

ANNUAL REPORT LAPORAN TAHUNAN 2011



MAJUPERAK HOLDINGS BERHAD
(585389-X)

 MAJUPERAK HOLDINGS BERHAD



ANNUAL REPORT 2011

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Ninth Annual General Meeting (“9th AGM”) of the Company will be held at Dewan Bandaran Ipoh, Jalan Panglima Bukit Gantang Wahab, 30000 Ipoh, Perak Darul Ridzuan, Malaysia on Tuesday, 26th June 2012, at 4.00 p.m. to transact the following businesses:

AGENDA

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2011 together with the Report of the Directors and Auditors thereon. *Resolution 1*
2. To approve the payment of Directors’ Fees for the financial year ended 31 December 2011. *Resolution 2*
3. To re-elect the following Directors who will retire pursuant to Article 84 of the Company’s Articles of Association and being eligible, have offered themselves for re-election :
 - (i) Y.B.M. Dato’ Seri Raja Ahmad Zainuddin bin Raja Haji Omar *Resolution 3*
 - (ii) Dato’ Haji Mohd Zolkafly bin Haji Harun *Resolution 4*
4. To re-elect Tan Sri Dato’ (Dr) Abdul Aziz bin Abdul Rahman as Director of the Company to hold office until the conclusion of the next Annual General Meeting pursuant to Section 129(6) of the Companies Act, 1965. *Resolution 5*
5. To re-appoint Messrs AljeffriDean as Auditors of the Company and to authorise the Directors to fix their remuneration. *Resolution 6*

AS SPECIAL BUSINESS

Ordinary Resolution

6. To consider and, if thought fit, pass the following Ordinary Resolution:- *Resolution 7*

Authority for the Directors to issue shares pursuant to Section 132D of the Companies Act, 1965.

“**THAT** pursuant to Section 132D of the Companies Act, 1965 and subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company from time to time, at such price, upon such terms and conditions, for such purposes and to such person or persons as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total issued share capital of the Company for the time being **AND THAT** the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad **AND THAT** such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.”

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

7. **Proposed Renewal Of Shareholders' Mandate For The Recurrent Related Party Transactions Of A Revenue Or Trading Nature** *Resolution 8*

"THAT subject to the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), approval be and is hereby given to MHB and its subsidiary companies ("MHB Group") to enter into recurrent related party transactions of a revenue or trading nature ("Recurrent Related Party Transactions") with the related party set out in Section 2.1 of the circular to shareholders dated 25 May 2012 ("Circular"), subject to the following:

- (i) the Recurrent Related Party Transactions are or to be entered into in the ordinary course of business on terms not more favorable to the related party than those generally available to the public and the Recurrent Related Party Transactions are undertaken on arms' length basis and are not to the detriment of the minority shareholders of the Company;
- (ii) the disclosure is made in the annual report of the breakdown of the aggregate value of the Recurrent Related Party Transactions conducted pursuant to the shareholders' mandate during the financial year, amongst others, based on the following information:
 - (a) the type of Recurrent Related Party Transactions made; and
 - (b) the name of the related party involved in each type of Recurrent Related Party Transactions made and its relationship with the Company;
- (iii) the shareholders' mandate is subject to annual renewal and this shareholders' mandate shall only continue to be in full force until:
 - (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following this 9th AGM, at which this shareholders' mandate will lapse, unless the authority is renewed by a resolution passed at the next AGM;
 - (b) the expiration of the period within which the next AGM is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
 - (c) revoked or varied by resolution passed by shareholders in a general meeting before the next AGM;

whichever is earlier;

AND THAT the directors and/or any of them be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary (including executing such documents as may be required) to give effect to the Recurrent Related Party Transactions contemplated and/or authorised by this Ordinary Resolution;

AND THAT the estimates given of the Recurrent Related Party Transactions specified in Section 2.1 of the Circular being provisional in nature, the directors and/or any of them be and are hereby authorised to agree to the actual amount or amounts there of provided always that such amount or amounts comply with the procedures set out in Section 2.2 of the Circular."

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

8. To consider and, if thought fit, pass the following as Special Resolution:-

*Special
Resolution 1*

Proposed Amendment to the Company's Article Of Association

"THAT the deletions, alteration, modifications and additions to the existing Articles 128 of the Company's Articles of Association as set out in Appendix 1 of the Annual Report 2011 dated 25 May 2012 be approved."

9. To transact any other business appropriate to an AGM of which due notice shall have been given in accordance with the Act and the Company's Articles of Association.

By Order of the Board

Che Indon binti Ilyas (BC/C/445)

Company Secretary
Ipoh
25 May 2012

NOTICE OF IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES (ICPS) DIVIDEND PAYMENT AND CLOSURE OF REGISTER

A dividend of 1.0% per share will be paid on 25th July 2012.

Notice is hereby given that the Register of Members of the Company will be closed on 26th June 2012 to determine shareholders' entitlement to the dividend payment.

A depositor will qualify for entitlement only in respect of:

- a) Share transferred into the Depositors' Securities account before 4.00 p.m. on 26th June 2012 in respect of ordinary transfers; and
- b) Share bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

Notes:

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

When a member appoints more than one proxy the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.

Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

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

The instrument appointing a proxy must be deposited at the Registered Office of the Company at 1st Floor, Wisma Wan Mohamed, Jalan Panglima Bukit Gantang Wahab, 30000 Ipoh, Perak Darul Ridzuan at least forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof.

The registration for the above Meeting will commence on **Tuesday, 26th June 2012 at 1.30 p.m.**

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

Explanatory notes on special business

Ordinary Resolution 7: Authority for the Directors to issue shares pursuant to Section 132D of the Companies ACT, 1965.

Subject to the exceptions provided in the Companies Act, 1965, the Directors would have to call for a general meeting to approve the issue of new shares even though the number involved is less than 10% of the issued share capital.

In order to avoid any delay and costs involved in convening a general meeting to approve such issue of shares, it is thus considered appropriate that the Directors be now empowered to issue shares in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for the time being. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

Ordinary Resolution 8: Proposed Renewal Of Shareholders' Mandate For The Recurrent Related Party Transactions Of A Revenue Or Trading Nature

The proposed Ordinary Resolution, if passed, will enable the MHB Group to enter into any of the recurrent transactions of a revenue or trading nature which are necessary for the MHB Group's day-to-day operations, subject to the transactions being in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company. The details of the Proposal are set out in the Circular to the Shareholders dated 25 May 2012 circulated together with this Annual Report.

Special Resolution 1: Proposed Amendment to the Company's Articles of Association

The proposed Special Resolution 1 under item 8 if passed, will allow a majority of three-fourths of the number of Directors of the Company shall be as effective for all purposes as a resolution passed at a meeting of the Directors duly convened, held and constituted.

NOTIS MESYUARAT AGUNG TAHUNAN

DENGAN INI ADALAH DIMAKLUMKAN BAHAWA Mesyuarat Agung Tahunan yang Kesembilan (9) Syarikat akan diadakan di Dewan Bandaran Ipoh, Jalan Panglima Bukit Gantang Wahab, 30000 Ipoh, Perak Darul Ridzuan pada hari Selasa, 26 Jun 2012 jam 4.00 petang untuk melaksanakan urusan-urusan biasa berikut sebagai resolusi biasa:-

AGENDA

URUSAN BIASA

1. Untuk menerima dan menerima pakai Penyata-Penyata Kewangan Beraudit Syarikat Bagi Tahun Kewangan Berakhir 31 Disember 2011 berserta Laporan para Pengarah dan para Juruaudit berkenaan. *Resolusi 1*
2. Untuk meluluskan pembayaran yuran para Pengarah bagi kewangan berakhir 31 Disember 2011. *Resolusi 2*
3. Untuk melantik semula Pengarah yang bersara menurut Artikel 84 Tataurus Penubuhan Syarikat, layak dan menawarkan diri untuk dilantik semula:
 - (i) Y.B.M. Dato' Seri Raja Ahmad Zainuddin bin Raja Haji Omar *Resolusi 3*
 - (ii) Dato' Haji Mohd Zolkafly bin Haji Harun *Resolusi 4*
4. Untuk melantik semula Tan Sri Dato' (Dr) Abdul Aziz bin Abdul Rahman sebagai Pengarah Syarikat dan menjawat jawatan sehingga penyelesaian Mesyuarat Agung Tahunan yang seterusnya menurut Seksyen 129(6) Akta Syarikat, 1965. *Resolusi 5*
5. Untuk melantik semula Tetuan AljeffriDean sebagai Juruaudit Syarikat dan memberi kuasa kepada Pengarah-Pengarah untuk menetapkan bayaran mereka. *Resolusi 6*

URUSAN LUARBIASA

Resolusi Biasa

6. Untuk mempertimbangkan dan jika difikirkan wajar meluluskan pindaan berikut sebagai Resolusi Biasa:- *Resolusi 7*

Kuasa kepada Pengarah-Pengarah untuk mengeluarkan saham-saham menurut Seksyen 132D Akta Syarikat, 1965.

“BAHAWA Menurut Seksyen 132D, Akta Syarikat, 1965 dan dengan sentiasa tertakluk kepada Akta Syarikat, 1965, Tataurus Penubuhan Syarikat dan kelulusan daripada pihak-pihak berkuasa kerajaan dan/atau badan-badan perundangan, Pengarah-Pengarah, dengan ini diberikan kuasa untuk mengeluarkan dan memperuntukkan saham-saham di dalam Syarikat dari masa ke semasa, pada harga tertentu, pada terma-terma dan syarat-syarat tertentu, untuk tujuan tertentu dan kepada pihak/pihak-pihak sebagai Pengarah, di mana menurut budibicara yang difikirkan sesuai, sekiranya agregat bilangan saham-saham yang dikeluarkan menurut Resolusi ini tidak melebihi sepuluh peratus (10%) daripada jumlah keseluruhan modal saham yang dikeluarkan dalam Syarikat ketika ini **DAN BAHAWA** Pengarah-Pengarah dengan ini diberikan kuasa untuk mendapatkan kelulusan untuk penyenaraian dan sebutan untuk tambahan saham-saham yang dikeluarkan di Bursa Malaysia Sekuriti Berhad **DAN BAHAWA** kuasa tersebut akan terus dikuatkuasakan sehingga penggulangan Mesyuarat Agung Tahunan Syarikat yang berikutnya.”

NOTIS MESYUARAT AGUNG TAHUNAN (SAMBUNGAN)

7. Pembaharuan Mandat Para Pemegang Saham Yang Dicadangkan Bagi Urusniaga-Urusniaga Berulang Berkenaan Pendapatan atau Dalam Bentuk Perniagaan dengan Pihak Berkaitan.

Resolusi 8

“BAHAWA tertakluk kepada Kehendak-Kehendak Penyenaraian Bursa Malaysia Securities Exchange (“Securities Exchange”) kelulusan adalah dan dengan ini diberikan kepada MHB dan anak-anak syarikatnya (“Kumpulan MHB”) untuk memasuki urusniaga-urusniaga berulang berkenaan pendapatan atau yang dalam bentuk perniagaan (Urusniaga-urusniaga Berulang dengan Pihak Berkaitan”) dengan Pihak Berkaitan sebagaimana dinyatakan pada Seksyen 2.1 pekeling yang diedarkan kepada para pemegang saham bertarikh 25 Mei 2012 (“Pengumuman”) tertakluk kepada berikut:

- (i) Urusniaga-urusniaga Berulang dengan Pihak Berkaitan di dalam urusan perniagaan biasa adalah dimasuki di atas terma-terma yang tidak melebihi pihak berkenaan melainkan yang pada dasarnya diterima umum dan Urusniaga-urusniaga Berulang dengan Pihak Berkaitan dilaksanakan atas dasar secara berniaga dan tidak memudaratkan kepada para pemegang saham minoriti Syarikat;
- (ii) pembentangan dibuat di dalam laporan tahunan mengenai pecahan nilai agregat Urusniaga-urusniaga Berulang dengan Pihak Berkaitan yang telah dilakukan menurut mandat pemegang-pemegang saham semasa tahun kewangan tersebut, antara lain, berdasarkan kepada maklumat berikut:
 - (a) jenis Urusniaga-urusniaga Berulang dengan Pihak Berkaitan yang telah dibuat; dan
 - (b) nama pihak berkenaan yang terlibat di dalam setiap jenis Urusniaga-urusniaga Berulang dengan Pihak Berkaitan yang telah dibuat dan hubungannya dengan Syarikat;
- (iii) mandat para pemegang saham adalah tertakluk kepada pembaharuan tahunan dan mandat para pemegang saham ini akan hanya terus berkuatkuasa sehingga:
 - (a) tamatnya Mesyuarat Agung Tahunan Syarikat yang berikutnya selepas Mesyuarat Agung Kesembilan bilamana mandat para pemegang saham ini akan luput melainkan kuasanya diperbaharui melalui resolusi yang diluluskan pada Mesyuarat Agung yang berikutnya;
 - (b) tempoh tamat di mana Mesyuarat Agung yang sepatutnya diadakan menurut Seksyen 143(1) Akta Syarikat 1965 (“Akta”) (tetapi tidak boleh dilanjutkan kepada perlanjutan sebagaimana yang dibenarkan menurut Seksyen 143(2) Akta tersebut); atau
 - (c) dibatalkan atau diubah melalui resolusi yang diluluskan oleh pemegang-pemegang saham di dalam satu mesyuarat sebelum Mesyuarat Agung yang berikutnya;

yang mana terlebih dahulu;

DAN BAHAWA pengarah-pengarah dan/atau mana-mana dari mereka adalah dan dengan ini diberikan keizinan untuk menyempurnakan dan melakukan segala tindakan-tindakan dan perkara-perkara yang mereka fikirkan wajar dan suai manfaat (termasuklah menyempurnakan apa-apa suratcara-suratcara sebagaimana yang diperlukan) bagi memberikan kesan kepada Urusniaga-urusniaga Berulang dengan Pihak Berkaitan yang telah dicadangkan dan/atau yang diberikuasa oleh Ketetapan Biasa ini;

NOTIS MESYUARAT AGUNG TAHUNAN (SAMBUNGAN)

DAN BAHAWA anggaran-anggaran yang telah diberikan berkenaan Urusniaga-urusniaga Berulang dengan Pihak Berkaitan sebagaimana yang diperuntukkan di dalam Seksyen 2.1 Pengumuman yang bersifat sementara, pengarah-pengarah dan/atau mana-mana antara mereka adalah dan dengan ini diberikuasa untuk bersetuju dengan jumlah atau jumlah-jumlah berkenaannya mematuhi prosedur-prosedur yang dinyatakan di dalam Seksyen 2.2 Pengumuman.”

8. Untuk mempertimbangkan dan jika difikirkan wajar meluluskan pindaan berikut sebagai Resolusi Khas:-

*Resolusi
Khas 1*

Pindaan Yang dicadangkan kepada Artikel Penubuhan

“**BAHAWA** pemotongan, penggantian, perubahan dan penambahan kepada Artikel 128 Tataurus Penubuhan Syarikat sediada seperti yang dinyatakan dalam Lampiran I Laporan Tahunan 2011 bertarikh 25 Mei 2012 yang diluluskan”.

9. Untuk membincangkan hal-hal lain bersesuaian kepada Mesyuarat Agung Tahunan Syarikat di mana notis yang mencukupi telah diberi menurut Akta dan Tataurus Penubuhan Syarikat.

Dengan arahan Lembaga Pengarah

Che Indon binti Ilyas (BC/C/445)

Setiausaha Syarikat
Ipoh
25 Mei 2012

NOTIS BAYARAN DIVIDEN DAN PENUTUPAN DAFTAR PEMEGANG ICPS

Dividen 1% sesaham akan dibayar pada 25 Julai 2012.

DENGAN INI DIMAKLUMKAN bahawa Daftar Pemegang Saham ICPS Syarikat akan di tutup pada 26 Jun 2012 untuk menetapkan pemegang saham yang berhak untuk dibayar dividen.

Seorang Pendeposit akan layak menerima dividen hanya bagi:-

- (a) Saham-saham yang dipindahkan ke Akaun Sekuriti Pendeposit sebelum jam 4.00 petang pada 26 Jun 2012 bagi pindahan biasa; dan
- (b) Saham-saham yang dibeli di Bursa Malaysia Securities Berhad dengan kelayakan menerima dividen menurut Peraturan-peraturan Bursa Malaysia Securities Berhad.

Nota-nota:

Seorang ahli yang layak untuk menghadiri dan mengundi di Mesyuarat Agung adalah berhak untuk melantik proksi/ proksi-proksi yang mungkin tetapi bukanlah perlu seorang ahli/ahli-ahli Syarikat untuk menghadiri dan mengundi sebagai gantinya dan Seksyen 149(1)(b) tidak akan terpakai.

Apabila seorang ahli melantik lebih daripada seorang proksi maka perlantikan tersebut adalah tidak sah melainkan ahli berkenaan menyatakan bahagian-bahagian pegangan sahamnya yang akan diwakili oleh proksi-proksi berkenaan.

Bilamana seorang ahli adalah namaan yang berkuasa sebagaimana yang didefinasikan di bawah Akta Sekuriti Industri (Pendeposit-Pendeposit Pusat), 1991, ianya boleh melantik sekurang-kurangnya seorang proksi bagi setiap Akaun Sekuriti yang dipegangnya dengan saham-saham biasa dijadikan jaminan kredit kepada Akaun Sekuriti berkenaan.

Suratcara untuk melantik proksi mestilah dibuat di dalam tulisan tangan orang yang melantik atau wakilnya yang telah diberikuasa secara bertulis atau bilamana pelantik adalah sebuah syarikat, samada menggunakan cop mohor biasa atau melalui pegawainya atau wakilnya yang telah diberikan kuasa.

Suratcara perlantikan mestilah diserahkan kepada Pejabat Berdaftar Syarikat di Tingkat 1, Wisma Wan Mohamed, Jalan Panglima Bukit Gantang Wahab, 30000 Ipoh, Perak Darul Ridzuan sekurang-kurangnya empat puluh lapan (48) jam sebelum masa yang ditetapkan untuk mengadakan Mesyuarat Agung Tahunan tersebut ataupun penangguhannya.

Masa pendaftaran bagi Mesyuarat di atas akan bermula pada hari Selasa, **26 Jun 2012 pada jam 1.30 petang.**

NOTIS MESYUARAT AGUNG TAHUNAN (SAMBUNGAN)

Nota Penerangan Mengenai Urusan Luar Biasa

Resolusi Biasa 7: Kuasa untuk mengeluarkan saham-saham menurut Seksyen 132D Akta Syarikat, 1965.

Tertakluk kepada pengecualian-pengecualian yang terkandung di dalam Akta Syarikat, 1965, Pengarah-Pengarah hendaklah memanggil Mesyuarat Agung untuk meluluskan pengeluaran saham-saham baru walaupun bilangan saham yang dikeluarkan adalah kurang daripada sepuluh peratus (10%) daripada modal saham yang dikeluarkan.

Untuk mengelakkan apa-apa penangguhan dan kos-kos yang terlibat di dalam pengendalian Mesyuarat Agung untuk meluluskan isu pengeluaran saham-saham, dengan ini dianggap bersesuaian supaya Pengarah-Pengarah kini diberikan kuasa untuk mengeluarkan saham-saham di dalam Syarikat sehingga ke satu amaun tidak melebihi jumlah sepuluh peratus (10%) daripada modal saham yang dikeluarkan pada masa sekarang. Kuasa ini, kecuali dibatalkan atau diubah pada Mesyuarat Agung, akan luput pada Mesyuarat Agung Tahunan Syarikat yang berikutnya.

Resolusi Biasa 8: Pembaharuan Mandat Para Pemegang Saham Yang Dicadangkan Bagi Urusniaga-Urusniaga Berulang Berkenaan Pendapatan atau Dalam Bentuk Perniagaan dengan Pihak Berkaitan.

Resolusi Biasa yang dicadangkan, jika diluluskan akan membolehkan Kumpulan MHB untuk memasuki mana-mana urusniaga-urusniaga berulang bagi hasil dan jenis perusahaan yang mana perlu bagi operasi seharian Kumpulan MHB, tertakluk kepada urusniaga-urusniaga yang menjadi perkara biasa perniagaan menurut terma-terma komersial yang biasa yang mana tidak melebihi pihak-pihak selain daripada apa yang ada pada dasarnya diterima umum dan tidak memudaratkan para pemegang saham Syarikat. Maklumat terperinci Cadangan dimasukkan di dalam Pekeliling kepada Para Pemegang Saham bertarikh 25 Mei 2012 yang diedarkan bersama-sama dengan Laporan Tahunan ini.

Resolusi Khas 1: Pindaan Yang dicadangkan kepada Artikel Penubuhan

Resolusi Khas 1 yang dicadangkan di bawah perkara 8 jika diluluskan, akan membolehkan majoriti tiga perempat daripada bilangan Pengarah Syarikat hendaklah berkuatkuasa bagi segala urusan sebagai resolusi yang diluluskan di dalam Mesyuarat Lembaga Pengarah yang dipanggil, diadakan dan ditubuhkan.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Dato' Seri Megat Najmuddin bin Datuk Seri Dr. Haji Megat Khas	Chairman <i>Senior Independent, Non Executive Director</i>
Tan Sri Dato' (Dr) Abdul Aziz bin Abdul Rahman	<i>Independent, Non Executive Director</i>
Mustapha bin Mohamed	<i>Independent, Non Executive Director</i>
Dato' Haji Mohd Zolkafly bin Haji Harun	<i>Independent, Non Executive Director</i>
Y.B.M. Dato' Seri Raja Ahmad Zainuddin bin Raja Haji Omar	<i>Non-Independent, Non Executive Director</i>
Abdul Aziz bin Subali	<i>Executive Director</i>
Y.B. Dato' Haji Tajuddin Bin Abdul Rahman (Vacated w.e.f. 20 November 2011 by virtue of Article 95 of the Company's Articles of Association)	<i>Executive Director</i>

AUDIT COMMITTEE

Tan Sri Dato' (Dr) Abdul Aziz bin Abdul Rahman	Chairman <i>Independent, Non Executive Director</i>
Mustapha bin Mohamed	<i>Independent, Non Executive Director</i>
Dato' Haji Mohd Zolkafly bin Haji Harun	<i>Independent, Non Executive Director</i>

NOMINATION AND REMUNERATION COMMITTEE

Tan Sri Dato' Seri Megat Najmuddin bin Datuk Seri Dr. Haji Megat Khas	Chairman <i>Senior Independent, Non Executive Director</i>
Tan Sri Dato' (Dr) Abdul Aziz bin Abdul Rahman	<i>Independent, Non Executive Director</i>
Dato' Haji Mohd Zolkafly bin Haji Harun	<i>Independent, Non Executive Director</i>

INVESTMENT COMMITTEE

Abdul Aziz bin Subali	Chairman <i>Executive Director</i>
Mustapha bin Mohamed	<i>Independent, Non Executive Director</i>
Abd Karim Nast bin Mohd Alias	<i>Group Chief Executive Officer</i>

CORPORATE INFORMATION (CONTINUED)

MANAGEMENT TEAM

Abd Karim Nast bin Mohd Alias

*Group Chief Executive Officer
Group General Manager, Accounts & Finance*

Abdul Rahim bin Bohari @ Bahari

*Group General Manager, Land & Real Estate
General Manager, Majuperak Bio Resources
Sdn. Bhd.*

Jaafar bin Baharin

General Manager, Majuperak Development Bhd

Izman Kamal bin Ismail

General Manager, Syarikat Majuperak Berhad

Kamarul Bahrin bin Baharudin

*General Manager,
Majuperak Energy Resources Sdn. Bhd.*

Abd Aziz bin Abdul Rahim

*General Manager,
Majuperak Property Management Sdn. Bhd.*

Badrol Hisham bin Bakri

General Manager, Jua Juara Sdn. Bhd.

REGISTERED AND PRINCIPAL PLACE OF BUSINESS

1st Floor, Wisma Wan Mohamed
Jalan Panglima Bukit Gantang Wahab
30000 Ipoh, Perak Darul Ridzuan
Tel: (05) 243 8864, 529 6677
Fax: (05) 2547070
Website: www.majuperak.com.my

COMPANY SECRETARY

Che Indon binti Ilyas (BC/C/445)

AUDITORS

AljeffriDean (AF 1366)
Chartered Accountants (Malaysia)
Level 10, Suite 1, Perak Techno Trade Centre
Bandar Meru Raya, Off Jalan Jelapang
30020 Ipoh, Perak Darul Ridzuan

PRINCIPAL BANKERS

RHB Bank Berhad
Bank Islam Malaysia Berhad
Bank Muamalat Malaysia Berhad
CIMB Bank Berhad
Malayan Banking Berhad
Public Bank Berhad
Standard Chartered Bank Malaysia

REGISTRAR

Symphony Share Registrars Sdn Bhd
55, Medan Ipoh 1A, Medan Ipoh Bistari
31400 Ipoh, Perak Darul Ridzuan
Tel: (05) 547 4833
Fax: (05) 547 4363

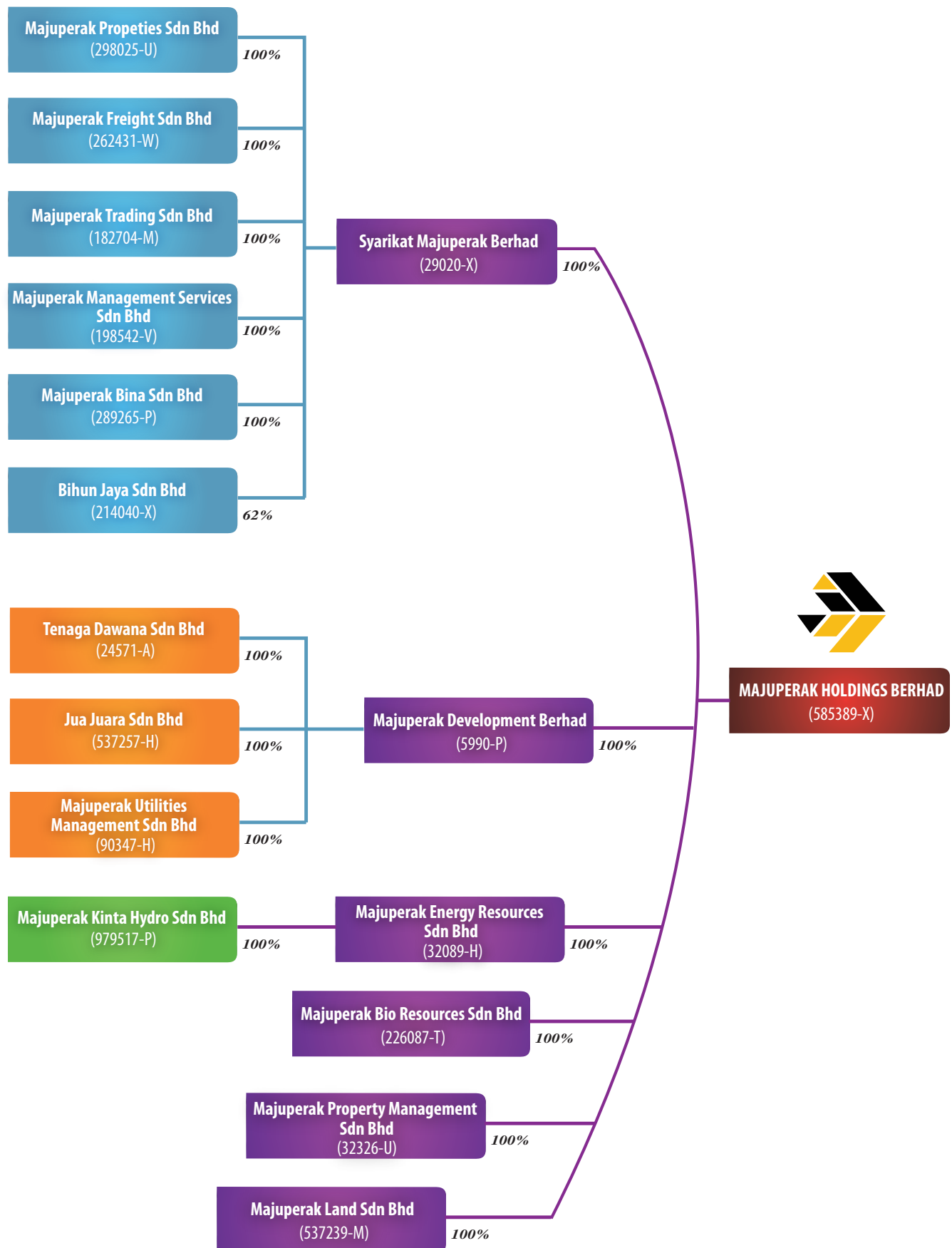
SOLICITORS

Messrs. Rusnah Loh Ng & Co
Messrs. Izhar Haji Saidin & Co.
Messrs. Kamarul Hakimi Ansor & Partners
Messrs. Ong-Hanim & Badrol
Messrs. Lokman Reena & Co.

STOCK EXCHANGE LISTING

Main Board of Bursa Malaysia Securities
Berhad
(Name: MJPERAK, stock code: 8141)
ICPS, stock code: 8141A)

CORPORATE STRUCTURE



BOARD OF DIRECTORS' PROFILE



**TAN SRI DATO' SERI MEGAT NAJMUDDIN
BIN DATUK SERI DR HAJI MEGAT KHAS**

68, Malaysian
Chairman
Senior Independent, Non Executive

Tan Sri Dato' Seri Megat Najmuddin bin Datuk Seri Dr Haji Megat Khas was appointed to the Board on 17 August 2006, he serves as Chairman of the Board. He is the Chairman of the Nomination and Remuneration Committee. He holds an Honours Degree in Law from University of Singapore. He is prominent in the corporate sector and holds several important posts. He is the President of both the Federation of Public Listed Companies Berhad ("FPLC") and the Malaysian Institute of Corporate Governance ("MICG").

Apart from his directorship in the Company, he currently sits as the Non-Executive Chairman of 5 public listed companies, i.e. Asian Pac Holdings Berhad, Formis Resources Berhad, Tradewinds Corporation Berhad and SEG International Berhad. He is also a member of the Board of Directors of PetroliaM Nasional Berhad ("PETRONAS").

He was a member of the High Level Finance Committee of the Ministry of Finance and Capital Market Advisory Council of the Securities Commission ("CMAC"). He now sits on UMNO Malaysia's Disciplinary Committee. He is also active in the Institute of Integrity Malaysia ("IIM"), Transparency International Malaysia ("TIM"), and an Adjunct Professor at Faculty of Law, University of Utara Malaysia.

He is currently sits as a member of Bank Negara Malaysia's Financial Directors' Education Steering Committee ("FIDE") and Advisory Board of Malaysian Anti-Corruption Commission ("MACC").

He has no conviction for any offence within the past 10 years.

He had attended all the 7 board meetings held during the financial year ended 31 December 2011. He does not have any family relationship with any director and / or major shareholder of the Company, or any personal interest in any business arrangement involving the Company.



**TAN SRI DATO' (DR) ABDUL AZIZ
BIN ABDUL RAHMAN**

79, Malaysian
Independent Non Executive

Tan Sri Dato' (Dr) Abdul Aziz bin Abdul Rahman was appointed to the Board on 6 June 2006. He is the Chairman of the Audit Committee and also serves as a member of the Nomination and Remuneration Committee. He holds Barrister at-Law, Lincoln's London and also Hon. Doctor of Philosophy degree from University Utara Malaysia, Doctor of Business Administration (H.C.) degree from the International Management Centre Buckingham, United Kingdom and Advanced Management Programme from Harvard Business School, Harvard University, United States of America.

A qualified lawyer, he began his career with the Kelantan Administrative Service and later with the Malaysian Judicial and Legal Service and has held various key positions such as Magistrate, President Sessions Courts, Assistant Parliamentary Draftsman, Federal Counsel and Legal Officer of the National Operations Council during the 13th May 1969 Emergency.

He was later seconded to Malaysian Airline System Berhad as Secretary and Legal Affairs Director in connection with the establishment of a new national carrier of Malaysia upon reconstruction of the Malaysia-Singapore Airline in 1971-1982. Subsequently in 1982, he was promoted as Managing Director and Chief Executive and held the position until November 1991.

Currently, he is one of the partners in Messrs Nik Saghir & Ismail and sits on the boards of several public listed companies, namely BTM Resources Berhad and Nagamas Berhad.

He has no conviction for any offence within the past 10 years.

He had attended all the 7 board meetings held during the financial year ended 31 December 2011. He does not have any family relationship with any director and / or major shareholder of the Company, or any personal interest in any business arrangement involving the Company.

The details of his interest in the ordinary shares of the Company are as disclosed under "Analysis of Shareholdings" on page [41] of the Annual Report.

BOARD OF DIRECTORS' PROFILE (CONTINUED)



MUSTAPHA BIN MOHAMED

66, Malaysian
Independent Non Executive

Mustapha bin Mohamed was appointed to the Board on 30 September 2008. He also serves as a member of the Audit Committee and Investment Committee. He is a Fellow Member of the Association of Chartered Certified Accountants, Chartered Accountant with The Malaysian Institute of Accountants and member of the Malaysian Association of Certified Public Accountants. He was previously with Coopers & Lybrand Malaysia (now PricewaterhouseCoopers) for 22 years (from 1971 to 1993) of which he was a partner from 1987 to 1993. He had previously served as Director of Gadek Berhad, Gadek Capital Berhad, Ipunda Berhad, Credit Corporation of Malaysia Berhad, MHC Plantations Berhad and Ho Hup Construction Company Berhad. He is currently a director of Rubberex Corporation (M) Berhad.

Currently, he is involved in his own business of Construction & Property Development and provides advisory services in relation to his profession when necessary.

He has no conviction for any offence within the past 10 years.

He had attended 6 out of 7 board meetings held during the financial year ended 31 December 2011. He does not have any family relationship with any director and / or major shareholder of the Company, or any personal interest in any business arrangement involving the Company.

The details of his interest in the ordinary shares of the Company are as disclosed under "Analysis of Shareholdings" on page [41] and [43] of the Annual Report.



DATO' HAJI MOHD ZOLKAFLY BIN HAJI HARUN

55, Malaysian
Independent Non Executive

Dato' Haji Mohd Zolkafly bin Haji Harun was appointed to the Board on 4 September 2009. He is a member of the Audit Committee and the Nomination and Remuneration Committee of the Company. He obtained his Bachelor's Degree in Business Administration from Cannington Brooks University in April 2012.

He has 15 years experience in construction and housing development in the State of Perak. He is currently the Executive Chairman of Setia Wajib Sdn. Bhd. a Class A ("PKK") Bumiputera Construction company and SSF Properties Sdn. Bhd., a housing development company. He is also the Chairman of ZC Construction Sdn. Bhd., Yayasan Sungai Siput, and the Director of Konsortium Baja Nasional Sdn. Bhd. and President of Petanque Negeri Perak.

Previously, he was a Councillor of Majlis Daerah Kuala Kangsar and Majlis Perbandaran Kuala Kangsar.

He has no conviction for any offence within the past 10 years.

He had attended 4 out of 7 board meetings held during the financial year ended 31 December 2011. He does not have any family relationship with any director and / or major shareholder of the Company, or any personal interest in any business arrangement involving the Company.

BOARD OF DIRECTORS' PROFILE (CONTINUED)



**Y.B.M. DATO' SERI RAJA AHMAD ZAINUDDIN
BIN RAJA HAJI OMAR**

56, Malaysian
Non Independent Non Executive

Y.B.M. Dato' Seri Raja Ahmad Zainuddin bin Raja Haji Omar is currently the Kubu Gajah, Perak State Assemblyman. He was previously the Larut Member of Parliament from 1999 until 2008. He had also served as the Chairman of Lembaga Perlesenan Kenderaan Perdagangan. He was a Director of Lembaga Urusan Tabung Haji and its subsidiaries from 2001 until 2004. He was the Chief Editor for the Berita Perak from 1988 to 1999. He currently serves as a Director of Ken Holdings Berhad and Muhibbah Engineering (M) Bhd.

He has no conviction for any offence within the past 10 years.

He had attended 4 out of the 7 board meetings held during the financial year ended 31 December 2011. He does not have any family relationship with any director and / or major shareholder of the Company, or any personal interest in any business arrangement involving the Company.



ABDUL AZIZ BIN SUBALI

57, Malaysian
Executive Director

Abdul Aziz bin Subali was appointed to the Board on 6 June 2006. He is the member of Risk Management Committee and Investment Committee. He obtained his Master's Degree in Business Administration from University of Technology MARA in 2005 and Bachelor's Degree in Accounting (Hons) from University of Kebangsaan Malaysia in 1985. He had Diploma in Banking from University of Technology MARA in 1977.

He is a member of Malaysian Institute of Accountants. He started his career with Bank Pertanian Malaysia Berhad (now Agro Bank) in 1977 as Accounts Officer and was promoted as Accountant in 1985 and later as the Manager in various managerial posts until 1995. He joined Perbadanan Kemajuan Negeri Perak in 1995 as Finance and Accounts Director and then the Director of Finance, Accounts, Administration and Public Relation. Currently, he is the Deputy Chief Executive in charge of Finance and Management Support.

He has more than 20 years experience in accounts and finance and currently is responsible for the Group overall operations and planning as well as the financial aspects.

He has no conviction for any offence within the past 10 years.

He had attended 6 out of 7 board meetings held during the financial year ended 31 December 2011. He does not have any family relationship with any director and / or major shareholder of the Company, or any personal interest in any business arrangement involving the Company.

The details of his interest in the ordinary shares of the Company are as disclosed under "Analysis of Shareholdings" on page [41] of the Annual Report.

GROUP CHIEF EXECUTIVE OFFICER'S PROFILE



ABD KARIM NAST BIN MOHD ALIAS

51, Malaysian
Group Chief Executive Officer

Abd Karim Nast was appointed as an Acting Group Chief Executive Officer on 30 March, 2011 and held the position until 29 February 2012. He was then appointed as Group Chief Executive Officer effective on 1 March, 2012. He is a member of Malaysian Institute of Accountants and holds a Bachelor in Accounting (Hons) from University of Technology MARA, Malaysia.

He began his career with Perak State Development Corporation ("PKNP") in 1980 and was appointed as a Sub-Accountant in 1991. He was then appointed as an Accountant in 1997 and as Accounts Manager in 1999. Prior to this, he was involved in the implementation of the restructuring and corporatisation of the PKNP's subsidiary companies into Majuperak Holdings Berhad through the acquisition of United Chemical Industries Bhd. (now known as Majuperak Development Bhd).

He has over 20 years experience in finance and accounts and held various posts including Group General Manager Finance and Accounts which responsible for the group planning, financial operations, reporting and accounting functions of the subsidiary and Group's budgeting.

He has no conviction for any offence within the past 10 years.

He does not have any family relationship with any director and/or major shareholders of the Company or any personal interest in any business arrangement involving the company.

He holds 402 ordinary shares of the Company.

CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

ON BEHALF OF THE BOARD OF DIRECTORS OF MAJUPERAK HOLDINGS BERHAD, it is a great pleasure to present to you the Annual Report and Audited Financial Statements of the Group for the financial year ended 31 December 2011.

OVERVIEW

We approached the financial year 2011 with optimism, cognizant that while global financial crisis appears to be subsiding due in part to implementation of stimulus packages by governments worldwide, the risks of a much talked-about double-dip was still lurking in the background. Recovery in global economy at best has been delicate, with unemployment in developed countries remaining high.



Property market in certain developing townships around the country have remained active and resilient despite uninspiring global economic indicators with good take up rates for affordable residential units and exclusive high end residential developments at prime locations.

FINANCIAL PERFORMANCE

Despite a challenging year, the Group performed well and maintained its profitability. The Group recorded a turnover of RM19.279 million for the financial year under review, representing an increase of 21% over the previous financial year's turnover of RM15.863 million.

For the financial year ended 31 December 2011, the Company had recorded a profit after tax of RM0.018 million compared to RM1.457 million in the preceding year. However, the Group registered a profit after tax of RM1.749 million compared to preceding year loss after tax of (RM1.385 million).

The Net Assets per share of the Group as at 31 December 2011 stood at RM1.23.

CORPORATE GOVERNANCE

The Board is committed to the best practices in corporate governance as a crucial step in achieving business sustainability and growth. With this in mind, the board is steadfast in implementing business strategies that are in line with the Group's vision and deemed to be value accretive in order to protect and maximize shareholders' value. These measurements are highlighted in the Statement of Corporate Governance in this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY

The Group believes that the underlying element for a strong and balanced community lies in the enrichment of knowledge. As such, a programme was initiated by the Group to improve learning, especially in rural areas. It is at this juncture that the Group customized the programme to target schools within the rural areas. Once more the Group has raised its calibre much with its CSR programs. Last year around, the Group was able to provide for a rural school with computers. As such, the school's condition has improved overall and the pupils' quality of school life has taken a leap.

CHAIRMAN'S STATEMENT (CONTINUED)

We take utmost measures in the welfare of our employees providing trainings and any relevant programs that enables them to learn how to perform better with their jobs in the workplace and with safety measures.

Donations to charities, youth developmental programs and health and safety awareness programs are just some on this list of returns as the Group values life and living above others and always priorities to reach out to people and touch their lives, in the best way possible.

PROSPECTS FOR 2012

The Board is aware of the looming uncertainties in the global economic environment in Euro zone which somehow will dampen sentiment in investment and economic activity in Malaysia. The Company is well positioned and better equipped to weather the crisis should it come. Neither the Board nor the management team are complacent and have embarked on an extensive programme of self help to withstand any effect from the crisis and to continue to deliver increased value to the shareholders. The Company therefore remains proactive and will use best continuous efforts for new investment opportunities should they arise.

In Financial Year 2012, we will continue to grow cautiously and responsibly. This time next year, I expect to be reporting a further improvement in our bottom line. Barring unforeseen circumstances, the Group still expect to see encouraging growth in the new markets where we operate especially with the Group new ventures in the bamboo industry and the palm oil plantation, which the operation will kick starts in the very near future.

APPRECIATION

To all our valued business associates, partners, various government and regulatory bodies as well as our customers and bankers, who have again stood by us with exemplary loyalty, I wish to take this opportunity to thank you very much for your commitment and assistance to the Group.

What we achieved in the financial year 2011, we also owe to the determination of our people at every level to drive the business forward and I offer you, the Management and staff, all my heartfelt thanks.

To my esteemed colleagues of the Board, please accept my most heartfelt gratitude for your prudent counsel, perceptive insights and excellent commitment. Your expert guidance and valuable experience have accelerated further momentum towards achieving the Group's missions and visions.

And finally, my utmost appreciation to all our highly valued shareholders, please accept my heartfelt thanks for your unwavering and continuous support.

We will diligently stay focused on delivering sustainable growth and attain superior performance, as we embark on yet another year in our journey towards success.

TAN SRI DATO' SERI MEGAT NAJMUDDIN
BIN DATUK SERI DR. HAJI MEGAT KHAS
Chairman

PENYATAAN PENGERUSI

Para Pemegang Saham yang Dihargai,

BAGI PIHAK LEMBAGA PENGARAH MAJUPERAK HOLDINGS BERHAD, saya dengan berbesar hati membentangkan kepada anda Laporan Tahunan dan Penyata Kewangan Kumpulan Bagi Tahun Kewangan Berakhir 31 Disember 2011.

TINJAUAN

Kami menghadapi tahun kewangan 2011 dengan optimis, menyedari bahawa ketika krisis kewangan global yang semakin meningkat disebabkan beberapa pelaksanaan pakej rangsangan oleh kerajaan di seluruh dunia, risiko yang dijangka tinggi masih lagi dapat diatasi. Pemulihan ekonomi global pada tahap terbaik telah diperhalusi dengan kadar pengangguran di negara-negara maju masih tinggi.

Pasaran hartanah di bandar-bandar membangun tertentu di seluruh negara masih aktif dan masih bertahan walaupun tidak berinspirasi kepada penunjuk ekonomi global, dengan kadar permintaan yang tinggi bagi kediaman mampu milik dan pembangunan kediaman bertaraf tinggi di lokasi-lokasi utama.

PRESTASI KEWANGAN

Walaupun di dalam tahun yang mencabar, Kumpulan mencapai prestasi yang baik dan dapat mengekalkan keuntungannya. Kumpulan mencatatkan pendapatan sebanyak RM19.279 juta bagi tahun kewangan yang diulas, di mana peningkatan melebihi 21% berbanding pendapatan bagi tahun kewangan sebelumnya yang berjumlah RM15.863 juta.

Bagi tahun kewangan berakhir 31 Disember 2011, Syarikat telah merekodkan keuntungan selepas cukai sebanyak RM0.018 juta berbanding RM1.457 juta pada tahun sebelumnya. Kumpulan pula telah mencatatkan keuntungan selepas cukai sebanyak RM1.749 juta berbanding kerugian selepas cukai tahun sebelumnya berjumlah (RM1.385 juta).

Nilai sesaham bagi Aset Bersih Kumpulan sehingga 31 Disember 2011 adalah RM1.23.

TADBIRURUS KORPORAT

Lembaga Pengarah komited terhadap amalan terbaik di dalam tadbirurus korporat sebagai langkah penting dalam mencapai pertumbuhan dan kemampanan perniagaan. Dalam memikirkan hal ini, Lembaga Pengarah teguh melaksanakan strategi perniagaan yang selaras dengan visi Kumpulan serta dipercayai dapat menambah nilai bagi melindungi dan memaksimumkan nilai para pemegang saham. Pengukuran ini disorotkan di dalam Penyata Tadbir Urus Korporat di dalam buku Laporan Tahunan ini.

TANGGUNGJAWAB SOSIAL KORPORAT

Kumpulan percaya bahawa elemen asas bagi masyarakat yang kukuh dan seimbang bergantung kepada ilmu pengetahuan yang tinggi. Oleh itu, satu program telah dimulakan oleh Kumpulan untuk meningkatkan pembelajaran, terutamanya di kawasan pedalaman. Pada ketika ini Kumpulan mensasarkan program tersebut kepada sekolah-sekolah di kawasan pedalaman. Sekali lagi Kumpulan telah meningkatkan mutunya terhadap program tanggungjawab sosial korporatnya. Pada tahun sebelumnya, Kumpulan telah menyediakan komputer untuk diperuntukkan di sekolah pedalaman. Dengan itu, persekitaran persekolahan telah meningkat secara keseluruhan dan kualiti pelajar-pelajar sekolah juga telah meningkat naik.

Kami mengambil pendekatan terbaik terhadap kebajikan pekerja dengan menyediakan latihan dan program-program yang berkaitan bagi membolehkan mereka mempelajari cara bekerja dengan lebih baik dan mengikuti langkah-langkah keselamatan semasa di tempat kerja.

PENYATAAN PENGGERUSI (SAMBUNGAN)

Derma kepada badan amal, program pembangunan belia dan program kesedaran kesihatan dan keselamatan adalah sebahagian dalam senarai dimana Kumpulan menilai kehidupan mengatasi yang lain dan sentiasa diutamakan mereka-mereka dalam menyentuh hal kehidupan, dengan cara yang terbaik mungkin.

PROSPEK UNTUK 2012

Lembaga Pengarah menyedari ketidaktentuan di dalam persekitaran ekonomi global di zon Euro yang dijangka akan menjejaskan sentimen dalam pelaburan dan aktiviti ekonomi di Malaysia. Namun, Syarikat berada di kedudukan yang baik dan lebih bersedia untuk mengharungi krisis seandainya berlaku. Baik Lembaga mahupun pihak pengurusan tidak leka dan telah memulakan program sendiri yang luas bagi menghadapi apa-apa kesan daripada krisis dan terus memberikan penambahan nilai kepada para pemegang saham. Oleh itu, Syarikat akan kekal proaktif dan menggunakan usaha berterusan yang terbaik jika terdapat peluang-peluang pelaburan yang baru.

Pada Tahun Kewangan 2012, kami akan terus berkembang dengan berwaspada dan bertanggungjawab. Untuk tahun mendatang, saya menjangka akan dapat melaporkan peningkatan kemajuan sebagai keperluan utama Kumpulan. Jika tiada aral, Kumpulan mengharapkan dapat melihat pertumbuhan yang menggalakkan terutamanya dalam pengusahaan baru yang diceburi oleh Kumpulan bagi industri buluh dan perladangan kelapa sawit, di mana operasinya akan bermula dalam masa terdekat.

PENGHARGAAN

Kepada semua rakan perniagaan yang kami hargai, rakan kongsi, badan-badan kerajaan dan badan-badan kawal selia serta pelanggan dan pihak bank, yang sentiasa bersama kami dengan kesetiaan jitu, saya ingin mengambil kesempatan ini untuk mengucapkan terima kasih yang tidak terhingga di atas komitmen dan bantuan anda kepada Kumpulan.

Apa yang kami capai pada tahun kewangan 2011, kami juga berhutang budi kepada kakitangan di setiap peringkat untuk memajukan perniagaan dan ucapan tulus terima kasih saya kepada anda, pengurusan dan kakitangan.

Kepada rakan-rakan Lembaga Pengarah yang dihormati, terima kasih yang tidak terhingga di atas nasihat berhemat kalian, pemahaman dan daya tanggapan yang tajam serta komitmen yang cemerlang. Bimbingan kepakaran dan pengalaman yang berharga kalian telah meningkatkan momentum seterusnya ke arah mencapai misi dan visi Kumpulan.

Dan akhirnya, ucapan setinggi penghargaan saya kepada semua pemegang saham, terimalah ucapan tulus terima kasih di atas sokongan yang berterusan dan tidak berbelah bahagi.

Kami akan sentiasa fokus di dalam memberi kemampanan pertumbuhan dan mencapai prestasi yang unggul, di dalam kita menuju kejayaan pada tahun mendatang.

**TAN SRI DATO' SERI MEGAT NAJMUDDIN
BIN DATUK SERI HAJI MEGAT KHAS**
Pengerusi

STATEMENT ON CORPORATE GOVERNANCE

Majuperak Holdings Berhad adheres to standards of corporate governance practices under the leadership of the Board of Directors (“Board”), as guided by the Malaysian Code of Corporate Governance (“Code”). It is being fully applied as a fundamental part of discharging the directors’ responsibilities to protect and enhance shareholders’ value.

Set out below are the corporate governance principles and best practices that were applied during the financial year ended 31 December 2011.

THE BOARD OF DIRECTORS

The Board of Directors (“the Board”) of Majuperak Holdings Berhad (“MHB” or “the Company”) welcomes the Malaysian Code on Corporate Governance (the “Code”) as it sets out principles (Part 1) and best practices (Part 2) on structures and processes the Majuperak Group of Companies (the “Group”) may use in their operations towards achieving the optimal framework in the discharge of its responsibilities to protect and enhance shareholders value and the financial performance of the Group.

In preparing this report, the Board has considered the manner in which it has applied these Principles of the Code and the extent to which it has complied with the Best Practices of the Code.

Board Balance

The Board meetings are presided by the Chairman. There is a clear division of responsibilities between the Chairman and the Group of Director to ensure a balance of power and authority. The Chairman is responsible for ensuring Board effectiveness and conduct whilst the Group of Director has the overall responsibilities over organisational effectiveness and the implementation of Board policies and decisions.

The Executive Director is generally responsible for making and implementing policies and decisions of the Board, overseeing operations as well as managing development and implementation of business and corporate strategies. The Independent Non-Executive Directors are independent of management and free from any business relationship which could materially interfere with their independent judgement. Their presence ensure that issues of strategies, performance and resources proposed by the management are objectively evaluated with their judgement.

The Board is satisfied with the existing number and composition of the Directors which fairly reflects the investment of minority shareholders in the Company.

Board Composition

The Board presently consists of seven (6) members, comprising four (4) Independent Non Executive Directors including the Chairman, one (1) Executive Director and one (1) Non Independent Non Executive Director. No individual or group of individuals dominates the Board’s decision making and the number of directors fairly reflects the nominees of each of the Company’s substantial shareholders.

More than two thirds of the Board members are Independent Directors since the Company recognises the contribution of Independent Directors as equal Board members in the development of the Company’s strategy, the importance of representing the interest of public shareholders and providing a balanced and independent view to the Board. The independent directors are independent of management and free from any relationship that could interfere with their independent judgement.

STATEMENT ON CORPORATE GOVERNANCE (CONTINUED)

Responsibility of the Board

The Board retains full and effective control of the Company and is responsible for the Company's overall Group strategy and objectives, its major capital expenditure projects, the consideration of significant financial matters as well as approval of material agreements. At the same time, the Board also ensures the sustenance of a dynamic and robust corporate climate focused on strong ethical values. This emphasis active participation and dialogues involving key people at all levels, as well as ensuring accessibility to information and transparency on all executive action.

Board Meeting

During the financial year under review, the Board conducted Seven (7) meetings to review and discuss the Group's operation, approved quarterly reports and annual financial statements. At every meeting, the Board papers were delivered in advance to facilitate informed decision making. The Board also discussed the minutes of Audit Committee meetings and proposals by the Management that require Board's approval.

The Board fully appreciates the importance of exercising high standards of corporate governance in the conduct of the Company's business and affairs through transparency, accountability and corporate governance.

The Board continues to apply the principles and best practices as governance by the Listing Requirements of Bursa Malaysia Securities Berhad to undertake additional measures, principles and recommendation embodied in Malaysia Code on Corporate Governance and strive to adopt the substance and not merely the form behind the corporate governance prescription.

The attendance record for each Director is as follows:-

Members	No of meetings attended	Percentage
Tan Sri Dato' Seri Megat Najmuddin bin Datuk Seri Dr Megat Khas Chairman, Independent Non Executive	7 of 7	100%
Tan Sri Dato' (Dr) Abdul Aziz bin Abdul Rahman Independent/Non Executive	7 of 7	100%
Abdul Aziz bin Subali Executive Director	6 of 7	86%
Haji Mustapha bin Mohamed Independent/Non Executive	6 of 7	86%
Y.B.M. Dato' Seri Raja Ahmad Zainuddin bin Raja Haji Omar Non Independent/Non Executive	4 of 7	57%
Dato' Haji Mohd Zolkafly bin Haji Harun Independent/Non Executive	4 of 7	57%
Y.B. Dato' Haji Tajuddin bin Abdul Rahman Executive Director (Vacated w.e.f. 20 November 2011 by virtue of Article 95 of the Company's Articles of Association)	0 of 7	0%

STATEMENT ON CORPORATE GOVERNANCE (CONTINUED)

Supply of Information

The Board is supplied with information in a timely manner and appropriate quality to enable them to discharge their duties and due notice is given to Directors with regards to issues to be discussed. All resolutions are recorded and thereafter circulated to the Directors for comments before minutes of proceedings are finalised and confirmed. Directors are given access to any information within the Company. Directors are also entitled to have access to the advice and services of the Company Secretary.

Directors' Training

The Board acknowledges that continuous education is vital in keeping them abreast with developments in the market place and with new statutory and regulatory requirements, besides enhancing professionalism and knowledge in enabling them to discharge their roles in an effective manner.

Relevant training programmes were arranged to facilitate knowledge building for Directors. The Directors may also attend additional training courses according to their individual needs, to equip themselves for the discharge of their responsibilities as directors of a public listed company and in the Board Committees on which they serve.

The Directors have attended development and training programmes during the year. The conferences, seminars and training programmes attended by the Directors, collectively or individually were as follows:-

Tan Sri Dato' Seri Megat Najmuddin bin Datuk Seri Dr Megat Khas

- MICG Directors Duties and Governance Conference 2011
- MICG Strategic Investor Relations and Effective Corporate Communication
"Integrating Best Practices to Enhance Corporate Reputation"
- MICG Medical Negligence, Mediation and Medical Records Upkeeping Conference 2011
"Updates in Current Medico - Legal Issues to Safeguard Against Claims and Litigation"
- MICG Land and Property Governance Conference for the Public and Private Sector 2011
"Regulatory Updates and Green Technology Issues"
- Internal Audit, Internal Control and Compliance Conference 2011
"Nexus Between Audit Committee (Board) and Internal Audit In Discharging Effective Governance"
- Scrutinising Financial Statement Fraud and Detection of Red Flags for Directors and Officers of PLC's and Government Regulatory Agencies
- Corporate Governance Blueprint 2011

Mustapha bin Mohamed

- "Promoting the Corporate Governance Agenda: Sharing of Experience by Minority Shareholders Watchdog Group ("MSWG") on 28 July 2011.

STATEMENT ON CORPORATE GOVERNANCE (CONTINUED)

Abdul Aziz bin Subali

- Tax Risk Management – Preparing ahead for Tax Audits by KPMG Tax Services Sdn Bhd. on 5 May 2011
- 4th Annual Corporate Governance Summit Kuala Lumpur 2012 on 5 & 6 March 2012
“Bringing Asia Onto the Board”

Directorship in Other Companies

In ensuring continuous commitment from the Directors to discharge their duties effectively, none of the Directors of the Company holds more than 10 directorships in public listed companies and more than 15 in non-public listed companies.

NOMINATION AND REMUNERATION COMMITTEE

The Board established a Nomination and Remuneration Committee (“NRC”), on 21 May 2007.
Attendance of NRC Meetings during the Financial Year Ended 31 December 2011:

Members	No of meetings attended	Percentage
Tan Sri Dato’ Seri Megat Najmuddin bin Datuk Seri Dr Megat Khas Chairman, Independent/Non Executive	1 of 1	100%
Tan Sri Dato’ (Dr) Abdul Aziz bin Abdul Rahman Independent/Non Executive	1 of 1	100%
Dato’ Haji Mohd Zolkafly bin Haji Harun Independent/Non Executive	1 of 1	100%

The Board through the NRC ensures that it recruits to the Board individuals of sufficient caliber, knowledge, integrity, professionalism and experience to fulfill the duties of a director and review the annual fees, attendance allowance and other benefits for the directors of the Company. The decision of the determination of the level of remuneration shall be responsibility of the Board as a whole after considering recommendations from the Remuneration Committee with ultimate approval of shareholders at the AGM.

Pursuant to Section (84) of the Companies Act, 1965, an election of Directors shall take place each year. At the Annual General Meeting in every subsequent year, one-third of the Directors for the time being or if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office and be eligible for re-election **PROVIDED ALWAYS** that all Directors appointed for a fixed period pursuant to these Articles shall retire from office at least once in every three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

In addition, pursuant to Section 129(6) of the Companies Act, 1965 directors who are over the age of 70 years are required to submit themselves for re-appointment annually.

STATEMENT ON CORPORATE GOVERNANCE (CONTINUED)

The remuneration of the directors of the Company for the financial year ended 31 December 2011 is as follows:

	Fee RM	Other than Fee RM	TOTAL RM
Company:			
Tan Sri Dato' Seri Haji Megat Najmuddin bin Datuk Seri Dr Megat Khas	62,500	-	62,500
Tan Sri Dato' (Dr) Abdul Aziz bin Abdul Rahman	52,500	-	52,500
Haji Mustapha bin Mohamed	37,500	-	37,500
Dato' Haji Mohd Zolkafly bin Haji Harun	39,500	-	39,500
Y.B.M. Dato' Seri Raja Ahmad Zainuddin bin Raja Haji Omar	30,000	-	30,000
Abdul Aziz bin Subali	-	96,180	96,180
Y.B. Dato' Haji Tajuddin bin Abdul Rahman	-	96,000	96,000
	222,000	192,180	414,180
In Subsidiaries:			
Haji Mustapha bin Mohamed	6,000	-	6,000
Y.B.M. Dato' Seri Raja Ahmad Zainuddin bin Raja Haji Omar	-	96,000	96,000
	228,000	288,180	516,180

INVESTOR RELATIONS AND SHAREHOLDERS COMMUNICATION

The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Company through the Annual Report, AGM and extraordinary general meeting (if required). Announcements and release of financial results on a quarterly basis, semi annual returns and business acquisitions and disposals, provide the shareholders and the investing public with an overview of the Group's performance, operations and directions. Members of the public can obtain the full financial results and the Company's announcements from the Bursa Malaysia Securities Berhad ("Bursa Securities") website.

STATEMENT ON CORPORATE GOVERNANCE (CONTINUED)

In addition, nominees of most of the Company's substantial shareholders sit on the Board. This provides a platform for interactions and direct communications between the Board, management and substantial shareholders. Any queries from other shareholders are communicated through the Company Secretary.

ANNUAL GENERAL MEETING (“AGM”)

The AGM is the principal forum for dialogue with shareholders. Notice of the AGM and Annual Reports are sent out to shareholders at least 21 days before the date of meeting.

Besides the usual agenda for the AGM, the Board provides opportunities for shareholders to raise questions pertaining to the business activities of the Group. The directors and the Group Chief Executive Officer are available to provide responses to questions from the shareholders during the meeting.

For re-election of directors, the Board shall ensure that full information shall be disclosed through the notice of meeting regarding directors who are retiring and who are willing to serve if re-elected. An explanatory statement to facilitate full understanding and evaluation of the issues involved shall accompany items of special business included in the notice of the meeting.

FINANCIAL REPORTING

For financial reporting through quarterly reports to Bursa Securities and the annual report to shareholders, the directors have a responsibility to present a fair assessment of the Group's position and prospects. The Audit committee assists the Board in scrutinising information for disclosure to ensure accuracy, adequacy and completeness. The Statement of Directors' Responsibilities pursuant to Section 169 of Companies Act, 1965 is set out on page [45] of this Annual Report.

INTERNAL CONTROL

The Board takes responsibility for the Group's internal control system and risk management and for reviewing its adequacy and integrity. The Board is of the view that the current system of internal control in place throughout the Group is sufficient to safeguard the Group's assets and shareholders' investment. The Group has appointed a reputable accounting firm, Messrs. Azman Wong Salleh & Co. as Internal Auditor. The Statement on Internal Control as set out on pages [27] to [28] in this Annual Report provides an overview of the state of internal controls within the Group.

RELATIONSHIP WITH AUDITORS

The role of the Audit Committee in relation to the auditors can be found in the Report of Audit Committee set out on pages [29] to [34]. The Company has always maintained a close and transparent relationship with its auditors in seeking professional advice and ensuring compliance with accounting standards in Malaysia.

STATEMENT ON CORPORATE GOVERNANCE (CONTINUED)

CORPORATE SOCIAL RESPONSIBILITY (“CSR”)

Majuperak Holdings Berhad is not one to shy away from doing our part for society, our environment and to our customers and stakeholders. The Corporate Social Responsibility undertakings of 2011 only serves to cement our position as a corporation that is caring to all whose lives we touch on a daily basis through Majuperak Holdings Berhad. The Group has contributed and shall continuously endeavor to play a positive role towards the following CSR activities:-

- Adopted a family from a poverty group in order to improve the economic situation of the respectively family through the e-Kasih program.
- Developing housing schemes with public amenities, infrastructures and ample space to be utilised by the community such as green areas, playing grounds and football fields.
- Donations to various charitable organisations and schools.
- Involve in youth development by providing training for students of Higher Learning Institutions in which they were guided by experienced employees of various levels and given on-the-job trainings.
- The promotion of healthy balance between personal and career development of employees of the Group by providing opportunities for the employees to attend seminars and training. In addition, they are encouraged to perform voluntary duties in various social activities.

STATEMENT OF COMPLIANCE WITH THE BEST PRACTICE OF THE CODE

Saved as disclosed below, the Group has complied with the Principles and Best Practices of the Code:

- (a) The Board and also the various committees' members of the Board have been able to identify business risks and ensure implementation of appropriate measures to manage these risks. The Audit Committee members shall assist the Board of Directors towards the compliance of this responsibility. A structured risk management framework is in place to better identify, monitor and manage the business risks affecting the Group with the assistance of the internal audit department of the Company's ultimate holding corporation;
- (b) The Board has formal schedule of matters reserved to itself for decision – The Board is of the view that this is done through the appointment of various committees, which spell out the authority of the committees. Otherwise, this is achieved informally through the convention that the Board decides on any Group level issues as a whole;
- (c) There is formal succession planning within the organization – Middle Management is constantly being informally appraised to assess their capability of taking over the Senior Management positions;
- (d) Remuneration of each member of the Board of Directors is detailed – the Board of Directors is of the opinion that the non disclosure of the individual remunerations of each director will not significantly affect the understanding and evaluation of the Group governance.

This Statement is made in accordance with a resolution of the Board dated 24 April 2012.

STATEMENT ON INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of internal control to safeguard shareholders' investments and the Group's assets. The Bursa Malaysia Securities Berhad ("Bursa Malaysia") Listing Requirements require directors of public listed companies to include a statement in their annual reports on the state of their internal controls. The Bursa Malaysia Statement on Internal Control: Guidance for Directors of Public Listed Companies ("the Internal Control Guidance") provides guidance for compliance with these requirements.

Set out below is the Board's Statement on Internal Control, which has been prepared in accordance with the Internal Control guidance.

BOARD RESPONSIBILITY

The Board of Directors recognises the importance of sound internal controls and risk management practices for good corporate governance and has instructed the Management of the Company to design and establish a system of internal controls and risk managements to be implemented in the Group.

The Board affirms that there is an on-going process for identifying, evaluating, monitoring and managing the significant risks affecting the achievement of the Group's business objectives, which has been in place during the year and up to the date of approval of the annual report and financial statements.

The system of internal control is design to manage rather than to eliminate the risk of failure to achieve business objectives. In pursuing these objectives, internal controls can only provide reasonable, but not absolute assurance against material misstatement or loss.

RISK MANAGEMENT FRAMEWORK

The Board fully supports the contents of the Internal Control Guidance and with the assistance of the internal audit which has been outsourced; a structured risk management framework for the Group has been put in place. The risk framework for adoption by the Group involves the following:

- **Group Risk Management Committee**
Responsible to identify continuously and communicate to the Audit Committee, which in turn would report to the Board, the critical risks the Group faces, their changes and the management action plans to manage the risks. Risk Management Committee chaired by Mustapha bin Mohamed and the members are Group Chief Executive Officer, Senior Management and Subsidiaries' General Managers.
- **Key Management Staff**
Nomination of key management staff in each operating unit to prepare action plans, with implementation time-scales to address any risk and control issues.
- **Risk Management Reporting**
Reporting by the head of operating units/management staff to the Group risk. All the General Managers of Subsidiaries reporting to the Group Risk Management Committee.

STATEMENT ON INTERNAL CONTROL (CONTINUED)

The Group, via the Internal Auditors provides supports to the Audit Committee in discharging its duties with respect to the adequacy and integrity of the system of internal controls within the Group.

The Internal Auditors carried out audits based on an internal audit plan approved by the Audit Committee. Their reports are table to the Audit Committee meeting, where the Audit Committee members reviewed the findings with management. The internal auditors ensured that recommendations to improve controls were implemented by management.

OTHER KEY ELEMENTS OF INTERNAL CONTROL

Apart from key risk management and internal audit, the Group has in place the following key elements of internal control:

- **Organisational Structure**
The Group has in place an organisational structure with clearly defined lines of accountability and delegated authority.
- **Management Financial Report**
Quarterly financial and performance reports are submitted to the Board and reviewed, which include explanation and management action taken for improvement of results.
- **Investment Committee**
Investment proposals covering acquisition of investments and property shall be thoroughly appraised by the Committee and reported to the Board. Likewise, similar action is taken in respect of disposal of investments and property.
- **Management Committee**
The Group Chief Executive Officer meets regularly with the management to review the performance and business issues including internal control matters and risk management.
- **Regular visits** to the subsidiaries by the members of the management to monitor and assess the Group's performance and control.

CONCLUSION

A number of minor structural weaknesses were identified during the period, all of which have been addressed. None of the weaknesses have results in any material losses, contingencies or uncertainties that required disclosure in the Company's annual report.

Management has taken the necessary action to ensure minimum exceptions to be reported in this Statement.

AUDIT COMMITTEE REPORT

In line with the Malaysian Code of Corporate Governance, all members of the Audit Committee are Non-Executive Directors with all of them being Independent Directors. The Audit Committee was established on 21 May 2007 to act as a Committee for the Board of Directors.

Chairman

Tan Sri Dato' (Dr) Abdul Aziz bin Abdul Rahman
Independent Non-Executive Director

Members

Haji Mustapha bin Mohamed
Independent /Non Executive Director

Dato' Haji Mohd Zolkafly bin Haji Harun
Independent /Non Executive Director

TERMS OF REFERENCE

OBJECTIVES

The objectives of the Audit Committee are:-

1. To ensure compliance with Paragraph 15, Part C of the Listing Requirements of Bursa Malaysia Securities Berhad.
2. To ensure the independence of the External Auditors, the integrity of management and the adequacy of disclosures to shareholders.
3. To assist the board of Directors in fulfilling its fiduciary responsibilities by ensuring that the results of internal and external audit findings are fully considered and properly resolved.
4. To maintain a direct line of communication between the Board and the External and Internal Auditors.
5. To enhance the independence of the External and Internal Audit functions.
6. To create a climate of discipline and control, which will reduce the opportunity for fraud.

AUDIT COMMITTEE REPORT (CONTINUED)

ATTENDANCE

The attendance of the members of the Audit Committee during the financial year 2011 are as follows:

Members	No of meetings attended during the financial year	Percentage
Tan Sri Dato' (Dr) Abdul Aziz bin Abdul Rahman <i>Chairman, Independent Non Executive Director</i>	7 of 7	100%
Haji Mustapha bin Mohamed <i>Independent/Non Executive Director</i>	7 of 7	100%
Dato' Haji Mohd Zolkafly bin Haji Harun <i>Independent/Non Executive Director</i>	4 of 7	57%

MEMBERSHIP

1. The Committee shall be appointed by the Board of Directors amongst the Directors of the Company which fulfils the following requirements:
 - (a) The Committee must be composed of no fewer than 3 members;
 - (b) A majority of the Committee must be independent directors; and
 - (c) At least one member of the Committee:
 - i. Must be a member of the Malaysian Institute of Accountants; or
 - ii. If he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:
 - (aa) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - (ab) he must be a member of one the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.
 - (ac) Fulfills such other requirement as prescribed or approved by Bursa Malaysia Securities Berhad.
2. The members of the Committee shall elect a Chairman from among themselves who shall be an independent director.
3. No alternate director should be appointed as a member of the Committee.
4. If membership for any reason falls below 3 members, the Board of Directors shall, within 3 months of the events, appoint such number of new members as may be required to fulfill the minimum requirement.
5. The Committee Members shall collectively have:
 - (a) Knowledge of the Industries in which the Company and Group operates;
 - (b) The ability to read and understand fundamental financial statements, including a company statement of financial position, statement of comprehensive income and cash flow statement; and
 - (c) The ability to understand key business and financial risk and related controls and control processes.
6. The terms of office and performance of the Committee and its members shall be reviewed by the Board of Directors at least once every 3 years to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

MEETINGS

1. Secretary

The Company Secretary shall be the Secretary of the Committee or his/her appointed nominee with the appropriate qualifications and experience.

2. Frequency

- (a) Meetings shall be held not less than four (4) times a year.
- (b) Upon the request of any member of Committee, the Internal Auditor or External Auditor, the Chairman of the Committee shall convene a meeting of the Committee to consider any matter brought up by them.

3. Quorum

A quorum shall be two(2) members and the majority of the members present shall be independent directors.

4. Agenda

The agenda for the Committee meeting shall be the responsibility of the Committee Chairman with input from the Committee members. The Chairman may also ask the management and others to participate in this process.

5. Attendance

- (a) The Group Chief Executive Officer, Group General Manager of Finance and Accounts, a representative of Internal Auditor and the External Auditor shall normally attend meetings. Other directors and members of senior management attended some of the meetings upon invitation by the Audit Committee.
- (b) During the financial year ended 31 December 2011 the Audit Committee held a total of seven (7) meetings. The details of attendance of the Audit Committee Members are as per table on page [30].

6. Reporting Procedure

The minute of each Committee meeting shall be circulated to all members of the Board of Directors. The Committee through its Chairman, shall report to the Board after each meeting. Additionally, the Chairman of the Committee shall be available to answer questions about the Committee's work at the Annual General Meeting of the Company.

7. Meeting Procedure

The Committee shall formulate, implement and regulate its own procedure, with respect to :

- (a) the calling of meeting
- (b) the notice to be given of such meetings;
- (c) the voting and proceedings of such meetings;
- (d) the keeping of minutes; and
- (e) the custody, production and inspection of such minutes.

AUDIT COMMITTEE REPORT (CONTINUED)

RIGHTS

1. The Committee in performing its duties in accordance with procedure to be determined by the Board of Directors shall:
 - (a) have authority to investigate any matter within its terms of reference;
 - (b) have the resources which are required to perform its duties;
 - (c) have full and unrestricted access to any information pertaining to the Company;
 - (d) have direct communication channels with the external auditor and person (s) carrying out the internal audit function or activity (if any);
 - (e) be able to obtain independent professional or other advice; and
 - (f) be able to convene meetings with external auditor, including the attendance of the executive members of the Committee, whenever deemed necessary.

DUTIES AND RESPONSIBILITIES

The Committee shall carry out the following responsibilities:

Financial Statements

- (a) Review and recommend acceptance or otherwise of major accounting policies, principles and practices.
- (b) Review the Group's quarterly results and annual financial statements of the Company and the Group before submission to the Board, focusing particularly on:
 - (i) the going concern assumption;
 - (ii) changes in or implementation of major accounting policy changes;
 - (iii) significant adjustments resulting from audit;
 - (iv) major judgmental areas, significant and unusual events; and
 - (v) compliance with accounting standards and other legal requirements.
- (c) Review with the Group's Counsel, any legal matter that could have a significant impact on the Company and Group financial statements.

Internal Control

- (a) Assess the quality and effectiveness of the systems of internal control and the efficiency of the Company's and Group's Operations, particularly those relating to areas of significant risks.
- (b) Assess the internal processes for determining and managing key risk other than those that are dealt with by other specific Board committees.
- (c) Review the scope of the Internal and External Auditors' review of internal controls at Company and Group levels.
- (d) Review Internal/External Audit reports and the management's response and ensure that appropriate action is taken in respect of these reports and the Committee's resolutions.

Internal/External Audit

- (a) Review Internal/External Audit plans and scope of work before the audit commences.
- (b) Discuss problems and reservations arising out of internal/external audits, including assistance given by the employees and any matters the auditors may wish to discuss, in the absence of Management or Executive Directors where necessary.
- (c) Nominate the External Auditors/Internal Auditors (as the internal function is presently outsourced), and recommend for approval of the Board the external/internal audit fees, and consider any questions of resignation or dismissal, experience, resources and capability.

Compliance

- (a) Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of the management's investigation and follow-up of any instances of non-compliance.
- (b) Review the findings of any examinations by regulatory authorities.
- (c) Obtain regular updates from the management and Group's legal counsel regarding compliance matters.
- (d) Review any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity.
- (e) Where the Committee is of the view that a matter reported by it to the Board of Directors has not been satisfactorily resolve resulting in a breach of the Bursa Malaysia Listing Requirements, the Committee must promptly report such matters to Bursa Malaysia.
- (f) To carry out such other function as may be agreed to by the Committee and the Board of Directors.

SUMMARY OF ACTIVITIES

During the period, the Audit Committee carried out its duties and responsibilities in accordance with its terms of reference.

The main activities undertaken by Audit Committee were as follows:

1. Review and approve the internal audit findings, report and recommendation plan for the period from 1 October 2010 to 30 September 2011.
2. Review and approve the External Auditors audit findings, the audit report and recommendations in respect of control weakness noted in the course or their audit.
3. Review of the audited financial statements of the Group and Company for the year ended 31 December 2011 before recommending the same to the Board of Directors for approval.
4. Review of the Company's compliance, in particular the quarterly and year end financial statements with the listing requirements of Bursa Malaysia and the applicable approved accounting standards issued by the Malaysian Accounting Standard Board.
5. Review of the quarterly unaudited financial results before recommending them for the Board of Directors' approval.
6. Reviewed the related party transactions entered into the Group.
7. Review of the extent of the Group's compliance with the relevant provisions set out under the Malaysian Code on Corporate Governance for the purpose of preparing the Corporate Governance Statement and Statement on Internal Control pursuant to Bursa Malaysia's Listing Requirements.

GROUP INTERNAL AUDIT FUNCTION

The Group's Internal Audit Function ("IAF") was outsourced with effect from 7 October 2009. The Internal Audit Function continues to adopt a risk-based approach, and prepares its audit strategy and plan based on risk profiles of the business units of the Group. The IAF would conduct activities in accordance with its annual internal audit plan and also undertakes special reviews and investigations at the request of the senior management. Its audit functions include:-

- Providing reasonable assurance in relation to the adequacy, efficiency and effectiveness of the internal control systems;
- Independent assessment and systematic review of the operational efficiency of the Group members;
- Identifying and evaluating potential risk areas;
- Assessing the reliability of systems and the reported information; and
- Ensuring compliance with the Group's policies/guidelines and with legislation.

AUDIT COMMITTEE REPORT (CONTINUED)

During the year, the IAF had performed its roles with impartiality, proficiency and due professional care. The scope of audit encompassed assets management, cash collections and disbursements, credit policy, inventory, purchasing and sales, operations, risk management, and internal quality.

The Management is responsible for ensuring that corrective actions are taken to overcome the reported weaknesses within an appropriate time frame. Audit reports incorporating the audit findings and recommendations for corrective actions on systems and control weaknesses are presented to the management concerned, and thereafter to the Audit Committee for appraisal and review.

The cost incurred during the financial year ended 31 December 2011 for the internal audit function at the Group Corporate Office level was approximately RM44,000.00 excluding reimbursables and indirect taxes.

ADDITIONAL COMPLIANCE INFORMATION

In compliance with the Listing Requirements of Bursa Malaysia Securities Berhad (the Listing Requirements), the following is provided :-

1. Details of the Recurrent Related Party Transactions

The details of the Recurrent Related Party Transactions are set out in the following table:

Transacting company within the MHB Group	Related Transacting Party	Nature of transactions	Related Parties	Nature of Relationship	Proposed Renewal Shareholders' Mandate
					Estimated aggregate value to be incurred from the 9 th AGM to the next AGM date (RM)
MHB	PKNP	Rental of office space by MHB ¹	@	*	265,000
MPM	PKNP	Management services provided by MPM for managing PKNP's Properties	@	*	195,000
MHB	PKNP	Management services provided by MHB for managing the bamboo harvesting project	@	*	80,000
MHB	PKNP	Pension contribution for PKNP's staff seconded to MHB	@	*	166,000
				Total	706,000

ADDITIONAL COMPLIANCE INFORMATION (CONTINUED)

1. Details of the Recurrent Related Party Transactions (cont'd.)

Notes:

- * *PKNP is a major shareholder of MHB with 50.96% equity interest in MHB Shares and 56.22% equity interest in the ICPS of RM0.50 each in MHB as at 30 April 2012. PKNP was formed on 7 October 1967 as a state incorporated body under the Perak State Development Corporation Enactment No.3 of 1967 in Perak Darul Ridzuan. Its principal activities include investment holding and property and infrastructure development, tourism, entrepreneur development, manufacturing, industrial development and industrial promotional activities in Perak Darul Ridzuan.*
- @ *The director of MHB who is interested in the Proposed Mandate is Abdul Aziz bin Subali. He is deemed interested in the Proposed Mandate by virtue of him being a person connected to PKNP, the major shareholder.*
- ¹ *MHB rents office space from PKNP situated on 1st Floor at Wisma Wan Mohamed located on Jalan Panglima Bukit Gantang Wahab, 30000 Ipoh, Perak Darul Ridzuan, measuring approximately 8,117 square feet for a total monthly rental of RM20,293 including general maintenance services. There is no formal rental agreement and the rental is payable yearly subject to biennial review.*

2. Non-audit fee

There were no non-audit fees payables to the external auditors by the company during the financial year under review.

3. Material Contract

During the financial year, there was no material contracts entered into the Group involving directors' and/or major shareholders interests.

LIST OF PROPERTIES AS AT 31 DECEMBER 2011

(ABOVE RM1 MILLION)

Name of Owner	Title/Location	Tenure / Age of Building	Land Use	Land Area/ Built up Area	Net Book value as at 31.12.2011 (RM)	Acquisition Date
A. INVESTMENT PROPERTIES						
Majuperak Holdings Berhad	PT 829, HS(D)4413, Hulu Perak, Mukim Lenggong, District of Gerik, Perak	99 years lease expiring in year 2110	Agriculture	5,000 acres	4,485,784	2011
Tenaga Danawa Sdn Bhd (a subsidiary of Majuperak Development Berhad)	PT 4190, HS(D)DGS 11902, Teluk Dalam, Pangkor Mukim Lumut, District of Manjung, Perak	99 years lease expiring in year 2096/5 yrs	16 units Apartment	12,000 sq.ft	1,008,000	1997
Syarikat Majuperak Berhad	Lot 008051 N (PN 31150) Wisma Maju UMNO, Unit Nos 2,3,4 and 5 at Level 1, Unit No 2 at Level 2 and Level 5 to Level 10, Jalan Sultan Idris Shah, 30000 Ipoh	Leasehold of 99 years expiring in year 2086/23 yrs	10 Storey Office Building	24,089 sq.ft / 72,602 sq.ft	5,480,315	1987
Syarikat Majuperak Berhad	Lot 9225N (PN 213729) PT 125562, Kompleks Seri Idaman, Jalan Sultan Idris Shah 30000 Ipoh	Leasehold of 99 years expiring in year 2095 / 73 yrs	Commercial/ Office Building/ Parking	71,586 sq.ft/ 8,085 sq.ft	3,749,913	1996
Syarikat Majuperak Berhad	Lot 28801 (GRN 59907) Medan Letak Kenderaan, Jalan Sultan Idris Shah, 30000 Ipoh	Freehold (Residential)	Commercial/ Parking	16,226 sq.ft	1,228,482	2002
B. FUTURE DEVELOPMENT						
Jua Juara Sdn Bhd (a subsidiary of Majuperak Development Berhad)	Off 9 th M.S., Jalan Slim Lama, Kampong Sungai Dara, Tanjung Malim, Perak, located in the Mukim of Ulu Bernam, District of Batang Padang, Perak	# 99 years	a) Residential/ Commercial b) Industry c) Agriculture	152 acres (inclusive of 8.89 road reserved)	1,298,202	2002

LIST OF PROPERTIES AS AT 31 DECEMBER 2011 (CONTINUED)

Name of Owner	Title/Location	Tenure / Age of Building	Land Use	Land Area/ Built up Area	Net Book value as at 31.12.2011 (RM)	Acquisition Date
Jua Juara Sdn Bhd (a subsidiary of Majuperak Development Berhad)	Mukim of Ulu Bernam, District of Batang Padang, Perak, located off the 2 ½ M.S. Jalan Slim Lama and lies adjoining the Bernam Industrial Park, Proton City, Tanjung Malim, Perak	# 99 years	a) Residential/ Commercial b) Industry c) Agriculture	203.44 acres	1,919,924	2002
Tenaga Danawa Sdn Bhd (a subsidiary of Majuperak Development Berhad)	PT 1312-1319, PT 1321-1552, PT 1680-1716, HS(D) LM 14102-(4109), HS(D) LM 14111-14342), (HS(D)LM 14470-14506), Taman Trong Bakti, Trong, District of Larut Matang, Perak. (Trong Phase 2 : 277 lot)	Leasehold of 99 years expiring in year 2099	Commercial / Residential	7.63 acres	2,632,012	2000
Tenaga Danawa Sdn Bhd (a subsidiary of Majuperak Development Berhad)	Tapah Road, District of Batang Padang, Perak (UCM)	# 99 years	Residential/ Commercial	95.56 acres		
		*99 years	Residential/ Commercial	79.44 acres		
					13,397,779	2006
	Aportion of the above land, title issued PT67488 HSD 17221	Leasehold of 99 yrs expiring in year 2110	Residential/ Commercial	100 acres		

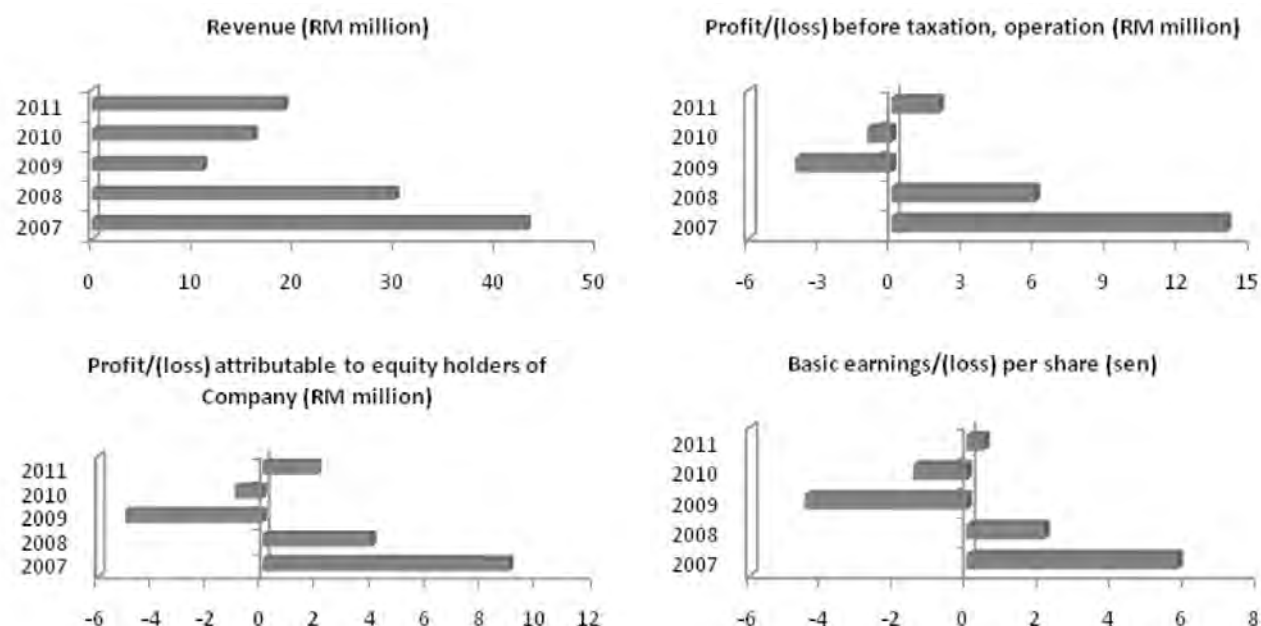
LIST OF PROPERTIES AS AT 31 DECEMBER 2011 (CONTINUED)

Name of Owner	Title/Location	Tenure / Age of Building	Land Use	Land Area/ Built up Area	Net Book value as at 31.12.2011 (RM)	Acquisition Date
Syarikat Majuperak Berhad	Part of Lot no. 127196, 155002, 11450,35433, 28414 & 35434 Balance of package 1 Bdr Tasik Idaman, located along 21/2 m.s. Batu Gajah/ Gopeng Road, Batu Gajah, Mukim Sg. Terap, District of Kinta	* 99 years	Residential	10.07 acres		
	PT 37487 – PT 37546 (80 lots)			15.94 acres		
	Plot 352-432, Plot 538 – 551, Plot 701 – 732 (286 lots)			10.69 acres	2,018,969	2000
	128 lots			4 acres		
Majuperak Bina Sdn Bhd(subsidiary of Sykt Majuperak Berhad)	Part of Lot No 41396, Off Tambun-Tanjung Rambutan, Mukim Hulu Kinta, District of Kinta	*99 years	Residential	5.00 acres	1,277,162	2001

Notes:

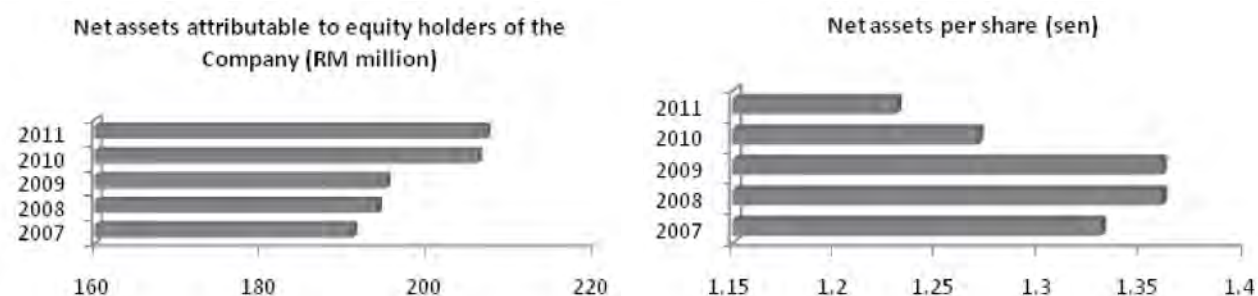
- * *In the process of issuing individual title*
 # *In the process of issuing block title*

GROUP FIVE-YEAR FINANCIAL HIGHLIGHTS



Financial Results	2011	2010	2009	2008	2007
Revenue (RM'000)	19,279	15,863	10,641	29,715	43,218
Profit/(loss) before taxation, operation (RM'000)	2,166	(998)	(3,647)	6,434	14,343
Profit/(loss) attributable to equity holders of the Company (RM'000)	1,741	(1,497)	(5,336)	4,083	9,320
Basic earnings/(loss) per share (sen)	0.48	(1.48)	(4.46)	2.15	5.82

FINANCIAL POSITIONS



Financial Positions	2011	2010	2009	2008	2007
Total assets (RM'000)	278,469	278,223	290,827	300,398	301,075
Total liabilities (RM'000)	70,205	71,940	95,097	105,584	109,978
Net assets attributable to equity holders of the Company (RM'000)	207,687	205,710	195,180	194,327	190,652
Number of ordinary shares issued and fully paid ('000 shares)	169,372	161,957	143,164	143,164	143,164
Net assets per share (RM)	1.23	1.27	1.36	1.36	1.33

ANALYSIS OF SHAREHOLDINGS

ORDINARY SHARES

Authorised Share Capital	:	RM425,000,000
Issued and Fully Paid	:	RM85,991,033
Class of Shares	:	Ordinary Shares Of RM0.50 each
Voting Rights	:	One vote per RM0.50 share

Distribution of Shareholdings as at 30 April 2012

No of Holders	Holdings	Total Holdings	%
522	Less than 100	16,919	0.01
1,579	100 - 1,000	958,762	0.56
1,766	1,001 – 10,000	6,168,606	3.59
464	10,001 – 100,000	16,834,855	9.79
72	100,001 – 8,599,102(*)	46,814,006	27.22
3	8,599,103(**) and above	101,188,918	58.84
4,406		171,982,066	100.00

(*) Less Than 5% issued holdings (**) 5% and above of issued holdings

Substantial Shareholder in the Company as at 30 April 2012

		No. of Shares held		
	Direct	%	Deemed	%
Perbadanan Kemajuan Negeri Perak	87,639,344	50.96	-	-

Directors Shareholdings in the Company as at 30 April 2012

		No. of Shares held		
	Direct	%	Deemed	%
Tan Sri Dato' (Dr) Abdul Aziz bin Abdul Rahman	32	negligible	-	-
Abdul Aziz bin Subali	17,844	0.011	-	-
Haji Mustapha bin Mohamed	922	negligible	-	-

Director's Shareholdings In Related Corporation as at 30 April 2012

The Directors' shareholdings in related corporation are as disclosed in the Directors' Report of the Financial Statements on page [3] to [7]

ANALYSIS OF SHAREHOLDINGS (CONTINUED)

Thirty (30) Largest Registered Shareholders as at 30 April 2012

	Name	No. of Shares	%
1	Perbadanan Kemajuan Negeri Perak	74,639,344	43.40
2	BI Credit & Leasing Berhad	13,549,574	7.88
3	Perbadanan Kemajuan Negeri Perak	13,000,000	7.56
4	ABB Nominee (Tempatan) Sdn Bhd	8,344,187	4.85
5	Ladang Jalong Sdn Bhd	6,214,250	3.61
6	KUB Malaysia Berhad	4,328,707	2.52
7	Cherry Blossom Sdn Bhd	4,038,686	2.35
8	SJ Sec Nominees (Tempatan) Sdn Bhd	2,990,300	1.74
9	UOBM Nominees (Tempatan) Sdn Bhd (United Overseas Bank (Malaysia) Bhd [PCPJ])	1,146,606	0.67
10	SSF Venture Sdn Bhd	1,075,900	0.63
11	Chan Wan Moi	1,071,929	0.62
12	Fast Continent Sdn Bhd	1,042,957	0.61
13	Lim Han Kong	1,008,500	0.59
14	Zainorazua binti Zainun	830,000	0.48
15	Sikap Utama Sdn Bhd	827,850	0.48
16	Cheah See Han	816,600	0.47
17	Cimsec Nominees (Asing) Sdn Bhd (Exempt An For CIMB Securities (Singapore) Pte Ltd Retail Clients)	600,000	0.35
18	Amsec Nominees (Tempatan) Sdn Bhd (Ambank (M) Berhad For MBF Leasing Sdn Bhd)	589,100	0.34
19	Tan Ching Ching	544,872	0.32
20	Liew Pov Lan	440,000	0.26
21	Amsec Nominees (Tempatan) Sdn Bhd (Khoo Ching Thye)	414,900	0.24
22	Esabella Kon Fun Soh	395,700	0.23
23	Tee Yam	357,150	0.21
24	Lee Keong Fatt	335,733	0.20
25	Behrang 2020 Sdn Bhd	327,150	0.19
26	Kenanga Nominees (Tempatan) Sdn Bhd (Adam Lee bin Abdullah [ET])	310,000	0.18
27	Pek Kem Hua @ Pek Kim Cheng	300,000	0.17
28	Koh Kwee Hooi	300,000	0.17
29	CIMB Commerce Trustee Berhad	299,700	0.17
30	Liew Thong	295,800	0.17
	Total	140,435,495	81.66

ANALYSIS OF SHAREHOLDINGS (CONTINUED)

IRREDEEMABLE CUMULATIVE PREFERENCE SHARE ("ICPS")

Authorised Share Capital	:	RM75,000,000
Issued and Fully Paid	:	RM60,764,771
Class of Shares	:	ICPS of RM0.50 each
Voting Rights	:	No voting rights

Distribution of Shareholdings as at 30 April 2012

No of Holders	Holdings	Total Holdings	%
185	Less than 100	6,939	0.01
78	100 - 1,000	41,255	0.03
328	1,001 – 10,000	1,639,128	1.35
517	10,001 – 100,000	16,280,649	13.40
82	100,001 – 6,076,476 (*)	20,805,639	17.12
2	6,076,477 (**) and above	82,755,932	68.10
<u>1,192</u>		<u>121,529,542</u>	<u>100.00</u>

(*) Less Than 5% issued holdings (**) 5% and above of issued holdings

Substantial Shareholder in the Company as at 30 April 2012

	Direct	No. of Shares held		%
		%	Deemed	
Perbadanan Kemajuan Negeri Perak	68,326,737	56.22	-	-

Director's Shareholdings in the Company as at 30 April 2012

	Direct	No. of Shares held		%
		%	Deemed	
Haji Mustapha bin Mohamed	371	negligible	-	-

Director's Shareholdings In Related Corporation as at 30 April 2012

The Directors' shareholdings in related corporation are as disclosed in the Directors' Report of the Financial Statements on page [3] to [7]

ANALYSIS OF SHAREHOLDINGS (CONTINUED)

Thirty (30) Largest Registered Shareholders as at 30 April 2012

	Name	No Of Shares	%
1	Perbadanan Kemajuan Negeri Perak	68,326,737	56.22
2	KUB Malaysia Berhad	14,429,195	11.87
3	Syabas Laksana Sdn Bhd	1,492,660	1.23
4	Chong Siow Fah	1,031,000	0.85
5	Chua Siow Yee	935,000	0.77
6	Lim Han Kong	823,200	0.68
7	Liew Chee How	728,400	0.60
8	Amsec Nominees (Tempatan) Sdn Bhd (Kek Chong Hwee)	700,000	0.58
9	Seraya Sdn Bhd	647,579	0.53
10	Chong Tho Chin @ Chong Jho Chin	600,000	0.49
11	Koh Sooi Kwang	550,000	0.45
12	Public Nominees (Tempatan) Sdn Bhd (Syed Azman bin Syed Mohd)	446,940	0.37
13	Tan Tiang Choon	400,000	0.33
14	Chong Siow Fah	386,000	0.32
15	HDM Nominees (Tempatan) Sdn Bhd (Chew Chee Keow [M11])	380,000	0.31
16	Lim Sze Aik	376,100	0.31
17	Lau Joo Seng	376,000	0.31
18	Bek Thiam Hong	360,000	0.30
19	Su Kim Hock	345,000	0.28
20	Adam bin Mohd Taib	336,741	0.28
21	Tan Eng Hai	317,000	0.26
22	Yap Kok Wai	313,400	0.26
23	Affin Nominees (Tempatan) Sdn Bhd (Ter Hong Ching [TER0077M])	303,000	0.25
24	Kek Tian Wan @ Kek Tong Chor	300,000	0.25
25	Teoh Cha Boo	295,000	0.24
26	Chiang Jiann Ter	260,000	0.21
27	Hoo Ah Bee @ Hor Peng Huat	250,000	0.21
28	Liew Thong	250,000	0.21
29	Maybank Nominees (Tempatan) Sdn Bhd (Ong Eng Aun)	243,000	0.20
30	Kam Wei Foon	240,000	0.20
	Total	96,441,952	79.36

DIRECTORS' STATEMENT OF RESPONSIBILITY

PURSUANT TO PARAGRAPH 15.27(A) OF THE LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

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

In preparing these financial statements, the Directors have:

- ❖ adopted suitable accounting policies and applied them consistently;
- ❖ made judgements and estimates that are prudent and reasonable;
- ❖ ensured applicable accounting standards have been followed; and
- ❖ prepared the financial statements on the going concern.

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

The Directors are also responsible for taking such steps that are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

APPENDIX 1

DETAILS OF THE PROPOSED AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION ("PROPOSED AMENDMENTS")

The existing Articles of Association which are affected by the Proposed Amendments are reproduced herewith with the proposed amendments alongside it as follows:

Article No.	Existing Provision	Amended Provision
128	<p><u>Existing Article 128</u></p> <p>A resolution in writing signed or approved by all the Directors who may at the time be present in Malaysia and who are sufficient to form a quorum shall be valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted; provided that where a Director is not so present but has an alternate who is so present, then such resolution must also be signed by such alternate. All such resolutions shall be described as "Directors' Circular Resolution" and shall be forwarded or otherwise delivered to the Secretary without delay, and shall be recorded by him in the Company's minute book. Any such resolution may consist of several documents in like form, each signed by one (1) or more Director or their alternates.</p>	<p><u>New Article 128</u></p> <p>A resolution in writing signed or approved by <u>a majority of three-fourths of the number of</u> Directors who may at the time be present in Malaysia and who are sufficient to form a quorum shall be valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted; provided that where a Director is not so present but has an alternate who is so present, then such resolution must also be signed by such alternate. All such resolutions shall be described as "Directors' Circular Resolution" and shall be forwarded or otherwise delivered to the Secretary without delay, and shall be recorded by him in the Company's minute book. Any such resolution may consist of several documents in like form, each signed by one (1) or more Director or their alternates.</p>

APENDIK 1

BUTIRAN CADANGAN PINDAAN ARTIKEL TATAURUSAN PENUBUHAN SYARIKAT (“CADANGAN PINDAAN”)

Artikel Tataurusan Penubuhan Syarikat yang terlibat dengan Cadangan Pindaan diterbitkan semula bersama-sama dengan cadangan pindaan seperti butiran berikut:-

Artikel No.	Peruntukan sediaada	Cadangan Peruntukan
128	<p><u>Artikel 128 Sediada</u></p> <p>Satu ketetapan secara bertulis yang ditandatangani atau diluluskan oleh semua Pengarah yang semasa itu hadir di Malaysia dan mencukupi untuk membentuk korum hendaklah sah dan berkesan seolah-olah ia telah diluluskan di Mesyuarat ahli Lembaga Pengarah yang diadakan asalkan dengan syarat bahawa di mana Pengarah yang tidak hadir tetapi mempunyai seorang Pengarah gantian maka ketetapan itu mesti ditandatangani oleh Pengarah gantian yang berkenaan. Semua Resolusi berkenaan hendaklah digambarkan sebagai “Resolusi Pekeliling Pengarah” dan hendaklah dikemukakan atau sebaliknya diserahkan kepada Setiausaha tanpa berlengah-lengah, dan hendaklah direkodkan olehnya dalam buku minit Syarikat. Segala ketetapan berkenaan hendaklah terdiri daripada dokumen seperti borang, dimana setiap satunya ditandatangani oleh seorang atau lebih Pengarah atau gantiannya.</p>	<p><u>Artikel 128 Baru</u></p> <p>Satu ketetapan secara bertulis yang ditandatangani atau diluluskan <u>oleh majoriti tiga perempat dari bilangan Pengarah</u> yang semasa itu hadir di Malaysia dan mencukupi untuk membentuk korum hendaklah sah dan berkesan seolah-olah ia telah diluluskan di Mesyuarat ahli Lembaga Pengarah yang diadakan asalkan dengan syarat bahawa di mana Pengarah yang tidak hadir tetapi mempunyai seorang Pengarah gantian maka ketetapan itu mesti ditandatangani oleh Pengarah gantian yang berkenaan. Semua Resolusi berkenaan hendaklah digambarkan sebagai “Resolusi Pekeliling Pengarah” dan hendaklah dikemukakan atau sebaliknya diserahkan kepada Setiausaha tanpa berlengah-lengah, dan hendaklah direkodkan olehnya dalam buku minit Syarikat. Apa-apa ketetapan berkenaan hendaklah terdiri daripada dokumen seperti borang, dimana setiap satunya ditandatangani oleh seorang atau lebih Pengarah atau gantiannya.</p>

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MAJUPERAK HOLDINGS BERHAD
(585389-X)
(Incorporated In Malaysia)

REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2011

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DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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 principal activities of the Company are investment holding. The principal activities of its subsidiary companies and associated companies are disclosed in Note 5 and 6 to the financial statements.

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

RESULTS

	GROUP RM	COMPANY RM
Net profit for the year	1,749,131	18,319
Attributable to:		
Equity holders of the Company	1,740,624	18,319
Non-controlling interest	8,507	-
	1,749,131	18,319

DIVIDEND

The amount of dividend paid and declared by the Company since the previous financial year as reported in the directors report are as follows:

	RM
Irredeemable Convertible Preference Shares ("ICPS") dividend of 1% per share, approved on 28 June 2011 and paid on 27 July 2011.	649,301

In respect of the next financial year ending 31 December 2012, directors have recommended the payment of dividend of 1% per share on ICPS.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year except as disclosed in the financial statements.

DIRECTORS' REPORT (CONTINUED)

BAD AND DOUBTFUL DEBTS

Before the statement of comprehensive income and statement of financial position of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that at the date of this report, all known bad debts had been written off and adequate allowance had been made for doubtful debts.

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

ITEMS OF A MATERIAL AND UNUSUAL NATURE

The results of the operations of the Group and of the Company for the financial year ended 31 December 2011 were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the current financial year.

CURRENT ASSETS

Before the statement of comprehensive income and statement of financial position of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business, including their values as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected to realise.

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

VALUATION OF ASSETS AND LIABILITIES

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

DIRECTORS' REPORT (CONTINUED)

CONTINGENT AND OTHER LIABILITIES

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 and secures the liabilities of any other person; or
- b) any contingent liability which has arisen since the end of the financial year.

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

DIRECTORS AND THEIR SHAREHOLDINGS

The directors in office since the date of the last report are as follows:

Tan Sri Dato' Seri Megat Najmuddin bin Datuk Seri Dr. Haji Megat Khas

Tan Sri Dato' (Dr) Abdul Aziz bin Abdul Rahman

Y.B.M. Dato' Seri Raja Ahmad Zainuddin bin Raja Haji Omar

Dato' Haji Mohd Zolkafly bin Haji Harun

Abdul Aziz bin Subali

Haji Mustapha bin Mohamed

Y.B. Dato' Haji Tajuddin bin Abdul Rahman

(Vacated w.e.f. 20 November 2011 - by virtue of Article 95 of the Company's Articles of Association.)

In accordance with section 129 (6) of the Companies Act, 1965, the board recommends that Tan Sri Dato' (Dr) Abdul Aziz bin Abdul Rahman, who has attained the age of seventy years, be re-appointed as directors of the Company and hold office until the next annual general meeting.

In accordance with Articles 84 of the Company's Articles of Association, Y.B.M. Dato' Seri Raja Ahmad Zainuddin bin Raja Haji Omar and Dato' Haji Mohd Zolkafly bin Haji Harun retire at the forthcoming Annual General Meeting and being eligible, offers themselves for re-appointment.

In accordance with the Register of Directors' Shareholding, the interests of directors in office at the end of the financial year in shares in the Company during the current financial year were as follows:

	<--- Number of ordinary shares of RM0.50 each --->		
	Balance at 01.01.2011	Bought/(Sold)	Balance at 31.12.2011
Tan Sri Dato' (Dr) Abdul Aziz bin Abdul Rahman	32	-	32
Abdul Aziz bin Subali	17,844	-	17,844
Haji Mustapha bin Mohamed	922	-	922

DIRECTORS' REPORT (CONTINUED)

	<--- Number of ICPS shares of RM0.50 each --->		
	Balance at 01.01.2011	Bought/(Sold)	Balance at 31.12.2011
Haji Mustapha bin Mohamed	371	-	371

**ICPS: Irredeemable Convertible Preference Shares*

DIRECTORS' BENEFITS

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

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling directors to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

ISSUANCE OF SHARES

During the financial year, the Company increased its issued and fully paid up share capital from RM80,978,474 to RM84,685,849 by way of the issuance of 7,414,750 ordinary shares of RM0.50 each pursuant to the conversion of 7,414,750 ICPS of RM0.70 each to ordinary shares of RM0.50 of the Company.

CHANGE OF CIRCUMSTANCES

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

DIRECTORS' REPORT (CONTINUED)

AUDITORS

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

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

Tan Sri Dato' Seri Megat Najmuddin bin Datuk Seri Dr. Haji Megat Khas
Director

Abdul Aziz bin Subali
Director

Ipoh, Perak Darul Ridzuan

Date: 24 APRIL 2012

STATEMENT BY DIRECTORS

We, **Tan Sri Dato' Seri Megat Najmuddin bin Datuk Seri Dr. Haji Megat Khas** and **Abdul Aziz bin Subali**, being two of the directors of **Majuperak Holdings Berhad.**, do hereby state that in the opinion of the directors, the financial statements set out on pages 13 to 61 are drawn up in accordance with the applicable approved accounting standards for entities other than private entities and the provisions of Companies Act, 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2011 and of its results and cash flows for the financial year ended on that date.

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

Tan Sri Dato' Seri Megat Najmuddin bin Datuk Seri Dr. Haji Megat Khas
Director

Abdul Aziz bin Subali
Director

Ipoh, Perak Darul Ridzuan

Date: 24 APRIL 2012

STATUTORY DECLARATION

I, **Abd Karim Nast bin Mohd Alias**, being the officer primarily responsible for the financial management of **Majuperak Holdings Berhad**, do hereby solemnly and sincerely declare that the financial statements set out on pages 13 to 61 are to the best of my knowledge and belief correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared)

by **Abd Karim Nast bin Mohd Alias**)
I/C No: 611222-08-5445

at Ipoh, Perak Darul Ridzuan)

on this day of 24 APRIL 2012)

Before me,

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MAJUPERAK HOLDINGS BERHAD

Report on the Financial Statements

We have audited the financial statements of **Majuperak Holdings Berhad.**, which comprise the statement of financial position of the Group and of the Company as at 31 December 2011, statements of comprehensive income, statements of changes in equity and statements of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 13 to 61.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of these financial statements that give a true and fair view in accordance with the 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 judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2011 and of its financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

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

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

Other Reporting Responsibilities

The supplementary information set out in Note 37 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Other Matters

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

AljeffriDean
AF 1366
Chartered Accountants (Malaysia)

Ipoh, Perak Darul Ridzuan

Date: 24 April 2012

T. Nagarajan KMN
No: 824/04/12 (J)

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2011

	NOTE	GROUP		COMPANY	
		2011 RM	2010 RM	2011 RM	2010 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	6,331,329	6,094,526	164,723	260,178
Investment in subsidiary companies	5	-	-	148,499,843	148,259,843
Investment in associated company	6	-	-	-	-
Long-term investment	7	9,085,233	8,000,240	200,000	200,000
Investment properties	8	10,375,964	6,147,690	4,485,784	174,739
Land held for property development	9	173,021,246	170,473,175	-	-
Development expenditure	10	5,653,344	1,467,204	224,432	224,362
Goodwill on consolidation	11	9,636,260	9,636,260	-	-
		214,103,376	201,819,095	153,574,782	149,119,122
Current assets					
Investment securities	7	-	700,512	-	-
Trade receivables	12	24,705,349	26,210,060	-	-
Other receivables, deposits and prepayments	13	11,751,491	23,370,400	3,280,363	10,843,574
Inventories	14	4,162,239	6,881,825	-	-
Property development cost	15	5,418,460	4,844,781	-	-
Amount due from subsidiary companies	5	-	-	41,469,136	38,760,021
Amount due from related companies	16	10,601,835	9,420,743	1,459,433	1,219,429
Deposits, cash and bank balances	17	7,249,306	4,975,751	148,471	30,659
		63,888,680	76,404,072	46,357,403	50,853,683
TOTAL ASSETS		277,992,056	278,223,167	199,932,185	199,972,805

STATEMENT OF FINANCIAL POSITION (CONTINUED)

	NOTE	GROUP		COMPANY	
		2011 RM	2010 RM	2011 RM	2010 RM
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Share capital	18	147,315,170	148,904,045	147,315,170	148,904,045
Share premium	19	32,277,671	30,688,796	32,277,671	30,688,796
Investment revaluation reserves	20	408,631	-	-	-
Accumulated profit		27,208,434	26,117,111	3,152,119	3,783,101
Shareholders' equity		207,209,906	205,709,952	182,744,960	183,375,942
Non-controlling interest	21	577,301	573,069	-	-
Total equity		207,787,207	206,283,021	182,744,960	183,375,942
LIABILITIES					
Current liabilities					
Trade payables		4,022,803	6,330,512	-	-
Other payables and accruals	22	9,913,536	7,918,564	1,337,409	1,145,799
Amount due to related companies	16	9,741,856	9,290,278	139,054	33,464
Amount due to subsidiary companies	5	-	-	-	321,524
Amount due to holding corporation	23	8,490,641	9,314,547	8,490,641	9,314,547
Provision for retrenchment benefit	24	-	980,020	-	-
Bank borrowings	25	544,492	726,787	-	-
Hire purchase payables	26	68,098	73,008	12,778	12,778
Provision for taxation		666,825	2,115,125	-	93,907
		33,448,251	36,748,841	9,979,882	10,922,019

STATEMENT OF FINANCIAL POSITION (CONTINUED)

	NOTE	GROUP		COMPANY	
		2011 RM	2010 RM	2011 RM	2010 RM
Non-current liabilities					
Hire purchase payables	26	309,506	302,866	103,384	126,256
Deferred taxation	27	29,343,133	29,339,851	-	-
Amount due to holding corporation	23	7,103,959	5,548,588	7,103,959	5,548,588
		36,756,598	35,191,305	7,207,343	5,674,844
TOTAL LIABILITIES		70,204,849	71,940,146	17,187,225	16,596,863
TOTAL EQUITY AND LIABILITIES		277,992,056	278,223,167	199,932,185	199,972,805

See accompanying notes to the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	NOTE	GROUP		COMPANY	
		2011 RM	2010 RM	2011 RM	2010 RM
Revenue		19,279,361	15,863,459	2,235,000	2,432,951
Cost of sales		(8,433,988)	(10,190,994)	-	-
Gross profit		10,845,373	5,672,465	2,235,000	2,432,951
Other income		1,140,469	3,922,400	349,304	2,577,450
Administrative expenses		(9,391,111)	(9,729,583)	(2,188,584)	(2,746,185)
Profit/(Loss) from operation	28	2,594,731	(134,718)	395,720	2,264,216
Finance costs	29	(428,796)	(862,926)	(369,304)	(794,233)
Profit/(Loss) before taxation		2,165,935	(997,644)	26,416	1,469,983
Taxation	30	(416,804)	(387,280)	(8,097)	(12,914)
Net profit/(loss) for the year		1,749,131	(1,384,924)	18,319	1,457,069
Other comprehensive income					
- Fair value of available-for-sale financial assets		408,631	-	-	-
Total comprehensive income/(loss) for the year		2,157,762	(1,384,924)	18,319	1,457,069
Profit/(Loss) attributable to:					
Equity holders of the Company		1,740,624	(1,407,450)	18,319	1,457,069
Non-controlling interest		8,507	22,526	-	-
		1,749,131	(1,384,924)	18,319	1,457,069
Total comprehensive income/(loss) attributable to :					
Equity holders of the Company		2,149,255	(1,407,450)	18,319	1,457,069
Non-controlling interest		8,507	22,526	-	-
		2,157,762	(1,384,924)	18,319	1,457,069
Earnings/(Loss) per share					
- Basic	31 (a)	0.73 sen	(1.48) sen		
- Diluted	31 (b)	0.50 sen	(1.48) sen		

See accompanying notes to the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

GROUP	NOTE	Share Capital RM	ICPS RM	Share Premium RM	RCSLS RM	RCULS RM	Accumulated Profit RM	Total RM	Non- controlling Interest RM	Total Equity RM
As at 01.01.2010		71,581,994	67,925,571	26,930,204	1,329,941	1,312,399	26,099,509	195,179,618	550,543	195,730,161
Redemption of RCSLS and RCULS		-	-	-	(1,329,941)	(1,312,399)	-	(2,642,340)	-	(2,642,340)
Issuance of shares	18	9,396,480	-	3,758,592	-	-	-	13,155,072	-	13,155,072
Dividend on ICPS	32	-	-	-	-	-	(679,253)	(679,253)	-	(679,253)
Reversal of deferred taxation liability		-	-	-	-	-	2,104,305	2,104,305	-	2,104,305
Total comprehensive income for the year		-	-	-	-	-	(1,407,450)	(1,407,450)	22,526	(1,384,924)
As at 31.12.2010		80,978,474	67,925,571	30,688,796	-	-	26,117,111	205,709,952	573,069	206,283,021

STATEMENT OF CHANGES IN EQUITY (CONTINUED)

GROUP	NOTE	Share Capital RM	ICPS RM	Investment Revaluation Reserve RM	Share Premium RM	Accumulated Profit RM	Total RM	Non- controlling Interest RM	Total Equity RM
As at 31.12.2010		80,978,474	67,925,571	-	30,688,796	26,117,111	205,709,952	573,069	206,283,021
Conversion of ICPS to share capital and share premium	18	3,707,375	(5,296,250)	-	1,588,875	-	-	-	-
Dividend on ICPS	32	-	-	-	-	(649,301)	(649,301)	(4,275)	(653,576)
Total comprehensive income for the year		-	-	408,631	-	1,740,624	2,149,255	8,507	2,157,762
As at 31.12.2011		84,685,849	62,629,321	408,631	32,277,671	27,208,434	207,209,906	577,301	207,787,207

See accompanying notes to the financial statements.

STATEMENT OF CHANGES IN EQUITY (CONTINUED)

COMPANY	NOTE	Share Capital RM	ICPS RM	Share Premium RM	RCSLs RM	RCULs RM	Accumulated Profit RM	Total RM
As at 01.01.2010		71,581,994	67,925,571	26,930,204	1,329,941	1,312,399	3,005,285	172,085,394
Redemption of RCSLs and RCULs		-	-	-	(1,329,941)	(1,312,399)	-	(2,642,340)
Issuance of shares	18	9,396,480	-	3,758,592	-	-	-	13,155,072
Dividend on ICPS	32	-	-	-	-	-	(679,253)	(679,253)
Total comprehensive income for the year		-	-	-	-	-	1,457,069	1,457,069
As at 31.12.2010		80,978,474	67,925,571	30,688,796	-	-	3,783,101	183,375,942
Conversion of ICPS to share capital and share premium	18	3,707,375	(5,296,250)	1,588,875	-	-	-	-
Dividend on ICPS	32	-	-	-	-	-	(649,301)	(649,301)
Total comprehensive income for the year		-	-	-	-	-	18,319	18,319
As at 31.12.2011		84,685,849	62,629,321	32,277,671	-	-	3,152,119	182,744,960

See accompanying notes to the financial statements.

STATEMENTS OF CASH FLOW

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	NOTE	GROUP		COMPANY	
		2011 RM	2010 RM	2011 RM	2010 RM
CASH FLOW FROM OPERATING ACTIVITIES					
Profit/(Loss) before taxation		2,165,935	(997,644)	26,416	1,469,983
Adjustments for:					
Depreciation of property, plant and equipment		489,962	496,292	70,491	116,609
(Gain)/Loss on disposal of property, plant and equipment		(21,002)	(2,577,450)	32,890	(2,577,450)
Gain on disposal of quoted investment		(22,963)	(106,509)	-	-
Gain on winding up subsidiaries		-	(2,097,721)	-	-
Depreciation of investment properties		86,423	101,116	3,652	27,345
Recovery of doubtful debts		(224,270)	(198,236)	-	-
Interest expenses		428,796	862,926	369,304	794,233
Interest income		(35,489)	(23,865)	(349,304)	(12,951)
Operating profit/(loss) before working capital changes		2,867,392	(4,541,091)	153,449	(182,231)
Decrease/(Increase) in receivables		13,956,808	(1,734,954)	7,924,747	(6,445,328)
(Decrease)/Increase in payables		(1,475,781)	(6,558,097)	191,610	(1,034,615)
Decrease in inventories		2,719,586	3,344,365	-	-
(Increase)/Decrease in property development cost		(638,556)	6,802,115	-	-
(Decrease)/Increase in amount due from/(to) related companies		(951,989)	(951,518)	3,291	(2,020,479)
Increase in amount due from/(to) holding corporation		731,465	4,023,578	403,800	14,666,934
Increase in amount due from/(to) subsidiary companies		-	-	(3,168,344)	(13,323,923)
Decrease in amount due from associated companies		-	14,495	-	-
Balance carried forward		17,208,925	398,893	5,508,553	(8,339,642)

STATEMENTS OF CASH FLOW (CONTINUED)

	NOTE	GROUP		COMPANY	
		2011 RM	2010 RM	2011 RM	2010 RM
Balance brought forward		17,208,925	398,893	5,508,553	(8,339,642)
Increase in development expenditure		(4,121,263)	(856,842)	(70)	-
Increase in land held for property development		(2,548,071)	-	-	-
Cash generated from/(used in) operating activities		10,539,591	(457,949)	5,508,483	(8,339,642)
Income taxes paid		(2,384,324)	(3,611,807)	(463,540)	(550,000)
Net cash generated from/(used in) operating activities		8,155,267	(4,069,756)	5,044,943	(8,889,642)
CASH FLOW FROM INVESTING ACTIVITIES					
Interest received		35,489	23,865	349,304	12,951
Proceed from disposal of quoted investment		47,113	222,950	-	-
Purchase of property, plant and equipment		(699,201)	(593,563)	(15,926)	(204,674)
Purchase of investment properties		(4,314,697)	-	(4,314,697)	-
Proceed from disposal of property, plant and equipment		71,438	7,365,617	8,000	9,806,292
Proceed from disposal of investment		-	-	-	-
Purchases of investment in subsidiaries		-	-	(240,000)	-
Net cash from winding up subsidiaries		-	54,130	-	-
Net cash (used in)/generated from investing activities		(4,859,858)	7,072,999	(4,213,319)	9,614,569

STATEMENTS OF CASH FLOW (CONTINUED)

	NOTE	GROUP		COMPANY	
		2011 RM	2010 RM	2011 RM	2010 RM
CASH FLOW FROM FINANCING ACTIVITIES					
Dividend paid on ICPS		(649,301)	(679,253)	(649,301)	(679,253)
Interest paid		(53,839)	(181,036)	(41,639)	(112,343)
Repayment of hire purchase payables		(74,124)	(68,782)	(22,872)	(25,212)
Repayment of borrowings		(182,295)	(2,565,871)	-	-
Net cash used in financing activities		(959,559)	(3,494,942)	(713,812)	(816,808)
Net increase/(decrease) in cash and cash equivalents		2,335,850	(491,699)	117,812	(91,881)
Cash and cash equivalents at beginning of the year		4,643,964	5,135,663	30,659	122,540
Cash and cash equivalents at end of the year		6,979,814	4,643,964	148,471	30,659
Represented by:					
Cash and bank balances		1,863,225	3,134,711	148,471	30,659
Fixed deposit (excluding fixed deposit pledged to bank)		5,386,081	1,841,040	-	-
Bank overdraft		(269,492)	(331,787)	-	-
		6,979,814	4,643,964	148,471	30,659

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2011

1. PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at 1st Floor Wisma Wan Mohamed, Jalan Panglima Bukit Gantang Wahab, 30000, Ipoh, Perak Darul Ridzuan.

The principal activities of the Company are investment holding. The principal activities of its subsidiary companies and associated companies are disclosed in Note 5 and 6 to the financial statements. There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

The Board of Directors authorised these financial statements for issue on 24 April 2012.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared on a historical cost convention and are drawn up in accordance with the Financial Reporting Standards and in compliance with the provisions of the Companies Act, 1965 in Malaysia.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Effect adopting revised FRSS, Amendments and Interpretations

On 01 January 2011, the Group and the Company adopted the following revised FRSS, Amendments, and Interpretations mandatory for annual financial periods beginning on or after 01 January 2011.

Revised FRSS, Amendments and Interpretations	Effective Date
Revised FRS 3 "Business Combinations"	01 January 2011
Amendments to FRS 7 "Financial Instruments: "Disclosure – improving disclosure about financial instruments"	01 January 2011
Revised FRS 127 "Consolidated and separate financial statements"	01 January 2011
Improvements to FRSS (2010)	01 January 2011

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

a) **New/Revised FRSs, Amendments not yet effective...(Cont'd.)**

The adoption of the abovementioned revised FRSs, Amendments and Interpretations did not have any effect on the financial performance or position of the Group and of the Company.

The Group and the Company's next set of financial statements for annual period beginning on 01 January 2012 will be prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") issued by the MASB that will also comply with International Financial Reporting Standards ("IFRS"). As a result, the Group and the Company will not be adopting the above new/amendments/interpretation that are effective for annual periods beginning on or after 01 January 2012.

b) **Functional and presentation currency**

The financial statements of the Group and of the Company are presented in Ringgit Malaysia, which is the functional and presentation currency of the Group and of the Company.

c) **Basis of consolidation**

i) **Accounting for business combination**

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

The Group has changed its accounting policy with respect to accounting for business combinations.

From 01 January 2011 the Group has applied FRS 3 *Business Combinations* (revised) in accounting for business combinations. The change in accounting policy has been applied prospectively in accordance with the transitional provisions provided by the standard and does not have impact on earnings per share.

Acquisitions on or after 01 January 2011

For acquisitions on or after 01 January 2011, the Group measures goodwill at the acquisition date as:

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

c) Basic of consolidation...(Cont'd.)

i) Accounting for business combination...(Cont'd.)

Acquisitions on or after 01 January 2011...(Cont'd.)

When the excess is negative, a bargain purchase gain is recognised immediately in the statements of comprehensive income.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships.

Such amounts are generally recognised in the profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

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

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

Acquisitions between 01 January 2006 and 01 January 2011

For acquisitions between 01 January 2006 and 01 January 2011, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in the statements of comprehensive income. Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

Acquisitions prior to 01 January 2006

For acquisitions prior to 01 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the fair values of the net identifiable assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

c) Basic of consolidation...(Cont'd.)

ii) Accounting for acquisitions of non-controlling interests

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

iii) Loss of control

The Group applied FRS 127 *Consolidated and Separate Financial Statements* (revised) since the beginning of the reporting period in accordance with the transitional provisions provided by the standard and does not have impact on earnings per share. Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the statements of comprehensive income. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

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

iv) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to equity holders of the parent, are presented in the statements of financial position and statements of changes in equity within equity, separately from equity attributable to equity holders of the parent. Non-controlling interests in the results of the Group is presented in the statements of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the parent.

Since the beginning of the reporting period, the Group has applied FRS 127 *Consolidated and Separate Financial Statements* (revised) where losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance. This change in accounting policy is applied prospectively in accordance with the transitional provisions of the standard and does not have impact on earnings per share.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

c) **Basic of consolidation...(Cont'd.)**

iv) **Non-controlling interest...(Cont'd.)**

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

v) **Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

d) **Investment in subsidiary companies**

Subsidiary companies are those companies in which the Group has long term equity interests of more than 50% or has power to exercise control over the financial and operating policies as to obtain benefit from its activities. Investment in subsidiary comprise which is eliminated on consolidation is stated in the Company's financial statements at cost less impairment losses. The policy of the recognition and measurement of impairment losses are in accordance with Note 3(h) to the financial statements.

e) **Investment in associated company**

An associated company is defined as an investment where the Group holds for long-term purposes between 20% to 50% of the issued equity share capital of the Company, and exercises significant influence but not control, over the investee company's management.

The consolidated financial statements include the total recognised gains and losses of associates on an equity accounted basis from the date that significant influence effectively commences until the date that significant influence ceases.

Unrealised profit arising on transaction between the Group and its associates which included in the carrying amount of the related assets and liabilities are eliminated partially to the extent of the Group's interest in the associates. Unrealised losses on such transaction are also eliminated partially unless cost cannot be recovered.

Investments in associates are stated in the Company's statement of financial position at cost less impairment losses.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

f) **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The policy for the recognition and measurement of impairment losses are in accordance with Note 3(h) to the financial statements.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	50 years
Renovation	5 to 10 years
Furniture, fittings and office equipment	5 to 10 years
Motor vehicles	5 years

The residual value, useful life and depreciation method are reviewed at each financial year end to ensure that the amounts, method of depreciation are the expected pattern of consumption of future economic benefits embodied in the items of property, plant and equipment.

Subsequent expenditure is charged to assets carrying amount when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are expensed in the statement of comprehensive income during the financial year in which they are incurred.

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

g) **Impairment of financial assets**

The Group and the Company assesses at each reporting date 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 considers 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

g) Impairment of financial assets...(Cont'd.)

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 the 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 and other receivables become 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 the statements of comprehensive income.

h) Impairment of non-financial assets

At each the statements of financial position date, the Group and the Company reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying amounts of the assets with their recoverable amount. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows.

Impairment losses are recognised as an expense in the profit or loss immediately, unless the assets are carried at a revalued amount. Any impairment losses of revalued assets are treated as a revaluation decrease to the extent of any unutilised previously recognised revaluation surplus for the same assets. Reversal of impairment losses recognised in prior years are recorded when the impairment losses recognised for the assets no longer exist or have decreased.

i) Leases

Lease of property, plant and equipment is recognised as finance lease if it transfers substantially to the Group and the Company all the risk and rewards incidental to the ownership. All other leases are treated as operating lease.

The upfront payment made under an operating lease are classified as prepaid lease payments and are amortised to the statements of comprehensive income on a straight line basis over the lease period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

j) Inventories

i) Developed properties held for sale

Completed properties held for sale are stated at the lower of cost and net realisable value. Cost consists of costs associated with the acquisition of land, direct costs and appropriate proportions of common costs attributable to developing properties to completion.

ii) Other inventories

Consumables and spare parts are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost basis.

Net realisable value represents the estimated selling price in the ordinary course of business less selling and distribution costs and all other estimated costs to completion.

k) Development expenditure

Agricultural

Direct and indirect payments for projects under development are stated at cost in the financial statements. Such expenditures are capitalised until the project is able to generate income. The policy of the recognition and measurement of impairment losses are in accordance with Note 3(h) to the financial statements.

l) Amount due from contract customers

Amount due from contract customers on construction contracts is stated at cost plus attributable profits less foreseeable losses and less progress billings. Cost includes all direct construction costs and other related costs. Where progress billings exceed the aggregate amount due from contract customers plus attributable profits less foreseeable losses, the net credit balance on all such contracts is shown in payables as amount due to contract customers. Where progress billings less than the aggregate amount due from contract customers plus attributable profits less foreseeable losses, the net debit balance on all such contracts is shown as accrued billings under current asset.

m) Land held for property development

Land held for property development consist of land or such portions thereof on which no development activities have been carried out or where development activities are not expected to be completed within the Group's normal operating cycle of 2 to 3 years. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the Group's normal operating cycle of 2 to 3 years. Cost associated with the acquisition of land includes price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

n) Investment properties

Investment properties of the Group and of the Company principally comprising office and industrials buildings are held for long-term rental yields and are not substantially occupied by the Group and the Company. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment loss.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

o) Property development cost

Property development costs comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

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

p) Accounting for hire purchase arrangements

Assets acquired under hire purchase arrangements are being capitalised and the corresponding obligations treated as liabilities in the financial statements.

Finance costs are allocated to the profit or loss to give a constant periodic rate of interest on the remaining hire purchase payables.

Assets acquired under hire purchase arrangements are depreciated over their expected useful lives on the same basis as owned assets.

q) Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and bank balance, demand deposits and deposits with licensed bank, which are readily convertible to known amounts of cash and subject to insignificant risk of change in value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

r) **Financial assets**

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

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

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

i. **Financial assets at fair value through profit or loss**

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

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

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

The Group and the Company did not have any financial assets at fair value through profit and loss during the year ended 31 December 2011.

ii. **Loans and receivables**

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

r) **Financial assets...(Cont'd.)**

iii. **Held-to-maturity investments**

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

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in statement of comprehensive income when the held-to-maturity investments are recognised or impaired, and through the recognised process.

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

The Group and the Company did not have any held-to-maturity investments during the year ended 31 December 2011.

iv. **Available-for-sale financial assets**

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

r) **Financial assets...(Cont'd.)**

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

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

s) **Financial liabilities**

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

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities. The Group and the Company did not have any financial liabilities other as follows:

i. **Other financial liabilities**

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

t) **Income taxes**

Income tax on the profit or loss comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the enacted tax rates relevant to the financial year. Current tax expense is the expected tax payable on the taxable income for the year using tax rates enacted or substantially enacted at the statement of financial position date and any adjustment to tax payable in respect of previous years.

Deferred tax is provided for, using the liability method, on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary difference arises from goodwill or reserve on consolidation or from the initial recognition of an asset or liability in a transaction which is not a business combination and at that time of the transaction affects neither accounting profit nor taxable profit.

u) **Revenue recognition**

i) **Revenue from construction contracts**

Revenue from construction contracts in short term is recognised in the statement of comprehensive income when the job is done. Revenue from construction contracts in long term is recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When it is probable that contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

ii) **Management service**

Revenue from management service is recognised on an accrual basis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

u) Revenue recognition...(Cont'd.)

iii) Sale of completed properties

Revenue relating to sale of completed properties is recognised, net of discounts, upon the transfer of significant risk and reward of ownership to the buyer.

iv) Contract income

Income from contracts/projects of the Group is recognised in the statements of comprehensive income on percentage of completion method.

v) Interest income

Interest income is recognised in the statement of comprehensive income on an accrual basis that reflects the effective yield on the asset.

vi) Rental income

Rental income is recognised in the statement of comprehensive income on an accrual basis.

vii) Dividend income

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

v) Employee benefits

i) Short term benefits

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

ii) Contribution to employee provident fund and pension

The Group and the Company make contributions to the Employee Provident Fund ("EPF") as required by law in Malaysia. Apart from the EPF contribution, a subsidiary company also makes monthly contributions to the pension fund for qualified employers at a rate of 17.5%. Obligations for contributions to defined contribution plans are recognised as an expense in the statement of comprehensive income as incurred.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

v) **Employee benefits...(Cont'd.)**

iii) **Termination/retrenchment benefit**

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntarily redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

w) **Significant accounting estimates and judgment**

Estimates, assumptions concerning the future and judgments are made in the preparation of the financial statements. They affect the application of the Company's accounting policies, reported amounts of assets, liabilities, income and expenses and disclosure made. They are assessed on an on-going basis and are based on historical experience and other 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 or uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

i. **Income taxes**

There are certain transactions and computation for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgment is involved especially in determining tax base allowances and deductibility of certain expense in determining the Company-wide provision for income taxes. The Group and the Company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the financial year in which such determination is made.

ii. **Useful lives and residual value of property, plant and equipment**

Property, plant and equipment are depreciated on straight-line basis over their estimated useful lives after deducting its residual value. The management exercises their judgment in estimating the useful lives and the residual value of the depreciable assets. The group assesses annually the residual value and the useful lives of the property, plant and equipment and if the expectation in the period in which such estimate has been charged.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

w) **Significant accounting estimates and judgment...(Cont'd.)**

iii) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flow from the cash generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Group's goodwill as at 31 December 2011 was RM9,636,260.

x) **Financial guarantee contracts**

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. PROPERTY, PLANT AND EQUIPMENT

GROUP

	Long term leasehold land and buildings RM	Leasehold land RM	Building RM	Plant machinery, fixture and office equipment RM	Motor vehicles RM	Shop houses RM	Renovation RM	Total RM
Net carrying value as at 01.01.2011	4,585,677	95,847	482,403	309,745	506,547	44,422	69,885	6,094,526
Addition	202,173	-	-	396,132	178,894	-	-	777,199
Disposal	-	-	-	-	(50,434)	-	-	(50,434)
Depreciation	(76,283)	(1,746)	(78,974)	(170,180)	(159,768)	(1,268)	(1,743)	(489,962)
Net carrying value as at 31.12.2011	4,711,567	94,101	403,429	535,697	475,239	43,154	68,142	6,331,329
As at 31.12.2011								
At cost	5,950,326	113,798	637,076	2,212,008	1,581,781	63,399	87,142	10,645,530
Accumulated depreciation	(1,238,759)	(19,697)	(233,647)	(1,676,311)	(1,106,542)	(20,245)	(19,000)	(4,314,201)
Net carrying value	4,711,567	94,101	403,429	535,697	475,239	43,154	68,142	6,331,329

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

GROUP	Long term leasehold land and buildings RM	Leasehold land RM	Building RM	Plant machinery, fixture and office equipment RM	Motor vehicles RM	Shop houses RM	Renovation RM	Total RM
Net carrying value as at 01.01.2010	11,940,874	131,600	486,559	324,753	361,714	45,690	71,628	13,362,818
Addition	-	-	147,000	123,599	322,964	-	-	593,563
Disposal	(7,228,840)	(34,601)	(102,120)	(1)	(1)	-	-	(7,365,563)
Depreciation	(126,357)	(1,152)	(49,036)	(138,606)	(178,130)	(1,268)	(1,743)	(496,292)
Net carrying value as at 31.12.2010	4,585,677	95,847	482,403	309,745	506,547	44,422	69,885	6,094,526
As at 31.12.2010								
At cost	5,748,153	113,798	637,076	1,815,876	1,453,321	63,399	87,142	9,918,765
Accumulated depreciation	(1,162,476)	(17,951)	(154,673)	(1,506,131)	(946,774)	(18,977)	(17,257)	(3,824,239)
Net carrying value	4,585,677	95,847	482,403	309,745	506,547	44,422	69,885	6,094,526

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

COMPANY

	Long term leasehold land and buildings	Office equipment	Motor vehicles	Total
	RM	RM	RM	RM
Net carrying value as at 01.01.2011	-	57,876	202,302	260,178
Addition	-	15,926	-	15,926
Disposal	-	-	(40,890)	(40,890)
Depreciation	-	(18,353)	(52,138)	(70,491)
Net carrying value	-	55,449	109,274	164,723
As at 31.12.2011				
At cost	-	98,618	177,200	275,818
Accumulated depreciation	-	(43,169)	(67,926)	(111,095)
Net carrying value	-	55,449	109,274	164,723
Net carrying value as at 01.01.2010	7,278,914	45,656	76,383	7,400,953
Addition	-	27,475	177,199	204,674
Disposal	(7,228,840)	-	-	(7,228,840)
Depreciation	(50,074)	(15,255)	(51,280)	(116,609)
Net carrying value	-	57,876	202,302	260,178
As at 31.12.2010				
At cost	207,160	82,692	271,170	561,022
Accumulated depreciation	(207,160)	(24,816)	(68,868)	(300,844)
Net carrying value	-	57,876	202,302	260,178

Certain motor vehicles of the Group with net carrying value of RM109,274 (2010: RM228,826) were acquired under hire purchase arrangements.

5. INVESTMENT IN SUBSIDIARY COMPANIES

COMPANY	2011 RM	2010 RM
Unquoted shares at cost	148,499,843	148,259,843

Details of the subsidiary companies, all of which are incorporated in Malaysia are as follows:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. INVESTMENT IN SUBSIDIARY COMPANIES...(Cont'd.)

Name of company	Shareholding (%)		Principal activities
	2011	2010	
Syarikat Majuperak Berhad	100	100	Property development
Majuperak Energy Resources Sdn. Bhd.	100	100	Property development
Majuperak Development Berhad	100	100	Management services
Majuperak Property Management Sdn. Bhd.	100	60	Property management
Majuperak Land Sdn. Bhd.	100	100	Dormant
Majuperak Bio Resources Sdn. Bhd.	100	100	Contract management
Held through Syarikat Majuperak Berhad:			
Majuperak Trading Sdn. Bhd.	100	100	Trading of construction materials
Majuperak Freight Services Sdn. Bhd.	100	100	Property management
Majuperak Properties Sdn. Bhd.	100	100	Property development
Majuperak Bina Sdn. Bhd.	100	100	Property development
Majuperak Management Services Sdn. Bhd.	100	100	Management and secretarial services
* Sempena Makmur Sdn. Bhd.	100	100	Property management
Bihun Jaya (Perak) Sdn. Bhd.	62	62	Property management
Held through Sempena Makmur Sdn. Bhd.:			
*Magna Gemilang Sdn. Bhd.	100	100	Dormant
Held through Majuperak Development Berhad:			
Majuperak Utilities Management Sdn. Bhd. (Formerly known as Geotextiles Sdn. Bhd.)	100	100	Dormant
Tenaga Danawa Sdn. Bhd.	100	100	Property development
Jua Juara Sdn. Bhd.	100	100	Property development

**The companies are in a process of winding up.*

The amount due from/(to) subsidiary companies are unsecured and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. INVESTMENT IN ASSOCIATED COMPANY

GROUP

	2011 RM	2010 RM
Unquoted shares at cost	12,250	12,250
Provision for diminution in value	(12,250)	(12,250)
	-	-

Details of the associated company, which is incorporated in Malaysia as follows:

Name of company	Shareholding (%)		Principal activities
	2011	2010	
Held through Syarikat Majuperak Berhad:			
Konsodium Bihun Jaya Sdn. Bhd.	30	30	Dormant

7. LONG-TERM INVESTMENT

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Non - current				
Available-for-sale financial assets				
Quoted shares	1,084,993	-	-	-
Unquoted shares	8,000,240	8,000,240	200,000	200,000
	9,085,233	8,000,240	200,000	200,000
Current				
Available-for-sale financial assets				
Quoted shares	-	700,512	-	-
	9,085,233	8,700,752	200,000	200,000

Market value of the quoted shares is set out in Note 36 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. INVESTMENT PROPERTIES

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Balance as at beginning of the year	6,147,690	7,904,927	174,739	1,849,205
Addition	4,314,697	87,000	4,314,697	87,000
Disposal	-	(1,734,121)	-	(1,734,121)
Depreciation	(86,423)	(110,116)	(3,652)	(27,345)
Balance as at end of the year	10,375,964	6,147,690	4,485,784	174,739
At cost	11,597,721	7,283,024	4,497,316	182,619
Accumulated depreciation	(1,221,757)	(1,135,334)	(11,532)	(7,880)
Net carrying value	10,375,964	6,147,690	4,485,784	174,739
Fair value	11,000,000	7,900,000	5,000,000	300,000
Representing item at:				
Cost	7,952,721	3,638,024	4,497,316	182,619
Valuation - 1991	3,645,000	3,645,000	-	-
	11,597,721	7,283,024	4,497,316	182,619

9. LAND HELD FOR PROPERTY DEVELOPMENT

GROUP

	2011 RM	2010 RM
At cost:		
Balance as at beginning of the year	170,473,175	172,987,658
Addition	6,520,380	3,340,093
	176,993,555	176,327,751
Cost charged to income statement	(3,930,956)	(3,166,776)
Transfer to property development cost	(41,353)	-
Transfer to holding corporation	-	(1,566,800)
Transfer to other receivables, deposit and prepayments	-	(1,121,000)
Balance as at end of the year	173,021,246	170,473,175

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. LAND HELD FOR PROPERTY DEVELOPMENT...(Cont'd.)

Representing item at:

	2011 RM	2010 RM
Cost	34,012,676	31,464,605
Revaluation - 2002	139,008,570	139,008,570
	173,021,246	170,473,175

Certain land held for property development of the Group amounting to RM741,615 (2010: RM762,226) are held in trust and have been registered under the name of the holding corporation. The Group however, has been granted on the beneficial interest of the land pursuant to a transfer of assets and liabilities agreement and its supplementary agreement which had mutually agreed between the Group and the holding corporation dated 28 December 2001 and 15 April 2002.

10. DEVELOPMENT EXPENDITURE

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Agriculture - at cost				
Land	3,161,690	189,411	-	-
Development expenditure	2,491,654	1,277,793	224,432	224,362
	5,653,344	1,467,204	224,432	224,362

11. GOODWILL ON CONSOLIDATION

GROUP

	2011 RM	2010 RM
Purchased goodwill, at cost	89,479,467	89,479,467
Less: Accumulated impairment loss	(79,843,207)	(79,843,207)
Net carrying value	9,636,260	9,636,260

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. TRADE RECEIVABLES

GROUP

	2011 RM	2010 RM
Trade receivables	27,301,475	29,030,456
Less: Allowances for doubtful debts	(2,596,126)	(2,820,396)
	<u>24,705,349</u>	<u>26,210,060</u>

Ageing analysis of trade receivables

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

	2011 RM
Neither past due nor impaired	-
1 to 30 days past due not impaired	15,166,044
31 to 60 days past due not impaired	1,355,708
61 to 90 days past due not impaired	1,563,476
91 to 180 days past due not impaired	-
More than 180 days past due not impaired	6,620,121
	<u>24,705,349</u>
Impaired	2,596,126
	<u>27,301,475</u>

Trade receivables that are neither past due nor impaired

Trade receivables that were neither past due nor impaired relate to customers for whom there were no default.

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

Trade receivables that are past due but not impaired

Trade receivables that were past due but not impaired relate to customers that have good track record with the Company. Based on past experience and no adverse information to date, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in the credit quality and the balances are still considered fully recoverable.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. TRADE RECEIVABLES...(Cont'd.)

Trade receivables that are impaired

Movement in allowances for doubtful debt:

	2011 RM	2010 RM
Beginning of the year	2,820,396	3,011,158
Current year charge	-	7,474
Written off/recovery of doubtful debts	(224,270)	(198,236)
End of the year	2,596,126	2,820,396

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Other receivables, deposits and prepayment	11,968,724	23,587,633	3,280,363	10,843,574
Less: Allowances for doubtful debts	(217,233)	(217,233)	-	-
	11,751,491	23,370,400	3,280,363	10,843,574

14. INVENTORIES

GROUP

	2011 RM	2010 RM
At cost:		
Shophouses	1,093,000	6,367,409
Residential houses	3,069,239	511,616
Cattles	-	2,800
	4,162,239	6,881,825

- i) 5 unit of unsold shophouses (2010: 5 unit) at cost of RM481,210 (2010: RM481,210) is charged as security for credit facility granted to a subsidiary company.
- ii) Included in inventories are amounts of RM1,460,607 (2010: RM3,907,863) in respect to inventories which are held in trust and have been registered under the name of the holding corporation. The Group however has been granted on the beneficial interest of the inventories.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. PROPERTY DEVELOPMENT COSTS

GROUP

	2011 RM	2010 RM
Land	9,733,170	9,158,444
Development expenditure	186,014,694	185,223,633
Accumulated costs charged to income statement	(190,903,083)	(189,483,343)
	4,844,781	4,898,734
Development expenditure incurred during the year	1,480,380	1,365,787
Cost charged out to the income statement	(906,701)	(1,419,740)
Balance as at end of the year	5,418,460	4,844,781

	2011 RM	2010 RM
Represented by:		
Land	9,733,170	9,733,170
Development expenditure	187,495,074	186,014,694
Accumulated costs charged to income statement	(191,809,784)	(190,903,083)
	5,418,460	4,844,781

Development costs that are expected to be completed within the normal operating cycle of 2 to 3 years are classified as current asset.

16. AMOUNT DUE FROM/(TO) RELATED COMPANIES

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

17. DEPOSITS, CASH AND BANK BALANCES

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Fixed deposit with financial institution	69,390	66,601	-	-
Fixed deposit with licensed bank	5,316,691	1,774,439	-	-
Cash and bank balances	1,863,225	3,134,711	148,471	30,659
	7,249,306	4,975,751	148,471	30,659

Included in the Group's cash and bank balances are amounts of RM100,611 (2010: RM100,611), the utilisation of which is subject to the Housing Developers (Housing Development Account) (Amendment) Regulations 2002.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. SHARE CAPITAL

COMPANY

	2011 RM	2010 RM
Authorised:		
Ordinary shares of RM0.50 each	425,000,000	425,000,000
ICPS of RM0.50 each	75,000,000	75,000,000
Balance as at end of the year	500,000,000	500,000,000
Issued and fully paid:		
Ordinary shares of RM0.50 each		
As at beginning of the year	80,978,474	71,581,994
Issue during the year arising from conversion of RCSLS and RCULS		9,396,480
Issue during the year arising from conversion of ICPS	3,707,375	-
As at end of the year	84,685,849	80,978,474
ICPS of RM0.50 each		
As at beginning of the year	67,925,571	67,925,571
Conversion during the year	(5,296,250)	-
As at end of year	62,629,321	67,925,571
Balance as at end of the year	147,315,170	148,904,045

The principal terms of ICPS attached to them are as follows:

- | | | |
|------|------------------|--|
| i) | Dividend | The ICPS bear a fixed cumulative dividend of 1.0% per annum, payable after and including the third year. The ICPS holders will not be entitled to any rights, bonus issues, allotments and/or any other distributions that may be declared by the Company. |
| ii) | Maturity | The maturity date of the ICPS is the ten anniversary date of the issue date of the ICPS. |
| iii) | Conversion right | The ICPS holders will have the right to convert the ICPS at conversion price into new Company's ordinary shares and/or including the fifth anniversary of the date of issue the ICPS until maturity. Any nominal value not converted by maturity date will be mandatory converted into new ordinary shares on maturity date. |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. SHARE CAPITAL...(Contd.)

- | | | |
|-------|--------------------|--|
| iv) | Conversion price | The conversion price of the ICPS into new ordinary shares shall be RM0.70 each. Fractions resulting from conversion, if any, shall be disregarded and the Company shall not be required to pay the ICPS holders the value of such fractions. |
| v) | Mode of conversion | Conversion shall be by tendering 10 ICPS for every 7 new ordinary shares of the Company. |
| vi) | Listing | The ICPS and new ordinary shares to be issued pursuant to the conversion of the ICPS will be listed on the Bursa Malaysia Securities Berhad. |
| vii) | Ranking | The conversion shares shall rank parri passu in all respect with the then existing issued of ordinary shares of the Company except that they shall not be entitled to any dividends, rights, allotments and/or other distribution, the entitlement date of which is prior to the date of conversion of the ICPS. |
| viii) | Voting right | The ICPS holders shall not be entitled to voting rights except where the rights of ICPS holders are affected or on a resolution for the winding up of the Company. |

19. SHARE PREMIUM

GROUP AND COMPANY

	2011 RM	2010 RM
As at beginning of the year	30,688,796	26,930,204
Issuance during the year	1,588,875	3,758,592
As at end of the year	32,277,671	30,688,796

20. INVESTMENT REVALUATION RESERVE

Investment revaluation reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investment are derecognised or impaired.

GROUP

	2011 RM	2010 RM
As at beginning of the year	-	-
Effect of adopting the fair value measurement on security available-for-sale	408,631	-
As at end of the year	408,631	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. NON-CONTROLLING INTEREST

This consists of the non-controlling shareholders' proportion of share capital and reserves of subsidiaries.

22. OTHER PAYABLES AND ACCRUALS

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Other payables	7,764,164	6,388,101	764,363	1,099,706
Retention sum	93,189	125,502	-	-
Deposit and accruals	2,056,183	1,404,961	573,046	46,093
	<u>9,913,536</u>	<u>7,918,564</u>	<u>1,337,409</u>	<u>1,145,799</u>

23. AMOUNT DUE TO HOLDING CORPORATION

The holding corporation is Perbadanan Kemajuan Negeri Perak, a statutory body established under the Perak State Economic Development Corporation Enactment No. 3, 1967.

The amount due to holding corporation is unsecured, bear interest at 6% per annum, and repayable on demand.

24. PROVISION FOR TERMINATION/RETRENCHMENT BENEFITS

GROUP

Provision for termination/retrenchment benefits for employees is made in view of the cessation of operations of a subsidiary company on 1 April 2003 based on the collective agreement with the employees and in place of the provision for retirement benefits written back.

25. BANK BORROWINGS

GROUP

	2011 RM	2010 RM	Effective interest rate
<i>Not later than 1 year:</i>			
Short term revolving credit	275,000	395,000	2%
Bank overdraft	269,492	331,787	1.5% - 3%
	<u>544,492</u>	<u>726,787</u>	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25. BANK BORROWINGS...(Cont'd.)

The revolving credit is repayable 6 months after the drawdown date. The effective interest rate charged is 2% (2010: 2%) above the Kuala Lumpur Inter Bank Offer rate ("KLIBOR"). The revolving credit is secured on one unit of shophouses of the Group.

The bank overdraft facility of the Group is secured by a first and second, third and fourth fixed charges amounting to RM1.5 million (2010: RM1.5 million) over certain properties of the Group. The bank overdraft bears interest at a rate of 2% (2010: 2%) over the bank's base lending rate.

26. HIRE PURCHASE PAYABLES

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Minimum hire purchase payment:				
Not later than 1 year	81,342	99,160	27,504	27,504
Later than 1 year and not later than 5 years	392,318	353,388	112,246	139,764
	473,660	452,548	139,750	167,268
Future finance charges of hire purchase	(96,056)	(76,674)	(23,588)	(28,234)
Present value of hire purchase liabilities	377,604	375,874	116,162	139,034
Present value of hire purchase liabilities:				
Not later than 1 year	68,098	73,008	12,778	12,778
Later than 1 year and not later than 5 years	309,506	302,866	103,384	126,256
	377,604	375,874	116,162	139,034

The effective interest rate per annum of the hire purchase payables at the statement of financial position date is 2.78% (2010: 2.58%).

27. DEFERRED TAXATION

GROUP

	2011 RM	2010 RM
At beginning of the year	29,339,851	31,442,741
Reversal of deferred tax liability	-	(2,104,305)
Charged from statement of comprehensive income (Note 30)	3,282	1,415
At end of the year	29,343,133	29,339,851

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. DEFERRED TAXATION...(Cont'd.)

Deferred taxation are in respect of the following items:

GROUP	2011 RM	2010 RM
Capital allowances excess depreciation	138,511	26,963
Revaluation	29,236,388	29,312,888
Provisions	(31,766)	-
	29,343,133	29,339,851

28. PROFIT/(LOSS) FROM OPERATION

Profit/(Loss) from operation is arrived at after charging/(crediting):

	GROUP 2011 RM	2010 RM	COMPANY 2011 RM	2010 RM
Audit fee	105,700	106,700	17,000	17,000
Director emoluments - fee	252,000	362,041	222,000	177,600
- other than fee	267,890	224,565	192,180	194,565
Depreciation of property, plant and equipment	489,961	496,292	70,491	116,609
Depreciation of investment properties	86,423	110,116	3,652	27,345
(Gain)/Loss on disposal of property, plant and equipment	(21,002)	(2,577,450)	32,890	(2,577,450)
Gain on disposal of quoted investment	(22,963)	(106,509)	-	-
Penalty	4,060	6,357	4,060	847
Rental of premises	295,619	293,959	125,053	83,369
Staff cost:				
- Short term benefit	3,353,388	3,271,015	506,591	628,337
- EPF and pension contribution	238,018	224,030	33,757	51,288
Recovery of doubtful debts	(224,270)	(198,236)	-	-
Interest income	(35,489)	(23,865)	(349,304)	(12,951)
Rental income	(198,183)	(81,671)	-	(50,000)

Remunerations of key personnel management comprise the following:

	GROUP 2011 RM	2010 RM	COMPANY 2011 RM	2010 RM
Directors:				
Fee	252,000	362,041	222,000	177,600
Salaries and other emoluments	267,890	224,565	192,180	194,565

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28. PROFIT/(LOSS) FROM OPERATION...(Cont'd.)

Range of emoluments of the Company's directors are as follows:

	Number of directors	
	2011	2010
Above RM50,001	4	1
RM30,001 – RM50,000	3	3
Below RM30,000	-	3

29. FINANCE COST

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Short term revolving credit	11,105	13,278	-	-
Hire purchase interest	13,605	21,454	4,639	4,246
Interest on payables	37,000	-	37,000	-
Bank overdraft interest	29,129	38,207	-	-
Interest on related companies	337,957	681,890	327,665	681,890
Interest of RCSLS and RCUSLS	-	108,097	-	108,097
	428,796	862,926	369,304	794,233

30. TAXATION

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Provision for the year	473,286	335,303	4,261	12,914
Under provision in prior year	15,236	50,562	3,836	-
Benefit from unrecognised tax relief	(75,000)	-	-	-
Deferred tax expenses relating to the origination and reversal of temporary differences (Note 27)	3,282	1,415	-	-
	416,804	387,280	8,097	12,914

A reconciliation of income tax expense applicable to profit/(loss) before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30. TAXATION...(Cont'd.)

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Profit/(Loss) before taxation	2,165,935	(997,644)	26,416	1,469,983
Malaysia statutory tax rate :				
- at 25%	541,484	(249,411)	6,604	367,498
Income not subject to tax	(39,068)	(418,908)	-	-
Tax effect on expenses not deductible for tax purposes	718,983	750,930	123,431	248,881
Tax effect on utilisation of unabsorbed capital allowances and tax losses	(1,044,988)	(271,894)	(125,774)	(603,465)
Under provision in prior year	15,236	50,562	3,836	-
Effect on reversal tax recoverables	-	(3,726)	-	-
Deferred tax assets not recognised during the year	225,157	529,727	-	-
Tax expenses for the year	416,804	387,280	8,097	12,914

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

	GROUP	
	2011 RM	2010 RM
Unabsorbed capital allowances	1,066,791	80,619
Unutilised tax losses	18,017,366	18,416,946
	19,084,157	18,497,565

The above unabsorbed capital allowance and unutilised tax losses are available indefinitely for offset against future taxable profit subject to the approval with the Inland Revenue Board. Deferred tax assets have not been recognised in respect of this item due to uncertainty of its recoverability.

31. EARNINGS/(LOSS) PER SHARE

a) Basic

The basic earnings/(loss) per share is calculated by dividing the Group's net loss attributable to shareholders (net dividend of ICPS) by the weighted average number of shares in issue during the year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31. EARNINGS/(LOSS) PER SHARE...(Cont'd.)

a) Basic...(Cont'd.)

	GROUP	
	2011 RM	2010 RM
Net income/(loss) attributable to shareholders	1,239,689	(2,403,807)
Weighted average number of ordinary shares in issue	169,371,697	161,956,946
	SEN	SEN
Basic earnings/(loss) per share	0.73	(1.48)

b) Diluted

For the diluted earnings/(loss) per share calculation, the weighted average numbers of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of potential ordinary shares in respect of conversion of ICPS into ordinary shares.

	GROUP	
	2011 RM	2010 RM
Net income/(loss) attributable to shareholders	1,740,624	(1,407,450)
Weighted average number of ordinary shares in issue	169,371,697	161,956,946
Effect of dilution ICPS	178,940,891	*
Adjusted weighted average number of ordinary shares in issue and issuable	348,312,588	161,956,946
	SEN	SEN
Diluted earnings/(loss) per share	0.50	(1.48)

* Not taken into account in the computation of diluted earnings per share as the effect arising from conversion of ICPS is anti-dilutive.

32. DIVIDEND

	2011 RM	2010 RM
Irredeemable Convertible Preference Shares ("ICPS")		
Dividend of 1% per share.	649,301	679,253

The proposed ICPS dividend of 1% per share approved on 28 June 2011 and paid on 27 July 2011, has been appropriated from the retained profit in this financial year.

In respect of the next financial year ending 31 December 2012, directors have recommended the payment of dividend of 1% per share on ICPS.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

33. SEGMENTAL REPORTING

i) Business segment

31 December 2011

	Property Development RM	Management Services RM	Others RM	Elimination RM	Total RM
Revenue	18,601,459	897,348	3,151,808	(3,371,254)	19,279,361
Results					
Segment result	2,361,147	(72,375)	(122,837)	-	2,165,935
Taxation					(416,804)
Net profit for the year					1,749,131
Non-controlling interest					(8,507)
Net profit for the year attributable to equity holders of the Company					1,740,624

31 December 2010

	Property Development RM	Management Services RM	Others RM	Elimination RM	Total RM
Revenue	15,460,535	12,312	3,150,283	(2,759,671)	15,863,459
Results					
Segment result	57,712	(258,496)	(796,860)	-	(997,644)
Taxation					(387,280)
Net loss for the year					(1,384,924)
Non-controlling interest					(22,526)
Net profit for the year attributable to equity holders of the Company					(1,407,450)

ii) Geographical segment

The segmental information is not presented by geographical segment as the Group's business activities are predominantly located in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

34. CONTINGENT LIABILITIES

		GROUP	
		2011 RM	2010 RM
Unsecured:			
i)	Bank guarantee given to related parties for the purpose of utilities.	33,000	33,000
ii)	Legal claims to a subsidiary company by a third party in respect of work done for proposed property development project that has been aborted	116,944	116,944
		<u>149,944</u>	<u>149,944</u>

35. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence.

The significant related party transactions of the Group are as follows:

a) Transactions within the Group

	2011 RM	2010 RM
Project management services paid within related companies	111,954	-
Management fee charge by holding company	1,545,000	1,320,000
Interest charge by holding company to subsidiary companies	327,665	-
Dividend paid and payables by subsidiary companies to holding company	<u>690,000</u>	<u>937,500</u>

b) Transaction with key personnel management

Key personnel management are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company. The details analysis of transactions made during the financial year are disclosed in Note 28 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

36. FINANCIAL INSTRUMENTS

Financial Risk Management

a) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operation whilst managing its financial risks, including credit risks, liquidity and cash flow risk. The Group and the Company operates within clearly defined guidelines that are approved by the Board and the Company's policy is not to engage in speculative transaction.

b) Credit risk

The Group's exposure to credit risk arises mainly from receivables. Receivables are monitored on an on-going basis via management reporting procedure and action is taken to recover debts when due.

At statement of financial position date, there was no significant concentration of credit risk. The maximum exposure to credit risk for the Group and the Company is the carrying amount of the financial assets shown in the statement of financial position.

Exposure to credit risk

At the reporting date, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

c) Liquidity and cash flow risk

The Group and the Company actively manages its debts maturity profile, operating cashflows and availability of funding so as to ensure that all repayment and funding needs are met.

d) Fair values

The aggregate fair value of the Group's financial assets and financial liabilities at the statement of financial position date are as follows:

	Carrying amount 2011 RM	Fair value 2011 RM	Carrying Amount 2010 RM	Fair value 2010 RM
Financial asset				
Quoted shares	1,084,993	1,084,993	700,512	700,512

The carrying amounts of cash and bank balances, receivables, payables, inter company balances and short term borrowings are approximate their fair values due to the relatively short term maturity of these financial instruments.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Capital Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholder and to maintain on optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or sell assets to reduce debts. Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the statements of financial position) less cash and cash equivalent. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

The gearing ratios at 31 December 2011 and 2010 were as follow:

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Amount due to related companies	9,741,856	9,290,278	139,054	33,464
Amount due to holding corporation	15,594,600	14,863,135	15,594,600	14,863,135
Provision for retrenchment benefit	-	980,020	-	-
Bank borrowings	-	726,787	-	-
Hire purchase payables	377,604	375,874	116,162	139,034
	25,714,060	26,236,094	15,849,816	15,035,633
Less: cash and cash equivalent	(7,249,306)	(4,975,751)	(148,471)	(30,659)
Net debt	18,464,754	21,260,343	15,701,345	15,004,974
Total equity	208,264,299	206,283,021	182,744,960	183,375,942
Total capital	226,729,053	227,543,364	198,446,305	198,380,916
Gearing ratio	8.14%	9.34%	7.91%	7.56%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

37. SUPPLEMENTARY INFORMATION – BREAKDOWN OF RETAINED PROFITS INTO REALISED AND UNREALISED

With the purpose of improving transparency, Bursa Malaysia Securities Berhad has on 25 March 2010, and subsequently on 20 December 2010, issued directives which require all listed corporations to disclose the breakdown of unappropriated profits or accumulated losses into realised and unrealised on group and company basis in the annual audited financial statements.

The breakdown of accumulated profits as at the reporting date has been prepared by directors in accordance with the directives from Bursa Malaysia Securities Berhad stated above and the Guidance 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 are as follows:

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Realised	27,095,170	26,007,129	3,152,119	3,783,101
Unrealised	113,264	109,982	-	-
	<u>27,208,434</u>	<u>26,117,111</u>	<u>3,152,119</u>	<u>3,783,101</u>

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FORM OF PROXY

MAJUPERAK HOLDINGS BERHAD (585389-X)
(Incorporated In Malaysia)



I/We _____
(FULL NAME IN BLOCK CAPITALS)
of _____
(FULL ADDRESS)

being a member/members of MAJUPERAK HOLDINGS BERHAD, hereby appoint _____

_____ (FULL NAME IN BLOCK CAPITALS)
of _____
(FULL ADDRESS)

or failing him/her, _____

of _____

as my/our proxy to vote for me/us and on my/our behalf, at the **9th (NINTH) ANNUAL GENERAL MEETING** of the Company to be held at Dewan Bandaran Ipoh, Jalan Panglima Bukit Gantang Wahab, 30000 Ipoh, Perak Darul Ridzuan on Tuesday, 26 June 2012, at 4.00 p.m. or at any adjournment there of in the manner indicated below:

Resolutions		For	Against
To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2011 together with the Report of the Directors and Auditors thereon.	Resolution 1		
To approve the payment of Directors' Fees for the financial year ended 31 December 2011.	Resolution 2		
To re-elect the following Directors retiring in accordance to Company's Articles of Association and being eligible have offered themselves for re-election : (i) Y.B.M. Dato' Seri Raja Ahmad Zainuddin bin Raja Haji Omar	Resolution 3		
(ii) Dato' Haji Mohd Zolkafly bin Haji Harun	Resolution 4		
To re-elect Tan Sri Dato' (Dr) Abdul Aziz bin Abdul Rahman as Director of the Company to hold office until the conclusion of the next Annual General Meeting pursuant to Section 129(6) of the Companies Act, 1965.	Resolution 5		
To re-appoint Messrs AljeffriDean as Auditors of the Company and to authorise the Directors to fix their remuneration.	Resolution 6		
Authority for the Directors to issue shares pursuant to Section 132D of the Companies Act, 1965.	Resolution 7		
Proposed Renewal Of Shareholders' Mandate and Proposed New Shareholder' Mandate For The Recurrent Related Party Transactions Of A Revenue Or Trading Nature.	Resolution 8		
Proposed Amendment to the Company's Article Of Association.	Special Resolution 1		

(Please indicate with an "X" in the appropriate box above how you wish to cast your vote. If this form is returned without any indication as to how the proxy shall vote, the proxy shall vote or abstain as he/she thinks fit.)

Dated this _____ day of _____ in the year _____.

Number of ordinary shares held

Signature/Seal

Notes:

1. A member entitled to attend and vote at the AGM is entitled to appoint a proxy/proxies who may but need not be a member/members of the Company to attend and vote in his/her stead and Section 149 (1) (b) of the Act shall not apply.
2. When a member appoints more than one proxy the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.
3. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
5. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 1st Floor, Wisma Wan Mohamed, Jalan Panglima Bukit Gantang Wahab, 30000 Ipoh, Perak Darul Ridzuan at least forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof.
6. The registration for the above Meeting will commence on Tuesday, 26 June 2012 at 1.30 p.m.



First Fold

Stamp

THE SECRETARY

MAJUPERAK HOLDINGS BERHAD (Co. No. 585389-X)

1st Floor, Wisma Wan Mohamed,
Jalan Panglima Bukit Gantang Wahab,
30000 Ipoh, Perak Darul Ridzuan

Second Fold

MAJUPERAK HOLDINGS BERHAD (585389-X)

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Tel : 05-243 8864 / 529 6677
Fax : 05-254 7070
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