

**LAPORAN TAHUNAN
2010
ANNUAL REPORT**



MAJUPERAK HOLDINGS BERHAD

(585389-X)



MAJUPERAK HOLDINGS BERHAD (585389-X)

2010 ANNUAL REPORT

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 8th (Eighth) Annual General Meeting of the Company will be held at Dewan UMNO, Aras 1, Bangunan UMNO Negeri Perak, Jalan Raja Dr Nazrin Shah (Jalan Gopeng), 30250 Ipoh, Perak Darul Ridzuan on Tuesday, 28 June 2011, 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 2010 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 2010. **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) Abdul Aziz bin Subali **Resolution 3**
 - (ii) Haji Mustapha bin Mohamed **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. **Proposed Renewal Of Shareholders' Mandate and Proposed New Shareholders' Mandate For The Recurrent Related Party Transactions Of A Revenue Or Trading Nature** **Resolution 7**

"THAT subject to the Listing Requirements of Bursa Malaysia Securities Berhad ("Securities Exchange"), 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 **27 May 2011** ("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;

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

- (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 8th 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 thereof provided always that such amount or amounts comply with the procedures set out in Section 2.2 of the Circular."

7. 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 of Directors

Che Indon binti Ilyas (BC/C/445)
Company Secretary
Ipoh
27 May 2011

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

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

A dividend of 1.0% per share will be paid on 27 July 2011.

NOTICE IS HEREBY GIVEN that the Register of Members of the Company will be closed on 28 June 2011 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 28 June 2011 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 authorized 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 6th 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, 28 June 2011 at 1.30 p.m.**

Explanatory notes on special business

Ordinary Resolution 7:

Proposed Renewal Of Shareholders’ Mandate and Proposed New 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 **27 May 2011** circulated together with this Annual Report.

NOTIS MESYUARAT AGUNG TAHUNAN

DENGAN INI ADALAH DIMAKLUMKAN BAHAWA Mesyuarat Agung Tahunan yang Kelapan (8) Syarikat akan diadakan di Dewan UMNO, Aras 1, Bangunan UMNO Negeri Perak, Jalan Raja Dr Nazrin Shah (Jalan Gopeng), 30250 Ipoh, Perak Darul Ridzuan pada hari Selasa, 28 Jun 2011 jam 4.00 petang untuk melaksanakan urusan-urusan biasa berikut sebagai resolusi biasa:

AGENDA

URUSAN BIASA

1. Untuk menerima, mempertimbangkan dan menerima pakai Penyata-Penyata Kewangan Beraudit Syarikat Bagi Tahun Kewangan Berakhir 31 Disember 2010 berserta Laporan para Pengarah dan para Juruaudit berkenaan. **Resolusi 1**
2. Untuk meluluskan pembayaran yuran para Pengarah bagi kewangan berakhir 31 Disember 2010. **Resolusi 2**
3. Untuk melantik semula pengarah yang bersara menurut Artikel 84 Tataurus Penubuhan Syarikat, layak dan menawarkan diri untuk dilantik semula:
 - (i) Abdul Aziz bin Subali **Resolusi 3**
 - (ii) Haji Mustapha bin Mohamed **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. **Pembaharuan Mandat Para Pemegang Saham Yang Dicadangkan Dan Mandat Para Pemegang Saham Baru Yang Dicadangkan Bagi Urusniaga-Urusniaga Berulang Berkenaan Pendapatan atau Dalam Bentuk Perniagaan dengan Pihak Berkaitan.** **Resolusi 7**

“**BAHAWA** tertakluk kepada Kehendak-Kehendak Penyenaaraan 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 pekeliling yang diedarkan kepada para pemegang saham bertarikh **27 Mei 2011** (“pengumuman”) tertakluk kepada berikut:

NOTIS MESYUARAT AGUNG TAHUNAN (SAMBUNGAN)

- (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 Semula 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 Kelapan ini 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 suaimanfaat (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;

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 berkeñaannya mematuhi prosedur-prosedur yang dinyatakan di dalam Seksyen 2.2 Pengumuman.”

- 7. 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

27 Mei 2011

NOTIS BAYARAN DIVIDEN DAN PENUTUPAN DAFTAR PEMEGANG ICPS

Dividen 1% sesaham akan dibayar pada 27 Julai 2011.

DENGAN INI DIMAKLUMKAN bahawa Daftar Pemegang Saham ICPS Syarikat akan di tutup pada 28 Jun 2011 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 28 Jun 2011 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 tak 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 6, 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 bersamaan **28 Jun 2011** pada **jam 1.30 petang**

Nota Penerangan Mengenai Urusan Luar Biasa

Resolusi Biasa 7:

Pembaharuan Mandat Para Pemegang Saham Yang Dicadangkan Dan Mandat Para Pemegang Saham Baru 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 **27 Mei 2011** yang diedarkan bersama-sama dengan Laporan Tahunan ini.

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

*Chairman,
Senior Independent, Non Executive*

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

Independent, Non Executive

Abdul Aziz bin Subali

Executive Director

Haji Mustapha bin Mohamed

Independent, Non Executive

Y.B. Dato' Haji Tajuddin bin Abdul Rahman

Executive Director

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

Non Independent, Non Executive

Dato' Haji Mohd Zolkafly bin Haji Harun

Independent, Non Executive

AUDIT COMMITTEE

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

*Chairman,
Independent, Non Executive*

Haji Mustapha bin Mohamed

Independent, Non Executive

Dato' Haji Mohd Zolkafly bin Haji Harun

Independent, Non Executive

NOMINATION AND REMUNERATION COMMITTEE

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

*Chairman,
Senior Independent/Non Executive*

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

Independent, Non Executive

Dato' Haji Mohd Zolkafly bin Haji Harun

Independent, Non Executive

EXCO COMMITTEE

Y.B. Dato' Haji Tajuddin bin Abdul Rahman

Executive Director

Abdul Aziz bin Subali

Executive Director

CORPORATE INFORMATION (CONTINUED)

MANAGEMENT TEAM

Abd Karim Nast bin Mohd Alias	<i>Acting Group Chief Executive Officer, (Appointed on 30.03.2011) Group General Manager, Accounts & Finance</i>
Abdul Rahim bin Bohari @ Bahari	<i>Group General Manager, Land & Real Estate</i>
Jaafar bin Baharin	<i>General Manager, Majuperak Development Bhd</i>
Izman Kamal bin Ismail	<i>General Manager, Syarikat Majuperak Berhad</i>
Kamarul Bahrin bin Baharudin	<i>General Manager, Majuperak Energy Resources Sdn Bhd</i>
Abdul Aziz bin Abdul Rahim	<i>General Manager, Majuperak Property Management Sdn Bhd</i>
Badrol Hisham bin Bakri	<i>General Manager, Majuperak Bio Resources Sdn Bhd</i>

REGISTERED AND PRINCIPAL PLACE OF BUSINESS

6th Floor Wisma Wan Mohamed
Jalan Panglima Bukit Gantang Wahab
30000 Ipoh, Perak Darul Ridzuan
Tel: (05) 243 8864
(05) 529 6677
Fax: (05) 254 7070

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

COMPANY SECRETARY

Che Indon binti Ilyas (BC/C/445)
(Appointed on 25.02.2011)

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

SOLICITORS

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

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 Berhad

STOCK EXCHANGE LISTING

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

CORPORATE STRUCTURE



MAJUPERAK HOLDINGS BERHAD

(585389-X)

(INCORPORATED IN MALAYSIA)

Majuperak Properties Sdn. Bhd. (298025-U)	100%	Syarikat Majuperak Berhad (29020-X) 100%
Majuperak Freight Sdn. Bhd. (262431-W)	100%	
Majuperak Trading Sdn. Bhd. (182704-M)	100%	
Majuperak Management Services Sdn. Bhd. (198542-V)	100%	
Sempena Makmur Sdn. Bhd. (189502-U)	100%	
Magna Gemilang Sdn. Bhd. (360540-K)	100%	
Majuperak Bina Sdn. Bhd. (289265-P)	100%	
Bihun Jaya (Perak) Sdn. Bhd. (214040-X)	62%	

Tenaga Danawa Sdn. Bhd. (24571-A)	100%	Majuperak Development Bhd. (5990-P) 100%
Jua Juara Sdn. Bhd. (537257-H)	100%	
Geotextiles (M) Sdn. Bhd. (90347-H)	100%	

Majuperak Energy Resources Sdn. Bhd. (32089-H)	100%
Majuperak Bio Resources Sdn. Bhd. (226087-T)	100%
Majuperak Land Sdn. Bhd. (537239-M)	100%
Majuperak Property Management Sdn. Bhd. (32326-U)	60%

BOARD OF DIRECTORS



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

67, 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 Remuneration and Nomination Committee. He holds an Honours Degree in Law from University of Singapore in 1970. 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 is also the Chairman of 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 Petronas Nasional Berhad.

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"), the 2nd National Economic Consultative Council ("NECC2") and the Central Bank's Corporate Debt Restructuring Committee ("CDRC"). 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, UUM.

He is currently serves 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 9 board meetings held during the financial year ended 31 December 2010. 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**

78, 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. He holds Barrister at- Law, Lincoln's London and also 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 this position until 1991. Currently, he is one of the partners in Messrs Nik Saghir & Ismail and sits on the board 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 9 board meetings held during the financial year ended 31 December 2010. 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 pages [37] of the Annual Report.

BOARD OF DIRECTORS (CONTINUED)



ABDUL AZIZ BIN SUBALI

56, Malaysian
Executive Director

Abdul Aziz bin Subali was appointed to the Board on 6 June 2006. He obtained his Master's Degree in Master of Business Administration from University Technology MARA in 2005 and his Bachelor's Degree in Bachelor in Accounting (Hons.) from Universiti Kebangsaan Malaysia in 1985. He had his 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 (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 Officer 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 and well as the financial aspects.

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

He had attended all the 9 board meetings held during the financial year ended 31 December 2010. 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 pages [37] of the Annual Report.



HAJI MUSTAPHA BIN MOHAMED

65, Malaysian
Independent Non Executive

Haji Mustapha bin Mohamed was appointed to the Board on 30 September 2008. He also serves as a member of the Audit 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 known as 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, Ipmuda Berhad, Credit Corporation of Malaysia Berhad, MHC Plantations Berhad and Ho Hup Construction Company Berhad. Currently, he is involved in his own business (Construction & Property Development) and provides advisory service in relation to his profession when necessary.

He is also a director of Rubberex Corporation (M) Berhad.

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

He had attended all the 9 board meetings held during the financial year ended 31 December 2010. 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 pages [37] & [39] of the Annual Report.

BOARD OF DIRECTORS (CONTINUED)



**Y.B. DATO' HAJI TAJUDDIN
BIN ABDUL RAHMAN**
63, Malaysian
Executive Director

Y.B. Dato' Haji Tajuddin bin Abdul Rahman was appointed to the Board on 20 August 2009. He obtained his Bachelor's Degree in Economics (Hons.) from University of Malaya.

He is currently the Pasir Salak Member of Parliament. He is also the Chairman of Felcra Berhad. Y.B. Dato' Haji Tajuddin was the Kampung Gajah, Perak State Assemblyman from 2004 until 2008. He started his career as Pegawai Tadbir dan Diplomatik of the Government of Malaysia in 1972 until 1973. Then he was appointed as the Sales and Marketing Manager of Cycle & Carriage (M) Sdn. Bhd. from 1973 until 1977. In 1979, he was appointed as the Managing Director of Automotive Corporation Sdn. Bhd. Group of Companies and United Straits Fuso Sdn. Bhd. He continued his services until 1982. In 2005 he was appointed as a Director of Perbadanan Kemajuan Pertanian Negeri Perak. He then resigned in 2006. From 2006 until 2007, he was a Director of Asia Brands Corporation Berhad.

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

He had attended 6 out of the 9 board meetings held during the financial year ended 31 December 2010. 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.



**Y.B.M. DATO' SERI RAJA AHMAD ZAINUDDIN
BIN RAJA HAJI OMAR**
55, Malaysian
Non Independent Non Executive

Y.B.M. Dato' Seri Raja Ahmad Zainuddin 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 is a columnist for Berita Harian since 2002 and he started as a columnist for the Oriental Daily this year. 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 7 out of the 9 board meetings held during the financial year ended 31 December 2010. 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 (CONTINUED)



**DATO' HAJI MOHD ZOLKAFLY
BIN HAJI HARUN**
54, Malaysian
Independent Non Executive

Dato' Haji Zolkafly bin Haji Harun was appointed to the Board on 4 September 2009. He is a member of the Audit Committee. He is also a member of the Remuneration and Nominating Committee of the Company. He holds a Sijil Tinggi Agama (5 Thanawi) and Malaysian Certificate Education (MCE).

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. a housing development and construction company. Previously he was a Councillor of Majlis Daerah Kuala Kangsar and Majlis Perbandaran Kuala Kangsar. He is currently the Chairman of Yayasan Sungai Siput and a member of Majlis Pengguna Daerah Kuala Kangsar, Perak.

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

He had attended 6 out of the 9 board meetings held during the financial year ended 31 December 2010. 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.

ACTING GROUP CHIEF EXECUTIVE OFFICER



ABD KARIM NAST BIN MOHD ALIAS
50, Malaysian
Acting Group Chief Executive Officer

Abd Karim Nast bin Mohd Alias was appointed as the Acting Group Chief Executive Officer on 30 March 2011. He is a member of Malaysian Institute of Certified Accountants and holds a Bachelor Degree of Accountancy (Hons.) from University of Technology MARA, Malaysia.

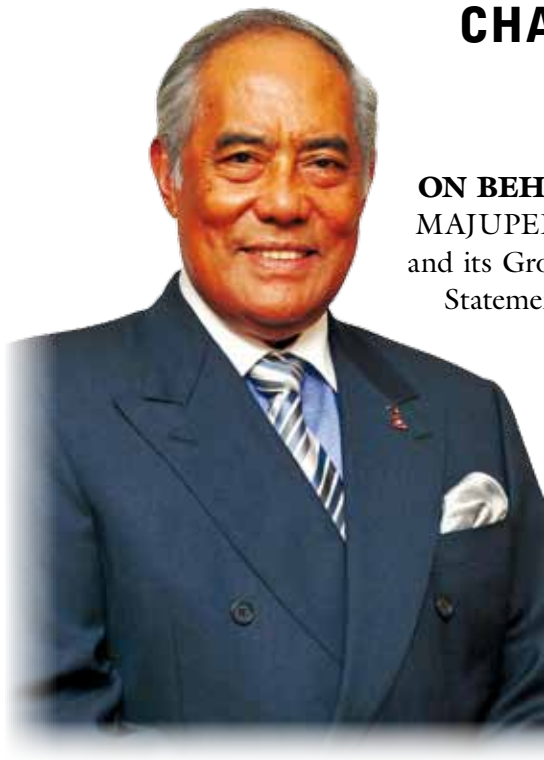
Abd Karim Nast bin Mohd Alias started his working career with Perak State Development Corporation (PSDC) in 1980 and was appointed as Sub-Accountant in 1991. He was later promoted to Accountant in 1997 and as Accounts Manager in 1999. Prior to this, he was involved in corporatization and restructuring exercise for PSDC subsidiaries to be injected into Majuperak Holdings Berhad through reverse takeover of United Chemical Industries (now Majuperak Development Bhd) a company listed in Bursa Malaysia.

He has more than 20 years experience in accounts and finance. Currently, he is the Group General Manager, Accounts & Finance, responsible for the daily financial operations, reporting and Group's subsidiaries accounting functions as well as Groups's budget.

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 shareholder 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



ON BEHALF OF THE BOARD OF DIRECTORS, I present to you MAJUPERAK HOLDINGS BERHAD (“MHB” or the “Company”) and its Group of Companies (“the Group”) Annual Report and Financial Statements for the financial year ended 31 December 2010.

OVERVIEW

2010 is still a year of uncertainty for the global economy although the worst seems to be over with the focus now on Asia, namely China and India to lead the recovery. The Group started the year 2010 on a cautious note amidst an uncertain global economy. While mindful of the challenges ahead, the Group continued to implement its business plans in accordance to the strategies that it has earlier put in place.

FINANCIAL REVIEW

The Group recorded a turnover of RM15.86 million for the financial year under review, representing an increase of 49% over the previous financial year's turnover of RM10.64 million.

For the financial year ended 31 December 2010, the Company had recorded a profit after tax of RM1.45 million compared to RM0.47 million in the preceding year. However, the Group registered a loss after tax of RM1.38 million compared to preceding year loss after tax of RM5.30 million. The loss was due to an increase in cost in property development activities and administrative expenses during the financial year 2010.

Net Assets per share of the Group as at 31 December 2010 was RM1.27.

MOVING FORWARD

For the fourth quarter of 2010, the country recorded a significant growth in the economy and this has provided cause for optimism for the year ahead. Personally I believe that while the property sector will rebound, it will only do so gradually. There will still be risks involved for developer in general and a lot will depend on the offerings, the location as well as the timing. The Group will endeavour to continue its effort in property development and will diversify its activities into other viable industries and cash generating ventures.

In the coming year, we plan to launch a number of residential products in Batu Gajah, Perak through our JV partners Xtreme New. We are confident that the take up of these products will be favourable with the pick up in demand from first time house buyers and purchasers from neighbouring area.

CHAIRMAN'S STATEMENT (CONTINUED)

We have also expected to announce our palm oil plantation of 5,000 acres of land in Mukim of Lenggong, District of Hulu Perak, Perak together with our subsidiary, Syarikat Majuperak Berhad, which will commence somewhere in second quarter of 2011. Further we are in talks with various JV partners for the development of residential area and/or a small scale township in Tapah, Perak, which are still in the pipeline as part of our short and medium term plans.

All in all, we can expect a much better year for the Company with further progress taking place in 2011.

DIVIDEND

The Board has not recommended any dividend for ordinary shareholders for the financial year under review. The Board is pleased to announce that in compliance with the terms and conditions of the Irredeemable Convertible Preference Shares ("ICPS"), a dividend of 1% shall be paid on 27 July 2011 to the ICPS holders registered on 28 June 2011 and that the balance of 2% shall be accumulated and paid in the future.

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.

APPRECIATION

On behalf of the Board, I would like to convey our gratitude to our shareholders, customers, business associates, various government and regulatory bodies as well as our partners for their contribution and unfaltering support to the Group. I would also like to express my appreciation to my fellow Directors for their untiring efforts and contributions in steering the Group through this challenging global environment in 2010.

Finally, my heartfelt thanks also to the management team and all employees of the Group for their untiring commitment, dedication and loyalty which have contributed to the continued success of the Group.

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

27 May 2011

PENYATAAN PENERUSI

BAGI PIHAK LEMBAGA PENGARAH, saya dengan ini membentangkan Laporan Tahunan dan Penyata Kewangan Bagi Tahun Berakhir 31 Disember 2010 MAJUPERAK HOLDINGS BERHAD (“MHB” atau “Syarikat”) dan Kumpulan Syarikat (“Kumpulan”).

TINJAUAN

Tahun 2010 merupakan tahun yang masih tidak menentu bagi ekonomi global walaupun keadaan ini dijangka berakhir dengan tumpuan kepada negara China dan India yang akan mendahului dalam pemulihan ekonominya di rantau Asia. Dalam tahun 2010, Kumpulan mula berwaspada terhadap status ekonomi global yang tidak menentu. Dengan mengambil berat terhadap cabaran-cabaran di hadapan, Kumpulan akan terus melaksanakan pelan-pelan perniagaan bagi mematuhi strategi-strategi yang telah sedia diatur.

ULASAN KEWANGAN

Kumpulan telah merekodkan pendapatan berjumlah RM15.86 juta bagi tahun berakhir yang diulas, di mana mewakili peningkatan melebihi 49% daripada pendapatan bagi tahun kewangan sebelumnya yang berjumlah RM10.64 juta.

Bagi tahun kewangan berakhir 31 Disember 2010, Syarikat telah merekodkan keuntungan selepas cukai sebanyak RM1.45 juta berbanding RM0.47 juta pada tahun sebelumnya. Bagaimanapun, Kumpulan telah mencatatkan kerugian selepas cukai sebanyak RM1.38 juta berbanding kerugian selepas cukai tahun sebelumnya berjumlah RM5.30 juta. Kerugian adalah disebabkan peningkatan kos di dalam aktiviti pembangunan hartanah dan perbelanjaan pentadbiran dalam tahun kewangan berkenaan.

Nilai sesaham bagi Aset Bersih Kumpulan sehingga 31 Disember 2010 adalah RM1.27.

BERGERAK KE HADAPAN

Bagi suku tahun keempat 2010, negara telah merekodkan pertumbuhan penuh bermakna di dalam ekonomi dan ini dapat memberi keyakinan dan harapan bagi tahun hadapan yang mendatang. Secara peribadi, saya percaya sektor hartanah akan melambung, namun ia hanya berlaku secara beransur-ansur. Masih ada risiko yang terlibat terhadap pemaju secara amnya dengan bergantung kepada faktor-faktor harga tawaran, lokasi dan juga masa. Kumpulan akan berusaha untuk meneruskan usaha dalam pembangunan hartanah dan mempelbagaikan aktiviti-aktiviti dalam pelbagai industri dan hubungan usahasama yang mampu menjana tunai.

Bagi tahun mendatang, kami merancang untuk melancarkan beberapa produk kediaman di Batu Gajah, Perak melalui rakan usahasama Xtreme New. Kami yakin dengan produk berkenaan akan mampu menarik minat dan permintaan di kalangan pembeli rumah kediaman yang baru pertama kali membeli rumah dari kawasan kejiranan berhampiran.

PENYATAAN PENERUSI (SAMBUNGAN)

Kami juga menjangkakan untuk mengumumkan pembangunan perladangan kelapa sawit di atas tanah seluas 5,000 ekar di Mukim Lenggong, Daerah Hulu Perak, Perak Darul Ridzuan oleh anak syarikat kami, Syarikat Majuperak Berhad, yang dijangka dilaksanakan sekitar suku tahun kedua 2011. Selanjutnya, pihak kami juga sedang berbincang dengan pelbagai rakan usahasama bagi membangunkan kawasan kediaman dan/atau bandar-bandar kecil di Tapah, Perak yang kini di peringkat kerja-kerja awalan sebagai sebahagian pelan-pelan jangka masa terdekat dan akan datang.

Justeru, kami menjangkakan tahun mendatang yang lebih baik untuk Syarikat dengan pembaharuan yang bakal berlaku di tahun 2011.

DIVIDEN

Lembaga tidak mencadangkan bayaran dividen untuk pemegang-pemegang saham biasa bagi tahun kewangan yang diulas. Lembaga Pengarah, dengan sukacitanya mengumumkan dengan mematuhi terma-terma dan syarat-syarat “Irredeemable Convertible Preference Shares (“ICPS”), dividen sebanyak 1% akan dibayar pada 27 Julai 2011 kepada para pemegang ICPS yang didaftarkan pada 28 June 2011 dan baki 2% akan terkumpul dan dijelaskan pada masa hadapan.

TADBIRURUS KORPORAT

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

PENGHARGAAN

Bagi pihak Lembaga Pengarah, saya dengan hormatnya menyampaikan ucapan terima kasih kepada para pemegang saham kami, pelanggan-pelanggan, rakan perniagaan, badan-badan kerajaan dan berkanun serta rakan kongsi kami terhadap sumbangan dan sokongan tidak berbelah bagi kepada Kumpulan. Saya juga ingin menyampaikan penghargaan kepada rakan ahli lembaga pengarah untuk usaha yang tidak mengenal jemu dan sumbangan dalam mengemudikan Kumpulan dengan persekitaran global yang mencabar pada tahun 2010.

Akhir sekali, ucapan terima kasih juga ditujukan kepada pasukan pengurusan dan semua kakitangan Kumpulan untuk usaha dan komitmen yang tidak mengenal jemu, dedikasi dan kesetiaan yang diberikan yang telah menyumbang kepada kejayaan berterusan kepada Kumpulan.

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

Pengerusi

27 Mei 2011

STATEMENT ON CORPORATE GOVERNANCE

PURSUANT TO PARAGRAPH 15.25 OF THE LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD

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 Composition

The Board presently consists of seven (7) members, comprising four (4) Independent Non Executive Directors including the Chairman, two (2) Executive Directors 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.

Responsibility of the Board

The Board retains full and effective control of the Company and is responsible for the Group’s overall 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 emphasises 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 nine (9) meetings to review and discuss the Group’s operations as well as to approve quarterly reports and annual financial statements. The Board papers were circulated in advance to facilitate informed decision making at every meeting. 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 governed by the Listing Requirements of Bursa Malaysia Securities Berhad to undertake additional measures, principles and recommendations embodied in Malaysia Code on Corporate Governance and strives to adopt the substance and not merely the form behind the corporate governance prescription.

STATEMENT ON CORPORATE GOVERNANCE (CONTINUED)

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 <i>Chairman, Independent/Non Executive</i>	9 of 9	100%
Tan Sri Dato' (Dr) Abdul Aziz bin Abdul Rahman <i>Independent/Non Executive</i>	9 of 9	100%
Abdul Aziz bin Subali <i>Executive Director</i>	9 of 9	100%
Haji Mustapha bin Mohamed <i>Independent/Non Executive</i>	9 of 9	100%
YB Dato' Tajuddin bin Abdul Rahman <i>Executive Director</i>	6 of 9	70%
Y.B.M. Dato' Seri Raja Ahmad Zainuddin bin Raja Haji Omar <i>Non Independent/Non Executive</i>	7 of 9	80%
YBhg. Dato' Haji Mohd Zolkafly bin Haji Harun <i>Independent/Non Executive</i>	6 of 9	70%

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 seek the advice and services of the Company Secretary

Directors' Training

The Board is committed to continuous training to enable the directors to effectively discharge their duties. The directors who had attended and successfully completed the following courses were as follows:

- (i) **Tan Sri Dato' Seri Megat Najmuddin bin Datuk Seri Dr Megat Khas**
- ~ MICG Annual Directors Duties and Governance Conference "Towards Boardroom Excellence and Corporate Governance Best Practices" by MICG, FPLC on 13-14/1/2010
 - ~ Corporate Governance Week by MICG, Bursa Malaysia on 28/6-2/7/2010
 - ~ Asia Pacific Audit & Governance Summit by Columbus Circle on 29-30/6/2010
 - ~ National Procurement Guidelines Forum "Understanding The Integrity Pack & The Dos and Don'ts in Government Procurement For The Public & Private Sector" by MICG on 22/7/2010
 - ~ The Role of Corporate Governance in Enhancing Organisational Growth and Sustainability by Bahrain Accountants Assn on 1-3/11/2010
 - ~ MICG Updates On Regulatory Framework and Directors Duties 2010 "What Directors Need To Know" by MICG on 24/11/2010

STATEMENT ON CORPORATE GOVERNANCE (CONTINUED)

- ii) **Abdul Aziz bin Subali**
Tax Risk Management – Preparing Ahead for Tax Audits by KPMG Tax Services Sdn. Bhd. on 5/5/2011
- (iii) **Tuan Haji Mustafa bin Mohamed**
Risk Management by The Malaysian Institute of Certified Public Accountants (MICPA) on 19/10/2010

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 2010:

Members	No. of meetings attended	Percentage
Tan Sri Dato Seri Megat Najmuddin bin Datuk Seri Dr Haji Megat Khas <i>Chairman, Senior Independent/Non Executive</i>	2 of 2	100%
Tan Sri Dato’ (Dr) Abdul Aziz bin Abdul Rahman <i>Independent/Non Executive</i>	2 of 2	100%
YBhg. Dato’ Haji Mohd Zolkafly bin Haji Harun <i>Independent/Non Executive</i>	1 of 2	50%

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 reviews 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 the responsibility of the Board as a whole after considering recommendations from the NRC 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.

STATEMENT ON CORPORATE GOVERNANCE (CONTINUED)

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.

The remuneration of the directors of the Company for the financial year ended 31 December 2010 is as follows:

	Fee RM	Other Than Fee RM	TOTAL RM
Company:			
Tan Sri Dato' Seri Megat Najmuddin bin Datuk Seri Dr. Haji Megat Khas	50,000	–	50,000
Tan Sri Dato' (Dr) Abdul Aziz bin Abdul Rahman	42,000	–	42,000
Abdul Aziz bin Subali	–	98,565	98,565
Tuan Haji Mustapha bin Mohamed	30,000	–	30,000
Y.B.M. Dato' Seri Raja Ahmad Zainuddin bin Raja Hj Omar	24,000	–	24,000
Y.B. Dato' Tajuddin bin Abdul Rahman	–	96,000	96,000
Dato' Haji Mohd Zolkafly bin Haji Harun	31,600	–	31,600
	<hr/> 177,600	<hr/> 194,565	<hr/> 372,165
In Subsidiaries:			
Y.B.M. Dato' Seri Raja Ahmad Zainuddin bin Raja Hj Omar	–	96,000	96,000
Tuan Haji Mustapha bin Mohamed	1,874	–	1,874
	<hr/> 179,474	<hr/> 290,565	<hr/> 470,039

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 releases 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 ("BMSB") website.

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.

STATEMENT ON CORPORATE GOVERNANCE (CONTINUED)

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 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 BMSB 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 scrutinizing information for disclosure to ensure accuracy, adequacy and completeness. The Statement of Directors’ Responsibilities pursuant to Section 169 of the Companies Act, 1965 is set out on page [41] 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 [25] to [26] 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 [27] to [31]. 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.

CORPORATE SOCIAL RESPONSIBILITY (“CSR”)

The Company has established a CSR framework which places a firm commitment towards achieving a balance between profitability and contributions in CSR activities. With the CSR framework in place, the Company and its subsidiaries strive to integrate CSR initiatives in every aspect of its business focusing on its employees, its shareholders, its customers, the environment and society as a whole, in addition to complying with all applicable legal and regulatory requirements.

STATEMENT ON CORPORATE GOVERNANCE (CONTINUED)

The Group has contributed and shall continuously endeavor to play a positive role towards the following CSR activities:-

- Developing housing schemes with public amenities, infrastructures and ample space to be utilized by the community such as green areas, playing grounds and football fields.
- Adopted a family from the hard-core poverty groups in order to improve the economic situation of the respective family.
- Involved in youth development by providing training facilities 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:

- 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;
- 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;
- There is formal succession planning within the organisation* — Middle Management is constantly being informally appraised to assess their capability of taking over the Senior Management positions;
- 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 remuneration 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 10 May 2011.

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 Securities") 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 Securities 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 recognizes 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 department of the ultimate holding corporation; 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.
- **Key Management Staff**
Nomination of key management staff in each operating unit to prepare action plans, with implementation time-scales to address any risks and control issues.
- **Risk Management Reporting**
Reporting by the head of operating units/management staff to the Group risk.

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:

- **Organizational Structure**

The Group has in place an organizational 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

The Audit Committee was established on 21 May 2007 to act as a Committee for the Board of Directors.

The attendance of the members of the Audit Committee during the financial year 2010 is 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>Member/Independent Non-Executive Director</i>	7 of 7	100%
YBhg. Dato' Mohd Zolkafly bin Haji Harun <i>Member/Independent Non-Executive Director</i>	6 of 7	90%

OBJECTIVES

The objectives of the Audit Committee are:-

1. To ensure openness, integrity and accountability in the Group's activities so as to safeguard the rights and interests of the shareholders.
2. To provide assistance to the Board in fulfilling its fiduciary responsibilities relating to corporate accounting and reporting practices.
3. To improve the Group's business efficiency, the quality of accounting and audit function and strengthening the public's confidence in the Group's reported results.
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.

MEMBERSHIP

1. The Committee shall be appointed by the Board of Directors amongst the Directors of the Company subject always to the following requirements:
 - (a) the members of the Committee shall consist of not less than 3 members;
 - (b) a majority of the Committee members 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 Malaysia 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
 - (bb) he must be a member of one the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
 - (cc) fulfills such other requirement as prescribed or approved by Bursa Malaysia Securities Berhad.

AUDIT COMMITTEE REPORT (CONTINUED)

2. The members of the Committee shall elect a Chairman from among themselves who shall be an independent non-executive director.
3. No alternate directors shall be appointed to the Committee.
4. If membership for any reason falls below 3 members, the Board of Directors shall, within 3 months of that event, 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's statement of financial position, statement of comprehensive income, cash flow statement and key performance indicators; and
 - (c) the ability to understand key business and financial risks 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 the 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 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 meetings of the Committee shall normally be attended by the Internal Auditors and the Management of the Company shall be represented by the Chief Executive Officer and the Group General Manager of Finance and Accounts, or their nominated person(s), at the invitation of the Committee and shall excuse themselves from the meeting when so directed by the Committee. The Committee may request other directors, members of management, External Auditors, counsels, applicable to participate in the Committee meetings, as necessary and when so invited, to carry out the Committee's responsibilities.
- (b) During the financial year ended 31 December 2010 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 [27].

6. Reporting Procedure

The minutes 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 procedures, 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.

RIGHTS

The Committee in performing its duties in accordance with procedures 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 Group and 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 the internal auditor and external auditor, including the attendance of the executive members of the Committee, whenever deemed necessary.

FUNCTIONS

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 management and the external auditors, the results of the audit, including any difficulties encountered.
- (d) 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 risks 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 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 the Audit Committee were as follows:

1. Review and approve the internal audit plan for the period from 1 October 2009 to 30 September 2010.
2. Review and approve the External Auditors audit findings, the audit report and recommendations in respect of control weaknesses noted in the course of their audit.
3. Review of the audited financial statements of the Group and Company for year ended 31 December 2010 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. Review of related party transactions entered into by 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 was outsourced with effect from 7 October 2009. The Internal Auditors report directly to the Audit Committee and assist the Board of Directors in fulfilling its fiduciary responsibilities over the areas of internal control systems, risk management and corporate governance process.

The Internal Auditors provide the Audit Committee with independent and objective reports on the matters mentioned above, highlighting any areas for improvement and updates on the extent to which the recommendations have been implemented. The managements of the Company and of the companies within the Group are responsible for ensuring that corrective actions on reported weaknesses as recommended are taken within the required time frame to ensure that all potential weaknesses in systems and risks under reviewed areas are mitigated or remain within manageable levels.

The cost incurred during the financial year ended 31 December 2010 for the internal audit function at the Group Corporate Office level was approximately RM26,000 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 8th AGM to the next AGM date (RM)
MHB	PKNP	Rental of office space by MHB ¹	@	*	296,000
MPM	PKNP	Management services provided by MPM for managing PKNP's Properties	@	*	360,000
MHB	PKNP	Management services provided by MHB for managing the bamboo harvesting project	@	*	40,000
Total					656,000
Transacting company within the MHB Group	Related Transacting Party	Nature of transactions	Related Parties	Nature of Relationship	Proposed New Shareholders' Mandate
					Estimated aggregate value to be incurred from the 8th AGM to the next AGM date (RM)
MHB	PKNP	Pension contribution for PKNP's staff seconded to MHB	@	*	169,940
Total					169,940

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

Notes:

- * PKNP is a major shareholder of MHB with 53.05% equity interest in MHB Shares and 52.03% equity interest in the ICPS of RM0.50 each in MHB as at 5 May 2011. 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 & 8th Floor at Wisma Wan Mohamed located on Jalan Panglima Bukit Gantang Wahab, 30000 Ipoh, Perak Darul Ridzuan, measuring approximately 8,117 square feet and 1,734 square feet respectively for a total monthly rental of RM24,628 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 2010

(ABOVE RM1 MILLION)

Name of Owner	Title/ Location	Tenure/Age of Building	Land Use	Land Area/ Built up Area	Net Book value as at 31.12.2010 (RM)	Acquisition Date
A. INVESTMENT PROPERTIES						
Tenaga Danawa Sdn Bhd (a subsidiary of Majuperak Development Bhd)	PT 4190, HS(D) DGS 11902, Teluk Dalam, Pangkor Mukim Lumut, District of Manjung, Perak	99 years lease expiring on 2096/6 yrs	20 units Apartment	12,000 sq.ft.	1,260,000	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 2086/24 yrs	10 Storey Office Building	24,089 sq.ft./ 72,602 sq.ft.	5,627,640	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 2095/74 yrs	Commercial/ Office Building/ Parking	71,586 sq.ft./ 8,085 sq.ft.	3,857,131	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 Bhd)	Off 9th 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	143.11 acres	1,302,203	2002

LIST OF PROPERTIES AS AT 2010 (CONTINUED)

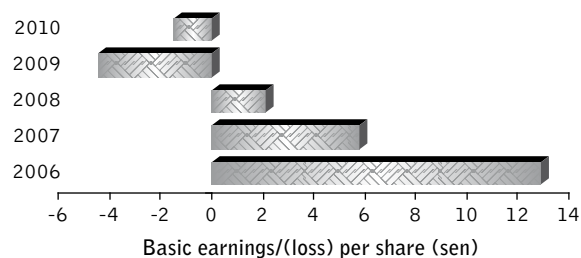
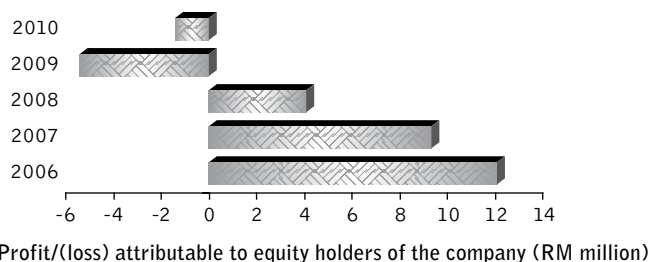
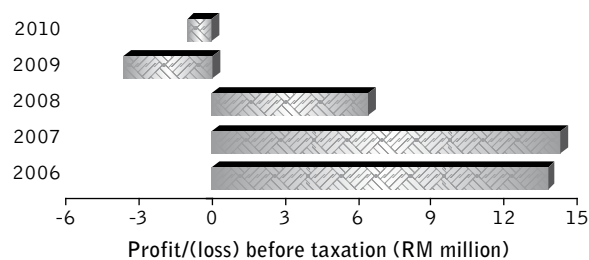
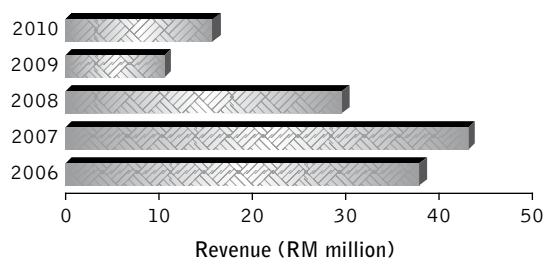
Name of Owner	Title/ Location	Tenure/Age of Building	Land Use	Land Area/ Built up Area	Net Book value as at 31.12.2010 (RM)	Acquisition Date
Jua Juara Sdn Bhd (a subsidiary of Majuperak Development Bhd)	Mukim of Ulu Bernam, District of Batang Padang, Perak, located off the 2½ M.S. Jalan Slim Lama and lies adjoining the Bernam Industrial Park, Proton City, Tanjung Malim, Perak^	# 99 years	a) Residential/ Commercial b) Industry c) Agriculture	203.44 acres	1,919,724	2002
Tenaga Danawa Sdn Bhd (a subsidiary of Majuperak Development Bhd)	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 lots)	Leasehold of 99 years expiring in year 2099	Commercial / Residential	7.63 acres	2,675,264	2000
Tenaga Danawa Sdn Bhd (a subsidiary of Majuperak Development Bhd)	Tapah Road, District of Batang Padang, Perak (UCM)	# 99 years	Residential/ Commercial	175 acres		
	Aportion of the above land, title issued PT67488 HSD 17221	Leasehold of 99 yrs expiring in 2110	Residential/ Commercial	100 acres	16,500,000	2006
Majuperak Bina Sdn Bhd (subsidiary of Syarikat Majuperak Bhd)	Part of Lot No 41396, Off Tambun-Tanjung Rambutan, Mukim Hulu Kinta, District of Kinta	*99 years	Residential	5.00 acres	1,923,087	2001

Notes:

* In the process of issuing individual titles

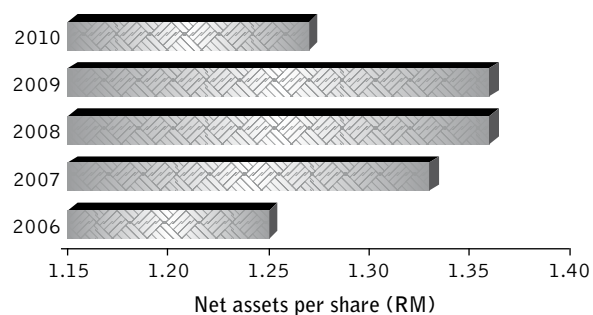
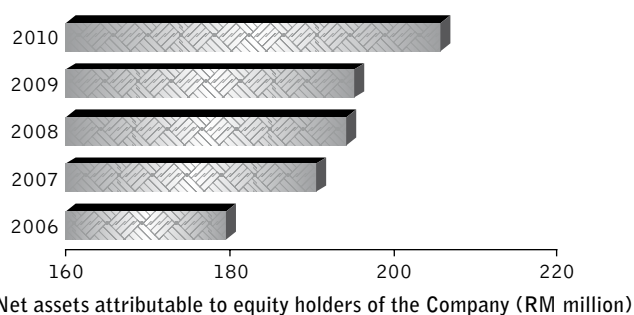
In the process of issuing block titles

GROUP FINANCIAL HIGHLIGHTS



Financial results

	2010	2009	2008	2007	2006
Revenue (RM'000)	15,863	10,641	29,715	43,218	37,983
Profit/(loss) before taxation (RM '000)	(998)	(3,647)	6,434	14,343	13,814
Profit/(loss) attributable to equity holders of the parent (RM '000)	(1,407)	(5,366)	4,083	9,320	12,032
Basic earnings/(loss) per share (sen)	(1.48)	(4.46)	2.15	5.82	12.94



Financial Position

	2010	2009	2008	2007	2006
Total Assets (RM '000)	278,223	290,827	300,398	301,075	375,307
Total Liabilities (RM '000)	71,940	95,097	105,584	109,978	195,321
Net Assets Attributable to equity holders of the parent (RM '000)	205,710	195,180	194,327	190,652	179,575
Number of Ordinary shares issued and fully paid ('000 shares)	161,957	143,164	143,164	143,164	143,164
Net Assets per share (RM)	1.27	1.36	1.36	1.33	1.25

ANALYSIS OF SHAREHOLDING

ORDINARY SHARES

Authorised Share Capital	:	RM425,000,000
Issued and Fully Paid	:	RM80,978,474
Class of Shares	:	Ordinary Shares of RM0.50 each
Voting Rights	:	One vote per RM0.50 share

Distribution of Shareholdings as at 5 May 2011

No. of Holders	Holdings	Total Holdings	%
459	less than 100	15,618	0.01
1,637	100 - 1,000	994,205	0.60
1,854	1,001 - 10,000	6,405,605	3.88
444	10,001 - 100,000	15,236,352	9.22
60	100,001 - 8,259,770*	33,010,541	19.98
4	8,259,771** and above	109,533,105	66.31
<u>4,458</u>		<u>165,195,426</u>	<u>100.00</u>

* Less than 5% of issued holdings ** 5% and above of issued holdings

Substantial Shareholder in the Company as at 5 May 2011

	No. of shares held			
	Direct	%	Deemed	%
Perbadanan Kemajuan Negeri Perak	88,188,918	53.05	–	–

Directors' Shareholdings in the Company as at 5 May 2011

	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	–	–

Directors' Shareholdings In Related Corporations as at 5 May 2011

The Directors' shareholdings in related corporations are as disclosed in the Directors' Report on pages 1 to 5.

ANALYSIS OF SHAREHOLDING (CONTINUED)

Thirty (30) Largest Registered Shareholders as at 5 May 2011

	Name	No. of Shares	%
1	Perbadanan Kemajuan Negeri Perak	74,639,344	45.18
2	BI Credit & Leasing Berhad	13,549,574	8.20
3	Perbadanan Kemajuan Negeri Perak	13,000,000	7.87
4	ABB Nominee (Tempatan) Sdn Bhd <i>(Affin Bank Berhad (Loan Recovery))</i>	8,344,187	5.05
5	Ladang Jalong Sdn Bhd	6,214,250	3.76
6	KUB Malaysia Berhad	4,328,707	2.62
7	EB Nominees (Tempatan) Sendirian Berhad <i>(Cherry Blossom Sdn Bhd (IPO))</i>	4,038,686	2.44
8	Sikap Utama Sdn Bhd	2,162,150	1.31
9	Fast Continent Sdn Bhd	1,272,357	0.77
10	Cheah See Han	1,166,550	0.71
11	UOBM Nominees (Tempatan) Sdn Bhd <i>(United Overseas Bank (Malaysia) Bhd (PCP))</i>	1,146,606	0.69
12	Lim Han Kong	843,500	0.51
13	CIMSEC Nominees (Asing) Sdn Bhd <i>(CIMB Securities (Singapore) Pte Ltd (Retail Clients))</i>	600,000	0.36
14	AMSEC Nominees (Tempatan) Sdn Bhd <i>(Ambank (M) Berhad For MBF Leasing Sdn Bhd)</i>	589,100	0.36
15	Tan Ching Ching	544,872	0.33
16	SSF Venture Sdn. Bhd.	495,000	0.30
17	Chan Wan Moi	418,329	0.25
18	OSK Nominees (Tempatan) Sdn Berhad <i>(Tan Ming Wai)</i>	370,900	0.22
19	Tee Yam	357,150	0.22
20	Mayban Securities Nominees (Tempatan) Sdn Bhd <i>(Lim Paik Hong (REM 156))</i>	353,000	0.21
21	Yayasan Akalbudi	340,000	0.21
22	Lee Keong Fatt	335,733	0.20
23	Behrang 2020 Sdn Bhd	327,150	0.20
24	Kenanga Nominees (Tempatan) Sdn Bhd <i>(Adam Lee bin Abdullah (ET))</i>	310,000	0.19
25	Chia Song Swa	299,000	0.18
26	Lim Siew Sooi	258,000	0.16
27	Citigroup Nominees (Tempatan) Sdn Bhd <i>(Song Soon Hee (470272))</i>	250,000	0.15
28	Chai Siak Huat	250,000	0.15
29	OSK Nominees (Tempatan) Sdn Berhad <i>(Lim Soon Kim)</i>	250,000	0.15
30	Ong Har Hong	222,372	0.13
	Total	137,276,517	83.10

ANALYSIS OF SHAREHOLDING (CONTINUED)

IRREDEEMABLE CUMULATIVE PREFERENCE SHARES (“ICPS”)

Authorised Share Capital	:	RM75,000,000
Issued and Fully Paid	:	RM67,925,571
Class of Shares	:	ICPS of RM0.50 each
Voting Rights	:	No voting rights

Distribution of Shareholdings as at 5 May 2011

No. of Holders	Holdings	Total Holdings	%
154	less than 100	5,681	11.82
81	100 - 1,000	43,457	6.22
358	1,001 - 10,000	1,835,700	27.48
617	10,001 - 100,000	19,643,896	47.35
91	100,001 - 6,565,736*	26,940,076	6.98
2	6,565,736** and above	82,755,932	0.15
<u>1,303</u>		<u>131,224,742</u>	<u>100.00</u>

* Less than 5% of issued holdings ** 5% and above of issued holdings

Substantial Shareholder in the Company as at 5 May 2011

	No. of shares held			
	Direct	%	Deemed	%
Perbadanan Kemajuan Negeri Perak	68,326,737	52.03	–	–

Directors' Shareholdings in the Company as at 5 May 2011

	No. of shares held			
	Direct	%	Deemed	%
Haji Mustapha bin Mohamed	371	negligible	–	–

Directors' Shareholdings In Related Corporations as at 5 May 2011

The Directors' shareholdings in related corporations are as disclosed in the Directors' Report on pages 1 to 5.

ANALYSIS OF SHAREHOLDING (CONTINUED)

Thirty (30) Largest Registered Shareholders as at 5 May 2011

	Name	No. of Shares	%
1	Perbadanan Kemajuan Negeri Perak	68,326,737	52.03
2	KUB Malaysia Berhad	14,429,195	10.99
3	Syabas Laksana Sdn Bhd	3,288,560	2.50
4	Lim Sze Aik	1,431,900	1.09
5	OSK Nominees (Tempatan) Sdn Berhad (<i>Lim Soon Kim</i>)	1,098,000	0.84
6	Chong Siow Fah	1,009,000	0.77
7	Chua Siow Yee	935,000	0.71
8	AMSEC Nominees (Tempatan) Sdn Bhd (<i>Kek Chong Hwee</i>)	700,000	0.53
9	Seraya Sdn Bhd	647,579	0.49
10	OSK Nominees (Tempatan) Sdn Berhad (<i>Southern Integrated City Sdn Bhd</i>)	638,000	0.49
11	TA Nominees (Tempatan) Sdn Bhd (<i>Chong Tho Chin @ Chong Jho Chin</i>)	600,000	0.46
12	Lim Han Kong	556,200	0.42
13	Koh Sooi Kwang	550,000	0.42
14	Lim Guek Luan	550,000	0.42
15	OSK Nominees (Tempatan) Sdn Berhad (<i>Lee Hong Chye</i>)	538,000	0.41
16	OSK Nominees (Tempatan) Sdn Berhad (<i>Tan Ming Wai</i>)	448,800	0.34
17	Public Nominees (Tempatan) Sdn Bhd (<i>Syed Azman bin Syed Mohd</i>)	446,940	0.34
18	Tan Tiang Choon	400,000	0.30
19	HDM Nominees (Tempatan) Sdn Bhd (<i>Chew Chee Keow</i>)	380,000	0.29
20	Lau Joo Seng	376,000	0.29
21	Chong Siow Fah	371,000	0.28
22	Su Kim Hock	365,000	0.28
23	Bek Thiam Hong	360,000	0.27
24	Ng Poh Hwa	350,000	0.27
25	Adam bin Mohd Taib	336,741	0.26
26	AFFIN Nominees (Tempatan) Sdn Bhd (<i>Ter Hong Ching</i>)	303,000	0.23
27	Kek Tian Wan @ Kek Tong Chor	300,000	0.23
28	RHB Nominees (Tempatan) Sdn Bhd (<i>Soo Siew Seng</i>)	300,000	0.23
29	Teoh Cha Boo	295,000	0.22
30	Chiang Jiann Ter	260,000	0.20
	Total	100,590,652	76.60

DIRECTORS' STATEMENT OF RESPONSIBILITY

PURSUANT TO PARAGRAPH 15.27(A) OF THE MAIN MARKET LISTING
REQUIREMENTS 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 appropriate 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 keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company to 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.

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DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

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 2010.

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 16 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 (loss)/profit for the year	<u>(1,384,924)</u>	<u>1,457,069</u>
(Loss)/Profit attributable to:		
Equity holders of the Company	(1,407,450)	1,457,069
Minority interest	22,526	–
	<u>(1,384,924)</u>	<u>1,457,069</u>

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 17 June 2010 and paid on 16 July 2010.	<u>679,253</u>

In respect of the next financial year ending 31 December 2011, 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.

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 provisions for doubtful debts, and satisfied themselves that at the date of this report, all known bad debts had been written off and adequate provision 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 written off for bad debts or the amount of provision 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 2010 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 Group's and the Company's 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 which secures the liabilities of any other person; or
- b) any contingent liability of the Group or of the Company 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
Y.B. Dato' Haji Tajuddin bin Abdul Rahman
Dato' Haji Mohd Zolkafly bin Haji Harun
Abdul Aziz bin Subali
Haji Mustapha bin Mohamed

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 have 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, Abdul Aziz bin Subali, and Haji Mustapha bin Mohamed retires 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 01.01.2010	Bought/(Sold)	Balance at 31.12.2010
Tan Sri Dato' (Dr) Abdul Aziz bin Abdul Rahman	32	—	32
Abdul Aziz bin Subali	17,844	—	17,844
Mustapha bin Mohamed	922	—	922

DIRECTORS' REPORT (CONTINUED)

DIRECTORS AND THEIR SHAREHOLDINGS...(Cont'd.)

	Number of ICPS* shares of RM0.50 each		
	Balance at 01.01.2010	Bought/(Sold)	Balance at 31.12.2010
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 or the fixed salary of a full time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might 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 issued 18,792,960 ordinary shares of RM0.50 each arising from the conversion of RCSLS and RCULS into ordinary shares.

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: 26 April 2011

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 11 to 73 are drawn up in accordance with the applicable approved accounting standards for entities other than private entities in Malaysia and the provisions of Companies Act, 1965 so as to give a true and fair view of the state of affairs the Group and of the Company as at 31 December 2010 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: 26 April 2011

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 11 to 73 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 26 April 2011

}

Before me,

Nasaruddin bin Ahmad (A181),
No. 25 Jalan Tun Sambanthan,
30000 Ipoh, Perak Darul Ridzuan,
Malaysia.

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 as at 31 December 2010 of the Group and of the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flow of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 11 to 73.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the applicable approved accounting standards for entities other than private entities 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 and fair presentation of the financial statements 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 applicable approved accounting standards for entities other than private entities 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 2010 and of its financial performance and cash flows for the financial 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 provision of the Act.
- b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- c) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

The supplementary information set out in Note 39 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 Malaysia 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...(Cont'd.)

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: 26 April 2011

Mohd Neezal Noordin

No: 2162/06/11 (J)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2010

	NOTE	31.12.2010 RM	31.12.2009 As restated RM	01.01.2009 As restated RM
ASSETS				
Non-current assets				
Property, plant and equipment	4	6,094,526	13,362,818	13,439,467
Investments securities	6	8,000,240	8,035,240	8,035,240
Investment properties	7	6,147,690	7,904,927	8,026,889
Land held for property development	8	170,473,175	172,987,658	170,132,949
Development expenditure	9	1,467,204	610,362	621,047
Goodwill on consolidation	10	9,636,260	9,636,260	9,636,260
		<u>201,819,095</u>	<u>212,537,265</u>	<u>209,891,852</u>
Current assets				
Investments securities	6	700,512	888,462	943,902
Trade receivables	11	26,210,060	32,389,737	36,911,134
Other receivables, deposits and prepayments	12	23,370,400	13,590,043	13,906,758
Inventories	13	6,881,825	10,226,190	11,004,013
Property development cost	14	4,844,781	4,898,734	8,155,620
Amount due from related companies	15	9,420,743	10,794,158	9,534,407
Amount due from associated companies	16	–	14,495	14,495
Deposits, cash and bank balances	17	4,975,751	5,488,196	10,036,078
		<u>76,404,072</u>	<u>78,290,015</u>	<u>90,506,407</u>
TOTAL ASSETS		<u>278,223,167</u>	<u>290,827,280</u>	<u>300,398,259</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	NOTE	31.12.2010 RM	31.12.2009 As restated RM	01.01.2009 As restated RM
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent				
Share capital	18	148,904,045	139,507,565	139,507,565
Share premium		30,688,796	26,930,204	26,930,204
RCSLs	19	–	1,329,941	1,564,660
RCULs	20	–	1,312,399	1,486,613
Retained profit		26,117,111	26,099,509	24,838,395
Shareholders' equity		205,709,952	195,179,618	194,327,437
Minority interest	21	573,069	550,543	487,238
Total equity		206,283,021	195,730,161	194,814,675
LIABILITIES				
Current liabilities				
Trade payables		6,330,512	6,010,490	9,082,018
Other payables and accruals	22	7,918,564	14,795,005	16,644,546
Amount due to related companies	15	9,290,278	12,495,000	11,555,782
Amount due to holding corporation	23	9,314,547	4,903,283	2,070,279
Provision for retrenchment benefit	24	980,020	1,033,285	1,033,285
Bank borrowings	25	726,787	965,810	851,726
Hire purchase payables	26	73,008	84,840	50,436
Provision for taxation		2,115,125	5,178,969	6,270,984
		36,748,841	45,466,682	47,559,056

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	NOTE	31.12.2010 RM	31.12.2009 As restated RM	01.01.2009 As restated RM
Non-current liabilities				
RCSLs	19	–	6,220,779	6,929,900
RCULs	20	–	4,291,952	4,818,282
Bank borrowings	25	–	2,218,061	5,593,061
Hire purchase payables	26	302,866	236,792	111,958
Deferred taxation	27	29,339,851	31,442,741	38,691,260
Amount due to holding corporation	23	5,548,588	5,220,112	1,880,067
		<u>35,191,305</u>	<u>49,630,437</u>	<u>58,024,528</u>
TOTAL LIABILITIES		<u>71,940,146</u>	<u>95,097,119</u>	<u>105,583,584</u>
TOTAL EQUITY AND LIABILITIES		<u>278,223,167</u>	<u>290,827,280</u>	<u>300,398,259</u>

See accompanying notes to the financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2010

	NOTE	31.12.2010 RM	31.12.2009 As restated RM	01.01.2009 As restated RM
ASSETS				
Non-current assets				
Property, plant and equipment	4	260,178	7,400,953	7,383,698
Investment in subsidiary companies	5	148,259,843	148,127,743	148,127,743
Other investment	6	200,000	200,000	200,000
Investment properties	7	174,739	1,849,205	1,888,397
Development expenditure	9	224,362	224,362	212,293
		<u>149,119,122</u>	<u>157,802,263</u>	<u>157,812,131</u>
Current assets				
Other receivables, deposits and prepayments	12	10,843,574	2,203,762	2,169,046
Inventories	13	–	–	–
Property development cost	14	–	–	–
Amount due from subsidiary companies	5	38,760,021	23,698,028	25,208,274
Amount due from related companies	15	1,219,429	1,498,787	1,650,000
Deposits, cash and bank balances	17	30,659	122,540	137,299
		<u>50,853,683</u>	<u>27,523,117</u>	<u>29,164,619</u>
TOTAL ASSETS		<u>199,972,805</u>	<u>185,325,380</u>	<u>186,976,750</u>

STATEMENT OF FINANCIAL POSITION (CONTINUED)

	NOTE	31.12.2010 RM	31.12.2009 As restated RM	01.01.2009 As restated RM
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent				
Share capital	18	148,904,045	139,507,565	139,507,565
Share premium		30,688,796	26,930,204	26,930,204
RCSLs	19	–	1,329,941	1,564,660
RCULs	20	–	1,312,399	1,486,613
Retained profit		3,783,101	3,005,285	3,266,745
Shareholders' equity		183,375,942	172,085,394	172,755,787
Total equity		183,375,942	172,085,394	172,755,787
LIABILITIES				
Current liabilities				
Other payables and accruals	22	1,145,799	2,344,660	2,108,444
Amount due to related companies	15	33,464	–	–
Amount due to subsidiary companies	5	321,524	105,401	79,159
Amount due to holding corporation	23	9,314,547	196,201	128,178
Hire purchase payables	26	12,778	–	–
Provision for taxation		93,907	80,993	157,000
		10,922,019	2,727,255	2,472,781

STATEMENT OF FINANCIAL POSITION (CONTINUED)

	NOTE	31.12.2010 RM	31.12.2009 As restated RM	01.01.2009 As restated RM
Non-current liabilities				
RCSLs	19	-	6,220,779	6,929,900
RCULs	20	-	4,291,952	4,818,282
Amount due to holding corporation	23	5,548,588	-	-
Hire purchase payables	26	126,256	-	-
		<u>5,674,844</u>	<u>10,512,731</u>	<u>11,748,182</u>
TOTAL LIABILITIES		<u>16,596,863</u>	<u>13,239,986</u>	<u>14,220,963</u>
TOTAL EQUITY AND LIABILITIES		<u>199,972,805</u>	<u>185,325,380</u>	<u>186,976,750</u>

See accompanying notes to the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	NOTE	GROUP		COMPANY	
		2010 RM	2009 RM	2010 RM	2009 RM
Revenue		15,863,459	10,640,943	2,432,951	2,880,269
Cost of sales		(10,190,994)	(6,926,467)	–	–
Gross profit		5,672,465	3,714,476	2,432,951	2,880,269
Other income		3,922,400	1,941,128	2,577,450	–
Administrative expenses		(9,729,583)	(9,037,469)	(2,746,185)	(2,151,179)
(Loss)/Profit from operation	28	(134,718)	(3,381,865)	2,264,216	729,090
Finance costs	29	(862,926)	(265,268)	(794,233)	(230,304)
(Loss)/Profit before taxation		(997,644)	(3,647,133)	1,469,983	498,786
Taxation	30	(387,280)	(1,655,117)	(12,914)	(80,993)
(Loss)/Profit for the year		(1,384,924)	(5,302,250)	1,457,069	417,793
Other comprehensive income		–	–	–	–
Total comprehensive (loss)/ income for the year		(1,384,924)	(5,302,250)	1,457,069	417,793
(Loss)/Profit attributable to:					
Equity holders of the Company		(1,407,450)	(5,365,555)	1,457,069	417,793
Minority interests		22,526	63,305	–	–
		(1,384,924)	(5,302,250)	1,457,069	417,793
Total comprehensive (loss)/income attributable to:					
Equity holders of the Company		(1,407,450)	(5,365,555)	1,457,069	417,793
Minority interests		22,526	63,305	–	–
		(1,384,924)	(5,302,250)	1,457,069	417,793
Loss per share					
– Basic	31 (a)	1.48 sen	4.46 sen		
– Diluted	31 (b)	0.40 sen	1.51 sen		

See accompanying notes to the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

GROUP	NOTE	Share Capital RM	ICPS RM	Share Premium RM	RCSLS RM	RCULS RM	Retained Profit RM	Total RM	Minority Interest RM	Total Equity RM
As at 01.01.2009		71,581,994	67,925,571	26,930,204	1,564,660	1,486,613	24,838,395	194,327,437	487,238	194,814,675
Redemption of RCSLS and RCULS	19 & 20	-	-	-	(234,719)	(174,214)	-	(408,933)	-	(408,933)
Dividend on ICPS	32	-	-	-	-	-	(679,253)	(679,253)	-	(679,253)
Reversal of deferred taxation liability	27	-	-	-	-	-	7,305,922	7,305,922	-	7,305,922
Total comprehensive loss for the year		-	-	-	-	-	(5,365,555)	(5,365,555)	63,305	(5,302,250)
As at 31.12.2009		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

STATEMENT OF CHANGES IN EQUITY (CONTINUED)

GROUP	NOTE	Share Capital RM	ICPS RM	Share Premium RM	RCSLS RM	RCULS RM	Retained Profit RM	Total RM	Minority Interest RM	Total Equity RM
As at 31.12.2009		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	19 & 20	-	-	-	(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	27	-	-	-	-	-	2,104,305	2,104,305	-	2,104,305
Total comprehensive loss 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

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	Retained Profit RM	Total RM
As at 01.01.2009		71,581,994	67,925,571	26,930,204	1,564,660	1,486,613	3,266,745	172,755,787
19 &								
Redemption of RCSLS and RCULS	20	-	-	-	(234,719)	(174,214)	-	(408,933)
Dividend on ICPS	32	-	-	-	-	-	(679,253)	(679,253)
Total comprehensive income for the year		-	-	-	-	-	417,793	417,793
As at 31.12.2009		71,581,994	67,925,571	26,930,204	1,329,941	1,312,399	3,005,285	172,085,394
19 &								
Redemption of RCSLS and RCULS	20	-	-	-	(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

See accompanying notes to the financial statements.

STATEMENT OF CASH FLOW

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	NOTE	GROUP		COMPANY	
		2010 RM	2009 RM	2010 RM	2009 RM
CASH FLOW FROM OPERATING ACTIVITIES					
(Loss)/Profit before taxation		(997,644)	(3,647,133)	1,469,983	498,786
Adjustments for:					
Depreciation of property, plant and equipment		496,238	461,528	116,609	98,403
(Gain)/Loss on disposal of property, plant and equipment		(2,577,450)	(181,800)	(2,577,450)	10,012
Gain on winding up subsidiaries		(2,097,721)	–	–	–
Depreciation of investment properties		101,008	121,962	27,345	39,192
Interest from receivables		–	(96,666)	–	–
Recovery of doubtful debts		(184,535)	(636,012)	–	–
Bank interest		(13,950)	(14,304)	–	–
Fixed deposit interest		(12,951)	(11,700)	(12,951)	(256)
Financing cost		(72,939)	34,964	(686,136)	–
Operating (loss)/profit before working capital changes		(5,359,944)	(3,969,160)	(1,662,600)	646,137
(Increase)/Decrease in receivables		(2,427,746)	4,838,112	(6,334,594)	515,284
(Decrease)/Increase in payables		(6,558,097)	(6,134,536)	(1,034,615)	466,520
Decrease in inventories		3,344,365	777,823	–	–
Decrease in property development cost		6,802,115	3,256,886	–	–
Decrease/(Increase) in amount due from related companies		–	939,218	(1,372,053)	(528,040)
Balance carried forward		(4,199,307)	2,170,093	(10,403,862)	1,099,631

STATEMENT OF CASH FLOW (CONTINUED)

	NOTE	GROUP		COMPANY	
		2010 RM	2009 RM	2010 RM	2009 RM
Balance brought forward		(4,199,307)	2,170,093	(10,403,862)	1,099,631
(Decrease)/Increase in amount due to related companies		(951,518)	(1,259,751)	33,464	–
Increase in amount due from/(to) holding corporation		4,720,007	6,173,049	14,666,934	68,023
(Decrease)/Increase in amount due from/(to) subsidiary companies		–	–	(13,323,923)	1,536,489
Increase in amount due from associated companies		14,495	–	–	–
(Decrease)/Increase in development expenditure		(856,842)	10,685	–	(12,070)
Decrease in land held for property development		–	(2,854,709)	–	–
Cash (used in)/generated from operating activities		(1,273,165)	1,777,617	(9,027,387)	2,692,343
Interest from receivables		–	96,666	–	–
Financing cost		72,939	(34,964)	4,246	–
Income taxes paid		(3,611,807)	(977,731)	(550,000)	(707,000)
Net cash (used in)/generated from operating activities		(4,812,033)	861,588	(9,573,141)	1,985,343
CASH FLOW FROM INVESTING ACTIVITIES					
Bank interest received		13,950	26,003	12,951	256
Proceed from disposal of quoted investment		222,950	55,440	–	–
Purchase of property, plant and equipment		(593,563)	(567,545)	(204,674)	(125,670)
Proceed from disposal of property, plant and equipment		7,365,617	371,474	9,806,292	–
Net cash from winding up subsidiaries		54,130	–	–	–
Net cash generated from/(used in) investing activities		7,063,084	(114,628)	9,614,569	(125,414)

STATEMENT OF CASH FLOW (CONTINUED)

	NOTE	GROUP		COMPANY	
		2010 RM	2009 RM	2010 RM	2009 RM
CASH FLOW FROM FINANCING ACTIVITIES					
Issuance of share premium		3,758,592	–	3,758,592	–
Issuance of share capital		9,396,480	–	9,396,480	–
Redemption of RCSLS and RCUSLS		(13,155,072)	(1,644,384)	(13,155,072)	(1,644,384)
Interest of RCSLS and RCUSLS		(108,097)	(230,304)	(108,097)	(230,304)
Repayment of hire purchase payables		(68,782)	(159,238)	(25,212)	–
Repayment of borrowings		(2,565,871)	(3,375,000)	–	–
Net cash used in financing activities		(2,742,750)	(5,408,926)	(133,309)	(1,874,688)
Net decrease in cash and cash equivalents		(491,699)	(4,662,211)	(91,881)	(14,759)
Cash and cash equivalents at beginning of the year		5,135,663	9,797,874	122,540	137,299
Cash and cash equivalents at end of the year		4,643,964	5,135,663	30,659	122,540
Represented by:					
Cash and bank balances		3,134,711	3,495,319	30,659	122,540
Fixed deposit (excluding fixed deposit pledged to bank)		1,841,040	1,992,632	–	–
Bank overdraft		(331,787)	(352,288)	–	–
		4,643,964	5,135,663	30,659	122,540

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2010

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 6th 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 16 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 26 April 2011.

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 applicable Malaysian Accounting Standards Board (“MASB”) approved accounting standards for entities other than private entities in Malaysia and the provisions of the Companies Act, 1965.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the Group and Company are summarised below:

a) Effects of adopting new/revised FRSs

On 01 January 2010, the Group and the Company adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 01 January 2010:

FRSs/Amendments	Title	Effective Date
FRS 7	Financial Instruments: Disclosures	01 January 2010
FRS 101	Presentation of Financial Statements (Revised)	01 January 2010
Amendments to FRS 117	Leases	01 January 2010
Amendments to FRS 132	Financial Instruments: Presentation	01 January 2010
Amendments to FRS 139	Financial Instruments: Recognition and measurement	01 January 2010

3. SIGNIFICANT ACCOUNTING POLICIES...(Cont'd.)

a) Effects of adopting new/revised FRSs...(Cont'd.)

The adoption of the relevant FRSs/ Amendments did not have any effect on the financial performance or position of the Group and of the Company except for those discussed below:

FRS 7 *Financial Instruments: Disclosures*

Prior to 01 January 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 *Financial Instruments: Disclosure and Presentation*. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Group and the Company has applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Group and the Company's financial statements for the year ended 31 December 2010.

FRS 101 *Presentations of Financial Statements (Revised)*

The revised FRS 101 introduces changes in the presentation and disclosures of financial statements. The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The Standard also introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group and the Company has elected to present this statement as one single statement.

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES...(Cont'd.)

a) Effects of adopting new/revised FRSs...(Cont'd.)

Amendments to FRS 117 (*Leases*)

The amendments to FRS 117: *Leases* clarify that leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets. They also clarify that the present value of the residual value of the property in a lease with a term of several decades would be negligible and accounting for the land element as a finance lease in such circumstances would be consistent with the economic position of the lessee. Hence, the adoption of the amendments to FRS 117 has resulted in certain unexpired land leases to be reclassified as finance leases. The Group and the Company has applied this change in accounting policy retrospectively and certain comparatives have been restated as disclosed in Note 38 to the financial statements.

FRS 139 Financial Instruments: Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Group and the Company have adopted FRS 139 prospectively on 1 January 2010 in accordance with the transitional provisions. There were no any material effects arising from the adoption of this standard.

b) New/Revised FRSs/Amendments not yet effective

The Group and the Company has not applied the following standards and amendments that are relevant to its operations which have been issued but are not yet effective. These standards will only effect for annual financial periods beginning on or after 01 July 2010. However adoption of those relevant FRSs and Amendments did not have any effect on the financial performance or position of the Group and of the Company.

FRSs/ Amendments	Title	Effective Date
FRS 1	First-time Adoption of Financial Reporting Standards	01 July 2010
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	01 July 2010

3. SIGNIFICANT ACCOUNTING POLICIES...(Cont'd.)

c) 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.

d) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary companies made up to the end of the financial year. Subsidiary companies are those companies in which the Company has the power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Subsidiary companies are consolidated using the acquisition method of accounting. Under the acquisition method, the results of subsidiary companies acquired or disposed off during the financial year are included in the consolidated statement of comprehensive income from the effective date of acquisition or to the date of disposal.

At the date of acquisition, the fair values of the net assets of the subsidiary companies are determined and the fair values are reflected in the consolidated financial statements. The excess of the cost of acquisition of subsidiary companies over the fair values of the net assets acquired is taken up as goodwill on consolidation. Where the fair values of net assets acquired exceed the cost of acquisition, the surplus arising is taken up as negative goodwill recognised immediately in the statement of comprehensive income. All significant inter-company transaction and balances are eliminated on consolidation. When necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

Minority interest represents the portion of profit or loss and net assets in subsidiary companies not held by the Group. They are presented in the consolidated statement of financial position within equity, separately from the parent shareholder's equity, and are separately disclosed in the consolidated statement of comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES...(Cont'd.)

e) Investment in subsidiary companies

Investment in subsidiary companies held on a long term basis is stated at cost less any impairment loss.

f) 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 are included in the carrying amount of the related assets and liabilities are eliminated to the extent of the Group's interest in the investee. 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.

g) 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
Renovations	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.

3. SIGNIFICANT ACCOUNTING POLICIES...(Cont'd.)

g) Property, plant and equipment...(Cont'd.)

Subsequent expenditure is charged to assets carrying amount when it is probable that future economic benefits associated with the item will flow to the Group and 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.

h) 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.

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

3. SIGNIFICANT ACCOUNTING POLICIES...(Cont'd.)

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

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 a provision account. When a trade receivable becomes uncollectible, it is written off against the provision 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 statement of comprehensive income.

i) Impairment of non-financial assets

At each the statement of financial 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 statement of comprehensive income 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.

3. SIGNIFICANT ACCOUNTING POLICIES...(Cont'd.)

j) Leases

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

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

k) 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.

l) Development expenditure

Agricultural

Direct and indirect expenditure payments for projects under development are stated at cost in the financial statements. Such expenditures is capitalised until the project is able to generate income.

3. SIGNIFICANT ACCOUNTING POLICIES...(Cont'd.)

m) 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.

n) 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 to 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.

o) Investment properties

Investment properties of the Group principally comprising office and industrials buildings are held for long-term rental yields and are not substantially occupied by 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.

3. SIGNIFICANT ACCOUNTING POLICIES...(Cont'd.)

p) 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.

q) Goodwill

Goodwill arising on an acquisition represents the excess of the cost of acquisition of subsidiary companies over the fair value of the Group's shares of their net identifiable assets at the date of acquisition. Goodwill on acquisition of subsidiary companies are stated at cost less accumulated impairment losses. Goodwill is tested for impairment on an annual basis or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment loss on goodwill is not reversed in subsequent period.

r) Accounting for hire purchase arrangements

Assets acquired under hire purchase arrangements are capitalised at their purchased cost and depreciated on the straight-line basis over their estimated remaining lives.

The total amount payable under hire purchase agreements is showed under hire purchase payables. The interest elements of the hire purchase arrangement is amortised over the period of agreement.

s) 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.

3. SIGNIFICANT ACCOUNTING POLICIES...(Cont'd.)

t) Financial assets

Financial assets 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.

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 investments 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 statement of comprehensive income 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. Financial assets that is held primarily for trading purposes are presented as current whereas financial assets that is not 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 2010.

3. SIGNIFICANT ACCOUNTING POLICIES...(Cont'd.)

t) Financial assets...(Cont'd.)

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.

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 the 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 Company did not have any held-to-maturity investments during the year ended 31 December 2010.

3. SIGNIFICANT ACCOUNTING POLICIES...(Cont'd.)

t) Financial assets...(Cont'd.)

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 recognised. 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.

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

Regular way 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 marketplace concerned. All regular way purchases and sales of financial assets are recognised or recognised on the trade date i.e., the date that the Group and the Company commits to purchase or sell the asset.

3. SIGNIFICANT ACCOUNTING POLICIES...(Cont'd.)

u) 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.

i. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in statement of comprehensive income. Net gains or losses on derivatives include exchange differences.

The Group and the Company did not have any financial liabilities at fair value through profit or loss during the year ended 31 December 2010.

ii. Other financial liabilities

The Group'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.

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

3. SIGNIFICANT ACCOUNTING POLICIES...(Cont'd.)

u) Financial liabilities...(Cont'd.)

For other financial liabilities, gains and losses are recognised in statement of comprehensive income when the liabilities are derecognised, and through the recognised 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 statement of comprehensive income.

v) 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.

3. SIGNIFICANT ACCOUNTING POLICIES...(Cont'd.)

w) Revenue recognition

i) Revenue from construction contracts

Revenue from short term construction contracts is recognised in the statement of comprehensive income when the contract is completed. Revenue from long term construction contracts is recognised in the statement of comprehensive income using the stage of completion method. The stage of completion at each reporting stage 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 and which is high probability will be recovered. 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.

iii) Properties sold

Revenue from sale of completed properties is measured at the fair value of the consideration receivable and is recognised in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer.

iv) Contract income

Revenue from fixed price contract income is recognised in the statement of comprehensive income when the contract is completed.

Where the outcome of a contract cannot be reliably estimated, revenue is recognised only to the extent of contracts costs incurred and which in high probability will be recovered, and contract costs are recognised as an expense in the period in which they are incurred.

Any expected loss on a contract is recognised immediately in the statement of comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES...(Cont'd.)

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

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.

x) 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 employee 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.

iii) Termination/retrenchment benefit

The Group pays termination benefits in cases of termination of employment of an employee before the normal retirement date.

3. SIGNIFICANT ACCOUNTING POLICIES...(Cont'd.)

y) 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 Group'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 a straight-line basis over their estimated useful lives after deducting its residual value. The management exercises their judgement in estimating the useful lives and the residual value of the depreciable assets. The Group and the Company assesses annually the residual value and the useful lives of the property, plant and equipment and if the expectation differs from the original estimate, such difference will impact the depreciation in the period in which such estimate has been charged.

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 2010 was RM9,636,260.

4. PROPERTY, PLANT AND EQUIPMENT

GROUP

	Long term leasehold land and buildings RM	Leasehold land RM	Building & capital work in progress (Apartment) RM	Plant machinery, fixture and office equipment RM	Motor vehicles RM	Shophouses RM	Renovation RM	Total RM
Net book 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 book 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 book value	4,585,677	95,847	482,403	309,745	506,547	44,422	69,885	6,094,526

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

GROUP	Long term	Leasehold land	Building &	Plant	Motor vehicles	Shop houses	Renovation	Total
	leasehold land and buildings RM	RM	capital work in progress (Apartment) RM	machinery, fixture and office equipment RM	RM	RM	RM	RM
Net book value as at								
01.01.2009	12,153,321	133,752	509,504	299,028	223,533	46,958	73,371	13,439,467
Addition	-	-	-	184,577	297,428	-	-	482,005
Disposal	(61,054)	-	-	(17,559)	(18,513)	-	-	(97,126)
Depreciation	(151,393)	(2,152)	(22,945)	(141,293)	(140,734)	(1,268)	(1,743)	(461,528)
Net book value as at								
31.12.2009	11,940,874	131,600	486,559	324,753	361,714	45,690	71,628	13,362,818
As at 31.12.2009								
At cost	12,976,993	163,798	654,783	1,693,078	1,387,480	63,399	87,142	17,026,673
Accumulated depreciation	(1,036,119)	(32,198)	(168,224)	(1,368,325)	(1,025,766)	(17,709)	(15,514)	(3,663,855)
Net book value	11,940,874	131,600	486,559	324,753	361,714	45,690	71,628	13,362,818

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

COMPANY

	Long term leasehold land and buildings RM	Office equipment RM	Motor vehicles RM	Total RM
Net book 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 book value	–	57,876	202,302	260,178
As at 31.12.2010				
At cost	207,160	55,217	93,971	356,348
Addition	–	27,475	177,199	204,674
Accumulated depreciation	(207,160)	(24,816)	(68,868)	(300,844)
Net book value	–	57,876	202,302	260,178
Net book value as at 01.01.2009	7,354,025	7,319	22,354	7,383,698
Addition	–	45,670	80,000	125,670
Disposal	–	–	(10,012)	(10,012)
Depreciation	(75,111)	(7,333)	(15,959)	(98,403)
Net book value	7,278,914	45,656	76,383	7,400,953
As at 31.12.2009				
At cost	7,436,000	55,217	93,971	7,585,188
Accumulated depreciation	(157,086)	(9,561)	(17,588)	(184,235)
Net book value	7,278,914	45,656	76,383	7,400,953

Certain motor vehicles of the Group with net book value of RM228,826 (2009: RM239,233) were acquired under hire purchase arrangements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. INVESTMENT IN SUBSIDIARY COMPANIES

COMPANY	2010 RM	2009 RM
Unquoted shares at cost	148,259,843	148,127,743

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

Name of company	Shareholding (%)		Principal activities
	2010	2009	
Syarikat Majuperak Berhad	100	100	Property development
Majuperak Energy Resources Sdn. Bhd.	100	100	Property development
Majuperak Development Berhad	100	100	Investment holding
Majuperak Property Management Sdn. Bhd.	60	–	Property management
Majuperak Land Sdn. Bhd.	100	–	Dormant
Majuperak Bio Resources Sdn. Bhd.	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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

Name of company	Shareholding (%)		Principal activities
	2010	2009	
Held through Sempena Makmur Sdn. Bhd.:			
* Magna Gemilang Sdn. Bhd.	100	100	Dormant
Held through Majuperak Energy Resources Sdn. Bhd			
Majuperak Property Management Sdn. Bhd.	–	60	Property management
Jua Juara Sdn. Bhd.	–	100	Property development
Majuperak Land Sdn. Bhd.	–	100	Dormant
Majuperak Bio Resources Sdn. Bhd.	–	100	Contract management
Held through Majuperak Development Berhad:			
Geotextiles Sdn. Bhd.	100	100	Dormant
Tenaga Danawa Sdn.Bhd.	100	100	Property development
Jua Juara Sdn. Bhd.	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. INVESTMENTS SECURITIES

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Current				
Marketable securities	700,512	888,462	–	–
Non-current				
Available-for-sale financial assets	8,000,240	8,035,240	200,000	200,000
	8,700,752	8,923,702	200,000	200,000

Impairment losses

During the financial year, the Group recognised the impairment losses RM613,108 (2009: RM713,108) for quoted investment securities classified as marketable securities after taking into consideration for diminution in value.

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

7. INVESTMENT PROPERTIES

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Balance as at beginning of the year	7,904,927	8,026,889	1,849,205	1,888,397
Addition	87,000	–	87,000	–
Disposal	(1,734,121)	–	(1,734,121)	–
Depreciation	(110,116)	(121,962)	(27,345)	(39,192)
Balance as at end of the year	6,147,690	7,904,927	174,739	1,849,205
As at 31.12.2010				
At cost	7,283,024	9,083,929	182,619	1,983,524
Accumulated depreciation	(1,135,334)	(1,179,002)	(7,880)	(134,319)
Net book value	6,147,690	7,904,927	174,739	1,849,205
Fair value	7,900,000	16,600,000	300,000	9,000,000

7. INVESTMENT PROPERTIES...(Cont'd.)

Representing item at:

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Cost	3,638,024	4,986,402	182,619	1,530,997
Valuation – 1991	3,645,000	3,645,000	–	–
Valuation – 2002	–	452,527	–	452,527
	<u>7,283,024</u>	<u>9,083,929</u>	<u>182,619</u>	<u>1,983,524</u>

8. LAND HELD FOR PROPERTY DEVELOPMENT

GROUP

	2010 RM	2009 RM
At cost:		
Balance as at beginning of the year	172,987,658	170,132,949
Addition	3,340,093	4,693,650
	<u>176,327,751</u>	<u>174,826,599</u>
Cost charged to income statement	(3,166,776)	(159,129)
Transfer to property development cost	–	(1,667,033)
Transfer to holding corporation	(1,566,800)	(12,779)
Transfer to other receivables, deposit and prepayments	(1,121,000)	–
Balance as at end of the year	<u>170,473,175</u>	<u>172,987,658</u>

Representing item at:

	2010 RM	2009 RM
Cost	53,135,302	55,649,785
Revaluation – 2002	117,337,873	117,337,873
	<u>170,473,175</u>	<u>172,987,658</u>

Certain land held for property development of the Group amounting to RM762,226 (2009: RM5,265,872) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. DEVELOPMENT EXPENDITURE

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Agriculture – at cost				
Land	189,411	189,411	–	–
Development expenditure	1,277,793	420,951	224,362	224,362
	<u>1,467,204</u>	<u>610,362</u>	<u>224,362</u>	<u>224,362</u>

10. GOODWILL ON CONSOLIDATION

GROUP

	2010 RM	2009 RM
Purchased goodwill, at cost	89,479,467	89,479,467
Less: Accumulated impairment loss	(79,843,207)	(79,843,207)
Net carrying value	<u>9,636,260</u>	<u>9,636,260</u>

11. TRADE RECEIVABLES

GROUP

	2010 RM	2009 RM
Trade receivables	29,030,456	35,332,896
Less: Provision for doubtful debts	(2,820,396)	(2,943,159)
	<u>26,210,060</u>	<u>32,389,737</u>

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

Ageing analysis of trade receivables

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

	2010 RM
Neither past due nor impaired	–
1 to 30 days past due not impaired	14,917,595
31 to 60 days past due not impaired	817,211
61 to 90 days past due not impaired	1,430,928
91 to 120 days past due not impaired	747,129
121 to 150 days past due not impaired	592,862
151 to 180 days past due not impaired	93,967
More than 180 days past due not impaired	7,610,368
	26,210,060
Impaired	2,820,396
	29,030,456

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)

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

Trade receivables that are impaired

Movement in provision for doubtful debt:

	2010 RM	2009 RM
Beginning of the year	3,011,158	3,647,170
Current year charge	7,474	–
Written off/recovery of doubtful debts	(198,236)	(636,012)
End of the year	<u>2,820,396</u>	<u>3,011,158</u>

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Other receivables, deposits and prepayment	23,587,633	13,762,414	10,843,574	2,203,762
Less: Provision for doubtful debts	(217,233)	(172,371)	–	–
	<u>23,370,400</u>	<u>13,590,043</u>	<u>10,843,574</u>	<u>2,203,762</u>

13. INVENTORIES

GROUP

	2010 RM	2009 RM
At cost:		
Shophouses	6,367,409	9,664,780
Residential houses	511,616	548,984
Cattles	2,800	–
At net sales value:		
Residential houses	–	12,426
	<u>6,881,825</u>	<u>10,226,190</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. INVENTORIES...(Cont'd.)

- i) 5 unit of unsold shophouses (2009: 5 unit) at cost of RM481,210 (2009: RM481,210) is charged as security for credit facility granted to a subsidiary company as disclosed in Note 27 to the financial statements.
- ii) Included in inventories are amounts of RM3,907,863 (2009: RM6,815,937) 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.

14. PROPERTY DEVELOPMENT COSTS

GROUP

	2010 RM	2009 RM
Land	9,158,444	10,213,416
Development expenditure	185,223,633	183,803,316
Accumulated costs charged to income statement	(189,483,343)	(185,861,112)
	<u>4,898,734</u>	<u>8,155,620</u>
Development expenditure incurred during the year	1,365,787	1,420,317
Cost charged out to the income statement	(1,419,740)	(3,622,231)
Transfer to land held for property development	–	(1,054,972)
Balance as at end of the year	<u>4,844,781</u>	<u>4,898,734</u>
Represented by:		
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)
	<u>4,844,781</u>	<u>4,898,734</u>

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

- i) Included in property development costs are amounts of RMnil (2009: RM2,176,494) are pledged for bank borrowings facility granted to subsidiary companies as disclosed in Note 25 to the financial statements.
- ii) Included in property development costs are amounts of RMnil (2009: RM139,726) 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 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 29 Mac 2003 respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. AMOUNT DUE FROM/(TO) RELATED COMPANIES

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

16. INVESTMENT IN ASSOCIATED COMPANIES

GROUP

	2010 RM	2009 RM
Unquoted shares at cost	12,250	12,251
Provision for diminution in value	(12,250)	(12,251)
	–	–

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

Name of company	Shareholding (%)		Principal activities
	2010	2009	
Held through Syarikat Majuperak Berhad:			
Kasta Mutiara Sdn. Bhd.	–	50	Dormant
Primemars Sdn. Bhd.	–	49	Dormant
Konsodium Bihun Jaya Sdn. Bhd.	30	30	Dormant

The amount due from associated companies are unsecured and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. DEPOSITS, CASH AND BANK BALANCES

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Fixed deposit with financial institution	66,601	63,990	–	–
Fixed deposit with licensed bank	1,774,439	1,928,642	–	–
Cash and bank balances	3,134,711	3,495,564	30,659	122,540
	<u>4,975,751</u>	<u>5,488,196</u>	<u>30,659</u>	<u>122,540</u>

Included in the Group's cash and bank balances are amounts of RM100,611 (2009: RM100,433) the utilisation of which is subject to the Housing Developers (Housing Development Account) (Amendment) Regulations 2002.

18. SHARE CAPITAL

COMPANY

	2010 RM	2009 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	<u>500,000,000</u>	<u>500,000,000</u>
Issued and fully paid:		
Ordinary shares of RM0.50 each		
As at beginning of year	71,581,994	71,581,994
Issue during the year arising from conversion of RCLS and RCULS	9,396,480	–
As at end of year	<u>80,978,474</u>	<u>71,581,994</u>
ICPS of RM0.50 each	67,925,571	67,925,571
Balance as at end of the year	<u>148,904,045</u>	<u>139,507,565</u>

18. SHARE CAPITAL...(Cont'd.)

The principal terms of the 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 from the issue date of the ICPS. |
| iii) | Conversion right | The ICPS holders will have the right to convert the ICPS at the agreed conversion price into new Company's ordinary shares on or after the fifth anniversary of the date of issue of the ICPS until maturity. Any nominal value not converted by maturity date will be mandatory converted into new ordinary shares on maturity date. |
| 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 tendered at 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 dates of which are 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. |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. REDEEMABLE CONVERTIBLE SECURED LOAN STOCK (“RCSLS”)

GROUP AND COMPANY	Equity component RM	Liability component RM	Total RM
Balance as at beginning of the year	1,329,941	6,220,779	7,550,720
Redemption during the year	(1,329,941)	(6,220,779)	(7,550,720)
Balance as at end of the year	<u>–</u>	<u>–</u>	<u>–</u>

The principal terms of RCSLS are as follows:

- i) Interest rate The RCSLS bear interest at 2.5% per annum payable semi-annually in arrears.
- ii) Maturity The maturity of RCSLS are as follows:
 - a) 1st series: First (1) anniversary of the date of issue.
 - b) 2nd series: Second (2) anniversary of the date of issue.
 - c) 3rd series: Third (3) anniversary of the date of issue.
- iii) Redeemability The RCSLS shall be redeemed anytime from the issue date of the RCSLS at the following amount:
 - a) 1st series: RM943,840
 - b) 2nd series: RM943,840
 - c) 3rd series: RM7,550,720
- iv) Convertibility All outstanding RCSLS not redeemed at the end of the above stipulated redemption period regardless of any shortfall in the proceeds from the disposal of the collateral or non-completion of the assets disposal, will be automatically converted into new the Company shares at the end of the redemption period in accordance with the above redemption schedule at the Conversion Price. The RCSLS shall not be converted unless it is not redeemed in accordance with the above redemption period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. REDEEMABLE CONVERTIBLE SECURED LOAN STOCK (“RCSLS”)...(Cont’d.)

- v) Conversion price The conversion price of the RCSLS shall be RM0.70 or any conversion price as shall be determined by the Securities Commission. Fractions resulting from conversion, if any, shall be disregarded and the Company shall not be required to pay the RCSLS holders the value of such fractions.
- vi) Mode of conversion Conversion shall be by tendering an equivalent nominal value of RCSLS amounting to the conversion price for one (1) new Company shares.
- vii) Listing The RCSLS is not listed on the Bursa Malaysia Securities Berhad. However, the new Company shares to be issued pursuant to the conversion of the RCSLS will be listed on the Bursa Malaysia Securities Berhad.
- viii) Transferability The RCSLS are neither transferable and nor tradeable.
- x) Ranking of shares The new Company shares to be issued pursuant to the conversion of the RCSLS shall rank parri passu in all respect with then the Company in issue 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 RCSLS.

20. REDEEMABLE CONVERTIBLE UNSECURED LOAN STOCK (“RCULS”)

GROUP AND COMPANY	Equity component RM	Liability component RM	Total RM
Balance as at beginning of the year	1,312,399	4,291,952	5,604,351
Redemption during the year	(1,312,399)	(4,291,952)	(5,604,351)
Balance as at end of the year	–	–	–

20. REDEEMABLE CONVERTIBLE UNSECURED LOAN STOCK (“RCULS”)...(Cont’d.)

The principal terms of RCULS are as follows:

- | | | |
|------|--------------------|--|
| i) | Interest rate | The RCULS bear interest at 0.5% per annum payable semi-annually in arrears. |
| ii) | Maturity | <p>The maturity of RCULS are as follows:</p> <p>a) 1st series: First (1) anniversary of the date of issue.</p> <p>b) 2nd series: Second (2) anniversary of the date of issue.</p> <p>c) 3rd series: Third (3) anniversary of the date of issue.</p> |
| iii) | Redeemability | <p>The RCULS shall be redeemed anytime from the issue date of the RCULS based on the following redemption schedule:</p> <p>a) 1st series: RM700,544</p> <p>b) 2nd series: RM700,544</p> <p>c) 3rd series: RM5,604,351</p> |
| iv) | Convertibility | All outstanding RCULS not redeemed at the end of the above stipulated redemption period regardless of any shortfall in the proceeds from the disposal of the collateral or non-completion of the assets disposal, will be automatically converted into new the Company shares at the end of the redemption period in accordance with the above redemption schedule at the Conversion Price. The RCULS shall not be converted unless it is not redeemed in accordance with the above redemption period. |
| v) | Conversion price | The conversion price of the RCULS shall be RM0.70 or any conversion price as shall be determined by the Securities Commission. Fractions resulting from conversion, if any, shall be disregarded and the Company shall not be required to pay the RCULS holders the value of such fractions. |
| vi) | Mode of conversion | Conversion shall be by tendering an equivalent nominal value of RCULS amounting to the conversion price for one (1) new Company shares. |
| vii) | Listing | The RCULS is not listed on the Bursa Malaysia Securities Berhad. However, the new Company shares to be issued pursuant to the conversion of the RCULS will be listed on the Bursa Malaysia Securities Berhad. |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. REDEEMABLE CONVERTIBLE UNSECURED LOAN STOCK (“RCULS”)...(Cont’d.)

- viii) Transferability The RCULS are neither transferable and nor tradeable.
- x) Ranking of shares The new Company shares to be issued pursuant to the conversion of the RCULS shall rank parri passu in all respect with hen the Company in issue except that they shall not be entitled to any dividends, rights, allotments and/or other distribution, the entitlement dates of which are prior to the date of conversion of the RCULS.

21. MINORITY INTEREST

This consists of the minority shareholders’ proportion of share capital and reserves of subsidiaries.

22. OTHER PAYABLES AND ACCRUALS

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Other payables	6,388,101	8,953,611	1,099,706	798,567
Retention sum	125,502	160,029	–	–
Deposit and accruals	1,404,961	5,681,365	46,093	1,546,093
	<u>7,918,564</u>	<u>14,795,005</u>	<u>1,145,799</u>	<u>2,344,660</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 which was written back.

25. BANK BORROWINGS

GROUP

	2010 RM	2009 RM	Effective interest rate and profit rate
Not later than 1 year:			
Al-Istina'	–	313,522	9.50% - 11.00%
Short term revolving credit	395,000	300,000	2%
Bank overdraft	331,787	352,288	1.5%-3%
	726,787	965,810	
Later than 1 year and not later than 5 year:			
Al-Istina'	–	2,218,061	9.50% - 11.00%

i) Al-Istina'

Al-Istina' are secured by way of a deed of assignment over the Project Account and the proceed from the sale and purchase agreement. A profit rate at 9.50% is applied on RM7,695,000 which is calculated by deducting the financing amount of RM27,000,000 from the selling amount of RM34,695,000. The repayment is within 36 months and shall commence on the first date of drawdown in November 2000. The mode of payment is repayable by way of redemption for each and every unit of the project as follows:

- a) Low cost house : RM12,500
- b) Medium cost house : RM25,000

Al-Istina' has been rescheduled on 24 June 2007 and the salient terms and conditions are as follows:

- a) Profit charged at 9.50%.
- b) Repayment within 60 months from date of letter of offer.

Additional securities pledged over Al-Istina' are as follows:

- a) Two months security deposit amounting to RM962,375 to be deposited into the General Investment Account (profit bearing).
- b) Third party first legal charge on RM14 million quoted shares.
- c) 32 units of shop lots in Section 18, Jalan Pasir Putih, Ipoh, Perak Darul Ridzuan.
- d) 20 unit semi-d type and 28 unit terrace – type units at Plot 15, IKS Industrial Estate, Kampong Acheh, Lumut, Perak Darul Ridzuan.
- e) 338 acres of state land in Kampung Sungai Buloh, Mukim of Sungai Siput, Perak Darul Ridzuan.
- f) Plots 1, 2 & 3 being portions of lots 3149, 5487, 3075 and 2434, Taman Permai Jaya, Sungkai, Perak Darul Ridzuan.

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

i) Al-Istina'...(Cont'd.)

Subsequently on 28 September 2008, Al-Istina' has been further rescheduled and the salient terms and conditions are as follows:

- a) Profit charged at 11.00% base on the bank's base financing rate.
- b) Repayment within 45 months inclusive of 12 months grace period (expiring on 30 June 2010).

Additional securities pledged over Al-Istina' are as follows:

- a) Deed of Assignment on 65 units of commercial shop units in Bandar Sri Manjung, Perak Darul Ridzuan.
- b) Third party first legal charge on the 125 titles located at various lots in Mukim Bidor and Slim, Daerah Batang Padang, Perak Darul Ridzuan.
- c) Third party first legal charge on the titles for the 5 units of double storey shop house and 27 units of double storey shop houses, located at Mukim Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan.
- d) Third party first legal charge on the titles for the 28 units of single storey terrace factories, 14 units of single storey semi detached factory, located at IKS Kampong Acheh, Kawasan Perindustrian Kampong Acheh, Lumut, Perak Darul Ridzuan.
- e) Deed of Assignment on 74.35 acres of State Land at Mukim Sungkai, District Batang Padang, Perak Darul Ridzuan.
- f) Deed of Assignment on 136.784 hectares of State Land, Mukim Sungai Siput, Daerah Kuala Kangsar, Perak Darul Ridzuan.
- g) Corporate Guarantee of Majuperak Holdings Berhad.
- h) Letter of Awareness from Perbadanan Kemajuan Negeri Perak.

During the financial year, the Group has fully paid the borrowing Al-Istina'.

ii) Short term revolving credit

The revolving credit is repayable 6 months after the drawdown date. The effective interest rate charged is 2% (2009: 2%) above the Kuala Lumpur Inter Bank Offer rate ("KLIBOR"). The revolving credit is secured by way of one unit of the Group's shop houses of the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. HIRE PURCHASE PAYABLES

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Minimum hire purchase payment:				
Not later than 1 year	99,160	102,048	27,504	–
Later than 1 year and not later than 5 years	353,388	285,232	139,764	–
	452,548	387,280	167,268	–
Future finance charges of hire purchase	(76,674)	(65,648)	(28,234)	–
Present value of hire purchase liabilities	375,874	321,632	139,034	–
Present value of hire purchase liabilities:				
Not later than 1 year	73,008	84,840	12,778	–
Later than 1 year and not later than 5 years	302,866	236,792	126,256	–
	375,874	321,632	139,034	–

The effective interest rate per annum of the hire purchase payables at the statement of financial position date is 2.58% (2009: 2.58%).

27. DEFERRED TAXATION

GROUP	2010 RM	2009 RM
At beginning of the year	31,442,741	38,691,260
Reversal of deferred tax liability	(2,104,305)	(7,305,922)
Charged from statement of comprehensive income (Note 30)	1,415	57,403
At end of the year	29,339,851	31,442,741

Deferred taxation are in respect of the following items:

GROUP	2010 RM	2009 RM
Capital allowances excess depreciation	26,963	156,570
Revaluations	29,312,888	31,417,193
Provisions	–	(131,022)
	29,339,851	31,442,741

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28. (LOSS)/PROFIT FROM OPERATION

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

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Audit fee:				
– current year	106,700	114,700	17,000	17,000
– previous year	–	(4,800)	–	–
Director emoluments:				
– fee	362,041	259,179	177,600	215,179
– other than fee	224,565	269,594	194,565	235,944
Depreciation of property, plant and equipment	496,292	461,528	116,609	98,403
Depreciation of investment properties	110,116	121,962	27,345	39,192
(Gain)/Loss on disposal of property, plant and equipment	(2,577,450)	(181,800)	(2,577,450)	10,012
Penalty	6,357	470,843	847	2,904
Rental of premises	293,959	145,860	83,369	–
Staff cost:				
– Short term benefit	3,271,015	3,199,938	628,337	458,759
– EPF and pension contribution	224,030	277,635	51,288	42,781
Recovery of doubtful debts	(184,535)	(636,012)	–	–
Interest income	(17,523)	(80,658)	(12,951)	(256)
Insurance interest	(6,342)	–	–	–
Rental income	(81,671)	(367,800)	(50,000)	(240,000)

Remunerations of key personnel management comprise the following:

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Directors:				
Fee	362,041	259,179	177,600	215,179
Salaries and other emoluments	224,565	269,594	194,565	235,944

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

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

	Number of directors	
	2010	2009
Above RM50,001	1	1
RM30,001 – RM50,000	3	3
Below RM30,000	3	5

29. FINANCE COST

GROUP

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Short term revolving credit	13,278	13,477	–	–
Hire purchase interest	21,454	14,282	4,246	–
Bank overdraft interest	38,207	7,205	–	–
Interest on related companies	681,890	–	681,890	–
Interest of RCSLS and RCUSLS	108,097	230,304	108,097	230,304
	862,926	265,268	794,233	230,304

30. TAXATION

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Provision for the year	335,303	358,910	12,914	–
Under provision in prior year	50,562	1,238,804	–	80,993
Deferred tax expenses relating to the origination and reversal of temporary differences (Note 27)	1,415	57,403	–	–
	387,280	1,655,117	12,914	80,993

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

A reconciliation of income tax expense applicable to (loss)/profit 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:

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
(Loss)/Profit before taxation	(997,644)	(3,647,133)	1,469,983	498,786
Malaysia statutory tax rate:				
– at 25%	(249,411)	(911,783)	367,498	124,696
Income not subject to tax	(418,908)	(330,003)	–	(330,003)
Tax effect on expenses not deductible for tax purposes	579,633	862,610	(248,881)	205,307
Tax effect on utilisation of unabsorbed capital allowances and tax losses	(102,746)	151,911	139,696	–
Under provision in prior year	52,711	1,238,804	(245,399)	80,993
Effect on reversal tax recoverables	(3,726)	–	–	–
Deferred tax assets not recognised during the year	529,727	643,578	–	–
Tax expenses for the year	387,280	1,655,117	12,914	80,993

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

	GROUP	
	2010 RM	2009 RM
Unabsorbed capital allowances	80,619	1,071,764
Unutilised tax losses	18,416,946	18,416,946
Unutilised reinvestment allowances	–	812,757
	18,497,565	20,301,467

The above unabsorbed capital allowance, unutilised tax losses and unutilised reinvestment allowances are available indefinitely for utilisation 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31. LOSS PER SHARE

a) Basic

The basic 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.

	GROUP	
	2010 RM	2009 RM
Net loss attributable to shareholders	(2,403,807)	(6,384,439)
Weighted average number of ordinary shares in issue	161,956,946	143,163,987
	SEN	SEN
Basic loss per share	(1.48)	(4.46)

b) Diluted

For the diluted 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, RCSLS and RCULS into ordinary shares.

	GROUP	
	2010 RM	2009 RM
Net loss attributable to shareholders (net interest of RCSLS and RCULS)	(1,407,450)	(5,284,259)
Weighted average number of ordinary shares in issue	161,956,946	143,163,987
Effect of dilution ICPS	194,073,060	194,073,060
Effect of dilution RCSLS	–	7,550,720
Effect of dilution RCULS	–	5,604,351
Adjusted weighted average number of ordinary shares in issue and issuable	356,030,006	350,392,118
	SEN	SEN
Diluted loss per share	(0.40)	(1.51)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32. DIVIDEND

	2010 RM	2009 RM
Irredeemable Convertible Preference Shares (“ICPS”) Dividend of 1% per share.	679,253	679,253

The proposed ICPS dividend of 1% per share approved on 17 June 2010 and paid on 16 July 2010, has been appropriated from the retained profit in this financial year.

In respect of the next financial year ending 31 December 2011, directors have recommended the payment of dividend of 1% per share on ICPS.

33. SEGMENTAL REPORTING

No segmental information analysis is prepared as the Group’s business activities are predominantly located in Malaysia and engaged in the provision of management contract services and property development.

34. CONTINGENT LIABILITIES

	GROUP	
	2010 RM	2009 RM
i) Bank guarantee	33,000	33,000
iii) Legal claims against 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
	149,944	149,944

35. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to related party disclosures made elsewhere in the financial statements, the following are transactions and balances with related parties:

a) Transactions within the Group

	2010 RM	2009 RM
Project management services paid within related companies	–	20,033
Management fee charge by holding company	1,320,000	1,320,000
Office rental paid to holding corporation by subsidiary companies	–	131,490
Dividend paid and payables by subsidiary companies to holding company	937,500	983,410
Land held for property development transferred to holding corporation by subsidiary companies	–	12,779

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.

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 operations whilst managing its financial risks, including credit risk, liquidity and cash flow risk. The Group and the Company operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

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 maintains a certain level of cash convertible investments to meet its working capital requirements.

36. FINANCIAL INSTRUMENTS...(Cont'd.)

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 2010 RM	Fair value 2010 RM	Carrying Amount 2009 RM	Fair value 2009 RM
Financial asset				
Quoted shares	700,512	1,451,716	888,462	1,257,620
Financial liabilities				
Bank borrowings (Al-Istina')	—	—	2,531,583	*

* The fair value of bank borrowing is measured by at the current interest rate for similar financial instruments at the statement of financial position date. The carrying amounts of financial instruments as at the statement of financial position date approximate their fair value as the current interest rate is not materially different with their intrinsic rate of these financial instruments.

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 maturities of these financial instruments.

36. FINANCIAL INSTRUMENTS...(Cont'd.)

Capital Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce 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 debt. 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 statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

The gearing ratios at 31 December 2010 and 2009 were as follow:

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Amount due to related companies	9,290,278	12,495,000	33,464	–
Amount due to holding corporation	14,863,135	10,123,395	14,863,135	196,201
Provision for retrenchment benefit	980,020	1,033,285	–	–
Bank borrowings	726,787	3,183,871	–	–
Hire purchase payables	375,874	321,632	139,034	–
	26,236,094	27,157,183	15,035,633	196,201
Less: Cash and cash equivalent	(4,975,751)	(5,488,196)	(30,659)	(122,540)
Net debt	21,260,343	21,668,987	15,004,974	73,661
Total equity	206,283,021	195,730,161	183,375,942	172,085,394
Total capital	227,543,364	217,399,148	198,380,916	172,159,055
Gearing ratio	9.34%	9.97%	7.56%	0.04%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

37. SIGNIFICANT EVENTS

- i. On 14 April 2008, the Company has approved the proposed corporate restructuring exercise involving its subsidiaries whereby the operations of its subsidiary companies will be streamlined by moving certain 2nd tier subsidiary companies as direct subsidiaries of the Company and merging others into the existing subsidiaries directly owned by the Company.

On 10 August 2010, subsidiary company, Majuperak Energy Resources Sdn. Bhd. has transferred of the entire share of its subsidiary company, Jua Juara Sdn. Bhd. to Majuperak Development Berhad.

Pursuant to a Restructuring Agreement dated 30 December 2010, subsidiary company, Majuperak Energy Resources Sdn. Bhd. has transferred its shares in its subsidiary companies, Majuperak Bio Resources Sdn. Bhd., Majuperak Land Sdn. Bhd. and Majuperak Property Management Sdn. Bhd. to the Company.

- ii. On 30 December 2010, the Company has entered into an agreement for assignment of debt in which the holding corporation transfer all the rights, interests and liabilities in and over the debts held by the subsidiaries to the Company.

38. COMPARATIVE FIGURES

Certain comparative figures have been restated due to the adoption of FRS 117. Set out below is the financial effect arising from the adoption of FRS 117:

	As previously reported RM	Effect of changes in accounting policies RM	As restated RM
As at 01 January 2009			
Property, plant and equipment	2,656,670	10,782,797	13,439,467
Prepaid land lease payments	10,782,797	(10,782,797)	–
As at 31 December 2009			
Property, plant and equipment	2,696,032	10,666,786	13,362,818
Prepaid land lease payments	10,666,786	(10,666,786)	–

39. 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 realized and unrealised on group and company basis in the annual audited financial statements.

The breakdown of accumulated losses 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:

	2010	
	GROUP RM	COMPANY RM
Realised	25,989,527	3,783,101
Unrealised	109,982	–
	26,099,509	3,783,101

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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 **8th (EIGHTH) ANNUAL GENERAL MEETING** of the Company to be held at Dewan UMNO, Aras 1, Bangunan UMNO Negeri Perak, Jalan Raja Dr Nazrin Shah, (Jalan Gopeng), 30250 Ipoh, Perak Darul Ridzuan on Thursday, 28 June 2011, at 4.00 p.m. or at any adjournment thereof 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 2010 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 2010.	Resolution 2		
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) Abdul Aziz bin Subali	Resolution 3		
(ii) Haji Mustapha bin Mohamed	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		
Proposed Renewal Of Shareholders' Mandate and Proposed New Shareholder' Mandate For The Recurrent Related Party Transactions Of A Revenue Or Trading Nature	Resolution 7		

(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 _____.

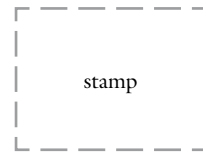
Number of ordinary shares held

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 authorized 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 6th 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, 28 June 2011 at 1.30 p.m.

First Fold



THE SECRETARY

MAJUPERAK HOLDINGS BERHAD Co. No. 585389-X

6th Floor, Wisma Wan Mohamed,

Jalan Panglima Bukit Gantang Wahab

30000 Ipoh, Perak Darul Ridzuan.

Second Fold

MAJUPERAK HOLDINGS BERHAD (585389-X)

6th Floor Wisma Wan Mohamed,
Jalan Panglima Bukit Gantang Wahab,
30000 Ipoh, Perak Darul Ridzuan.

Tel: (05) 529 6619, 529 6621, 254 8080, 243 8864

Fax: (05) 529 6620, 254 7070