll	of shareholders
No. of Shareholders	:	3,930	

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Holders	Total Holdings	%
1 – 99	487	18,715	0.007
100 – 1,000	189	87,592	0.033
1,001 – 10,000	2,239	8,740,792	3.304
10,001 – 100,000	868	24,122,214	9.117
100,001 – 13,229,261	143	102,865,646	38.878
13,229,262 and above	4	128,750,292	48.661
Total	3,930	264,585,251	100.00

SUBSTANTIAL SHAREHOLDERS

		No. of Shares Held				
	Name of Shareholder	Direct Interest	%	Indirect Interest		%
1	Chen Choy & Sons Realty Sdn. Bhd. ("CCSR")	66,716,205	25.215	47,247,200	*	17.857
2	Public Bank Group Officers' Retirement Benefits Fund	–	–	23,916,126	*	9.039
3	Dato' Chen Kooi Chiew @ Cheng Ngi Chong	545,391	0.206	120,285,122	**	45.462
4	Datuk Chen Lok Loi	5,502,971	2.080	113,963,405	^	43.072
5	Mr. Chen Fook Wah	800,644	0.303	113,963,405	^	43.072
6	Mr. Chan Hon Fu	1,190,151	0.450	113,963,405	^	43.072
7	Mr. Chen Ying @ Chin Ying	–	–	114,691,825	^^	43.348
8	Dr. Chin Kuan Haok @ Chen Koh Fook	–	–	113,963,405	^	43.072

Notes :

* Deemed interest through shares held in nominee companies.
** Deemed interest through shares held in CCSR, Lotus Way Sdn Bhd and shares held through nominee companies.
^ Deemed interest through shares held in CCSR.
^^ Deemed interest through shares held in CCSR and in a nominee company.

Analysis of Shareholdings (continued)

TOP 30 SHAREHOLDERS OF MKH BERHAD (FORMERLY KNOWN AS METRO KAJANG HOLDINGS BERHAD)

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

	Names	Shareholdings	%
1	Chen Choy & Sons Realty Sdn Bhd	66,716,205	25.215
2	EB Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account for Chen Choy & Sons Realty Sdn Bhd	26,819,100	10.136
3	RHB Capital Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account for Chen Choy & Sons Realty Sdn Bhd	20,428,100	7.721
4	Kenanga Nominees (Tempatan) Sdn Bhd Qualifier: Public Bank Group Officers' Retirement Benefits Fund	14,786,887	5.589
5	Public Invest Nominees (Tempatan) Sdn Bhd Qualifier: Public Bank Group Officers' Retirement Benefits Fund	9,129,239	3.450
6	Datuk Chen Lok Loi	5,502,971	2.080
7	Cipta Wajib Sdn Bhd	4,806,873	1.817
8	Public Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account for Rekapacific Berhad	4,716,250	1.782
9	JF Apex Nominees (Tempatan) Sdn Bhd Qualifier: Pledge Securities Account for Teo Siew Lai	4,503,245	1.702
10	JF Apex Nominees (Tempatan) Sdn Bhd Qualifier: Pledge Securities Account for Teo Kwee Hock	4,136,530	1.563
11	EB Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account for Dato' Chen Kooi Chiew @ Cheng Ngi Chong	3,754,290	1.419
12	DB (Malaysia) Nominee (Asing) Sdn Bhd Qualifier: Exempt An For British and Malayan Trustees Limited	3,500,030	1.323
13	Public Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account for Halim Securities Sdn Bhd	3,368,750	1.273
14	Public Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account for Alor Setar Securities Sdn Bhd	3,368,750	1.273

Analysis of Shareholdings (continued)

TOP 30 SHAREHOLDERS OF MKH BERHAD (FORMERLY KNOWN AS METRO KAJANG HOLDINGS BERHAD) (continued)

	Names	Shareholdings	%
15	Lotus Way Sdn Bhd	2,128,527	0.805
16	Amanahraya Trustees Bhd Qualifier: Public Smallcap Fund	2,063,753	0.780
17	Tan Sou Yee	1,902,450	0.719
18	Chai Nyok Lan @ Choy Pah Khin	1,856,252	0.701
19	EB Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account for Selestar Realty Sdn Bhd	1,347,500	0.509
20	HSBC Nominees (Asing) Sdn Bhd Qualifier: Exempt An for Credit Suisse	1,332,450	0.504
21	Chan Hon Fu	1,190,151	0.450
22	PM Nominees (Tempatan) Sdn Bhd Qualifier: PCB Asset Management Sdn Bhd for Mui Continental Insurance Berhad	1,100,000	0.416
23	Liew Yam Fee	1,050,000	0.397
24	EB Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account for Cau Vong Holdings Sdn Bhd	1,000,000	0.378
25	Key Development Sdn Bhd	944,790	0.357
26	Malaysia Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account for Premier Vantage Sdn Bhd	897,050	0.339
27	Tan Saw San @ Tan So San	880,200	0.333
28	Hans Peter Holst	880,000	0.333
29	JF Apex Nominees (Tempatan) Sdn Bhd Qualifier: Low Siew Lian	852,060	0.322
30	Aspire Bonus Sdn Bhd	848,300	0.321
	TOTAL	195,810,703	74.007

Directors' Shareholdings
As At 13 January 2012

MKH BERHAD (FORMERLY KNOWN AS METRO KAJANG HOLDINGS BERHAD)

Director	No. of Ordinary Shares of RM1.00 each Direct Interest	%	Deemed Interest		%
Dato' Chen Kooi Chiew @ Cheng Ngi Chong	545,391	0.206	120,285,122	*	45.462
Datuk Chen Lok Loi	5,502,971	2.080	113,963,405	^	43.072
Mr. Chen Fook Wah	800,644	0.303	113,963,405	^	43.072
Mr. Chen Ying @ Chin Ying	–	–	114,691,825	^^	43.348
Ms. Mah Swee Buoy #	85,853	0.032	–		–
En. Mohammed Chudi Bin Haji Ghazali	11,550	0.004	–		–

Notes :-

* Deemed interest through shares held in Chen Choy & Sons Realty Sdn Bhd ("CCSR"), Lotus Way Sdn Bhd and shares held through nominee companies.

^ Deemed interest through shares held in CCSR.

^^ Deemed interest through shares held in CCSR and shares held through a nominee company.

Appointed on 5 May 2011.

RELATED COMPANY
- Srijang Kemajuan Sdn. Bhd.

Director	No. of Ordinary Shares of RM1.00 each Direct Interest	%	Deemed Interest	%
Dato' Chen Kooi Chiew @ Cheng Ngi Chong	1	0.0003	–	–
Mr. Chen Ying @ Chin Ying	1	0.0003	–	–

MKH BERHAD Company No. 50948-T
(Formerly known as Metro Kajang Holdings Berhad)

Form of Proxy

I/We____

of____

being a Member of MKH Berhad (formerly known as Metro Kajang Holdings Berhad) hereby appoint

____

of____

or failing him, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Thirty-Second Annual General Meeting ("32nd AGM") of the Company to be held at Ballroom, First Floor, Prescott Metro Inn, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan on Friday, 2 March 2012 at 10.00 a.m. and at any adjournment thereof.

The proxy is to vote on the Resolution set out in the Notice of Meeting with "X" in the appropriate spaces. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his discretion.

	FOR	AGAINST
ORDINARY RESOLUTION 1		
ORDINARY RESOLUTION 2		
ORDINARY RESOLUTION 3		
ORDINARY RESOLUTION 4		
ORDINARY RESOLUTION 5		
ORDINARY RESOLUTION 6		
ORDINARY RESOLUTION 7		
ORDINARY RESOLUTION 8		
ORDINARY RESOLUTION 9		
ORDINARY RESOLUTION 10		

Number of Shares Held	

_______________________________ **Signed this_______day of _____________2012**

Signature/Common Seal of Member

Notes:

1. *A member entitled to attend and vote at the meeting is entitled to attend and vote in person or by proxy or by attorney or by duly authorised representative. A proxy or attorney or duly authorised representative may but need not be a member of the Company.*
2. *The power of attorney or an office copy or a notarially certified copy thereof or the instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing. If the appointor is a corporation, it must be executed under its common seal or in the manner authorised by its constitution.*
3. *If the Form of Proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.*
4. *The instrument appointing a proxy together with the power of attorney (if any) under which it is signed or an office copy or a notarially certified copy thereof must be deposited at the Registered Office, Suite 1, 5th Floor, Wisma MKH, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan at least 48 hours before the time appointed for holding the meeting or any adjournment thereof.*

Please Fold Along This Line

Stamp

The Company Secretary
MKH Berhad (50948-T)
(formerly known as Metro Kajang Holdings Berhad)
Suite 1, 5th Floor
Wisma MKH
Jalan Semenyih
43000 Kajang
Selangor Darul Ehsan
Malaysia

Please Fold Along This Line

MKH Berhad (50948-T)
(Formerly know as Metro Kajang Holdings Berhad)

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