

CONTENTS

Notice of Annual General Meeting	1
Statement Accompanying Notice of Annual General Meeting	2
Corporate Information	3
Profile of Directors	4 - 6
Audit Committee Report	7 - 9
Corporate Governance Statement	10 - 14
Statement on Internal Control	15 - 16
Chairman's Statement	17
Reports and Financial Statements for the Financial Year Ended 31 December 2011	
Directors' Report	18 - 21
Statement by Directors	22
Statutory Declaration	22
Report of the Auditors to the Members	23 - 24
Balance Sheets	25 - 26
Income Statements	27
Statements of Comprehensive Income	28
Statements of Changes in Equity	29 - 30
Cash Flow Statements	31 - 32
Notes to the Financial Statements	33 - 86
Additional Disclosure Requirements	87
Analysis of Equity and Convertible Securities as at 30 April 2012	88 - 92
Statement of Directors' Interests as at 30 April 2012	93 - 94
List of Properties of the Group as at 31 December 2011	95
Proxy Form	

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 11th Annual General Meeting of the Company will be held at Pearl International Hotel, Room Swan II, 7th Floor, 5th Miles, Old Klang Road, 58000 Kuala Lumpur on Friday, 29th June 2012 at 10.00 a.m. to transact the following businesses:-

AGENDA

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the year ended 31 December 2011 and the Reports of the Directors and Auditors thereon. Resolution 1
2. To re-elect the following Directors who retire by rotation pursuant to Article 79 of the Company's Articles of Association:-
 - 2.1 Dato' Seow Yong Chin Resolution 2
 - 2.2 Syed Zain Al-Kudcy Bin Dato' Syed Mahmood Resolution 3
3. To re-appoint the following Directors who retire in accordance with Section 129(6) of the Companies Act, 1965 as Directors of the Company to hold office until the next Annual General Meeting:-
 - 3.1 Dato' Jaffar Indot Resolution 4
 - 3.2 Siaw Sat Lin Resolution 5
4. To re-appoint Abdul Wahid Bin Ahmad Shuhaime who retires in accordance with Article 86 of the Company's Articles of Association. Resolution 6
5. To ratify and approve Directors' fees for the financial year ended 31 December 2011. Resolution 7
6. To re-appoint Messrs. SC Associates as Auditors of the Company for the financial year ending 31 December 2012 and to authorise the Directors to fix the Auditors' remuneration. Resolution 8
7. To transact any other business of which due notice shall have been given.

By Order of the Board

Koh Kim Koon

Company Secretary

Kuala Lumpur

7 June 2012

Notes:-

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company. A member shall be entitled to appoint more than one proxy to attend and vote at the same meeting.
2. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. Where a member is an authorized nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each securities account the authorised nominee holds with ordinary shares of the Company standing to the credit of the securities account.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
5. The instrument appointing a proxy must be deposited at the Company's Registered Office at Lot 4.03A, 4th Floor, Plaza Prima, 4½ Miles, Jalan Kelang Lama, 58200 Kuala Lumpur not less than 48 hours before the time for holding the meeting or any adjournment thereof.
6. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositor as at 25 June 2012 ("ROD") and only a depositor whose name appears on the ROD shall be entitled to attend this meeting.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. Directors who are seeking re-election or re-appointment at the 11th Annual General Meeting of the Company

Two (2) Directors retire by rotation pursuant to Article 79 of the Company's Articles of Association and seeking re-election:-

- (i) Dato' Seow Yong Chin (Resolution 2)
- (ii) Syed Zain Al-Kudcy Bin Dato' Syed Mahmood (Resolution 3)

Two (2) Directors who are over the age of seventy (70) years is seeking re-appointment:-

- (i) Dato' Jaffar Indot (Resolution 4)
- (ii) Siaw Sat Lin (Resolution 5)

One (1) Director, appointed on 27 February 2012, retires pursuant to Article 86 of the Company's Articles of Association and seeking re-election:-

- (i) Abdul Wahid Bin Ahmad Shuhaime (Resolution 6)

The profiles of the Directors standing for re-election and re-appointment are as set out in pages 4 to 6 and the information of their shareholdings in the Company and its subsidiaries are listed in pages 93 and 94 of this Annual Report.

2. Board Meetings held in the financial year ended 31 December 2011

Five (5) Board Meetings were held during the financial year ended 31 December 2011. Details of the meetings are as follows:-

Quarterly Board Meetings : 28 February 2011
25 May 2011
26 August 2011
29 November 2011

Special Board Meetings : 26 April 2011

3. During the financial year ended 31 December 2011, five (5) Board Meetings were held. The attendance of the respective Directors at Board Meetings are as follows:

<u>Name of Directors</u>	<u>No. of Meetings Attended</u>
Dato' Sri Haji Abd Rahim Bin Haji Abdul	5
Dato' Seow Yong Chin	5
Chin Kok Wah	5
Syed Zain Al-Kudcy Bin Dato' Syed Mahmood	5
Dato' Jaffar Indot	4
Siaw Sat Lin	5
Abdul Wahid Bin Ahmad Shuhaime	Appointed on 27 February 2012

BOARD OF DIRECTORS

Dato' Sri Haji Abd Rahim Bin Haji Abdul
(Executive Chairman)

Dato' Seow Yong Chin
(Managing Director)

Syed Zain Al-Kudcy Bin Dato' Syed Mahmood
(Executive Director)

Chin Kok Wah
(Executive Director)

Dato' Jaffar Indot
(Senior Independent Non-Executive Director)

Abdul Wahid Bin Ahmad Shuhaime
(Independent Non-Executive Director)

Siaw Sat Lin
(Independent Non-Executive Director)

AUDIT COMMITTEE

Dato' Jaffar Indot
(Chairman, Senior Independent Non-Executive Director)

Abdul Wahid Bin Ahmad Shuhaime
(Independent Non-Executive Director)

Siaw Sat Lin
(Independent Non-Executive Director)
(Member of Malaysian Institute of Accountants)

NOMINATION COMMITTEE

Siaw Sat Lin
(Chairman, Independent Non-Executive Director)

Dato' Jaffar Indot
(Senior Independent Non-Executive Director)

Abdul Wahid Bin Ahmad Shuhaime
(Independent Non-Executive Director)

REMUNERATION COMMITTEE

Dato' Jaffar Indot
(Chairman, Independent Non-Executive Director)

Siaw Sat Lin
(Independent Non-Executive Director)

Dato' Seow Yong Chin
(Managing Director)

COMPANY SECRETARY

Koh Kim Koon

REGISTERED OFFICE

Lot 4.03A, 4th Floor, Plaza Prima
4 ½ Miles, Jalan Kelang Lama
58200 Kuala Lumpur
Tel: 603-7983 9099
Fax: 603-7981 7443

SHARE REGISTRAR

Securities Services (Holdings) Sdn Bhd
Level 7, Menara Milenium, Jalan Damanlela
Pusat Bandar Damansara, Damansara Heights
50490 Kuala Lumpur
Tel: 603-20849000
Fax: 603-20949940 / 603-20950292
E-mail: info@sshsb.com.my

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market
Stock Code : 9717
Stock Name : SYCAL

AUDITORS

SC Associates
Chartered Accountants
No. 10-B, Kompleks Damai,
Jalan Lumut, Off Jalan Tun Razak
50400 Kuala Lumpur
Tel: 603-4043 6288
Fax: 603-4045 7288

PROFILE OF DIRECTORS

Dato' Sri Haji Abd Rahim Bin Haji Abdul (62 years of age – Malaysian)
Chairman and Executive Director

Appointed to the Board on 15 March 2006. Dato' Sri Haji Abd Rahim graduated from University of Malaya with a Bachelor of Arts (Honours) Degree in 1972. He obtained his Master of Public Administration from Pennsylvania State University, U.S.A. in 1983 and LLB (Hons) from University of London in 1993. He started his career in the Malaysian Civil Service on 2 March 1973 when he was appointed as Assistant Secretary in the Federal Treasury, a post he held for 14 years. Thereafter, he held various posts in various departments, namely Ministry of Youth and Sports, Prime Minister's Department, National Registration Department, Institute of Islamic Understanding Malaysia and the State Financial Officer of Perlis and Pahang respectively before being appointed as the State Secretary of Pahang on 16 October 2001 until 1 October 2004. His last post was as Deputy Secretary General of Treasury, Ministry of Finance till his retirement on 2 September 2005. He is also a director of YTL Cement Berhad, ASM Investment Service Berhad and Sycal Berhad, a wholly-owned subsidiary of the Company. He is also the chairman/directors of several other private companies.

Dato' Seow Yong Chin (52 years of age – Malaysian)
Group Managing Director / Member of Remuneration Committee

Appointed to the Board on 30 November 2005. He has extensive experience in the building, construction and civil engineering industry after having been directly involved in this sector for more than 25 years. He has been actively involved in implementing and managing construction projects undertaken by Sycal Group. He is a director of Sycal Berhad, a wholly-owned subsidiary of the Company, and also director of certain subsidiaries of the Company and several other private limited companies.

Syed Zain Al-Kudcy Bin Dato' Syed Mahmood (57 years of age – Malaysian)
Executive Director

Appointed to the Board on 30 November 2005. He is an engineer by profession and is a registered professional engineer with the Board of Engineers, Malaysia. He graduated from the Oxford College of Further Education with Ordinary National Diploma in Engineering in 1974 and holds a Bachelor of Science degree in Civil Engineering from University of Aston in Birmingham, England, in 1977. He is a corporate member of the Institute of Engineers (Malaysia) and Institute of Highway Engineers (United Kingdom). He commenced his career in August 1977 as Road Maintenance Engineer with Jabatan Kerja Raya ("JKR"), Perak and was involved in the implementation of Kampsax Highway Maintenance Programme. From January 1981 to October 1982, he served as District Engineer with JKR, Johor and subsequently served as Executive Director in a civil and building construction company, Tripart Sdn Bhd from November 1982 to 1989. Prior to joining Sycal Berhad in 1994, he was with Percon Corporation Sdn Bhd and was involved in a number of notable projects such as the construction of the 5-Star Istana Hotel in Kuala Lumpur, as well as the Malaysian Embassy in Jakarta. He is director of Sycal Berhad, a wholly-owned subsidiary of the Company, and also director of certain subsidiaries of the Company and several other private limited companies.

Chin Kok Wah (52 years of age – Malaysian)
Executive Director

Appointed to the Board on 30 November 2005. He obtained a Certificate in Architectural Draughtsmanship from Institut Teknologi Malaysia, Ipoh in 1981. He started his career in 1980 by managing his family's construction business and in 1982 as a clerk of works with Seri Jurutera Perunding Sdn Bhd, a civil and structural consultant company. From 1983 to 1985, he served as site agent with Bandar Baru Bersatu Sdn Bhd and subsequently served for 1½ years with Malaysian Construction Concept Sdn Bhd, a construction company as Site Supervisor. Prior to assuming his current position as Project Director, he was the Project Manager for 2 years and subsequently, the General Manager for 5 years at Sycal Berhad. He is currently responsible for project coordination and is in charge of works progress and staffing. He is also director of Sycal Berhad, a wholly-owned subsidiary of the Company, and also director of certain subsidiaries of the Company and other private limited companies.

Dato' Jaffar Indot *(77 years of age – Malaysian)*

Senior Independent Non-Executive Director / Chairman of Audit Committee / Member of Nomination Committee / Chairman of Remuneration Committee

Appointed to the Board on 30 November 2005. He graduated from the Harvard Business School International Managers' Programme, Vevey, Switzerland in 1983. He was the former Executive Director of Shell Companies in Malaysia and Managing Director of Shell downstream companies. He retired from Shell after 33 years' service in 1989. During this time, he worked for Shell in Japan and London, where he served in various capacities, in international oil trading, business development and public affairs. He is a director on the Boards of Melewar Industrial Group Berhad, Prestariang Berhad, F3 Strategies Berhad and Sycal Berhad, a wholly-owned subsidiary of the Company. He is also the Founding President of Malaysian Alliance of Corporate Directors and the Chairman of the Malaysian Dutch Business Council. He also serves on the Boards of a number of private companies. He is the President of the Federation of Reproductive Health of Malaysia and Chairman of Yayasan Proton.

Abdul Wahid Bin Ahmad Shuhaime *(54 years of age – Malaysian)*

Independent Non-Executive Director / Member of Audit Committee / Member of Nomination Committee

Appointed to the Board on 27 February 2012. He graduated from Universiti Pertanian Malaysia with Bachelor of Agricultural Science Degree in 1982, Master in Economics Degree from Universiti Kebangsaan Malaysia in 1988, Doctor of Philosophy from Universiti Kebangsaan Malaysia in 1993, Master of Business Administration from Newport University, California, United States of America in 2000 and Doctor of Philosophy from Newport University, Newport Beach, California, United States of America in 2004. He was Committee Member of Bentong UMNO Division from 1989 to 1997, Deputy Youth Chief for Bentong UMNO Division and Secretary for the Education Bureau for National UMNO Youth from 1990 to 1995 and Secretary for the Economy Bureau for National UMNO Youth from 1995 to 1998. He has held senior positions in a few private limited companies (e.g. Senior Manager/Senior General Manager of KFC Holdings Bhd from 1993 to 1999, Corporate Advisor/Chief Executive Officer of Pelangi Airways Sdn Bhd from 1999 to 2001, Chief Executive Officer of GO Academy Sdn Bhd from 2001 to 2005 and Executive Chairman of Shakey's Holdings Sdn Bhd from 2005 to 2011).

Siaw Sat Lin *(70 years of age – Malaysian)*

Independent Non-Executive Director / Member of Audit Committee / Chairman of Nomination Committee / Member of Remuneration Committee

Appointed to the Board on 30 November 2005. He is an accountant by profession and registered as member of Malaysian Institute of Accountants in 1973 and Malaysian Association of Certified Public Accountant in 1975, respectively. He graduated from the University of Otago, New Zealand in 1969 with a Bachelor of Commerce and was admitted to the Institute of Chartered Accountants of New Zealand as an Associate Chartered Accountant in 1972. He commenced his career in Coopers Brothers in 1971 before spending 5 years in Goodyear (M) Bhd, as the Manager – Treasury/ Branch Operation. He was the Chief Accountant of Hume Industries (M) Bhd from 1978 to 1980. Prior to joining Sycal Berhad in August 1998 as an Independent Non-Executive Director, he was the Chief Accountant/Treasurer of Caltex Oil Malaysia Ltd from 1980 to 1996.

Further Information:-

Family Relationship with any Directors and/or Substantial Shareholders

None of the other Directors has any family relationship with each other and/or major shareholders of the Company.

Conflict of Interest with Company and Convictions for Offences of Directors

None of the Directors has any conflict of interest with the Company, or has been convicted of any offence within the past ten (10) years.

Board of Directors' Meeting

Details of attendance of Board Meetings held during the financial year ended 31 December 2011 are disclosed in page 2 of this Annual Report.

OBJECTIVE

The principal objective of the Audit Committee is to assist the Board of Directors in discharging its statutory duties and responsibilities relating to accounting and reporting practice of the Company and each of its subsidiary and oversees the compliance with the relevant rules and regulations governing listed companies.

MEMBERS

Dato' Jaffar Indot (*Chairman, Senior Independent Non-Executive Director*)

Abdul Wahid Bin Ahmad Shuhaime (*Independent Non-Executive Director*)

Siaw Sat Lin (*Independent Non-Executive Director; Member of Malaysian Institute of Accountants*)

TERMS OF REFERENCE

Composition

The Committee shall be appointed by the Board from amongst their members, comprising at least three (3) members, all of whom must be non-executive directors with majority of them being independent directors. No alternate director shall be appointed as a member of the Audit Committee.

At least one (1) member of the Audit Committee:-

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

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

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

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

(c) must fulfil such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad from time to time.

The members of the Committee shall elect a Chairman from amongst their members who shall be an independent director. The Chairman shall report to the Board on the proceedings conducted at each Audit Committee meetings.

In the event of any vacancy in the Audit Committee with the result that the number of members is reduced to below 3, the Board of Directors, must within 3 months of that event, appoint such number of new members as may be required to make up minimum number of 3 members.

Meetings

Meetings are scheduled throughout the financial year. However, the frequency of the meetings can vary depending on the scope of the audit activities. In any case the Audit Committee will meet once during each quarter to review quarterly financial results before announcement to Bursa Malaysia Securities Berhad. The external auditors may request a meeting if they consider it necessary.

A quorum shall consist of a majority of Committee members present who must be independent directors and any decision shall be by simple majority.

In attendance at Meetings

The Financial Controller and General Manager-Corporate Affairs will normally be in attendance at the meetings. Representatives of the internal auditors and external auditors are invited to meetings where relevant matters are discussed. Where necessary, the Audit Committee will invite any person to be in attendance to assist in its deliberation. Any other Directors and employees shall attend any particular Audit Committee meeting only at the Audit Committee's invitation, specific to the relevant meeting.

Authority

The Committee is authorised by the Board to review any activity within its terms of reference and shall have unrestricted access to any information it requires from any Director or member of the management and all employees are directed to co-operate with any request made by the Committee. The Committee may obtain external legal or other independent professional advice in furtherance of its duties.

The Committee shall have direct access to the external auditors and be able to convene meetings with external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

Secretaries to Audit Committee

The Company Secretary shall be the Secretary of the Audit Committee responsible for drawing up the agenda in consultation with the Chairman. The agenda together with relevant explanatory papers and documents shall be circulated to Audit Committee members prior to each meeting. The Secretary shall be responsible for keeping the minutes of the meeting of the Audit Committee, circulating them to Audit Committee members and for ensuring compliance with Listing Requirements of Bursa Malaysia Securities Berhad.

Review of the Audit Committee

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

Scope and Functions

The scope and functions of the Committee shall be to:-

- (i) review the following and report the same to the Board of Directors:-
 - the external audit plan.
 - the external auditors' evaluation of the systems of internal controls.
 - the assistance given by the Company's officers to the external auditors.
 - the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal auditors.
 - the adequacy of scope, functions, competency and resources of the internal audit functions.
 - the quarterly results and annual financial statements, the external auditors' management letter and management response before submission to the Board, focusing particularly on:-
 - (a) changes in or implementation of new accounting policies and practices;
 - (b) significant and unusual events;
 - (c) the going concern assumption; and
 - (d) compliance with the applicable approved accounting standards and other legal and regulatory requirements.
 - any related party transactions and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity.
- (ii) consider and review the appointment of the external auditors and internal auditors, and to make recommendation on terms of such appointment and any questions of resignation or dismissal.

- (iii) review and approve the draft Annual Report prior to the presentation to the Board of Directors for approval and subsequent despatch to the shareholders; and
- (iv) consider and examine such other matters as the Committee considers appropriate or as authorised by the Board of Directors.

MEETINGS DURING THE YEAR

The Audit Committee met five (5) times during the financial year ended 31 December 2011. The details of Audit Committee's meetings held and attended by the Committee during the financial year are as follows:-

	No. of Meeting Attended
Dato' Jaffar Indot	4
Siaw Sat Lin	5
Abdul Wahid Bin Ahmad Shuhaime	Appointed on 27 February 2012

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE DURING THE YEAR

The main activities carried out by the Committee during the year were as follows:-

- (i) reviewed and discussed with the external auditors on the results of the audit, its comments and findings;
- (ii) reviewed and discussed with the internal auditors on the results of the internal audit, its comments/findings and subsequent follow-up reviews;
- (iii) reviewed the quarterly unaudited financial results of the Group and recommendation of the same to the Board for approval and subsequent release of announcement to Bursa Malaysia Securities Berhad;
- (iv) reviewed the risk management reports to assist the Board in identifying and managing the Group's risk; and
- (v) reviewed related party transactions and conflict of interest situation that may arise within the Group.

INTERNAL AUDIT FUNCTION

The Group outsourced its internal audit function to an independent internal audit service company. The internal audit function is to ensure a regular review of the adequacy and integrity of the Group's internal control systems. The internal auditors review and assess the Group's system of internal control and report to the Audit Committee functionally. Internal audit reports prepared by the internal auditors would be presented to the Audit Committee and forwarded to the management concerned for attention and necessary action. During the financial year under review, the internal auditors had conducted audit on the Group's Property Development Division and follow-up reviews on the Group's Property Management, Finance and Human Resource Divisions.

The total costs incurred for the internal audit function of the Group in year 2011 amounted to RM12,000.

OVERSEEING THE INTERNAL AUDIT FUNCTION

- (i) The Audit Committee oversees all internal audit functions and is authorized to commission investigations to be conducted by internal auditors as it deems fit.
- (ii) The internal auditors report directly to the Audit Committee and have access to the Chairman of the Committee.

The Board of Directors is committed to ensuring that the highest standards of corporate governance are practiced throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders value and the long term financial performance of the Group.

The Board is pleased to present below the manner in which the Group has applied the principles of the Malaysian Code on Corporate Governance (Revised 2007) and the extent of compliance with the best practices throughout the financial year ended 31 December 2011 and up to the date of this Annual Report:-

1. Board of Directors

1.1 Board's Principal Responsibilities

The Board has the overall responsibility for corporate governance, strategic direction, formulation of policies, overseeing the resources, investments and businesses of the Group as well as reviewing the adequacy and effectiveness of the internal controls of the Group. All Board members participate fully in major decisions and key issues involving the Group such as approval of quarterly and annual results, budgets, reviewing the adequacy and integrity of the system of internal control as well as long term strategic planning for the Group.

1.2 Composition of Board of Directors

The Board currently has seven (7) members, comprising the Chairman, the Managing Director, two (2) Executive Directors and three (3) Independent Non-Executive Directors. With this composition, the Board satisfies the requirement of having at least one third of its members as Independent Directors. All the Independent Directors are independent of the management and are free from any business or other relationship that would materially interfere with the exercise of their independent judgement. The Board is of the view that three (3) Independent Directors fairly reflect the interests of the minority shareholders. The Directors, with their different background and specialisation, collectively bring with them a wide range of experience and expertise to enable the Board in discharging its duties and responsibilities effectively. The profiles of the Director are presented on pages 4 to 6 of this Annual Report.

The Board has also identified Dato' Jaffar Indot as the Senior Independent Non-Executive Director to whom any concerns regarding the Group may be conveyed.

1.3 Board Meetings and Supply of Information

A formal time schedule of Board Meetings is determined in advance for every financial year. In addition to quarterly Board Meetings, special Board Meetings are convened on an ad-hoc basis to consider matters that require the Board's urgent decision.

For the financial year ended 31 December 2011, five (5) Board Meetings were held. Details of the Board attendance are as set out in page 2 of this Annual Report.

The Directors have full and timely access to information, with notices of the Board Meetings and, where applicable, board papers for each agenda item distributed in advance of each Board Meeting to ensure that Directors have sufficient time to review and consider the items to be discussed at the Board Meeting.

Minutes of every Board Meetings are circulated to each Director for their perusal prior to confirmation of the minutes at the following Board Meeting. In the intervals between Board Meetings, for any matters requiring Board decisions, Board approvals are obtained through circular resolutions. The resolutions passed by way of circular resolutions are ratified in the next Board Meeting.

The Directors have access to the advice and services of the Company Secretary and the senior management staff and under appropriate circumstances may seek independent professional advice at the Company's expense, in furtherance of their duties.

1.4 Appointment to the Board

In order to comply with good practice for the appointment of new directors as well as the proposed re-appointment/re-election of directors through a formal and transparent procedure, the Board has set up a Nomination Committee, which comprised exclusively of Non-Executive Directors, to evaluate any new appointment, proposed re-appointment/re-election of directors before recommending the same to the Board for their approval.

1.5 Retirement and Re-election of Directors

In accordance with the Company's Articles of Association, all newly appointed directors are subject to retirement and are entitled for re-election at the next Annual General Meeting subsequent to their appointment. At least one-third of the remaining directors (including the Managing Director) were required to submit themselves for re-election by rotation at each annual general meeting. All directors shall retire from office at least once in 3 years but shall be eligible for re-election.

Directors over 70 years of age are required to submit themselves for re-appointment annually, in accordance with Section 129(6) of the Companies Act, 1965.

1.6 Directors' Training

The Company does not at present have a formal orientation programme for the newly appointed directors. Newly appointed directors, however, will be provided with relevant information pertaining to the Group, including visits to the Group's operating sites and meetings with senior management to facilitate their understanding of the nature of business and strategy of the Group.

Except for Abdul Wahid Bin Ahmad Shuhaime (appointed on 27 February 2012) who will attend the Mandatory Accreditation Programme ("MAP") in June 2012, all directors of the Company have completed the MAP in accordance with the Listing Requirements of the Bursa Malaysia Securities Berhad.

During the financial year ended 31 December year 2011 and up to the date of this report, the courses attended by the Directors are:-

<u>Name</u>	<u>Seminar(s) Attended</u>
Dato' Seow Yong Chin	Professionalism in Directorship Programme
Syed Zain Al-Kudcy Bin Dato' Syed Mahmood	(i) International Construction Conference 2011; (ii) 5 th Malaysian Property Summit 2012; (iii) 22 nd National Real Estate Convention; and (iv) Legal Reforms in the Malaysian Construction Industry.
Siaw Sat Lin	Updates of 2011 New and Revised Financial Reporting Standards and New Bursa Listing Requirements

The Board will continue to identify other training programs that can further enhance their knowledge in the latest development relevant to the Group to enable them to discharge their responsibilities effectively.

2. The Board Committees

To facilitate the smooth transaction of business within the Company, the Board has formed the following Board committees. All committees are provided with written terms of reference, which state clearly the extent and limits of their responsibility and authority. However, the ultimate responsibility for the final decision on all matters rests with the entire Board.

2.1 Audit Committee

The terms of reference of the Audit Committee, composition of its membership and other pertinent information and its activities are highlighted in the Audit Committee Report on pages 7 to 9 of this Annual Report.

2.2 Nomination Committee

Members

Siaw Sat Lin (*Chairman, Independent Non-Executive Director*)

Dato' Jaffar Indot (*Senior Independent Non-Executive Director*)

Abdul Wahid Bin Ahmad Shuhaime (*Independent Non-Executive Director*)

The Nomination Committee, in its terms of reference, is tasked with the duty of making suitable recommendations to fill vacancies on the Board and its committees. In making these recommendations, the Nomination Committee considers the appropriate size and composition of the Board, required mix of responsibilities, skills and experience, which the directors should bring to the Board. The Nomination Committee will also assist the Board in reviewing on an annual basis the effectiveness of the Board and Board committees (including its size and composition) and of their members. Nonetheless, the approval for appointment of new Board or Committee Members rests with the Board as a whole.

Meetings of the Nomination Committee are held as and when necessary, and at least once a year. The Committee held one (1) meeting which were attended by all its members during the financial year ended 31 December 2011.

2.3 Remuneration Committee

Members

Dato' Jaffar Indot (*Chairman, Independent Non-Executive Director*)

Siaw Sat Lin (*Independent Non-Executive Director*)

Dato' Seow Yong Chin (*Managing Director*)

The Remuneration Committee is responsible, amongst others, to review and recommend to the Board the remuneration framework of the Executive Directors and senior management staff. The determination of remuneration package of Non-Executive Directors is the responsibility of the Board as a whole. Individual directors will abstain from deliberations and voting on decisions in respect of their own remuneration.

Meetings of the Remuneration Committee are held as and when necessary, and at least once a year. The Committee held one (1) meeting which was attended by all its members during the financial year ended 31 December 2011.

Directors' Remuneration

The objective of the Company's policy on Directors' remuneration is to attract and retain experienced and capable directors to run the Group successfully. The remuneration package is linked to the corporate and individual performance in the case of Executive Directors. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the individual concerned.

The Directors' fees paid or payable by the Company, where applicable, are approved by the shareholders at the Annual General Meeting, based on the recommendation of the Board.

Details of the remuneration of the Directors of the Company from the Group for the financial year ended 31 December 2011, by category and in bands of RM50,000 are shown below:-

Category	Executive	Non-Executive
Fees (RM)	-	76,000
Salary (RM)	1,208,700	-
EPF, SOCSO and others (RM)	127,880	-
Total	1,336,580	76,000

Range of Remuneration (RM)	Executive	Non-Executive
<i>RM50,000 and below</i>	-	3
<i>RM50,001 – RM100,000</i>	1	-
<i>RM300,001 – RM350,000</i>	2	-
<i>RM600,001 – RM650,000</i>	1	-

The Board has considered the disclosure of the details of the remuneration of each director and is of the view that the transparency and accountability aspects of corporate governance in relation to Directors' remuneration are appropriately served by the above disclosure of analysis by applicable bands of RM50,000, a disclosure required under the Listing Requirements of Bursa Malaysia Securities Berhad.

3. Relationship with Shareholders

Dialogue between the Company and Investors

The Board recognizes the importance of accountability to its shareholders through proper and equal dissemination of information to its shareholders. Such information is disseminated via the Company's Annual Reports, Circular to Shareholders, quarterly financial results, announcements made from time to time and notices of general meeting published in one national newspaper to provide wider coverage of such notices to encourage shareholders participation. The shareholders may obtain the Group latest announcements via Bursa Malaysia Securities Berhad website at www.bursamalaysia.com.

The Annual General Meeting

The Annual General Meeting remains the principal forum for dialogue with shareholders where they may communicate, interact and clarify on the Group businesses. Executive Directors and, where appropriate, the Chairman of the Audit Committee, Financial Controller and the external auditors, are available to respond to shareholders' questions during the meeting. Where appropriate, the Chairman will undertake to provide a written answer to any significant question that cannot be readily answered on the spot.

For re-election of directors, the Board ensures that full information is disclosed through the Notice of Annual General Meeting regarding directors who are retiring and who are willing to serve if re-elected. Item of special business included in the Notice of the Annual General Meeting will be accompanied by an explanation of the effects of the proposed resolution.

4. Accountability and Audit

Financial Reporting

The Board aims to present a balanced, clear and understanding assessment of the Group's financial positions and prospects in the annual financial statements and quarterly announcements to the shareholders, investors and the regulatory authorities.

The Audit Committee assists the Board in scrutinizing information for disclosure to ensure accuracy, adequacy and completeness.

Directors' Responsibility Statement

The Directors are responsible for ensuring that the annual audited financial statements of the Company and the Group are drawn up in accordance with the requirements of the applicable approved accounting standards in Malaysia, the provisions of the Companies Act, 1965 and the Listing Requirements of Bursa Malaysia Securities Berhad so as to give a true and fair view of the state of affairs of the Company and of the Group as at the end of the financial year, and of the income statement and cash flows of the Company and the Group for the financial year.

In preparing the annual audited financial statements, the Directors have:-

- adopted suitable accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- ensured the adoption of applicable approved accounting standards; and
- prepared the financial statements on going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Company and the Group have adequate resources to continue operations for the foreseeable future.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Company and of the Group, and to prevent and detect fraud and other irregularities.

Internal Control

Information on the internal control is presented in the Statement on Internal Control laid out on pages 15 to 16 of this Annual Report.

Relationship with the Auditors

The Company, through the Audit Committee, has established a transparent relationship with the external auditors in seeking professional advice and ensuring compliance with the accounting standards of Malaysia. The role of the Audit Committee in relation to the external auditors is stated on pages 7 to 9 of this Annual Report.

5. Compliance Statement

The Group had complied, throughout the year ended 31 December 2011, with all the best practices of corporate governance set out in Part 1 and Part 2 of the Code other than the requirement to establish a Risk Management Committee.

Establishment of a Risk Management Committee has not been effected as its functions are currently being carried out by the senior management. The Audit Committee has relied on the quarterly Risk Management Reports from various departments to identify and review the principal risk factors and controls existed to mitigate those risks pertaining to the key business processes of the Group.

STATEMENT ON INTERNAL CONTROL

Paragraph 15.26(b) of the Listing Requirements of Bursa Malaysia Securities Berhad (“BMSB”) requires the Board of Directors of public listed companies to include in its annual report a statement about the state of internal control of the listed issuer as a group. The Board of Directors is committed to maintaining a sound system of internal control in the Group to safeguard shareholders’ investment and the Group’s assets. The Board is pleased to provide the following Statement on Internal Control which outlines the nature and scope of internal controls of the Group during the year and up to the date of this Annual Report.

RESPONSIBILITY

The Board recognises the importance of sound internal control and risk management practices to good corporate governance. The Board acknowledges that it is collectively responsible for the Group’s system of internal control and risk management, and for reviewing its adequacy and integrity. The review covers financial, operational and compliance controls of the Group. Due to the limitations that are inherent in any system of internal control, this system of internal control is designed to manage rather than eliminate the risk of failure to achieve its business objectives. The system serves to provide reasonable but not absolute assurance against material misstatement or loss.

The Group has in place an on-going process for identifying, evaluating, monitoring and managing significant risks that may affect the achievement of business objectives throughout the year under review up to the date of this Annual Report. This process is reviewed by the Board through its Audit Committee.

INTERNAL AUDIT FUNCTIONS

The Board has engaged an independent professional firm to provide internal audit services to the Group and to provide an independent and objective assurance to the Audit Committee on the adequacy and effectiveness of the system of internal control.

The internal auditors’ duty is, amongst others, to review and assess the Group’s system of internal control and report to the Audit Committee functionally. Internal audit reports are to be presented to the Audit Committee and forwarded to the management concerned for attention and necessary action. Follow-up visits will be conducted by the internal auditors to report whether corrective actions have been implemented.

In December 2008, the Company’s wholly-owned subsidiary, Sycal Berhad, has been awarded ISO9001:2000 certification, and subsequently upgraded to ISO9001:2008 in 2010, in respect of provision of design and construction of buildings, structure and civil works. Periodic surveillance audits are amongst the requirements for the continuation and maintenance of the ISO9001:2008 certification. In 2011, 2 surveillance audits were conducted and the consultants concluded that the company has established and maintained its management system in line with the requirements of the standard.

INTERNAL CONTROL

The Board maintains full control and direction over appropriate strategic, financial, organizational and compliance issues. It entrusts the daily running of the business to the Managing Director (“MD”) and his management team. The Board members receive timely reports pertaining to the performance of, and information about or affecting the Group through quarterly Board papers, including relevant quantitative and qualitative analyses and trends. Risk management reports were prepared and circulated at board meetings to assist the Directors to assess the principal risks affecting the Group through discussion and deliberation of the strategic issues facing the businesses, and resolve on action plans designed to mitigate such risks.

STATEMENT ON INTERNAL CONTROL *(cont'd)*

The MD plays a pivotal role in communicating the Board's expectations of the system of internal control to management. This is achieved, on day-to-day basis, through his active participation in the operations of the business as well as attendance at scheduled management and operational level committee meetings where operational and financial risks, amongst others, are discussed and dealt with. Where appropriate, significant issues are highlighted and discussed at Board level.

The departmental heads are entrusted to provide support and shall be responsible to ascertain risk management principles and standard operating procedures for all operational risks identified for the Group. Amongst others, the departmental heads are:-

- to identify and evaluate significant business and operational risks applicable to their respective area of business; and
- to evaluate internal management capabilities to manage these risks.

For the financial year ended 31 December 2011, the following activities were conducted as part of the management's review of internal controls of the Group:-

- a) Business plans and budgets were reviewed at various levels of management, such as subsidiaries' Board and divisional levels and approved by the Board of the Company.
- b) Quarterly performance reports were produced by the Group and reviewed against budgets. Significant variances were or will be investigated and appropriate management action taken where necessary.
- c) The Audit Committee and Board were kept updated with the status of the key risk profile through Risk Management Reports prepared by various departmental heads.
- e) Regular visits to the operating units and project sites were conducted by members of the management team.

The effectiveness of the Group's system of internal control is continuously being reviewed and updated by the Board through the Audit Committee in accordance with the changes in the operating environment.

The Board is of the view that the current system of internal control in place throughout the Group during the financial year is sufficient to safeguard the Group's interest. No significant control failure or weaknesses that would result in material losses and require disclosure in the Group's Annual Report were identified and reported during the financial year under review.

The Statement has been reviewed by the external auditors in compliance with Paragraph 15.23 of BMSB Main Market Listing Requirements. Based on their review, the external auditors have reported that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and integrity of the internal control of the Group.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of the Company, I am pleased to present the Annual Report and Audited Accounts of the Company and the Group for the financial year ended 31 December 2011.

OPERATIONAL PERFORMANCE FOR 2011

(i) Overall Group's Performance

For the financial year under review, the Group recorded revenue of RM100 million and net profit after taxation for the year of RM5.2 million. Construction/related activities remained the core activity of the Group contributing to 65% of the Group revenue while Property Development activities contributing to 35% of the Group revenue.

(ii) Construction Activities

The Construction Activities will continue to be one of the core activities of the Group and continue to provide support to the Group's Property Development Activities.

The current construction order book (in-house projects and external contracts) is approximately RM310 million as at 31 December 2011.

(iii) Property Development Activities

With balance gross development value of approximately RM260 million from the Group's development projects in Cheras and Seputeh (Kuala Lumpur), Sitiawan (Lumut), Taiping, Ipoh and Johor Bahru, the contribution from the Property Development Activities is expected to increase in the short to medium term.

PROSPECTS

The Company will continue to actively participate in suitable tenders, in particular, from the Government for the construction of schools, universities, hospitals and public housing, where the Group has an established good track record.

The Directors are of the view that, with the Group's construction order book of approximately RM310 million and the expected increase in property development activities, the overall operational performance for the year ending 31 December 2012 is expected to be better compared to 2011.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I wish to express our sincere appreciation and thanks to the management and staff for their hard work, loyalty and commitment to the Group during the past difficult years.

To our shareholders, bankers, clients, business associates, and the government and regulatory authorities, I would like to thank them for their understanding and continued support.

Chairman

Dato' Sri Haji Abd Rahim Bin Haji Abdul

27 April 2012

**REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011**

SYCAL VENTURES BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2011.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding.

The principal activities of the subsidiary companies are set out in Note 5 to the financial statements.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	<u>GROUP</u> RM'000	<u>COMPANY</u> RM'000
Net profit / (loss) for the financial year	5,200	(1,656)
Attributable to:		
Equity holders of the Company	5,056	(1,656)
Non-controlling interests	144	-
	<u>5,200</u>	<u>(1,656)</u>

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year and the directors do not recommend any dividend payment for the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

SHARE CAPITAL

There were no changes in the issued and paid-up share capital of the Company during the financial year.

OTHER FINANCIAL INFORMATION

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

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and have satisfied themselves that all known bad debts have been written off and that adequate allowance have been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.

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

- (a) which would render the amounts written off as bad debts or the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which would render adherence to the existing method of valuation of the assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

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

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

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

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the succeeding financial year.

DIRECTORS

The following directors served on the Board of the Company since the date of the last report:

Dato' Sri Haji Abd Rahim Bin Haji Abdul

Dato' Seow Yong Chin

Chin Kok Wah

Dato' Jaffar Indot

Siaw Sat Lin

Syed Zain Al-Kudcy Bin Dato' Syed Mahmood

Abdul Wahid Bin Ahmad Shuhaime (Appointed on 27 February 2012)

Dato' Abdul Raman Bin Suliman

Dato' Abdul Raman Bin Suliman ceased to be a director on his demise on 29 October 2011.

In accordance with Article 79 of the Company's Articles of Association, Dato' Seow Yong Chin and Syed Zain Al-Kudcy Bin Dato' Syed Mahmood retire by rotation and, being eligible, offer themselves for re-election.

In accordance with Article 86 of the Company's Articles of Association, Abdul Wahid Bin Ahmad Shuhaime who was appointed during the year retires and being eligible, offers himself for re-election.

In accordance with Section 129 of Companies Act, 1965, Dato' Jaffar Indot and Siaw Sat Lin retire and being eligible, offer themselves for re-appointment.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares and Warrants of the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares of RM1.00 each			As At 31.12.2011
	As At 1.1.2011	Bought	(Sold)	
Direct interest				
Dato' Seow Yong Chin	18,826,145	-	-	18,826,145
Syed Zain Al-Kudcy Bin Dato' Syed Mahmood	3,989,913	-	-	3,989,913
Indirect interest by virtue of shares held through Cygal Holdings Sdn. Bhd. in which the directors have interests				
Dato' Seow Yong Chin	26,298,798	-	-	26,298,798
Syed Zain Al-Kudcy Bin Dato' Syed Mahmood	26,298,798	-	(1,928,044)	24,370,754

DIRECTORS' INTERESTS (CONT'D)

	Number of Warrants			As At <u>31.12.2011</u>
	As At <u>1.1.2011</u>	<u>Bought</u>	<u>(Sold)</u>	
Indirect interest by virtue of Warrants held through Cygal Holdings Sdn. Bhd. in which the directors have interests				
Dato' Seow Yong Chin	21,919,730	-	(20,543,600)	1,376,130
Syed Zain Al-Kudcy Bin Dato' Syed Mahmood	21,919,730	-	(20,543,600)	1,376,130

Other than as shown above, the directors who have substantial interest in the shares of the Company are also deemed to have an interest in the shares of the subsidiary companies to the extent the Company has an interest.

None of the other Directors in office at the end of the year had any interest in shares, loan stocks and Warrants of the Company or its related corporations during the year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than the benefit included in the aggregate of the emoluments received or due and receivable by the directors as disclosed in the financial statements or the fixed salary of a full-time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest other than certain directors who have significant interests in companies which had entered into transactions with certain companies in the Group in the ordinary course of business.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

AUDITORS

The auditors, Messrs. SC Associates, have expressed their willingness to continue in office.

On behalf of the Board

.....
SYED ZAIN AL-KUDCY BIN
DATO' SYED MAHMOOD

.....
DATO' SEOW YONG CHIN

Kuala Lumpur
Date: 27 April 2012

SYCAL VENTURES BERHAD

(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

We, Dato' Seow Yong Chin and Syed Zain Al-Kudcy Bin Dato' Syed Mahmood, being two of the directors of Sycal Ventures Berhad, do hereby state that in the opinion of the directors, the accompanying financial statements as set out on pages 25 to 86, are drawn up in accordance with applicable 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 31 December 2011 and of their financial performance and cash flows for the year then ended.

On Behalf of the Board

.....
SYED ZAIN AL-KUDCY BIN
DATO' SYED MAHMOOD

.....
DATO' SEOW YONG CHIN

Date: 27 April 2012
Kuala Lumpur

STATUTORY DECLARATION

I, Dato' Seow Yong Chin, NRIC No. 591031-08-6095, being the officer primarily responsible for the financial management of the Company, do solemnly and sincerely declare that the financial statements as set out on pages 25 to 86, 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
at Kuala Lumpur in the state of
Federal Territory on 27 April 2012

.....
DATO' SEOW YONG CHIN

Before me :

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SYCAL VENTURES BERHAD
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Sycal Ventures Berhad, which comprise the statements of financial position as at 31 December 2011 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 25 to 86.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 of 31 December 2011 and of their financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

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

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 5 to the financial statements.
- (c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The auditors' reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

The supplementary information set out in Note 42 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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.

SC ASSOCIATES
[No : AF - 0891]
Chartered Accountants

SLOW HOCK LEE
[No : 1489/10/13(J)]
Partner

Date: 27 April 2012
Kuala Lumpur, Malaysia

SYCAL VENTURES BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011**

	NOTE	GROUP		COMPANY	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	4	4,994	4,558	-	-
Interest in subsidiary companies	5	-	-	159,365	159,365
Other investments	6	153	153	-	-
Land held for property development and property development costs	7	60,972	61,135	-	-
Amount due by related parties	14	35,145	32,494	-	-
		101,264	98,340	159,365	159,365
CURRENT ASSETS					
Held-for-sale properties	8	4,089	4,089	-	-
Inventories	9	7,789	10,629	-	-
Trade receivables	10	51,329	46,022	-	-
Property development costs	11	27,701	28,712	-	-
Joint-venture development costs	12	8,490	7,610	-	-
Due by contract customers	13	76,589	71,055	-	-
Amount due by related parties	14	7,353	7,351	-	-
Amount due by subsidiary companies	15	-	-	2,266	2,266
Tax recoverable	16	2,268	2,268	-	-
Other receivables, deposits and prepayments	17	2,643	3,175	-	-
Fixed and security deposits	18	959	1,468	108	110
Cash and bank balances	34	1,199	1,218	-	13
		190,409	183,597	2,374	2,389
CURRENT LIABILITIES					
Trade payables	19	30,593	31,173	-	-
Due to contract customers	13	31,326	24,973	-	-
Amount due to related parties	14	178	176	-	-
Amount due to subsidiary companies	15	-	-	10,742	7,950
Other payables, deposits received and accruals	20	9,810	8,351	1,343	1,345
Hire purchase payables	21	190	133	-	-
Bank borrowings	22	1,429	892	-	-
5 year 3% redeemable convertible secured loans stocks 2007/2012	25	15,708	-	15,708	-
Provisions	23	405	365	-	-
Tax liabilities		24,064	24,469	4	3
		113,703	90,532	27,797	9,298
NET CURRENT ASSETS / (LIABILITIES)					
		76,706	93,065	(25,423)	(6,909)
		177,970	191,405	133,942	152,456

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

SYCAL VENTURES BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011**

		GROUP		COMPANY	
	NOTE	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
EQUITY					
Share capital	24	251,959	251,959	251,959	251,959
Share premium		21,950	21,950	21,950	21,950
5 year 3% redeemable convertible secured loans stocks 2007/2012	25	68,291	68,291	68,291	68,291
Reserves	26	(180,657)	(185,544)	(208,258)	(206,602)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		161,543	156,656	133,942	135,598
NON-CONTROLLING INTERESTS		1,591	1,447	-	-
TOTAL EQUITY		163,134	158,103	133,942	135,598
NON-CURRENT LIABILITIES					
Hire purchase payables	21	538	466	-	-
Bank borrowings	22	5,806	7,105	-	-
5 year 3% redeemable convertible secured loans stocks 2007/2012	25	-	16,858	-	16,858
Deferred tax liabilities	27	8,492	8,873	-	-
		14,836	33,302	-	16,858
		177,970	191,405	133,942	152,456

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

SYCAL VENTURES BERHAD

(Incorporated in Malaysia)

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

	NOTE	GROUP		COMPANY	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
REVENUE	28	100,131	107,064	-	-
COST OF SALES	29	(83,241)	(90,991)	-	-
GROSS PROFIT		16,890	16,073	-	-
OTHER OPERATING INCOME		3,244	2,645	3	6,704
DISTRIBUTION COSTS		(70)	(58)	-	-
ADMINISTRATION EXPENSES		(7,192)	(6,715)	(132)	(147)
OTHER OPERATING EXPENSES		(3,933)	(4,987)	(177)	(195)
PROFIT / (LOSS) FROM OPERATIONS		8,939	6,958	(306)	6,362
FINANCE COSTS		(1,876)	(3,932)	(1,349)	(3,323)
PROFIT / (LOSS) BEFORE TAXATION	30	7,063	3,026	(1,655)	3,039
TAXATION	31	(1,863)	(885)	(1)	(1)
PROFIT / (LOSS) FOR THE YEAR		5,200	2,141	(1,656)	3,038
OTHER COMPREHENSIVE INCOME					
Foreign currency translation differences for foreign operation		(169)	602	-	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR		5,031	2,743	(1,656)	3,038

SYCAL VENTURES BERHAD

(Incorporated in Malaysia)

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

	GROUP		COMPANY	
	2011	2010	2011	2010
NOTE	RM'000	RM'000	RM'000	RM'000
PROFIT / (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	5,056	2,035	(1,656)	3,038
Non-controlling interests	144	106	-	-
PROFIT / (LOSS) FOR THE YEAR	5,200	2,141	(1,656)	3,038
TOTAL COMPREHENSIVE INCOME / (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	4,887	2,637	(1,656)	3,038
Non-controlling interests	144	106	-	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR	5,031	2,743	(1,656)	3,038
NET EARNINGS PER SHARE (SEN)				
- BASIC	32	2.01	1.19	
- DILUTED	32	1.58	0.85	

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

SYCAL VENTURES BERHAD

(Incorporated in Malaysia)

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

	Share Capital RM'000	Share Premium RM'000	ICULS A and ICULS B		← Non-distributable →			Accumulated Losses RM'000	Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
			ICULS B RM'000	RCSLS RM'000	Capital reserves RM'000	Revaluation reserves RM'000	Translation Reserves RM'000				
<u>THE GROUP</u>											
At 1 January 2010	88,306	-	183,714	68,291	(5,267)	85	148	(183,147)	152,130	1,341	153,471
Total comprehensive income for the year	-	-	-	-	-	-	602	2,035	2,637	106	2,743
Discount on ICULS A	-	-	1,889	-	-	-	-	-	1,889	-	1,889
Full conversion of 141,703,324 units ICULS A at the conversion price of RM1.00 nominal value of ICULS A for one new ordinary share of RM1.00 each	141,703	-	(141,703)	-	-	-	-	-	-	-	-
Full conversion of 43,900,260 units ICULS B at the conversion price of RM2.00 nominal value of ICULS B for one new ordinary share of RM1.00 each	21,950	21,950	(43,900)	-	-	-	-	-	-	-	-
At 31 December 2010	251,959	21,950	-	68,291	(5,267)	85	750	(181,112)	156,656	1,447	158,103
Total comprehensive income for the year	-	-	-	-	-	-	(169)	5,056	4,887	144	5,031
At 31 December 2011	251,959	21,950	-	68,291	(5,267)	85	581	(176,056)	161,543	1,591	163,134

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

SYCAL VENTURES BERHAD

(Incorporated in Malaysia)

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

<u>THE COMPANY</u>	Share Capital RM'000	Share Premium RM'000	ICULS A and ICULS B RM'000	RCSLS RM'000	<i>Non- distributable</i>		Total RM'000
					Capital reserves RM'000	Accumulated Losses RM'000	
At 1 January 2010	88,306	-	183,714	68,291	(5,267)	(204,373)	130,671
Total comprehensive income for the year	-	-	-	-	-	3,038	3,038
Discount on ICULS A	-	-	1,889	-	-	-	1,889
Full conversion of 141,703,324 units ICULS A at the conversion price of RM1.00 nominal value of ICULS A for one new ordinary share of RM1.00 each	141,703	-	(141,703)	-	-	-	-
Full conversion of 43,900,260 units ICULS B at the conversion price of RM2.00 nominal value of ICULS B for one new ordinary share of RM1.00 each	21,950	21,950	(43,900)	-	-	-	-
At 31 December 2010	251,959	21,950	-	68,291	(5,267)	(201,335)	135,598
Total comprehensive loss for the year	-	-	-	-	-	(1,656)	(1,656)
At 31 December 2011	251,959	21,950	-	68,291	(5,267)	(202,991)	133,942

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

SYCAL VENTURES BERHAD

(Incorporated in Malaysia)

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

	GROUP		COMPANY		
	NOTE	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit / (Loss) before taxation		7,063	3,026	(1,655)	3,039
Adjustments for:					
Amortisation of discount on issuance of ICULS A		-	1,889	-	1,889
Bad debts written off		243	222	-	-
Depreciation of property, plant and equipment		732	630	-	-
Gain on disposal of plant and equipment		(6)	(41)	-	-
Interest expenses		1,876	2,043	1,349	1,434
Interest income		(2,854)	(53)	(3)	(3)
(Gain) / Loss on foreign exchange - unrealised		(167)	613	-	-
Plant and equipment written off		-	1	-	-
Reversal on provision for liquidated of ascertain damages in respect of construction works		-	(1,800)	-	-
Short term accumulating compensated absences		40	(5)	-	-
Operating profit / (loss) before working capital changes		6,927	6,525	(309)	6,359
Increase in held-for-sale properties		-	(3,342)	-	-
Decrease/ (Increase) in inventories		2,840	(547)	-	-
Increase in receivables		(5,018)	(2,174)	-	-
Decrease / (Increase) in property development costs		1,174	(8,260)	-	-
(Increase) / Decrease in joint-venture development costs		(880)	2,177	-	-
Decrease / (Increase) in amount due by/to contract customers		819	(3,630)	-	-
Decrease / (Increase) in amount due by related parties		163	(20)	-	-
Increase / (Decrease) in payables		1,046	7,460	(2)	39
Cash generated from / (used in) operations		7,071	(1,811)	(311)	6,398
Interest paid		(3,026)	(3,108)	(2,499)	(2,499)
Interest received		40	53	3	3
Tax paid		(2,649)	(1,265)	-	-
Net cash inflow / (outflow) from operating activities		1,436	(6,131)	(2,807)	3,902

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

SYCAL VENTURES BERHAD

(Incorporated in Malaysia)

**CASH FLOW STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011**

	NOTE	GROUP		COMPANY	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Net advances from / (repayment to) subsidiary companies		-	-	2,792	(3,892)
Proceeds from disposal of plant and equipment		114	41	-	-
Purchase of plant and equipment	33	(908)	(328)	-	-
Decrease / (Increase) in pledged deposits		507	(625)	-	-
Net cash (outflow) / inflow from investing activities		(287)	(912)	2,792	(3,892)
CASH FLOWS FROM FINANCING ACTIVITIES					
(Repayment of) / Proceeds from hire purchase		(239)	84	-	-
Proceeds from short term loans		1,000	-	-	-
(Repayment of) / Proceeds from term and bridging loans		(1,299)	6,845	-	-
Net cash (outflow) / inflow from financing activities		(538)	6,929	-	-
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		611	(114)	(15)	10
EFFECT OF EXCHANGE RATE CHANGES		(169)	602	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		669	181	123	113
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	34	1,111	669	108	123

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

SYCAL VENTURES BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

1. GENERAL INFORMATION

The Company is a public limited liability company incorporated in Malaysia under the Companies Act, 1965 and is domiciled in Malaysia.

The Company is principally an investment holding.

The principal activities of the subsidiary companies are set out in Note 5 to the financial statements.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

The registered office of the Company is located at:

Lot 4.03A,
4th Floor, Plaza Prima,
4 1/2 Miles, Jalan Kelang Lama,
58200 Kuala Lumpur.

The principal place of business of the Company is located at:

Lot 4.21,
4th Floor, Plaza Prima,
4 1/2 Miles, Jalan Kelang Lama,
58200 Kuala Lumpur.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

The financial statements are presented in Ringgit Malaysia (RM), which is the Group's and the Company's functional currency.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (Cont'd)

(a) Changes in accounting policies

Unless indicated otherwise, the accounting policies adopted are consistent with those of the previous financial year.

On 1 January 2011, the Group and the Company adopted the following applicable new and amended FRSs and IC Interpretations:

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations
FRS 127	Consolidated and Separate Financial Statements
Amendment to FRS 1	First-time Adoption of Financial Reporting Standards: - Limited Exemption from Comparative FRS 7 Disclosure for First-time Adopters - Additional Exemptions for First-time Adopters - Improvements to FRSs (2010)
Amendment to FRS 3	Business Combinations - Improvements to FRSs (2010)
Amendment to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendment to FRS 7	Financial Instruments: Disclosures: - Improving Disclosures about Financial Instruments - Improvements to FRSs (2010)
Amendment to FRS 101	Presentation of Financial Statements - Improvements to FRSs (2010)
Amendment to FRS 121	The Effect of Changes in Foreign Exchange Rates - Improvements to FRSs (2010)
Amendment to FRS 132	Financial Instruments: Presentation - Classification of rights issues - Improvements to FRSs (2010)
Amendment to FRS 134	Interim Financial Reporting - Improvements to FRSs (2010)
Amendment to FRS 139	Financial Instruments: Recognition and Measurement - Improvements to FRSs (2010)
IC Interpretation 4	Determining Whether an Arrangement contains a Lease
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers Instruments
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
Amendments to IC Interpretation 13	Customer Loyalty Programmes - Improvements to FRSs (2010)

The effects, if any, arising from the adoption of the above standards and interpretations on the financial statements are set out below.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (Cont'd)

(a) Changes in accounting policies (cont'd)

(i) Standards affecting presentation and disclosure

Amendments to FRS 7: Financial Instruments: Disclosures providing qualitative disclosures in the context of quantitative disclosures enables users to link related disclosures and hence form an overall picture of the nature and extent of risks arising from financial instruments. The interaction between qualitative and quantitative disclosures contributes to disclosure of information in a way that better enables users to evaluate an entity's exposure to risks. This amendment also clarifies the required level of disclosure around credit risk and collateral held and provides relief from disclosure of renegotiated loans.

Amendments to FRS 101: Presentation of Financial Statements clarifies that an entity may present the analysis of other comprehensive income by item either in the statement of changes in equity or in the notes to the financial statements.

Amendments to FRS 134: Interim Financial Reporting clarifies that an entity shall include in its interim financial report an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the entity since the end of the last annual reporting period. Information disclosed in relation to those events and transactions shall update the relevant information presented in the most recent annual financial report.

(ii) Standards and IC Interpretations adopted with no effect on financial statements

Adoption of the following new and revised Standards and IC Interpretations have had no significant impact on the amounts reported in the financial statements of the Group and of the Company but may affect the accounting for future transactions or arrangements.

FRS 1 First-time Adoption of Financial Reporting Standards (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate)

The amendments deal with the measurement of the cost of investments in subsidiaries, jointly controlled entities and associates when adopting FRSs for the first time and with the recognition of dividend income from subsidiaries in a parent's separate financial statements.

FRS 1 First-time Adoption of Financial Reporting Standards (revised)

In general, FRS 1 (revised) requires an entity to comply with each FRS effective at the end of its first FRS reporting period. In particular, the FRS requires an entity to do the following in the opening FRS statement of financial position that it prepares as a starting point for its accounting under FRSs:

- (i) recognises all assets and liabilities whose recognition is required by FRSs;
- (ii) not recognise items as assets or liabilities if FRSs do not permit such recognition;
- (iii) reclassifies items that it recognised under previous GAAP as one type of asset, liability or component of equity, but are a different type of asset, liability or component of equity under
- (iv) applies FRSs in measuring all recognised assets and liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (Cont'd)

(a) Changes in accounting policies (cont'd)

(ii) Standards and IC Interpretations adopted with no effect on financial statements (cont'd)

FRS 127 Consolidated and Separate Financial Statements (revised)

The revisions to FRS 127 principally affect the accounting for transactions or events that result in a change in the Group's interests in its subsidiaries.

FRS 127 (revised) has been adopted for the Group's financial periods beginning on or after 1 January 2011. The revised Standard has affected the Group's accounting policies regarding changes in ownership interests in its subsidiaries that do not result in a change in control. In prior years, in the absence of specific requirements in FRSs, increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised where appropriate; for decreases in interests in existing subsidiaries that did not involve a loss of control, the difference between the consideration received and the carrying amount of the share of net assets disposed of was recognised in profit or loss. Under FRS 127 (revised), all such increases or decreases are dealt with in equity, with no impact on goodwill or profit or loss.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the revised Standard requires that the Group derecognise all assets, liabilities and non-controlling interests at their carrying amount. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost, with the gain or loss arising recognised in profit or loss.

The revised Standard has also affected the Group's accounting policies for the non-controlling interests. Non-controlling interests shall be presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

FRS 3 Business Combinations (revised)

The revised FRS 3:

- (i) allows a choice on a transaction-by-transaction basis for the measurement of non-controlling interests (previously referred to as "minority interests") at the date of acquisition either at fair value or at the non-controlling interests' share of recognised identifiable net assets of the acquiree;

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (Cont'd)

(a) Changes in accounting policies (cont'd)

(ii) Standards and IC Interpretations adopted with no effect on financial statements (cont'd)

FRS 3 Business Combinations (revised) - cont'd

- (ii) changes the recognition and subsequent accounting requirements for contingent consideration. Previously, contingent consideration was recognised at the acquisition date only if payment of the contingent consideration was probable and it could be measured reliably; any subsequent adjustments to the contingent consideration were always made against the cost of the acquisition. Under the revised Standard, contingent consideration is measured at fair value at the acquisition date; subsequent adjustments to the consideration are recognised against the cost of the acquisition only to the extent that they arise from new information obtained within measurement period (a maximum of 12 months from the acquisition date) about the fair value at the date of acquisition. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss;
- (iii) requires the recognition of a settlement gain and loss where the business combination in effect settles a pre-existing relationship between the Group and the acquiree; and
- (iv) requires acquisition-related costs to be accounted for separately from the business combination, generally leading to those costs being recognised as an expense in profit or loss as incurred, whereas previously they were accounted for as part of the cost of the acquisition.

Upon adoption, this Standard will be applied prospectively and therefore, no restatements will be required in respect of transactions prior to the date of adoption.

FRS 3 Business Combinations (revised) (Amendments relating to Improvements to FRSs 2010)

Amendments to FRS 3 Business Combinations clarifies that the measurement choice regarding non-controlling interests at the date of acquisition is only available in respect of non-controlling interests that are present ownership interests that entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. All other types of non-controlling interests are measured at their acquisition-date fair values, unless another measurement basis is required by other Standards.

FRS 5 Non-current Assets Held for Sale and Discontinued Operations (Amendments relating to plan to sell the controlling interest in a subsidiary)

The amendment made to FRS5 clarifies that the disclosure requirements in Standards other than FRS 5 do not generally apply to non-current assets classified as held for sale and discontinued operations.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (Cont'd)

(a) Changes in accounting policies (cont'd)

(ii) Standards and IC Interpretations adopted with no effect on financial statements (cont'd)

IC Interpretation 9 Reassessment of Embedded Derivatives (Amendments relating to additional consequential amendments arising from revised FRS 3)

This Interpretation does not apply to embedded derivatives in contracts acquired in:

- (i) a business combination (as defined in FRS 3 Business Combinations (as revised in 2010));
- (ii) a combination of entities or businesses under common control as described in paragraphs B1–B4 of FRS 3 (revised 2010); or
- (iii) the formation of a joint venture as defined in FRS 131 Interests in Joint Ventures

or their possible reassessment at the date of acquisition.

IC Interpretation 13 Customer Loyalty Programmes

This Interpretation applies to customer loyalty award credits that an entity grants to its customers as part of a sales transaction, i.e. a sale of goods, rendering of services or use by a customer of entity assets; and subject to meeting any further qualifying conditions, the customers can redeem in the future for free or discounted goods or services.

(b) Standards issued but not yet effective

The Group and the Company has not adopted the following standards and interpretations that have been issued but not yet effective:

FRS, Amendments to FRS and Interpretations		Effective for financial periods beginning on or after
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement	1 July 2011
FRS 124	Related Party Disclosures	1 January 2012
Amendments to FRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2012
Amendments to FRS 7	Disclosures - Transfers of Financial Assets	1 January 2012
Amendments to FRS 112	Deferred Tax: Recovery of Underlying Assets	1 January 2012
* Amendments to IC Interpretation 15	Agreements for the Construction of Real Estate	1 January 2012
Amendments to FRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (Cont'd)

(b) Standards issued but not yet effective (cont'd)

FRS, Amendments to FRS and Interpretations		Effective for financial periods beginning on or after
FRS 10	Consolidated Financial Statements	1 January 2013
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosures of Interests in Other Entities	1 January 2013
FRS 13	Fair Value Measurement	1 January 2013
FRS 127 (2011)	Separate Financial Statements	1 January 2013
FRS 128 (2011)	Investment in Associates and Joint Ventures	1 January 2013
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
** FRS 9 (IFRS 9 (2009))	Financial Instruments (IFRS 9 issued by IASB in November 2009)	1 January 2015
** FRS 9 (IFRS 9 (2010))	Financial Instruments (IFRS 9 issued by IASB in October 2010)	1 January 2015

* The effective date of IC Interpretation 15 and consequential amendments resulting from IC Interpretation 15 shall be deferred to 1 January 2012 via amendment issued by MASB on 30 August 2010.

** Mandatory Effective Date of FRS 9 and Transition Disclosures (Amendments to FRS 9 (IFRS 9 issued by IASB in November 2009), FRS 9 (IFRS 9 issued by IASB in October 2010) and FRS 7), issued in March 2012, amended the effective date of FRS 9 (IFRS 9 issued by IASB in November 2009) and FRS 9 (IFRS 9 issued by IASB in October 2010) so that FRS 9 is required to be applied for annual periods beginning on or after 1 January 2015. Early application is permitted.

The directors anticipate that abovementioned Standards and IC Interpretations that are applicable to the Group and the Company will be adopted in the annual financial statements of the Group and of the Company when they become effective and that the adoption of these FRSs and IC Interpretations will have no material impact on the financial statements of the Group and of the Company in the period of initial application except as outlined below.

FRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009)

FRS 9 Financial Instruments (IFRS 9 issued by IASB in October 2010)

FRS 9 (IFRS 9 issued by IASB in November 2009) introduces new requirements for the classification and measurement of financial assets. FRS 9 (IFRS 9 issued by IASB in October 2010) includes the requirements for the classification and measurement of financial liabilities and for derecognition.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (Cont'd)

(b) Standards issued but not yet effective (cont'd)

Key requirements of FRS 9 are described as follows:

- (i) FRS 9 requires all recognised financial assets that are within the scope of FRS 139 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.
- (ii) The most significant effect of FRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under FRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under FRS 139, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

FRS 10 Consolidated Financial Statements

FRS 11 Joint Arrangements

FRS 12 Disclosure of Interests in Other Entities

FRS 127 Separate Financial Statements (2011)

FRS 128 Investments in Associates and Joint Ventures (2011)

In November 2011, a package of five Standards on consolidation, joint arrangements, associates and disclosures was issued, including FRS 10, FRS 11, FRS 12, FRS 127 (as revised in 2011) and FRS 128 (as revised in 2011).

Key requirements of these five Standards are described below.

FRS 10 replaces the parts of FRS 127 Consolidated and Separate Financial Statements (revised in 2010) that deal with consolidated financial statements. IC Interpretation 112 Consolidation – Special Purpose Entities has been withdrawn upon the issuance of FRS 10. Under FRS 10, there is only one basis for consolidation, that is control. In addition, FRS 10 includes a new definition of control that contains three elements:

- (i) power over an investee;
- (ii) exposure, or rights, to variable returns from its involvement with the investee; and
- (iii) the ability to use its power over the investee to affect the amount of the investor's returns.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (Cont'd)

(b) Standards issued but not yet effective (cont'd)

Extensive guidance has been added in FRS 10 to deal with complex scenarios.

FRS 11 replaces FRS 131 Interests in Joint Ventures. FRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. IC Interpretation 113 Jointly Controlled Entities – Non-monetary Contributions by Venturers has been withdrawn upon the issuance of FRS 11. Under FRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under FRS 131, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

In addition, joint ventures under FRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under FRS 131 can be accounted for using the equity method of accounting or proportionate accounting.

FRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/ or unconsolidated structured entities. In general, the disclosure requirements in FRS 12 are more extensive than those in the current standards.

FRS 13 Fair Value Measurement

FRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of FRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other FRSS require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in FRS 13 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under FRS 7 Financial Instruments: Disclosures will be extended by FRS 13 to cover all assets and liabilities within its scope.

FRS 112 Income Taxes (Amendments relating to deferred tax: recovery of underlying assets)

The amendments to FRS 112 provide an exception to the general principles in FRS 112 that the measurement of deferred tax assets and deferred tax liabilities should reflect the tax consequences that would follow from the manner in which the entity expects to recover the carrying amount of an asset. Specifically, under the amendments, investment properties that are measured using the fair value model in accordance with FRS 140: Investment Property are presumed to be recovered through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

FRS 124 Related Party Disclosures (revised)

FRS 124 (revised in 2010) has been revised on the following two aspects:

- (i) FRS 124 (revised in 2010) has changed the definition of a related party; and
- (ii) FRS 124 (as revised in 2009) introduces a partial exemption from the disclosure requirements for government-related entities.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (Cont'd)

(b) Standards issued but not yet effective (cont'd)

The Group and the Company are not government-related entities. Thus, the disclosure exemptions introduced in FRS 124 (revised in 2010) do not affect the Group and the Company. However, disclosures regarding related party transactions and balances in the Group's and the Company's financial statements may be affected when the revised version of the Standard is applied in future accounting periods because some counterparties that did not previously meet the definition of a related party may come within the scope of the Standard.

(c) Malaysian financial reporting standards

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework (MFRS Framework) in conjunction with its planned convergence of FRSs with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board on 1 January 2012.

The MFRS Framework is a fully IFRS-compliant framework, equivalent to IFRSs which is mandatory for adoption by all Entities Other than Private Entities for annual periods beginning on or after 1 January 2012, with the exception for Transitioning Entities. Transitioning Entities, being entities which are subject to the application of MFRS 141: Agriculture and/ or IC Interpretation 15: Agreements for the Construction of Real Estate are given an option to defer adoption of the MFRS Framework for an additional one year. Transitioning Entities also includes those entities that consolidates, equity accounts or proportionately consolidates an entity that has chosen to continue to apply the FRS Framework for annual periods beginning on or after 1 January 2012.

The Group falls within the scope definition of Transitioning Entities and has opted to defer adoption of MFRS Framework for an additional one year. Accordingly, it will be required to prepare financial statements using the MFRS Framework for the financial year ending 31 December 2013. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group has commenced transitioning its accounting policies and financial reporting from the current Financial Reporting Standards to the MFRS Framework and has not completed its quantification of the financial effects of the differences between Financial Reporting Standards and accounting standards under MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 31 December 2011 could be different if prepared under the MFRS Framework.

The Group expects to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2013.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Basis of Consolidation

Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and an entity controlled by the Company (its subsidiary). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interests of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

- (a) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- (b) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 139 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Property, plant and equipment

(a) Measurement

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

(b) Depreciation

Property, plant and equipment are depreciated on the straight line basis to write off the cost of the assets, to their residual values over their estimated useful lives, summarised as follows:

	<u>Useful lives</u>
Freehold office lots and buildings	50 years
Plant and machinery	8 to 10 years
Motor vehicles	5 years
Aircraft parts and equipment	5 years
Office equipment, furniture and fittings	5 to 13 years
Theme park	15 years

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with the expected pattern of consumption of the future economic benefits embodied the items of plant and equipment.

(c) Subsequent costs

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

(d) Disposals

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

2.4 Investments

(a) Investment in subsidiaries

Investment in subsidiaries are stated at cost less accumulated impairment losses.

(b) Other non-current investments

Other non-current investments are categorised as available-for-sale financial assets and are accounted in accordance with the policy stated in Note 2.22 (ii)(d).

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Investments (Cont'd)

(c) Disposal

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged / credited to profit or loss.

2.5 Land Held for Property Development and Property Development Costs

(a) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.21(b).

Land held for property development is reclassified as property development costs (under current assets) 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 of 2 to 4 years.

(b) Joint-venture development project

Land held for property development under joint-venture arrangement is classified within current assets and is stated at cost less any accumulated impairment losses.

(c) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

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

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

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

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

Completed units of development properties not sold at the end of the reporting period are transferred to inventories as current assets.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Held-for-sale properties

Held-for-sale properties comprises completed units of land and / or buildings acquired with a view to their subsequent disposals and are stated at the lower of carrying amount and fair value less costs to sell.

Held-for-sale properties are not depreciated.

2.7 Inventories

Inventories of completed units of development properties not sold at the end of the reporting period are stated at the lower of cost and net realisable value. The cost of unsold completed units of development properties is determined by an allocation of the accumulated development cost of each individual unit by specific identification or when this is not possible, in accordance with their relative sales values or profits contributions. Cost includes the relevant cost of land, development expenditure and related interest cost incurred during the development period.

Other inventories are stated at the lower of cost, determined on the first-in-first-out basis as applicable or net realisable value. Cost includes the actual cost of materials and incidentals in bringing the inventories to their present location and condition.

In arriving at the net realisable value, due allowance is made for obsolete and slow moving inventories.

2.8 Receivables

Trade and other receivables are categorised and measured as loans and receivables in accordance with Note 2.22(ii)(c).

2.9 Construction Contracts

Contracts work-in-progress are stated at cost, and where appropriate, include attributable profit less allowance for foreseeable losses and progress payments received and receivable. Cost includes the actual cost of materials, labour and other incidental expenses incurred in the construction contracts.

The excess of cost incurred plus recognised profit less allowance for foreseeable losses and progress billings received and receivable is shown as “Amount due from contract customers” under current assets. The deficit, if any, is shown as “Amount due to contract customers” under current liabilities.

2.10 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

Cash and cash equivalents (other than bank overdrafts) are categorised and measured as loans and receivables in accordance with policy Note 2.22(ii)(c).

2.11 Payables

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Related party

The Company treats a related party (other than holding, subsidiary or associated company) as a company in which the shareholders and directors are substantially in common with those of the Company.

2.13 Provisions

Provisions are made when it is probable that an outflow of resources embodying economic benefits will be required to settle present obligations as a result of past events, and a reliable estimate can be made out of the amount of the obligation.

2.14 Leases

(a) Classification

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. All leases that do not transfer substantially all the risks and rewards are classified as operating leases.

(b) Finance Leases

Leases in which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequently to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

2.15 Borrowings

(a) Classification

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to profit and loss over the period of the borrowings using the effective interest method.

Borrowings which are due to be settled within twelve months after the end of the reporting period are included in current borrowings in the statement of financial position even though the original term was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of the reporting period and before the financial statements are authorised for issue. Other borrowings due to be settled more than twelve months after the end of the reporting period are included in non-current borrowings in the statement of financial position.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Borrowings (Cont'd)

(b) Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

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

2.16 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issuance of new equity instruments are taken to equity as a deduction, net of tax, from the proceeds.

Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by the shareholders.

2.17 Income Taxes

Tax on the profit or loss for the financial year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in the equity, in which case it is recognised in equity.

Current tax is the expected amount of income tax payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted at the end of the reporting period.

Deferred tax is provided for, using the liability method, on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that at the time of the transaction affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets or liabilities, using tax rates enacted or substantially enacted at the end of the reporting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at the end of the reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

A tax incentive that is not a tax base of an asset is recognised as a reduction of tax expense in profit or loss as and when it is granted and claimed. Any unutilised portion of the tax incentive is recognised as a deferred tax asset to the extent that it is probable that future taxable profits will be available against which the unutilised tax incentive can be utilised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 Income Recognition

(a) Sale of development properties

Profit from sale of development properties is recognised on the percentage of completion method as described in Note 2.5(c). Anticipated losses are immediately recognised in the income statements.

The percentage of completion is measured by reference to the certified work done to date.

(b) Contract work not certified

Claims for contract work done submitted but yet to be ascertained and certified / approved by the customers are not recognised.

(c) Construction contracts

Profit from construction contracts is recognised on the stage of completion method unless the outcome of the construction contracts cannot be reliably determined in which case the completion method is used.

The stage of completion is measured by reference to the certified work done to date.

(d) Sale of goods

Revenue from sale of goods and services is recognised based on invoiced value of services rendered and, or goods sold.

(e) Joint-venture development project

Entitlement under joint-venture project is recognised according to the terms under the Joint-Venture Agreement or upon receipt, as the case may be.

(f) Dividend income

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

2.19 Employee Benefits

(a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when absences occur.

(b) Defined contribution plans

Obligations for contributions to defined contribution plans are recognised as an expense in the income statement as incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Foreign Currencies

(a) Functional and presentation currency

Items included in the 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 financial statements are presented in Ringgit Malaysia, which is the Group's functional and presentation currency.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except for currency translation differences on net investment in foreign operations.

(c) Translation of Group entities' financial statements

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

- (i) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet;
- (ii) Income and expenses for each income statement are translated at average exchange rate (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) All resulting exchange differences are taken to the foreign currency translation reserve within equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity on or after 1 January 2006 are treated as assets and liabilities of the foreign entity and translated at the closing rate. For acquisitions prior to 1 January 2006, the exchange rates at the dates of acquisition were used.

The principal exchange rates (in unit of foreign currency per Ringgit Malaysia) used are as follows:

	Year-end rate		Average rate	
	2011	2010	2011	2010
Hong Kong Dollar	2.447	2.524	2.546	2.421

(d) Consolidation adjustments

On consolidation, currency translation differences arising from the net investment in foreign operations are taken to the foreign currency translation reserve. When a foreign operation is disposed of, such currency translation differences are recognised in the income statement as part of the gain or loss on disposal.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Impairment

(a) Financial assets

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

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 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 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.

(b) Non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there is separately identifiable cash flows (cash-generating units). Non financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

The impairment loss is charged to profit or loss unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.22 Financial Instruments

(i) Initial recognition and measurement

A financial instrument is recognised in the financial statements when, and only when, the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

The Company categorise financial instruments as follows:

Financial assets

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

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(b) Held-to-maturity investments

Held-to-maturity investments category comprises debt instruments that are quoted in an active market and the Group has the positive intention and ability to hold till maturity.

Financial assets categorised as held-to-maturity investments are subsequently measured at amortised cost using the effective interest method.

(c) Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market, trade and other receivables and cash and cash equivalents.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.22 Financial Instruments (Cont'd)

(ii) Financial instrument categories and subsequent measurement (cont'd)

(d) Available-for-sale financial assets

Available-for-sale category comprises investment in equity and debt securities instruments that are not held for trading and other financial assets not classified under 2.22(ii) (a), (b) and (c) above.

Investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair value hedges which are recognised in profit or loss. On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in profit or loss.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are held for trading, derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Chief Executive Officer of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

3.1 Construction contracts

Profit from construction contracts is the excess of contract revenue over contract cost.

The Group recognises contract revenue based on the stage of completion method. The stage of completion is measured by reference to the certified work done to date. Significant judgement is required in determining the stage of completion. Total contract revenue also includes an estimation of the recoverable variation works that are recoverable from the customers. In making the judgement, the Group relied on past experience and the work of specialists.

An estimation and judgement is also required in determining the estimated total contract costs. The Group relied on past experience and the work of specialists for such estimation and judgement made.

3.2 Recoverable amounts for property, plant and equipment, land held for property development and property development cost

The Group tests whether property, plant and equipment, land held for property development and property development cost have suffered any impairment, in accordance with the accounting policy stated in Note 2.21(b) above. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require use of judgements and estimates.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

3.3 Depreciation of property, plant and equipment

Property, plant and equipment is depreciated on the straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and machinery to range between 5 and 50 years. The carrying amount of the Group's property, plant and equipment as at 31 December 2011 was RM4.994 million (2010: RM4.558 million). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. A reduction in the estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease the non-current assets.

3.4 Allowance for impairment of receivables

The Group and the Company makes allowance for impairment of receivables based on an assessment of the recoverability of trade receivables and other receivables. Allowances for impairment of receivables are applied to trade receivables and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful receivables requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact carrying value of receivables and the allowance for impairment of receivables in the period in which such estimate has been changed.

3.5 Property development

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

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

3.6 Provision for taxation

The Group is subject to income taxes whereby significant judgement is required on determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Consequently, if the final assessment is different from the tax liabilities recognised by the Group, such differences will impact the income tax and deferred tax provision in the period such determination is made.

4. PROPERTY, PLANT AND EQUIPMENT

GROUP	Freehold office lots and buildings	Plant and machinery	Motor vehicles	Aircraft parts and equipment	Office equipment, furniture and fittings	Theme Park	Total
COST	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2010	1,314	38,561	8,009	3,256	1,621	3,009	55,770
Additions	-	-	315	-	13	-	328
Disposals	-	-	(115)	(92)	-	-	(207)
Written off	-	-	-	-	(80)	-	(80)
Translation difference	-	-	-	(333)	(3)	-	(336)
At 31 December 2010	1,314	38,561	8,209	2,831	1,551	3,009	55,475
Additions	-	188	1,049	-	39	-	1,276
Disposals	-	-	(234)	(38)	(10)	-	(282)
Translation difference	-	-	-	88	1	-	89
At 31 December 2011	1,314	38,749	9,024	2,881	1,581	3,009	56,558
ACCUMULATED DEPRECIATION							
At 1 January 2010	417	38,319	7,267	3,256	1,449	201	50,909
Charge for the year	25	71	280	-	53	201	630
Disposals	-	-	(115)	(92)	-	-	(207)
Written off	-	-	-	-	(79)	-	(79)
Translation difference	-	-	-	(333)	(3)	-	(336)
At 31 December 2010	442	38,390	7,432	2,831	1,420	402	50,917
Charge for the year	25	77	369	-	60	201	732
Disposals	-	-	(127)	(38)	(9)	-	(174)
Translation difference	-	-	-	88	1	-	89
At 31 December 2011	467	38,467	7,674	2,881	1,472	603	51,564
NET BOOK VALUE							
At 31 December 2011	847	282	1,350	-	109	2,406	4,994
At 31 December 2010	872	171	777	-	131	2,607	4,558

Included in the net book value of property, plant and equipment of the Group are motor vehicles and plant and machinery amounted to RM747,273 and RM105,466 (2010: RM659,538 and Nil) respectively, acquired under hire purchase arrangement for which instalments are still outstanding at the end of the reporting period.

5. INTEREST IN SUBSIDIARY COMPANIES

	COMPANY	
	2011 RM'000	2010 RM'000
Unquoted shares - at cost	344,405	344,405
Less: Allowance for impairment losses	185,040	185,040
	159,365	159,365
	159,365	159,365

Unless indicated otherwise, all the subsidiary companies are incorporated in Malaysia and have the same financial year-end as the Company. The details of the subsidiary companies are as follows:

<u>Name of subsidiary companies</u>	<u>Effective Equity Interest</u>		<u>Principal Activities</u>
	2011 %	2010 %	
Sycal Berhad	100	100	Investment holding and contractor for building and civil engineering
<i>and its subsidiaries:</i>			
Sycal Kulai Sdn. Bhd.	100	100	Property development
Cygal Construction Sdn. Bhd.	100	100	Dormant
Sycal Plant & Machinery Sdn. Bhd.	100	100	Contractor for civil engineering
Cygal Industries Sdn. Bhd.	100	100	Dormant
Cygal Trading Sdn. Bhd.	100	100	Dormant
Sycalland Development Sdn. Bhd.	100	100	Property development
Southhost Sdn. Bhd.	100	100	Investment holding
Cygal Hotel Management Services Sdn. Bhd.	100	100	Dormant
Cygal Entertainment Sdn. Bhd.	82	82	Dormant
Sycal Concrete Sdn. Bhd.	70	70	Manufacturing and trading in ready mix concrete
Sycal Geotechnics Sdn. Bhd.	70	70	Dormant
*# United Golden Mile Aviation Ltd	71	71	Leasing of aircraft parts and equipment and provision of related services
Sycal Properties Sdn. Bhd.	100	100	Property development
<i>and its subsidiary:</i>			
Sycal Properties Management Sdn. Bhd.	100	100	Providing properties management and maintenance services
# Sycal Resorts Sdn. Bhd.	100	100	Property development, investment holding and operator of theme park

* A company incorporated in Hong Kong.

Subsidiary companies audited other than by Messrs. SC Associates.

6. OTHER INVESTMENTS

	GROUP	
	2011	2010
	RM'000	RM'000
Unquoted shares - at cost	7,890	7,890
Less: Accumulated impairment losses	7,890	7,890
	-	-
Shares quoted in Malaysia - at cost	6	6
Less: Accumulated impairment losses	3	3
	3	3
Transferable club membership - at cost	150	150
	153	153
Market value of quoted shares	2	3

7. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

	Freehold Land RM'000	Development Expenses RM'000	Impairment Losses RM'000	Total RM'000
<u>GROUP</u>				
Cost				
At 1 January 2010	42,788	27,140	(11,938)	57,990
Additions	-	3,145	-	3,145
At 31 December 2010	42,788	30,285	(11,938)	61,135
Additions	-	1,524	-	1,524
Transfer to cost of work performed	(832)	(1,169)	314	(1,687)
At 31 December 2011	41,956	30,640	(11,624)	60,972

Freehold land of a subsidiary company is pledged as security for borrowings as disclosed in Note 22.

Freehold land of another subsidiary company with estimated carrying value of RM28.6 million (2010: RM28.6 million) is pledged as security for the Minimum Redemption Amount of the RCCLS as disclosed in Note 25.

8. HELD-FOR-SALE PROPERTIES

	GROUP	
	2011	2010
	RM'000	RM'000
Held-for-sale properties	4,089	4,089

9. INVENTORIES

	GROUP	
	2011 RM'000	2010 RM'000
At cost		
Completed units of development properties	7,552	10,294
Building materials	237	335
	<u>7,789</u>	<u>10,629</u>

10. TRADE RECEIVABLES

	GROUP	
	2011 RM'000	2010 RM'000
Trade receivables	76,936	77,203
Claims for contract works not certified	-	(292)
	<u>76,936</u>	<u>76,911</u>
<u>Allowance for impairment losses</u>		
At 1 January	(36,176)	(36,186)
Written back	-	10
Written off	2,204	-
At 31 December	<u>(33,972)</u>	<u>(36,176)</u>
	42,964	40,735
Accrued billings in respect of property development costs	8,365	5,287
	<u>51,329</u>	<u>46,022</u>

Included in the trade receivables of the Group is an amount of RM8,169,322 (2010: RM9,758,129) representing contract sum retained in relation to contracting work performed.

Trade receivables include an amount due of RM8,556,000 (2010: RM8,576,800) representing the balance outstanding of the sum for which agreement has been reached for the settlement by instalment payments. The trade debtor has defaulted payment and has instead pay on its own accord instalments of much lesser sum than were originally agreed upon. An allowance of RM8.5 million has been made for doubtful debts in respect of this trade receivable.

Included in carrying values of trade receivables is an amount of RM9,768,850 (2010: RM9,866,399) receivable in respect of various sub-contract works done for Prima Ace Sdn Bhd.

The Group's normal trade credit terms vary from 30 to 120 days. Other trade credit terms are assessed and approved on a case-by-case basis. Trade receivables of the Group are unsecured and non-interest bearing.

11. PROPERTY DEVELOPMENT COSTS

	GROUP	
	2011 RM'000	2010 RM'000
Property development costs at 1 January		
- Freehold land - at costs	31,138	31,138
- Development costs	75,570	61,318
	106,708	92,456
Add: Development costs incurred during the year	17,747	14,252
	124,455	106,708
Impairment loss on freehold development land	(13,168)	(13,168)
Costs recognised as expenses in profit or loss		
- At 1 January	(60,163)	(51,434)
- Current year	(19,928)	(8,729)
	(80,091)	(60,163)
Transfer to closing inventories	(486)	(1,656)
Transfer to plant and equipment	(3,009)	(3,009)
Property development costs at 31 December	27,701	28,712

12. JOINT-VENTURE DEVELOPMENT COSTS

	GROUP	
	2011 RM'000	2010 RM'000
Joint-Venture Development I	6,717	6,607
Joint-Venture Development II	1,180	1,003
Joint-Venture Development III	593	-
	8,490	7,610

Joint-Venture Development I

<u>GROUP</u>	Land owner's entitlement RM'000	Development costs incurred RM'000	Costs recognised as expenses in profit or loss RM'000	Total RM'000
At 1 January 2010	1,472	7,071	(2,278)	6,265
Additions	39	1,129	(826)	342
At 31 December 2010	1,511	8,200	(3,104)	6,607
Additions	-	110	-	110
At 31 December 2011	1,511	8,310	(3,104)	6,717

On 3 January 2008, the Group entered into a joint-venture agreement with Syarikat Juwasa Hikmat Sdn. Bhd. ("SJHSB"). SJHSB has been appointed by the Perak State Government to develop a Rancangan Kampung Tersusun Aulong Lama Tambahan on a plot of land known as RKT Aulong Lama Tambahan, Aulong Lama, Mukim Assam Kumbang ("said Land").

12. JOINT-VENTURE DEVELOPMENT COSTS (CONT'D)

Joint-Venture Development I (Cont'd)

The Group has been appointed by SJHSB to jointly develop part of the said Land into various units of shop lots and residential buildings ("Designated Building Lots"). The Group is, at its own cost and expense, responsible for the development and sale of the Designated Building Lots. In consideration, the Group is entitled to 78% of the gross revenue from the shplot units and 80% of the gross revenue from the residential buildings.

As of 31 December 2011, the joint venture development project has been substantially completed.

Joint-Venture Development II

	GROUP	
	2011	2010
	RM'000	RM'000
Development costs incurred	180	3
Advance payment made to land owner	1,000	1,000
	<u>1,180</u>	<u>1,003</u>

The above advance of RM1 million was made pursuant to the Memorandum of Understanding and the Joint Venture Agreement ("JV Agreement") signed between Sycal Properties Sdn. Bhd. ("SPSB"), a wholly owned subsidiary, and Global Net Communication Sdn Bhd ("GNC") on 13 June 2008 and 18 January 2011 respectively. GNC is the sole registered and full beneficial owner of the development land.

Under the terms of the JV Agreement, SPSB is to develop 3 plots of development land located at Tempat Sungei Puteh, Mukim Kuala Lumpur, Daerah Kuala Lumpur (with land area totaling approximately 2.032 acres) into a proposed high end residential development comprising 28 units terrace villa.

GNC is entitled to 26.8% and SPSB 73.2% of the total Gross Development Value. The advance payment made to land owner of RM1 million will be used to offset against the land owner entitlement as the development progresses.

As of 31 December 2011, plan approval is pending.

Joint-Venture Development III

	GROUP	
	2011	2010
	RM'000	RM'000
Development costs incurred	593	-

In December 2011, the Group entered into a JV Agreement with Harta Mesra Development Sdn. Bhd. whereby the Group has been appointed as project consultant cum developer for mix development at Lot 12080, Klebang Ipoh, Mukim Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan ("Development"). The Group is, at its own costs and expenses, responsible for the construction, completion, marketing, sales, maintenance and management of the Development. In consideration, the Group is entitled to 70% of the gross revenue.

13. DUE BY / (TO) CONTRACT CUSTOMERS

	GROUP	
	2011	2010
	RM'000	RM'000
Construction costs	1,647,094	1,605,905
Recognised profits less losses	85,275	84,681
Progress billings received and receivable	(1,687,106)	(1,644,504)
	<u>45,263</u>	<u>46,082</u>
Represented by:		
Due by contract customers	76,589	71,055
Due to contract customers	(31,326)	(24,973)
	<u>45,263</u>	<u>46,082</u>
Construction costs incurred during the year	<u>40,180</u>	<u>61,189</u>
Construction costs recognised as contract expenses during the year	<u>39,956</u>	<u>58,603</u>
Included in construction costs incurred during the financial year are:		
Depreciation of plant and equipment	15	8
Staff costs	3,019	2,025
Hire of machinery	1,460	1,123
Rental of site	61	179

14. AMOUNT DUE BY / (TO) RELATED PARTIES

	SUB- NOTE	GROUP	
		2011	2010
		RM'000	RM'000
Amount receivables:			
- Cygal Development Sdn. Bhd.	5	42,084	39,431
- Infratimur Sdn. Bhd.	3	414	414
		<u>42,498</u>	<u>39,845</u>
Amount payables:			
- Cygal Holdings Sdn. Bhd.	1,2,3,4	(76)	(74)
- Mahligai Harapan Sdn. Bhd.	2	(102)	(102)
		<u>(178)</u>	<u>(176)</u>

- 1) Company in which Dato' Seow Yong Chin is also a director.
- 2) Company in which Encik Syed Zain Al-Kudcy Bin Dato' Syed Mahmood is also a director.
- 3) Company in which Dato' Seow Yong Chin is also a substantial shareholder.
- 4) Company in which Encik Syed Zain Al-Kudcy Bin Dato' Syed Mahmood is also a substantial shareholder.
- 5) Company in which Dato' Seow Yong Chin has controlling interests.

14. AMOUNT DUE BY / (TO) RELATED PARTIES (CONT'D)

The amount receivables are expected to be collected as follows:

	Gross RM'000	Individual impairment RM'000	Net RM'000
2011			
<u>Current</u>			
Within 12 months	7,353	-	7,353
<u>Non-current</u>			
More than 1 year and less than 2 years	13,161	-	13,161
More than 2 years and less than 5 years	21,984	-	21,984
	35,145	-	35,145
	42,498	-	42,498
2010			
<u>Current</u>			
Within 12 months	7,351	-	7,351
<u>Non-current</u>			
More than 1 year and less than 2 years	12,000	-	12,000
More than 2 years and less than 5 years	20,494	-	20,494
	32,494	-	32,494
	39,845	-	39,845

The amount due by Cygal Development Sdn. Bhd. ("CD") is in respect of contracting and other related work done on CD's project.

On 30 December 2010, it was agreed that an amount receivable from CD of RM35.194 million was to be paid over the next 4 years and subject to an interest charge of 7.5% per annum. On 26 October 2011, the repayment schedule of this receivable was restuctured to be paid over 4 years from 2012 to 2015 due to the delay of financing source to CD from the financial institutions. The amount due by CD is unsecured.

All other amounts due by / (to) related parties are unsecured, interest-free and repayable on demand.

15. AMOUNT DUE BY / (TO) SUBSIDIARY COMPANIES

	COMPANY	
	2011	2010
	RM'000	RM'000
Amount receivables	6,201	6,201
<u>Less: Allowance for impairment losses</u>		
At 1 January	3,935	188,975
Reversal on derecognition	-	(185,040)
At 31 December	3,935	3,935
	2,266	2,266
Amount payables	(10,742)	(7,950)

The amount due by / (to) subsidiary companies are unsecured, interest free and repayable on demand.

16. TAX RECOVERABLE

This include tax credit of RM2,205,000 (2010: RM2,205,000) arising from the tax deducted at source on dividend income under Section 110 of the Income Tax Act, 1967 which is available for set-off against future tax liability subject to the agreement from the Inland Revenue Board.

17. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP	
	2011	2010
	RM'000	RM'000
Other receivables	2,232	2,464
<u>Less: Allowance for doubtful debts</u>		
At 1 January	(951)	(951)
Written off	-	-
At 31 December	(951)	(951)
Deposits	1,281	1,513
Prepayments	1,000	1,304
	362	358
	2,643	3,175

18. FIXED AND SECURITY DEPOSITS

The effective yields of the fixed deposits of the Group and the Company range from 2.75% to 3% (2010: 2.3% to 2.75%) and 2.75% (2010: 2.75%) per annum respectively.

Included in fixed and security deposits of the Group are fixed deposits amounting to RM618,000 (2010: RM1,125,000) which have been placed as securities for bank facilities granted to subsidiaries.

19. TRADE PAYABLES

The normal trade credit terms granted by trade payables to the Group vary from 0 to 120 days.

20. OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUALS

	GROUP		COMPANY	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Other payables	3,980	2,943	52	58
Deposits received	1,532	1,211	-	-
Accruals	4,298	4,197	1,291	1,287
	<u>9,810</u>	<u>8,351</u>	<u>1,343</u>	<u>1,345</u>
These include:				
Amount due to a director, Dato' Seow Yong Chin	98	98	3	3
Amount due to a former shareholder of a subsidiary company	237	237	-	-

The amount due to the director and former shareholder represents unsecured, interest free and repayable on demand.

21. HIRE PURCHASE PAYABLES

	GROUP	
	2011 RM'000	2010 RM'000
Hire purchase obligations repayable:		
Within one year	223	165
More than one year and less than five years	595	524
	818	689
Less: Unexpired finance charges	90	90
	<u>728</u>	<u>599</u>
Principal amount repayable:		
Within one year (shown under current liabilities)	190	133
More than one year and less than five years (shown under non-current liabilities)	538	466
	<u>728</u>	<u>599</u>

22. BANK BORROWINGS

	GROUP	
	2011	2010
	RM'000	RM'000
<u>Current</u>		
Bank overdraft (secured)	429	892
Short term loan (secured)	1,000	-
	<hr/> 1,429	<hr/> 892
<u>Non-current</u>		
Term and bridging loans (secured)	5,806	7,105
	<hr/> 7,235	<hr/> 7,997
<u>Total bank borrowings</u>		
Bank overdraft (secured)	429	892
Short term loan (secured)	1,000	-
Term and bridging loans (secured)	5,806	7,105
	<hr/> 7,235	<hr/> 7,997
<u>Maturity of bank borrowings</u>		
Within one year	1,429	892
More than 2 years and less than 3 years	5,806	7,105
	<hr/> 7,235	<hr/> 7,997

The above bank borrowings are secured by way of:

- (i) Legal charge over development land of certain subsidiaries;
- (ii) Proceeds to be collected from a factored customer;
- (iii) Personal guarantee by a director of the Company; and
- (iv) Corporate guarantee by the Company.

The annual effective interest rates at the end of the reporting period were as follows:

	GROUP	
	2011	2010
Hire purchase payables	4.83% - 7.8%	4% - 7.8%
Bank overdraft (secured)	8.85%	8.55%
Short term loan (secured)	7.85%	-
Term and bridging loans (secured)	8.35%	7.3%

23. PROVISIONS

	GROUP	
	2011 RM'000	2010 RM'000
Provision for anticipated cost in respect of completed property development projects	109	109
Provision for employee benefits:		
- short term accumulated compensated absences		
At 1 January	256	261
Utilisation during the year	40	(5)
At 31 December	296	256
	405	365

24. SHARE CAPITAL

	GROUP		COMPANY	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
<u>Authorised:</u>				
500,000,000 ordinary shares of RM1.00 each	500,000	500,000	500,000	500,000
<u>Issued and fully paid:</u>				
- Ordinary shares of RM1.00 each				
At 1 January	251,959	88,306	251,959	88,306
Full conversion of 141,703,324 units ICULS A at the conversion price of RM1.00 nominal value of ICULS A for one new ordinary share of RM1.00 each	-	141,703	-	141,703
Full conversion of 43,900,260 units ICULS B at the conversion price of RM2.00 nominal value of ICULS B for one new ordinary share of RM1.00 each	-	21,950	-	21,950
At 31 December	251,959	251,959	251,959	251,959

24. SHARE CAPITAL (CONT'D)

On 29 June 2007, 25 million Warrants were issued for free to the subscribers of the renounceable rights issues undertaken by the Company.

The principal terms of the Warrants are as follows:

(i) Form and denomination:-

The Warrants shall be issued in registered form and constituted by the Deed Poll.

(ii) Exercise rights:-

Each Warrant carries the entitlement, at any time during the Exercise Period, to subscribe for 1 new SVB Share at the Exercise Price, subject to adjustments in accordance with the provisions of the Deed Poll.

(iii) Exercise price:-

The Exercise Price of the Warrants is fixed at RM1.00 subject to adjustments in accordance with the provisions of the Deed Poll.

(iv) Exercise period:-

Commencing on and including the date of issue of the Warrants, i.e. 29 June 2007 and ending on a date being 5 years from the date of issue of the Warrants, i.e. 21 June 2012.

(v) Expiry date:-

At the close of business on the maturity date of the Warrants, being a date which is 5 years from the date of issue of the Warrants, unless extended, any Warrant which has not been exercised and delivered to the Registrar will lapse and cease thereafter to be valid for any purpose.

(vi) Ranking of SVB Shares to be issued upon the exercise of Warrants:-

The SVB Shares to be issued upon the exercise of the Warrants shall, upon allotment and issue, rank equally in all respects with the existing SVB Shares, save and except that they shall not be entitled to any rights, dividends, allotments and/or distributions, the entitlement date of which precedes the allotment of the SVB Shares arising from the exercise of the Warrants.

(vii) Adjustments to Exercise Price and Exercise Rights

The Exercise Price and the number of Warrants held by Warrantholders shall from time to time be adjusted, in the event of alteration to the share capital of the Company.

As at the end of the reporting period, non of these Warrants were exercised.

25. 5 YEAR 3% REDEEMABLE CONVERTIBLE SECURED LOANS STOCKS 2007/2012

As part of and in conjunction with the composite restructuring scheme, the Company had on 21 June 2007, issued 83,290,604 units 5-year redeemable convertible secured loans stocks ("RCSLS") at the nominal value of RM1.00 each bearing coupon interest rate at 3% per annum for settlement of its indebtedness to the financial institution creditors.

The main features of RCSLS are as follows:

- (i) The Company has the option to redeem the RCSLS at any time during the tenure of the RCSLS on the basis of RM1.00 for every RM1.00 nominal value of RCSLS. Minimum amount to be redeemed throughout the tenure of the RCSLS, is RM15 million ("Minimum Redemption Amount").
- (ii) Holders will have the right to convert RM1.00 nominal value of RCSLS into one new ordinary share of the Company on the maturity date at the conversion price.
- (iii) All outstanding RCSLS shall be converted into new ordinary shares of the Company on the maturity date at the conversion price.
- (iv) The RCSLS bear coupon interest rate at 3% per annum payable annually in arrears on 30 June, with the first payment due on 30 June 2008.
- (v) The RCSLS are not listed on Bursa Malaysia Securities Berhad and are non-tradable.
- (vi) The new ordinary shares to be issued under the conversion of the RCSLS shall rank equally in all respects with the existing ordinary shares of the Company, except that they shall not be entitled to any rights, dividends, allotment and / or other distributions, the entitlement date of which precedes the date of allotment of the new ordinary shares.

The Minimum Redemption Amount of the RCSLS is secured by way of a first fixed charge over a piece of freehold land owned by a subsidiary company. As of the reporting date, the Company has not exercised its option to redeem any of the RCSLS.

The RCSLS have been split between the liability component and the equity component as accounted for in the statements of financial position of the Group and of the Company as follows:

25. 5 YEAR 3% REDEEMABLE CONVERTIBLE SECURED LOANS STOCKS 2007/2012 (CONT'D)

	GROUP		COMPANY	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Face value of RCSLS issued	83,291	83,291	83,291	83,291
Equity component:				
- RCSLS	(68,291)	(68,291)	(68,291)	(68,291)
- Capital reserves	5,267	5,267	5,267	5,267
	(63,024)	(63,024)	(63,024)	(63,024)
Liability component at date of issue	20,267	20,267	20,267	20,267
Interest expense recognised in the statements of comprehensive income:				
At 1 January	5,344	3,910	5,344	3,910
Recognised during the year	1,349	1,434	1,349	1,434
At 31 December	6,693	5,344	6,693	5,344
Interest paid:				
At 1 January	(7,503)	(5,004)	(7,503)	(5,004)
Paid during the year	(2,499)	(2,499)	(2,499)	(2,499)
At 31 December	(10,002)	(7,503)	(10,002)	(7,503)
Interest accrued during the year	(1,250)	(1,250)	(1,250)	(1,250)
Liability component at 31 December	15,708	16,858	15,708	16,858
Less: Shown under current liabilities	15,708	-	15,708	-
Shown under non-current liabilities	-	16,858	-	16,858

Interest expense on the RCSLS is calculated on the effective yield basis by applying the coupon interest rate of 8% for an equivalent non-convertible loan stocks to the liability component of the RCSLS.

26. RESERVES

	GROUP		COMPANY	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
<u>Non-distributable:</u>				
Exchange translation reserves	581	750	-	-
Revaluation reserves	85	85	-	-
Capital reserves	(5,267)	(5,267)	(5,267)	(5,267)
	(4,601)	(4,432)	(5,267)	(5,267)
<u>Distributable:</u>				
Accumulated losses	(176,056)	(181,112)	(202,991)	(201,335)
	(180,657)	(185,544)	(208,258)	(206,602)

27. DEFERRED TAX LIABILITIES

	GROUP	
	2011 RM'000	2010 RM'000
At 1 January	8,873	9,441
Amount recognised in the income statement	(381)	(568)
At 31 December	8,492	8,873

As mentioned in Note 2.17, the effects of temporary differences, which would give rise to net deferred tax assets, are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. As of 31 December 2011, the amount of estimated net deferred tax liabilities/assets of the Group calculated at applicable tax rate is as follows:

	GROUP	
	2011 RM'000	2010 RM'000
(i) Recognised in the financial statements		
Deferred tax liabilities:		
- Plant and equipment	13	20
- Surplus arising from freehold development land	1,058	1,058
- Property development	7,257	7,492
- Inventory	164	303
	8,492	8,873
(ii) Not recognised in the financial statements		
Tax assets:		
- Plant and equipment	48	54
- Unused tax losses and unabsorbed capital allowances	(21,722)	(22,462)
- Other deductible temporary differences	(6,083)	(6,082)
	(27,757)	(28,490)

The unused tax losses and unabsorbed capital allowances are subject to agreement by the tax authorities.

28. REVENUE

	GROUP	
	2011 RM'000	2010 RM'000
Revenue of the Group comprise:		
Contract revenue	43,143	66,743
Property development revenue	35,018	11,880
Joint-venture entitlement	-	7,921
Sales of goods and services	21,970	20,520
	100,131	107,064

29. COST OF SALES

	GROUP	
	2011 RM'000	2010 RM'000
Cost of sales of the Group comprise:		
Contract cost	40,967	59,757
Property development expenses	23,187	8,729
Joint-venture development costs	-	4,348
Cost of sales and services	19,087	18,157
	83,241	90,991

30. PROFIT / (LOSS) BEFORE TAXATION

	GROUP		COMPANY	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Profit / (Loss) before taxation is arrived at after charging / (crediting):				
Allowance for doubtful debts written back	-	(10)	-	-
Amortisation of discount on issuance of ICULS A	-	1,889	-	1,889
Auditors' remuneration				
- current year	191	194	32	28
- (over)/under provision in respect of prior year	(21)	-	1	(3)
Bad debts written off	243	222	-	-
Deposit received forfeited	(17)	-	-	-
Depreciation of property, plant and equipment	732	630	-	-
Gain on disposal of plant and equipment	(6)	(41)	-	-
Hire of equipment	733	633	-	-
Interest expenses				
- hire purchase	37	28	-	-
- overdraft	69	112	-	-
- loans	421	469	-	-
- RCSLS	1,349	1,434	1,349	1,434
Interest income				
- fixed deposits	(40)	(53)	(3)	(3)
- loans/advances to a subsidiary	-	-	-	(6,701)
- receivable from a related party	(2,814)	-	-	-
(Gain) / Loss on foreign exchange - unrealised	(167)	613	-	-
Plant and equipment written off	-	1	-	-
Reversal on provision for liquidated of ascertain damages in respect of construction works	-	(1,800)	-	-
Rental income	(321)	(282)	-	-
Rental of premises	94	89	2	2
Staff costs (excluding directors' remuneration):				
- salaries, allowances, wages and bonus	4,791	4,509	-	-
- social security costs	40	41	-	-
- pension costs - defined contribution plans	418	456	-	-
- short term accumulating compensated absences	40	(5)	-	-
- other staff related expenses	321	323	-	-

30. PROFIT / (LOSS) BEFORE TAXATION (CONT'D)

	GROUP		COMPANY	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Directors' remuneration:				
- Directors of the Company				
- other emoluments	76	87	76	87
- Directors of the subsidiary companies				
- fees	24	24	-	-
- other emoluments	1,616	1,265	-	-
- pension costs - defined contribution plan	180	157	-	-

31. TAXATION

	GROUP		COMPANY	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Malaysian taxation based on profit for the year:				
- Current year	2,245	1,434	1	1
- (Over) / Under provided in respect of prior year	(1)	19	-	-
	2,244	1,453	1	1
Deferred taxation :				
- Relating to origination and reversal of temporary differences	(381)	4	-	-
- Over provided in respect of prior year	-	(572)	-	-
	(381)	(568)	-	-
	1,863	885	1	1

The income tax expense for the financial year can be reconciled to the profit / (loss) before taxation per statements of comprehensive income are as follows:

31. TAXATION (CONT'D)

	GROUP		COMPANY	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Profit / (Loss) before taxation	7,063	3,026	(1,655)	3,039
Tax at Malaysian statutory tax rate of 25%	1,765	757	(414)	760
Tax effects of:				
- Expenses not deductible for tax purposes	1,284	1,990	415	916
- Income not subject to tax	(83)	(2,773)	-	(1,675)
- Deferred tax assets not recognised during the financial year	154	1,446	-	-
- Reversal of previously unrecognised tax assets	(882)	-	-	-
- Reversal of deferred tax liabilities on property development	(374)	-	-	-
- Current year tax (over) / under provided in respect of prior year	(1)	19	-	-
- Deferred tax over provided in respect of prior year	-	(572)	-	-
- Differences of tax rates in Hong Kong subsidiary	-	18	-	-
Tax expense	1,863	885	1	1

32. NET EARNINGS PER SHARE

(i) Basic

The basic net earnings per share is calculated by dividing the Group's profit after taxation and non-controlling interests of RM5.056 million (2010: RM2.035 million) by the number of ordinary shares in issue of 251.959 million (2010: weighted average number of ordinary shares of 171.702 million).

(ii) Diluted

For the purpose of calculating diluted earnings per share, profit for the year attributable to ordinary equity holders of the Company and the number of ordinary shares in issue, have been adjusted for the dilutive effects of all potential ordinary shares.

	GROUP	
	2011 RM'000	2010 RM'000
Profit for the year	5,056	2,035

32. NET EARNINGS PER SHARE (CONT'D)

	GROUP	
	2011	2010
(ii) Diluted (Cont'd)		
Number of ordinary shares in issue ('000)	251,959	171,702
<u>Effects of dilution ('000):</u>		
- RCLS	68,291	68,291
Adjusted number of ordinary shares	320,250	239,993

The Warrants will not have a dilutive effect as its exercise price exceeded the average market price of ordinary shares during the year. Accordingly, it has been ignored in the calculation of diluted earnings per share.

33. PURCHASE OF PLANT AND EQUIPMENT

	GROUP	
	2011 RM'000	2010 RM'000
The Group acquired plant and equipment by way of the following:		
- Hire purchase	368	-
- Cash payments	908	328
At cost	1,276	328

34. CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR

	GROUP		COMPANY	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
These represent:				
Fixed and security deposits	959	1,468	108	110
Cash and bank balances	1,199	1,218	-	13
Bank overdraft (secured)	(429)	(892)	-	-
	1,729	1,794	108	123
Deposits pledged for bank guarantee facilities	(618)	(1,125)	-	-
	1,111	669	108	123

Cash and bank balances include monies placed with licensed banks under Housing Development Accounts amounting to RM217,508 (2010: RM723,301) by the subsidiary companies.

35. SIGNIFICANT RELATED PARTY DISCLOSURES

Significant related party transactions during the financial year other than those have been disclosed in the financial statements include:

	GROUP		COMPANY	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
<u>Subsidiaries:</u>				
- Interest income on loans/advances to a subsidiary	-	-	-	6,701
- Loans/Advances from subsidiaries	-	-	(2,792)	(2,811)
- 51,957,391 ordinary shares of RM1.00 each issued at RM5.41 per ordinary share by a subsidiary in settlement of debts	-	-	-	281,089
<u>Related party:</u>				
- Interest charged at 7.5% p.a. on an amount receivable from Cygal Development Sdn. Bhd.	(2,814)	-	-	-

The Directors are of the opinion that all the above transactions were entered into in the normal course of business and were established on terms and conditions that were not materially different from those obtainable in transactions with unrelated parties.

36. OPERATING SEGMENTS

The Group has 3 reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's Chief Executive Officer reviews internal management reports on at least a quarterly basis.

- | | |
|---------------------------------|-----------------------------------------------------------------------------------|
| (i) Construction | Civil and building construction works. |
| (ii) Property development | Housing development. |
| (iii) Manufacturing and trading | Manufacturing and trading in ready-mix concrete and trading in building materials |

Performance is measured based on segment profit before tax, interest, depreciation and amortisation, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer, who is the Group's chief operating decision maker. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

The total of segment assets is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer. Segment total assets are used to measure the returns of assets of each segment.

Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Chief Executive Officer. Hence, no disclosure is made on segment liability.

36. OPERATING SEGMENTS (CONT'D)

	Construction		Property Development		Manufacturing and Trading		Total	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Segment profit/(loss)	(4,824)	5,023	10,987	5,324	715	518	6,878	10,865
Included in the measure of segment profit/(loss) are:								
Revenue from external customers	43,143	66,743	35,018	19,801	21,970	20,520	100,131	107,064
Inter-segment revenue	1,090	1,119	-	-	1,371	1,516	2,461	2,635
Gain/(Loss) on disposal of plant and equipment	15	8	(20)	-	-	5	(5)	13
Not included in the measure of segment profit/(loss) but provided to Chief Executive Officer:								
Depreciation and amortisation	(429)	(327)	(231)	(261)	(72)	(42)	(732)	(630)
Finance costs	(19)	(6,721)	(502)	(587)	(6)	-	(527)	(7,308)
Interest income	2,651	-	12	37	14	12	2,677	49
Taxation	(256)	-	(1,768)	(1,322)	(171)	(134)	(2,195)	(1,456)
Segment assets	157,983	152,587	136,273	129,245	8,295	8,033	302,551	289,865
Included in the measure of segment assets are:								
Additions to non-current assets other than financial instruments	817	6	9	242	450	80	1,276	328

36. OPERATING SEGMENTS (CONT'D)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

	2011	2010
	RM'000	RM'000
<u>Profit or loss</u>		
Total profit for reportable segments	6,878	10,865
Other non-reportable segments	(255)	6,131
Adjustments and eliminations	194	(9,461)
Depreciation of plant and equipment	(732)	(630)
Finance costs	(1,876)	(3,932)
Interest income	2,854	53
Consolidated profit before taxation	<u>7,063</u>	<u>3,026</u>

	External revenue RM'000	Depreciation and amortisation RM'000	Finance costs RM'000	Interest income RM'000	Segment assets RM'000	Additions to non-current assets RM'000
<u>2011</u>						
Total reportable segments	102,592	(732)	(527)	2,677	302,551	1,276
Other non-reportable segments	-	-	(1,349)	177	5,068	-
Components not monitored by chief executive officer	-	-	-	-	153	-
Elimination of inter-segment transactions or balances	(2,461)	-	-	-	(16,099)	-
Consolidated total	<u>100,131</u>	<u>(732)</u>	<u>(1,876)</u>	<u>2,854</u>	<u>291,673</u>	<u>1,276</u>

2010

Total reportable segments	109,699	(630)	(7,308)	49	289,865	328
Other non-reportable segments	-	-	(3,325)	4	101,212	-
Components not monitored by chief executive officer	-	-	-	-	153	-
Elimination of inter-segment transactions or balances	(2,635)	-	6,701	-	(109,293)	-
Consolidated total	<u>107,064</u>	<u>(630)</u>	<u>(3,932)</u>	<u>53</u>	<u>281,937</u>	<u>328</u>

36. OPERATING SEGMENTS (CONT'D)

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Malaysia	100,131	107,064	65,966	65,692
Hong Kong	-	-	-	1
	<u>100,131</u>	<u>107,064</u>	<u>65,966</u>	<u>65,693</u>

Non-current assets information presented above consist of the following items as presented on the consolidated statement of financial position:

	2011 RM'000	2010 RM'000
Property, plant and equipment	4,994	4,558
Land held for property development and property development costs	60,972	61,135
	<u>65,966</u>	<u>65,693</u>

37. CONTINGENCIES

	COMPANY	
	2011 RM'000	2010 RM'000
<u>Unsecured:</u>		
Corporate guarantees issued in favour of financial institutions for credit facilities granted to a subsidiary	5,806	7,105

38. COMMITMENT

On 4 July 1996, the Group entered into a conditional share subscription agreement with Samaworld (Malaysia) Sdn. Bhd. (SMSB) and Samaworld Theme Hotel Sdn. Bhd. (SWTH) with the view to develop a hotel on the piece of land owned by SWTH. The agreement provides for the Group to subscribe to 17.5 million new shares of RM 1.00 each representing 70% equity interest of the enlarged issued and paid-up capital in SWTH for a subscription price of RM 17.5 million. To date, the Group has subscribed to a total of 7,867,821 ordinary shares of RM 1.00 each in SWTH at par.

In March 2003, Official Receiver has been appointed to take over the management of SMSB.

39. FINANCIAL INSTRUMENTS

(i) Financial Risk Management Objectives and Policies

The Group is exposed to a variety of financial risks, including credit risk, interest rate risk, liquidity and cash flow risk. The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business 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. Financial instruments arising from the operations of the Group comprises trade receivables, other receivables and deposits, trade payables, other payables and accruals, and borrowings. Various risk management policies are in place to control and manage risks associated with these financial instruments.

Credit Risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its trade and other receivables and loans/advances to subsidiary companies.

Trade receivables

Management has a credit policy in place and manages the exposure to credit risk through the application of credit approvals, credit limits and other monitoring procedures. As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amount in the statements of financial position.

The Group generally has no significant exposure to any individual customers or counterpart nor does it have any major concentration of credit risk related to any financial instruments other than as disclosed in Note 10.

The ageing of trade receivables as at the end of the reporting period was:

GROUP	Gross RM'000	Individual impairment RM'000	Net RM'000
<u>2011</u>			
Not past due (including retention sum)	30,055	-	30,055
Past due 1 to 30 days	841	-	841
Past due 31 to 60 days	1,273	-	1,273
Past due 61 to 90 days	885	-	885
Past due 91 to 120 days	65	-	65
Past due more than 120 days	43,817	(33,972)	9,845
	<u>76,936</u>	<u>(33,972)</u>	<u>42,964</u>
<u>2010</u>			
Not past due (including retention sum)	28,242	-	28,242
Past due 1 to 30 days	168	-	168
Past due 31 to 60 days	1,776	-	1,776
Past due 61 to 90 days	95	-	95
Past due 91 to 120 days	102	-	102
Past due more than 120 days	46,528	(36,176)	10,352
	<u>76,911</u>	<u>(36,176)</u>	<u>40,735</u>

39. FINANCIAL INSTRUMENTS (CONT'D)

(i) Financial Risk Management Objectives and Policies (Cont'd)

Credit Risk (cont'd)

Inter company loans

The Company provides unsecured loans and advances to subsidiary companies. The Company monitors the results of the subsidiary regularly.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Impairment losses

The Company does not specifically monitor the ageing of the advances to subsidiary companies. However, an appropriate allowance will be made subsequently if the debt-owing company's financial condition is considered not satisfactory, regardless of whether it still carries on business operation, and there is insufficient evidence to indicate that its financial condition would improve in the foreseeable future.

Interest Rate Risk

The Group's exposure to interest rate risk relates primarily to deposits and debt obligations with financial institutions.

The interest rates on the Group's debt obligations are comparable to interest rates of similar instruments in the market and is managed through a fair mix of fixed and floating rate debts. The Group does not generally hedge interest rate risk as it does not invest significantly in activities that require interest rates hedging.

Fixed deposits are placed with licensed banks to satisfy conditions for bank facilities granted to the Group. Excess funds are placed with reputable banks to generate interest income. The Group manages its interest rate risk by monitoring market rates and placing such funds with varying maturity periods.

Exposure to interest rate risk

The interest rate profile of the Group's significant interest bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	GROUP		COMPANY	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
<u>Fixed rate instruments</u>				
Financial assets	41,139	36,662	108	110
Financial liabilities	(16,436)	(17,457)	(15,708)	(16,858)
	<u>24,703</u>	<u>19,205</u>	<u>(15,600)</u>	<u>(16,748)</u>
<u>Floating rate instruments</u>				
Financial liabilities	7,235	7,997	-	-

39. FINANCIAL INSTRUMENTS (CONT'D)

(i) Financial Risk Management Objectives and Policies (Cont'd)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

The exposure of cash flow rate risk arises from floating rate instruments of the Group is not material and hence, sensitivity analysis is not presented.

Market Risk

The Group's exposure to market risk arises from quoted investments held for long term purposes. As the amount involved is insignificant, exposure to market risk is minimal.

Foreign Currency Exchange Risk

The Group has a 71%-owned subsidiary company, United Golden Mile Aviation Ltd., which operates in Hong Kong and whose revenue and expenses are denominated primarily in US Dollars and Hong Kong Dollars.

As at year end, the net unhedged financial liabilities of the Group arising from this foreign entity that is not denominated in its functional currency is approximately RM5.525 million (2010: RM5.354 million).

The exposure to foreign currency risk arises from the Group's foreign entity is not material and hence, sensitivity analysis is not presented.

Liquidity and Cash Flow Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due. The Group's exposure to liquidity risk arises principally from its trade and other payables, amount due to holding and related companies and bank borrowings.

The Group's exposure to liquidity risk and cash flow risk is monitored on an on going basis. In the ordinary course of business, the Group practices prudent liquidity risk management by maintaining sufficient level of cash to meet its working capital requirements. The Group reviews its cash flow position regularly to manage its exposure to the fluctuations in future cash flows and balances its portfolio with short term financing so as to achieve overall cost effectiveness.

39. FINANCIAL INSTRUMENTS (CONT'D)

(i) Financial Risk Management Objectives and Policies (Cont'd)

Liquidity and Cash Flow Risk (cont'd)

Maturity analysis:

The maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments is as follows:

<u>GROUP</u>	Carrying amount RM'000	Contractual interest rate per annum	Contractual cash flow RM'000	Under 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000
<u>2011</u>						
Hire purchase payables	728	4.83% - 7.8%	818	223	213	382
Bank overdraft (secured)	429	8.85%	429	429	-	-
Short term loan (secured)	1,000	7.85%	1,000	1,000	-	-
Term and bridging loans (secured) 5 year 3% redeemable convertible secured loans stocks 2007/2012	5,806	8.35%	6,354	-	6,354	**
Trade and other payables	15,708	3%	16,250	16,250	-	-
Amount due to related parties	34,573	-	34,573	34,573	-	-
	178	-	178	178	-	-
	<u>58,422</u>		<u>59,602</u>	<u>52,653</u>	<u>6,567</u>	<u>382</u>
<u>2010</u>						
Hire purchase payables	599	4% - 7.8%	689	165	151	373
Bank overdraft (secured)	892	8.55%	892	892	-	-
Term and bridging loans (secured) 5 year 3% redeemable convertible secured loans stocks 2007/2012	7,105	7.30%	8,839	-	-	8,839
Trade and other payables	16,858	3%	18,750	2,500	16,250	-
Amount due to related parties	34,116	-	34,116	34,116	-	-
	176	-	176	176	-	-
	<u>59,746</u>		<u>63,462</u>	<u>37,849</u>	<u>16,401</u>	<u>9,212</u>

39. FINANCIAL INSTRUMENTS (CONT'D)

(i) Financial Risk Management Objectives and Policies (Cont'd)

Liquidity and Cash Flow Risk (cont'd)

Maturity analysis (cont'd):

<u>COMPANY</u>	Carrying amount RM'000	Contractual interest rate per annum	Contractual cash flow RM'000	Under 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000
<u>2011</u>						
Other payables	52	-	52	52	-	-
Amount due to subsidiary companies	10,742	-	10,742	10,742	-	-
5 year 3% redeemable convertible secured loans stocks 2007/2012	15,708	3%	16,250	16,250	-	-
	<u>26,502</u>		<u>27,044</u>	<u>27,044</u>	<u>-</u>	<u>-</u>
<u>2010</u>						
Other payables	58	-	58	58	-	-
Amount due to subsidiary companies	7,950	-	7,950	7,950	-	-
5 year 3% redeemable convertible secured loans stocks 2007/2012	16,858	3%	18,750	2,500	16,250	-
	<u>24,866</u>		<u>26,758</u>	<u>10,508</u>	<u>16,250</u>	<u>-</u>

** The term and bridging loans are repayable within 36 months from date they were first disbursed. The repayment amount varies according to the sales value of the development project by way of redemption settlement. For the purpose of maturity profile's disclosure, the repayment of these loans are assumed to take place at the 36th month after the first disbursement of the term loan.

39. FINANCIAL INSTRUMENTS (CONT'D)

(ii) Fair Values

The carrying amounts of financial assets and liabilities of the Group and of the Company at the end of the reporting period approximated their fair values.

Financial instruments not recognised in the statements of financial position of the Group as at the end of the financial year are disclosed in Note 37: Contingencies. The fair value of the financial guarantee provided by the Company is considered immaterial.

The methods and assumptions used to determine the estimated fair values of financial assets and liabilities are as follows:

- (i) bank overdrafts, cash equivalents, receivables, payables, amounts due by/to inter-companies and related parties with a maturity period of less than one year - carrying value at the end of the reporting period due to their relatively short term maturity.
- (ii) borrowings other than bank overdrafts - carrying value at the end of the reporting period due to its floating interest rates.
- (iii) amount due by related parties with maturity period of more than one year - present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

40. CAPITAL MANAGEMENT

The Group's and Company's objectives when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group and the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on the Group and the Company net gearing (times). The Group's and the Company's net gearing (times) is calculated as net debts divided by total capital. Net debts are calculated as borrowings plus trade and other payables less cash and cash equivalent. Total capital refers to capital employed under equity.

	THE GROUP		THE COMPANY	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Net debts	94,038	88,566	27,685	26,030
Total capital	251,959	251,959	251,959	251,959
Net gearing (times)	0.37	0.35	0.11	0.10

41. DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorised for issue in accordance with a Board of Directors' resolution dated 27 April 2012.

42. SUPPLEMENTARY INFORMATION-BREAKDOWN OF ACCUMULATED LOSSES INTO REALISED AND UNREALISED

The breakdown of the accumulated losses of the Group and of the Company as at 31 December 2011 into realised and unrealised losses is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profit or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Total accumulated losses the Company and its subsidiaries				
- Realised	(415,441)	(420,067)	(202,991)	(201,335)
- Unrealised	(12)	(16)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	(415,453)	(420,083)	(202,991)	(201,335)
Consolidation adjustments	239,397	238,971	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated losses as per financial statements	(176,056)	(181,112)	(202,991)	(201,335)

ADDITIONAL DISCLOSURE REQUIREMENTS

Utilization of Proceeds

There were no proceeds raised by the Company from any corporate proposals during the financial year ended 31 December 2011.

Share Buy-Backs

During the financial year, the Company did not enter into any share buy-backs transactions.

Options, Warrants or Convertible Securities

No options, warrants or convertible securities were exercised by the Company in the financial year.

American Depository Receipt (ADR) or Global Depository Receipt (GDR) Programme

During the financial year, the Company did not sponsor any ADR or GDR programme.

Sanctions or Penalties

There were no sanctions or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies during the financial year.

Non-Audit Fees

There was no non-audit fee paid/payable to the external auditors by the Group during the financial year.

Variation in Results, Profit Estimates or Projection

The Company did not release any profit estimate, forecast, or projection for the financial year. There was a variance between the unaudited Group's result, which was announced to the Bursa Malaysia on 29 February 2012, and the audited Group's results for the financial year ended 31 December 2011. Explanation for the variance was set out in the announcement dated 18 May 2012.

Profit Guarantee

During the financial year, there was no profit guarantee given by the Company and its subsidiaries.

Material Contract Involving Directors' and Major Shareholders' Interest

There was no material contract entered into by the Company and its subsidiaries which involved Directors' and/or major shareholders' interests subsisting at the end of the financial year ended 31 December 2011 or entered into since the end of the previous financial year.

Revaluation Policy on Landed Properties

The Company has not adopted a policy of regular revaluation of its landed properties and does not have any revaluation done on the landed properties.

Recurrent Related Party Transactions

There was no recurrent related party transaction during the financial year ended 31 December 2011 other than those disclosed in the financial statement.

Corporate Social Responsibility (CSR)

The Company is aware of its Corporate Social Responsibility and endeavours to operate as a responsible and ethical corporate entity.

The Group also remains committed to ensuring the occupational safety and health of all employees at their workplace through increased awareness, accountability and continual training geared towards the conduct of all activities in an environmentally responsible, safe and healthy manner.

ANALYSIS OF EQUITY AND CONVERTIBLE SECURITIES AS AT 30 APRIL 2012**1. TYPE OF SECURITIES – ORDINARY SHARES****SHARE CAPITAL**

Authorised Share Capital	: RM500,000,000.00
Issued and Paid-up Share Capital	: RM251,958,956.00
Type of Securities	: Ordinary shares of RM1.00 each
Voting Rights	: One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Range of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Less than 100	210	6.54	8,860	0.00
100 to 1,000	956	29.76	703,916	0.28
1,001 to 10,000	1,274	39.66	4,918,152	1.95
10,001 to 100,000	636	19.80	24,210,354	9.61
100,001 to less than 5% of issued shares	131	4.08	103,573,700	41.11
5% and above of issued shares	5	0.16	118,543,974	47.05
Total	3,212	100.00	251,958,956	100.00

**SUBSTANTIAL SHAREHOLDERS (EXCLUDING BARE TRUSTEES)
(as shown in the Register of Substantial Shareholders)**

Name of Shareholders	No. of Shares Held or Beneficiary Interested In	Deemed Interest
1. Cygal Holdings Sdn Bhd	*14,370,354 (5.70%)	-
2. Dato' Seow Yong Chin	**18,826,145 (7.47%)	#29,700,548 (11.79%)
3. Syed Zain Al-Kudcy Bin Dato' Syed Mahmood	***3,989,913 (1.58%)	@14,370,354 (5.70%)
4. Datuk Bujang Bin Buyong @ Jislen Bin Bagong, JP	-	@14,370,354 (5.70%)
5. Sungai Kasa Sdn Bhd	14,975,475 (5.94%)	-
6. A. Malik Bin Munadi	-	+14,975,475 (5.94%)

* All held through various nominee companies.

** Of which 10,000,000 ordinary shares are held through nominee companies.

*** Of which 3,985,413 ordinary shares are held through various nominee companies.

Deemed interest through his shareholdings exceeding 15% in Cygal Holdings Sdn Bhd and SYC Holdings Sdn Bhd.

@ Deemed interest through his shareholdings exceeding 15% in Cygal Holdings Sdn Bhd.

+ Deemed interest through his shareholdings exceeding 15% in Sungai Kasa Sdn Bhd.

ANALYSIS OF EQUITY AND CONVERTIBLE SECURITIES AS AT 30 APRIL 2012 (cont'd)**THIRTY LARGEST SHAREHOLDERS****(without aggregating the securities from different securities accounts belonging to the same Depositor)**

	Name	No. of Shares	%
1.	Cimsec Nominees (Tempatan) Sdn Bhd Pengurusan Danaharta Nasional Berhad	49,771,744	19.75
2.	Cimsec Nominees (Tempatan) Sdn Bhd Danaharta Managers Sdn Bhd	23,499,199	9.33
3.	SYC Holdings Sdn Bhd	15,329,794	6.08
4.	Sungai Kasa Sdn Bhd	14,975,475	5.94
5.	Waste Environment Services Sdn Bhd	14,967,762	5.94
6.	Flora Luxury Sdn Bhd	10,502,654	4.17
7.	Dato' Seow Yong Chin	8,826,145	3.50
8.	Cimsec Nominees (Tempatan) Sdn Bhd Pengurusan Danaharta Nasional Berhad for Seow Yong Chin	6,777,330	2.69
9.	Cheong Sau Wah	6,423,719	2.55
10.	Ng Yeow Yin	3,725,579	1.48
11.	ECML Nominees (Tempatan) Sdn Bhd Syed Zain Al-Kudcy Bin Syed Mahmood (001)	3,256,413	1.29
12.	Cimsec Nominees (Tempatan) Sdn Bhd Danaharta Managers Sdn Bhd for Seow Yong Chin	3,222,670	1.28
13.	PLC Credit & Factoring Sdn Bhd	3,000,834	1.19
14.	UOBM Nominees (tempatan) Sdn Bhd United Overseas Bank (Malaysia) Bhd	2,921,312	1.16
15.	HLB Nominees (Tempatan) Sdn Bhd Pledged securities account for Cygal Holdings Sdn Bhd (HLFCHSB/104)	2,599,500	1.03
16.	Amanah International Finance Sdn Bhd	2,265,696	0.90
17.	Mayban Nominees (Tempatan) Sdn Bhd Pledged securities account for Seow Yong Chin (MDTS)	2,115,000	0.84
18.	Yeo Kian	2,084,550	0.83
19.	Public Nominees (Tempatan)Sdn Bhd Pledged securities account for Lim Lee Foon (E-SS2)	2,043,850	0.81
20.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged securities account for Tan Kok Siong (Rem 650)	1,948,600	0.77
21.	Ital-Pacific Development Sdn Bhd	1,785,000	0.71
22.	Kek Hing Kok	1,502,500	0.60
23.	Lee Mee Leng	1,457,300	0.58
24.	Wong Siew Ting	1,452,150	0.58

ANALYSIS OF EQUITY AND CONVERTIBLE SECURITIES AS AT 30 APRIL 2012 (cont'd)

Name	No. of Shares	%
25. Visefare Villa Sdn Bhd	1,376,656	0.55
26. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged securities account for Cygal Holdings Sdn Bhd (01-00199-000)	1,175,250	0.47
27. HDM Nominees (Tempatan) Sdn Bhd Malaysian Assurance Alliance Berhad for Seow Yong Chin	1,174,500	0.47
28. ECML Nominees (Tempatan) Sdn Bhd Rohizir Bin Abdul Rashid (PA Chong Pho Onn 001)	1,170,942	0.46
29. Cimsec Nominees (Tempatan) Sdn Bhd Pledged securities account for Ng Geok Wah (B BRKLANG-CL)	1,093,800	0.43
30. BSN Merchant Nominees (Tempatan) Sdn Bhd Pledged securities account for Cygal Holdings Sdn Bhd	1,053,750	0.42
	193,499,674	76.80

2. TYPE OF SECURITIES – 2007/2012 WARRANTS

Number in issue : 25,000,000
Voting Rights : One vote per warrant

DISTRIBUTION OF WARRANT HOLDINGS

Range of Warrant Holdings	No. of Warrant Holders	% of Warrant Holders	No. of Warrants	% of Warrants
Less than 100	22	5.91	993	0.00
100 to 1,000	32	8.60	26,399	0.11
1,001 to 10,000	142	38.17	583,300	2.33
10,001 to 100,000	130	34.95	6,242,928	24.97
100,001 to less than 5% of issued warrants	43	11.56	12,274,850	49.10
5% and above of issued warrants	3	0.81	5,871,530	23.49
Total	372	100.00	25,000,000	100.00

ANALYSIS OF EQUITY AND CONVERTIBLE SECURITIES AS AT 30 APRIL 2012 (cont'd)**THIRTY LARGEST WARRANT HOLDERS****(without aggregating the securities from different securities accounts belonging to the same Depositor)**

	Name	No. of Warrants	%
1.	OSK Nominees (Tempatan) Sdn Bhd Pledged securities account for Wan Ahmad Shaipuddin Bin Wan Ibrahim	2,905,400	11.62
2.	Stephen Lim Joo Seong	1,590,000	6.36
3.	Cygal Holdings Sdn Bhd	1,376,130	5.50
4.	Wan Ahmad Shaipuddin Bin Wan Ibrahim	1,101,000	4.40
5.	Nurazizi Adinine Rahman Bin Mohamad	987,900	3.95
6.	Ooi Ai Choo	780,100	3.12
7.	Ong Soon Cheow	550,000	2.20
8.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Loh Thean Huat (E-KLC)	541,000	2.16
9.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Sivasangaran A/L Gopallu	500,000	2.00
10.	Ang Eng Leok	444,000	1.78
11.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Wei Lian	392,400	1.57
12.	Ahmad Bin Said	385,800	1.54
13.	Billy Looi Say Zun	377,800	1.51
14.	Kho Sow Gan	300,000	1.20
15.	Liaw Meng Hui	300,000	1.20
16.	Ong Cheok Leng	300,000	1.20
17.	Oon Kiow See	293,000	1.17
18.	Abg Mohd Ahadie Zainie Bin Abg Hasni	279,700	1.12
19.	Koh Wai Keong	250,000	1.00
20.	Hou Boon Jiann	242,000	0.97
21.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Sabri Bin Safie (E-Spi/Jta)	228,000	0.91
22.	Gan Chee Kai	224,000	0.90
23.	Ching Wei Kien	200,000	0.80
24.	ECML Nominees (Tempatan) Sdn. Bhd Pledged Securities Account For Tan Swee Hoe (013)	200,000	0.80
25.	Hasanoor Bin Md Ali	200,000	0.80
26.	Lim Chee Sing	200,000	0.80
27.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lim Chee Sing (R01-Margin)	200,000	0.80
28.	Mohd Amil Bin Mohd Ariffin	200,000	0.80
29.	Teh Ming Poh	200,000	0.80
30.	Teoh Kok Chong	185,000	0.74
		15,933,230	63.73

ANALYSIS OF EQUITY AND CONVERTIBLE SECURITIES AS AT 30 APRIL 2012 (cont'd)**3. TYPE OF SECURITIES – RCSLS 2007/2012**

Number in issue : 83,290,604
Voting Rights : One vote per RCSLS

DISTRIBUTION OF RCSLS HOLDINGS

Range of RCSLS Holdings	No. of RCSLS Holders	% of RCSLS Holders	No. of RCSLS	% of RCSLS
Less than 100	0	0	0	0
100 to 1,000	0	0	0	0
1,001 to 10,000	0	0	0	0
10,001 to 100,000	0	0	0	0
100,001 to less than 5% of issued RCSLS	8	72.73	10,572,091	12.69
5% and above of issued RCSLS	3	27.27	72,718,513	87.31
Total	11	100.00	83,290,604	100.00

LIST OF RCSLS HOLDERS

(without aggregating the securities from different securities accounts belonging to the same Depositor)

Name	No. of RCSLS	%
1. Pengurusan Danaharta Nasional Berhad	40,806,001	48.99
2. Malayan Banking Berhad	18,856,650	22.64
3. HSBC Bank Malaysia Berhad	13,055,862	15.68
4. Hong Leong Bank Berhad	2,385,443	2.86
5. OCBC Bank (M) Berhad	1,914,569	2.30
6. PLC Credit and Factoring Sdn Bhd	1,710,259	2.05
7. United Overseas Bank (Malaysia) Bhd	1,591,847	1.91
8. Amanah International Finance Sdn Bhd	1,254,871	1.51
9. AmBank (M) Berhad	1,147,967	1.38
10. RHB Bank Berhad	384,698	0.46
11. AmBank (M) Berhad	182,437	0.22
	83,290,604	100.00

STATEMENT OF DIRECTORS' INTERESTS AS AT 30 APRIL 2012**(i) Interest in the Company****Ordinary Shares of RM1.00 each**

Name of Directors	No. of Ordinary Shares of RM1.00 each	
	<u>Direct Interest</u>	<u>Deemed Interest</u>
1. Dato' Sri Haji Abd Rahim Bin Haji Abdul	-	-
2. Dato' Seow Yong Chin	*18,826,145 (7.47%)	#29,700,548 (11.79%)
3. Chin Kok Wah	-	-
4. Syed Zain Al-Kudcy Bin Dato' Syed Mahmood	**3,989,913 (1.58%)	@14,370,354 (5.70%)
5. Dato' Abdul Raman Bin Suliman	-	-
6. Dato' Jaffar Indot	-	-
7. Siaw Sat Lin	-	-

* *Of which 10,000,000 ordinary shares are held through nominee companies.*

** *Of which 3,985,413 ordinary shares are held through various nominee companies.*

Deemed interest through his shareholdings exceeding 15% in Cygal Holdings Sdn Bhd and SYC Holdings Sdn Bhd.

@ *Deemed interest through his shareholdings exceeding 15% in Cygal Holdings Sdn Bhd.*

2007/2012 Warrants

Name of Directors	No. of Warrant	
	<u>Direct Interest</u>	<u>Deemed Interest</u>
1. Dato' Sri Haji Abd Rahim Bin Haji Abdul	-	-
2. Dato' Seow Yong Chin	-	#1,376,130 (5.50%)
3. Chin Kok Wah	-	-
4. Syed Zain Al-Kudcy Bin Dato' Syed Mahmood	-	#1,376,130 (5.50%)
5. Dato' Abdul Raman Bin Suliman	-	-
6. Dato' Jaffar Indot	-	-
7. Siaw Sat Lin	-	-

Deemed interest through their shareholdings exceeding 15% in Cygal Holdings Sdn Bhd

RCSLS 2007/2012

Name of Directors	No. of RCSLS	
	<u>Direct Interest</u>	<u>Deemed Interest</u>
1. Dato' Sri Haji Abd Rahim Bin Haji Abdul	-	-
2. Dato' Seow Yong Chin	-	-
3. Chin Kok Wah	-	-
4. Syed Zain Al-Kudcy Bin Dato' Syed Mahmood	-	-
5. Dato' Abdul Raman Bin Suliman	-	-
6. Dato' Jaffar Indot	-	-
7. Siaw Sat Lin	-	-

(ii) **Interest in Related Company**

Other than as disclosed below, there are no other Directors of the Company who have interest, direct or indirect, in company related to Sycal Ventures Berhad:-

- (a) Dato' Seow Yong Chin and Syed Zain Al-Kudcy Bin Dato' Syed Mahmood are deemed to be interested to the extent of the number of shares held by the Company in its subsidiary companies by virtue of their direct and indirect shareholding in the Company. List of subsidiary companies of the Company and effective equity interest held is as detailed in Note 5 of the Notes to the Accounts.
- (b) Shareholdings of Dato' Seow Yong Chin and Syed Zain Al-Kudcy Bin Dato' Syed Mahmood in Cygal Holdings Sdn Bhd, a substantial shareholder holding 14,370,354 ordinary shares or 5.70% equity interest in the Company as at 30 April 2012, are as disclosed below:-

Name	No. of Shares held	
	<u>Direct</u>	<u>Deemed Interest</u>
1. Dato' Seow Yong Chin	450,000 (30.00%)	-
2. Syed Zain Al-Kudcy Bin Dato' Syed Mahmood	385,998 (25.73%)	-

LIST OF PROPERTIES OF THE GROUP AS AT 31 DECEMBER 2011

Location	Tenure	Land area	Description	Age of Property	Existing Use	NBV @ 31.12.2011 (RM'000)	Date of Acquisition
<u>Federal Territory</u>							
Lot 4.21, 4 th Floor, Plaza Prima, 4 ½ Mile, Old Klang Road, 58200 Kuala Lumpur	Freehold	6,029 sq ft	Commercial + Office building	17 years	Office	847	12 August 1994
<u>Johor</u>							
CT 13811, Lot 6019, Mukim of Senai-Kulai District of Johor Bahru	Freehold	5.37 acres	Development land	-	Development	5,179 Note (1)	6 September 1997

Note (1) : This land was charged in favour of Pacific Trustees Berhad, in its capacity as security trustee of the RCSLS holders, as security for the Company's obligations to pay the minimum redemption amount of RM15 million of the RCSLS on the maturity date.

PROXY FORM

SYCAL VENTURES BERHAD
(547651-U)

No. of shares held	
CDS account no.	

I/We, (Company/NRIC/Passport No.) of being a member of the abovenamed Company, hereby appoint (NRIC/Passport No.) of or failing him, (NRIC/Passport No.) of as my/our proxy to vote for me/us on my/our behalf at the 11th Annual General Meeting of the Company, to be held at Pearl International Hotel, Room Swan II, 7th Floor, 5th Miles, Old Klang Road, 58000 Kuala Lumpur on the 29th day of June, 2012 at 10.00 a.m., and at any adjournment thereof as indicated:-

No.	Resolutions	For	Against
1.	Receive of Audited Financial Statements and Reports of the Directors and Auditors		
2.	Re-election of Dato' Seow Yong Chin as Director		
3.	Re-election of Syed Zain Al-Kudcy Bin Dato' Syed Mahmood as Director		
4.	Re-appointment of Dato' Jaffar Indot as Director		
5.	Re-appointment of Siaw Sat Lin as Director		
6.	Re-appointment of Abdul Wahid Bin Ahmad Shuhaime as Director		
7.	Ratify and approve Directors' fee for financial year ended 31 December 2011		
8.	Re-appointment of Messrs. SC Associates as Auditors and to authorise the Directors to fix their remuneration		

Please indicate with a cross ("X") in the appropriate box against each Resolution how you wish your proxy to vote. If this proxy form is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he think fit.

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 appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company. A member shall be entitled to appoint more than one proxy to attend and vote at the same meeting.
2. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. Where a member is an authorized nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each securities account the authorised nominee holds with ordinary shares of the Company standing to the credit of the securities account.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
5. The instrument appointing a proxy must be deposited at the Company's Registered Office at Lot 4.03A, 4th Floor, Plaza Prima, 4½ Miles, Jalan Kelang Lama, 58200 Kuala Lumpur not less than 48 hours before the time for holding the meeting or any adjournment thereof.
6. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositor as at 25 June 2012 ("ROD") and only a depositor whose name appears on the ROD shall be entitled to attend this meeting.