





ANNUAL REPORT 2011

MALTON
BERHAD
(320888-T)

CONTENTS

02 CORPORATE INFORMATION

03 CORPORATE STRUCTURE

04 BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

08 CHAIRMAN'S STATEMENT

11 OPERATIONS REVIEW

16 GROUP FINANCIAL HIGHLIGHTS

17 STATEMENT ON CORPORATE GOVERNANCE

24 AUDIT COMMITTEE REPORT

27 REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

99 GROUP PROPERTIES

102 STATEMENT OF SECURITIES' HOLDERS

111 NOTICE OF ANNUAL GENERAL MEETING

PROXY FORM

BOARD OF DIRECTORS

Datuk Lim Siew Choon
Executive Chairman

Chua Thian Teck
Executive Director

Tan Peng Sheung
Independent Non-Executive Director

Guido Paul Philip Joseph Ravelli
Deputy Chairman /
Independent Non-Executive Director

Hong Lay Chuan
Executive Director

Datin Tan Kewi Yong
Executive Director

Hj Ahmad Bin Hj Ismail, PJK
Independent Non-Executive Director

CHIEF EXECUTIVE OFFICER

Chia Lui Meng

AUDIT COMMITTEE

Tan Peng Sheung
Chairman of Committee

Guido Paul Philip Joseph Ravelli
Member of Committee

Hj Ahmad Bin Hj Ismail, PJK
Member of Committee

REMUNERATION COMMITTEE

Guido Paul Philip Joseph Ravelli
Chairman of Committee

Chua Thian Teck
Member of Committee

Hj Ahmad Bin Hj Ismail, PJK
Member of Committee

NOMINATING COMMITTEE

Guido Paul Philip Joseph Ravelli
Chairman of Committee

Hj Ahmad Bin Hj Ismail, PJK
Member of Committee

Tan Peng Sheung
Member of Committee

COMPANY SECRETARY

Hor Shiow Jei

REGISTERED OFFICE

19-0, Level 19, Pavilion Tower
75, Jalan Raja Chulan
50200 Kuala Lumpur
Tel 603-2088 2888
Fax 603-2088 2999

SHARE REGISTRAR

Shareworks Sdn Bhd
No. 10-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Tel 603-6201 1120
Fax 603-6201 3121

AUDITORS

Deloitte & Touche, Chartered Accountants
CHS Tan & Co, Chartered Accountants

PRINCIPAL BANKERS

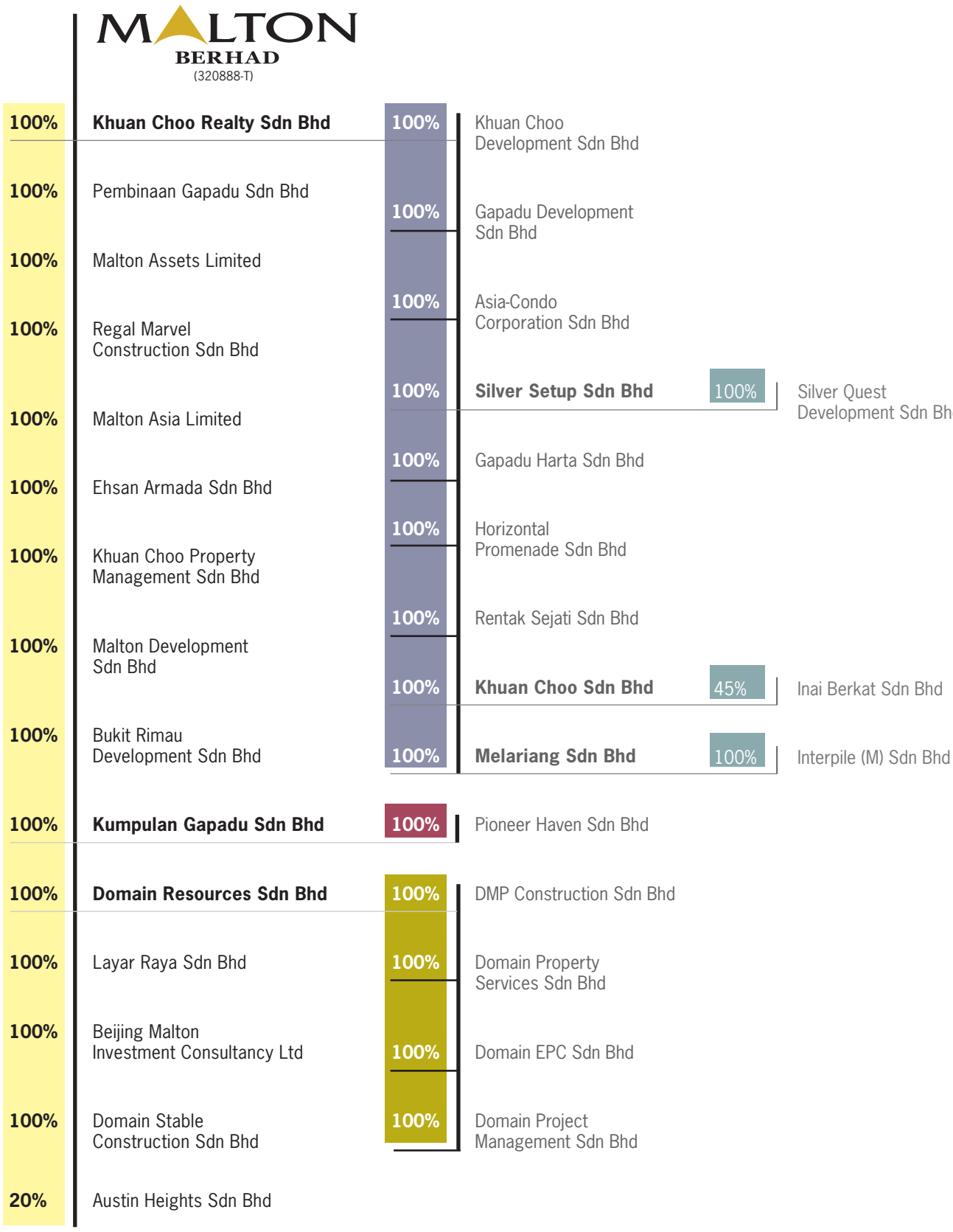
Hong Leong Bank Berhad
Alliance Bank Malaysia Berhad
Bangkok Bank Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa
Malaysia Securities Berhad

COMPANY WEBSITE

www.malton.com.my


MALTON
BERHAD
(320888-T)
100% Khuan Choo Realty Sdn Bhd
100% Pembinaan Gapadu Sdn Bhd
100% Malton Assets Limited
100% Regal Marvel Construction Sdn Bhd
100% Malton Asia Limited
100% Ehsan Armada Sdn Bhd
100% Khuan Choo Property Management Sdn Bhd
100% Malton Development Sdn Bhd
100% Bukit Rimau Development Sdn Bhd
100% Kumpulan Gapadu Sdn Bhd
100% Domain Resources Sdn Bhd
100% Layar Raya Sdn Bhd
100% Beijing Malton Investment Consultancy Ltd
100% Domain Stable Construction Sdn Bhd
20% Austin Heights Sdn Bhd
100% Khuan Choo Development Sdn Bhd
100% Gapadu Development Sdn Bhd
100% Asia-Condo Corporation Sdn Bhd
100% Silver Setup Sdn Bhd
100% Silver Quest Development Sdn Bhd
100% Gapadu Harta Sdn Bhd
100% Horizontal Promenade Sdn Bhd
100% Rentak Sejati Sdn Bhd
100% Khuan Choo Sdn Bhd
45% Inai Berkat Sdn Bhd
100% Melariang Sdn Bhd
100% Interpile (M) Sdn Bhd
100% Pioneer Haven Sdn Bhd
100% DMP Construction Sdn Bhd
100% Domain Property Services Sdn Bhd
100% Domain EPC Sdn Bhd
100% Domain Project Management Sdn Bhd

DATUK LIM SIEW CHOON
Malaysian/Executive Chairman

Datuk Lim Siew Choon, age 51, received his tertiary education in the United States of America and graduated with a Degree in Business Administration and Finance from University of Central Oklahoma. He has been involved in the property development and construction industries for more than 29 years.

He was appointed the Executive Chairman of Malton Berhad on 15 February 2001. He attended all five board meetings held during the financial year ended 30 June 2011. His spouse, Datin Tan Kewi Yong is an Executive Director and a major shareholder of Malton Berhad.

He does not have any conflict of interest with Malton Berhad other than the disclosures made under Related Party Transactions and Balances in the Financial Statements set out in pages 80 to 81 of this Annual Report. He does not hold any securities in Malton Berhad other than the disclosures made in the Statement of Securities' Holders set out in pages 102 to 110 of this Annual Report. He has no conviction for offences within the past 10 years.

GUIDO PAUL PHILIP JOSEPH RAVELLI
British/Deputy Chairman/Independent Non-Executive Director

Mr Paul Ravelli, age 60, studied civil engineering at King's College, University of London and graduated with a Bachelor of Science (Hons) degree in Civil Engineering. He furthered his studies at Ecole Centrale des Arts et Manufacturers, Paris and was later conferred Master of Science in Engineering. He began his career with a major building contractor in Paris and later elected to pursue an international career in the field of construction. He has more than 33 years of experience in the development, implementation and management of buildings, public works and Build/Operation/Transfer projects in France, Portugal, Hong Kong SAR and Malaysia. In year 2000, the President of France conferred a national honour on him by making him, a Chevalier de l'Ordre National du Merite, in recognition of his contribution to the profession and to Franco-Asian business relations.

He was appointed an Independent Non-Executive Director on 1 March 2002. He was subsequently appointed the Deputy Chairman of Malton Berhad on 6 November 2002. He is a member of the Audit Committee and sits in the Nominating Committee and Remuneration Committee. He also sits on the Board of Directors of Ibraco Berhad.

He attended all five board meetings held during the financial year ended 30 June 2011. He has no family relationship with any of the Directors and/or major shareholders of Malton Berhad. He does not have any conflict of interest with Malton Berhad. He has no convictions for offences within the past 10 years. He does not hold any securities in Malton Berhad or its subsidiaries.

DATIN TAN KEWI YONG
Malaysian/Executive Director

Datin Tan Kewi Yong, age 55, pursued her tertiary education in the United Kingdom specialising in Business Studies. In her 28 years of experience in marketing, finance and human resources management, she has been instrumental in setting up various successful business ventures. Her initial involvement was trading and distribution line and over the years, her scope of involvement has extended to cover many other industries.

She was appointed an Executive Director of Malton Berhad on 19 February 2002. She attended four of the five board meetings held during the financial year ended 30 June 2011.

Her spouse, Datuk Lim Siew Choon is the Executive Chairman and a major shareholder of Malton Berhad. She does not have any conflict of interest with Malton Berhad. She does not hold any securities in Malton Berhad other than the disclosures made in the Statement of Securities' Holders set out in Pages 102 to 110 of this Annual Report. She has no conviction for offences within the past 10 years.

CHUA THIAN TECK
Malaysia/Executive Director

Mr Chua Thian Teck, age 52, is a Fellow Member of the Association of Chartered Certified Accountants. He has more than 27 years of experience in accounting and financial services and manufacturing industry and in the course of his career, has acquired valuable knowledge particularly in corporate planning and finance. He was attached to two investment banks and was involved in corporate restructuring, capital and funding issues, privatisations, initial public offerings, merger and acquisitions and other corporate advisory services.

He was appointed an Executive Director of Malton Berhad on 25 September 2002. He is a member of the Remuneration Committee.

He attended all five board meetings held during the financial year ended 30 June 2011. He has no family relationship with any of the Directors and/or major shareholders of Malton Berhad. He does not have any conflict of interest with Malton Berhad. He has no conviction for offences within the past 10 years. He does not hold any securities in Malton Berhad or its subsidiaries.

HONG LAY CHUAN
Malaysian/Executive Director

Mr Hong Lay Chuan, age 53, holds a Bachelor of Science degree in Housing, Building & Planning. His 29 years of working experience covers several business sectors including Banking & Finance, Trading, Retail & Property Management as well as Property Development. He had 15 years of experience in the retail banking industry before joining the group as a General Manager in charge of banking & project financing. Thereafter he was seconded as an executive director to a Trading, Retail & Property development company for several years. In 2003, he rejoined Malton Group as an Executive Director of Bukit Rimau Development Sdn Bhd, a wholly owned subsidiary of Malton Berhad.

He was appointed an Executive Director of Malton Berhad on 19 February 2009. He attended all five board meetings held during the financial year ended 30 June 2011. He has no family relationship with any of the Directors and/or major shareholders of Malton Berhad. He does not have any conflict of interest with Malton Berhad. He has no conviction for offences within the past 10 years. He does not hold any securities in Malton Berhad or its subsidiaries.

HJ AHMAD BIN HJ ISMAIL, PJK
Malaysian/Independent Non-Executive Director

Hj Ahmad Bin Hj Ismail, age 69, graduated with an Honours Degree in Malay Studies from Universiti Malaya in 1974. Upon his graduation, he served as a lecturer of Malay Studies at Universiti Putra Malaysia until his retirement in 1997. During his tenure at the university, he played a prominent role in the development of the Malay Language.

He was appointed an Independent Non-Executive Director of Malton Berhad on 25 September 2002. He is a member of the Audit Committee, Nominating Committee and Remuneration Committee.

He attended all five board meetings held during the financial year ended 30 June 2011. He has no family relationship with any of the Directors and/or major shareholders of Malton Berhad. He does not have any conflict of interest with Malton Berhad. He has no convictions for offences within the past 10 years. He does not hold any securities in Malton Berhad or its subsidiaries.

TAN PENG SHEUNG
Malaysian/Independent Non-Executive Director

Mr Tan Peng Sheung, age 58, is an Associate Member of the Chartered Institute of Management Accountants (CIMA), registered as a Chartered Accountant with the Malaysian Institute of Accountants (MIA). He started his accountancy and audit career with Price Waterhouse & Co., and since then had acquired more than 36 years of valuable corporate experience in companies which straddle a diverse range of business and industry sectors, including insurance and financial services, property development, manufacturing, trading, confectionery, F&B, specialty and consumer retailing.

His experience as Chief Financial Officer of a large retail chain of stores, to director/senior management level of operating companies, some of which are successful joint venture franchise establishments, has provided valuable dimension to the advisory and consulting projects he developed and managed, both on a regional and global basis.

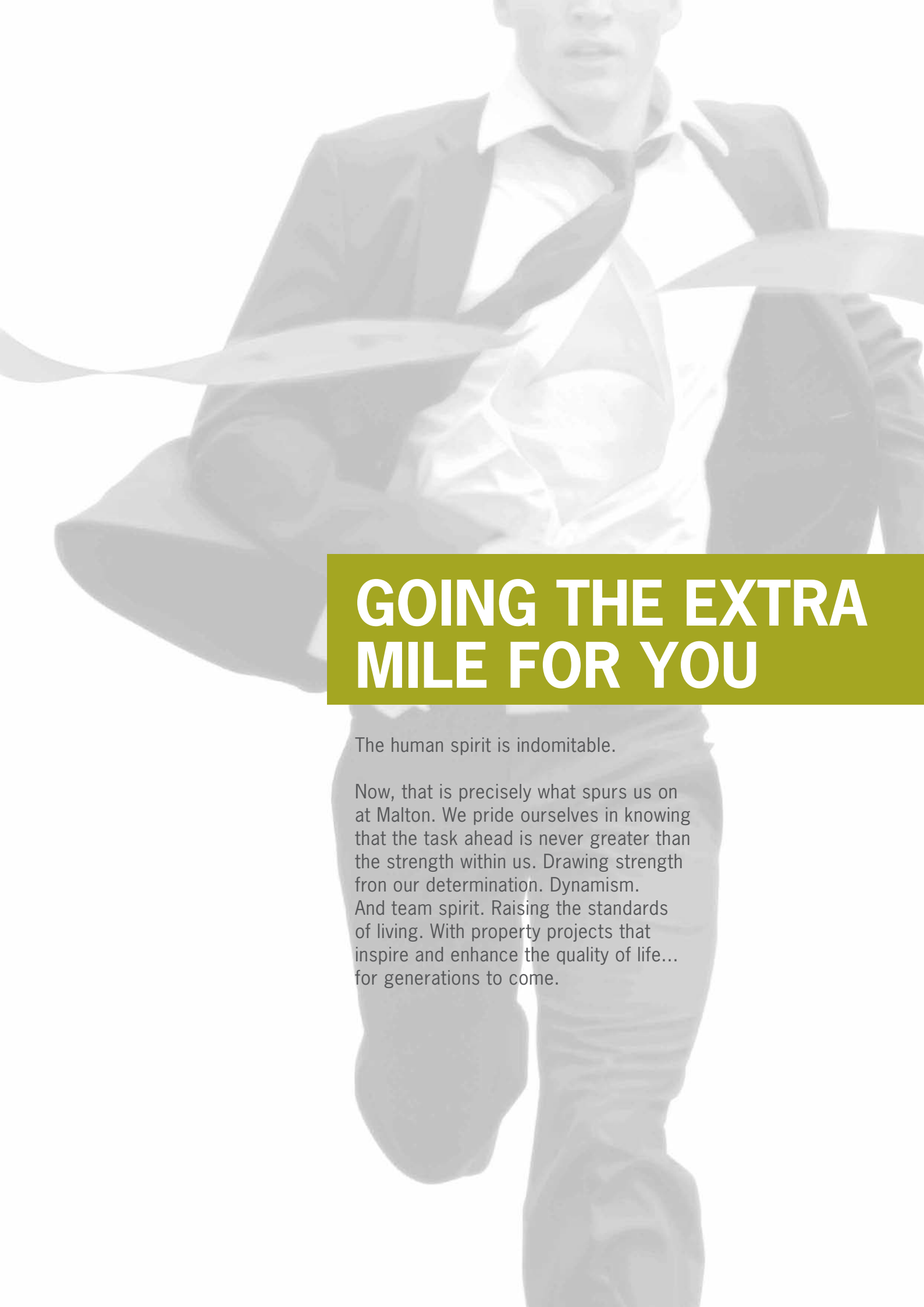
He was appointed an Independent Non-Executive Director of Malton Berhad on 6 March 2008. He is the Chairman of the Audit Committee and a member of the Nominating Committee. He attended all five board meetings held during the financial year ended 30 June 2011. He has no family relationship with any of the Directors and/or major shareholders of Malton Berhad. He does not have any conflict of interest with Malton Berhad. He has no conviction for offences within the past 10 years. He does not hold any securities in Malton Berhad or its subsidiaries.

CHIA LUI MENG
Malaysian/Chief Executive Officer

Mr Chia Lui Meng, age 56, a Chartered Quantity Surveyor, graduated with a Bachelor of Quantity Surveying (Hons) from University of Technology Malaysia. He is a Fellow Member of the Royal Institution of Surveyors Malaysia and a Member of the Royal Institution of Chartered Surveyors and the Society of Construction Law, Malaysia. He holds a Bachelor of Law (Hons) degree from University of London and completed Certificate of Legal Practice awarded by the Legal Qualifying Board Malaysia.

In his 33 years of experience in the property development and construction industry, he has worked in both the public and private sectors. He was attached with Jabatan Kerja Raya from 1978 until 1995 as a Senior Quantity Surveyor. He left government service as Assistant Director under Optional Retirement in September 1995. In 1995, he joined Hiap Aik Construction Berhad as General Manager. In 1997, he joined United Malayan Land Bhd as the Personal Assistant to Managing Director & Group Chief Executive Officer, rising to the position of General Manager. He ventured overseas in 2008, joining Viet Hung Urban Development & Investment J.S.C Land Bhd as Chief Operating Officer and was based in Hanoi, Vietnam until March 2009. Prior to joining Malton Berhad, he was attached with Naza TTDI Sdn Bhd as Director and Advisor to Group Managing Director.

He was appointed Chief Executive Officer of Malton Berhad on 10 October 2011. He has no family relationship with any of the Directors and/or major shareholders of Malton Berhad. He does not have any conflict of interest with Malton Berhad. He has no conviction for offences within the past 10 years. He does not hold any securities in Malton Berhad or its subsidiaries. He does not hold any directorship in any public companies.



GOING THE EXTRA MILE FOR YOU

The human spirit is indomitable.

Now, that is precisely what spurs us on at Malton. We pride ourselves in knowing that the task ahead is never greater than the strength within us. Drawing strength fron our determination. Dynamism. And team spirit. Raising the standards of living. With property projects that inspire and enhance the quality of life... for generations to come.



Dear Valued Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and the Financial Statements of the Group and Company for the financial year ended 30 June 2011.

OPERATING BACKGROUND

During the financial year under review, the Malaysian economy continued to expand steadily albeit at a moderate pace from 5.3% in the third quarter of 2010 to 4.0% in the second quarter of 2011. Growth in local economy was mainly driven by continued expansion in private consumption, supported by improving labour market conditions, firm commodity prices and higher private sector spending. Nevertheless, the weaker external environment and the global supply chain disruptions on trade-related activities have slowed down the growth in the manufacturing sector.

In tandem with the stable economic performance and higher disposable income from the improved labour market, the property market was buoyant in the highly sought-after locations such as Klang Valley, Penang and Johor during the financial year under review. Improved performance for these areas was reflected in the increase in number of property transactions and take up rates during the period as reported by the National Property Information Centre (NAPIC). The market was further encouraged by the launch of the My First House Scheme (Skim Rumah Pertamaku) by the Government in March 2011 to assist young adults earning below RM3,000 per month in the private sector to own a home.

The construction sector continued to grow, spurred by the robust residential and non-residential sub-sectors. Both sectors have seen strong demand for housing in line with improved household income, easy financing and government initiatives to encourage house ownership. On the other hand, expansion in the construction of industrial, shop and office buildings was supported by increased private investment activities.

FINANCIAL REVIEW

The Group achieved a record-high profit during the financial year under review. Pre-tax profit jumped 174.3% to RM98.2 million from RM35.8 million reported previously while profit after tax soared 229.0% to RM72.7 million from RM22.1 million reported in 2010. The Group's revenue registered an increase of 33.3% to RM462.4 million as compared to RM346.9 million reported previously with major contribution from the property development division. This division achieved higher revenue from the advanced construction progress of our on-going projects and higher sales achieved from new projects launched during the year. Revenue from construction and project management division also improved during the financial year due to the commencement of construction works at Jaya Shopping Centre.

The strong performance in the Group's earnings was mainly driven by higher sales value and better margin achieved by our development projects. The value engineering exercise carried out across our development projects has also contributed to the improved margin. In the current financial year, the Group also recognized its full year share of results in Austin Heights Sdn Bhd, an associated company, amounting to RM4.1 million while the Group also shared losses in an associated company acquired in July 2010, Inai Berkat Sdn Bhd, for the amount of RM3.6 million arising mainly from the recognition of notional interest charges in its financial statements in compliance with Financial Reporting Standard 139.

DIVIDENDS

The Board of Directors has proposed a final dividend of 0.85% less income tax and a final tax exempt dividend of 1.15% in respect of the financial year ended 30 June 2011.

CORPORATE DEVELOPMENT

On 30 December 2010, the Company proposed to undertake:-

(a) a renounceable rights issue of up to RM156,390,346 nominal value 7-year 6% redeemable convertible secured loan stocks ("RCSLS") at 100% of its nominal value together with up to 156,390,346 free detachable new warrants ("Warrants") and up to 78,285,173 new ordinary shares of RM1.00 each in the Company ("Malton Shares") ("Bonus Shares") attached on the basis of RM2.00 nominal value of RCSLS together with two Warrants and one Bonus Share for every five Malton Shares held ("Proposed Rights Issue");

(b) Proposed exemption for Malton Corporation Sdn Bhd ("MCSB") and parties acting in concert with MCSB under Practice Note 9 of the Malaysian Code on Take-Over and Mergers 2010 from the obligation to undertake a mandatory take-over offer for the remaining shares and convertible securities in the Company not already held by them after the Proposed Rights Issue ; and

(c) Proposed amendment to the articles of association of the company

(hereinafter collectively referred to as the "Proposals").

The Proposals was approved by the shareholders of the Company at the Extraordinary General Meeting held on 20 May 2011 and subsequently completed following the successful listing and quotation of the RM139,341,169 nominal value 7-year 6% RCSLS at 100% of its nominal value together with 139,341,169 free detachable new warrants and 69,670,584 new ordinary bonus shares of RM1.00 each in the Company on 8 July 2011.

On 4 January 2011, The Company acquired the entire issued and paid-up share capital of Domain Stable Construction Sdn Bhd comprising 3,000,000 ordinary shares of RM1.00 each from Domain Resources Sdn Bhd, a wholly owned subsidiary, for cash consideration of RM3,132,720 as part of the Group's internal restructuring exercise.

CORPORATE SOCIAL RESPONSIBILITY

The Group has continued to lend its support and assistance to various worthy causes for the community. This year we have made donations to various charity bodies including the Malaysian Red Crescent Society for the Japan earthquake and tsunami victims and also contributed to schools for the general maintenance and additional facilities for the school, amongst others. Besides, management and staff have also participated in the "Grant-A-Wish on Universal Children's Day" campaign for the third consecutive year. The event, organized by the Rainbow of Life Forces: Gold Ribbon Campaign, had been initiated to create awareness of children who are underprivileged or disabled. Our staff visited the needy and poor children of Desa Amal Jireh, a private independent welfare organisation in Semenyih and handed over gift items to the children.

Human capital development is not only part of our Corporate Social Responsibility program, it is also one of the key factors to drive the success of the Group's performance. As such, it is imperative for the Group to continuously invest in human resources through job-related trainings and seminars.

CHALLENGES AND PROSPECTS

Although most emerging and developing economies continued to register strong growth, the on-going debt crisis in the Euro zone economies, geopolitical tensions in the Middle East and North Africa and weakening economic conditions in the major advanced economies have posted great challenges to our export markets. Corporate earnings from the export-oriented sectors will come under tremendous pressure with heightened uncertainties in the global economic conditions.

CHALLENGES AND PROSPECTS (cont'd)

However, despite a challenging external environment, Malaysia's economy is expected to record a steady growth, supported by domestic demand and various Government pump prime initiatives. The property sector will continue to benefit from an accommodative interest rate environment and ample liquidity in the banking system. In the central region, the commencement of the construction of the first Klang Valley Mass Rapid Transit line from Sungai Buloh to Kajang and the extension of the Light Rail Transit line from Kelana Jaya to Putra Heights and from Ampang to Putra Heights will boost market sentiment further as the transit lines will enhance connectivity in the Klang Valley by integrating with existing public transport systems. In the southern region, the joint statement announced by the Malaysia and Singapore Governments on the establishment of a 50:50 joint venture company to undertake two urban wellness development projects in the Iskandar Malaysia region and the roll out of various infrastructure projects within the economic growth corridor have also improved market sentiment significantly in Johor property market. While in Penang, the strong capital investment flow of RM12.2 billion recorded in 2010 and the various growth initiatives put up by the state government such as the additional RM10 billion worth of road projects to improve connectivity and traffic condition in the island, amongst others, will augur well for the local property market. Market sentiment will remain upbeat as investors are looking forward to the unveiling of the Greater Penang Masterplan by the Government.

Though local property market outlook remains positive, we shall remain cautious on the development of the global economy. Our strategies of customer centric, product innovation and quality emphasis is vital for the long-term success of our property development division in the increasingly competitive market. In addition, the Group has also conducted several brand culture trainings to the staff for the development of internal brand culture. A new performance management system will be implemented to effectively recognize and reward our staff and to facilitate the achievement of strategic and operational goals of the Group.

For our construction and project management division, it remains important in supporting the Group's development projects. In addition, given its expertise, the Group will continue to bid for external construction works, albeit selectively, to increase its order book.

With the completion of the Company's rights issue exercise as mentioned above, the Group will immediately benefit from costs saving through retirement of existing borrowings with higher interest rates and the additional funds raised from the exercise will put the Group in good stead to increase its landbank via acquisitions and strategic joint venture arrangements to enhance its future earnings growth.

The Group will continue to adopt a prudent risk management approach in all our business activities and embark on the strategy of building our core business on a sustainable basis. Barring unforeseen circumstances, we envisage the Group will achieve satisfactory results in the ensuing financial year.

ACKNOWLEDGEMENT

This successful year would not have been possible without the dedication and commitment of our management and staff. On behalf of the Board, I wish to extend my sincere thanks to them for their contribution to the Group and I would also like to thank our valued customers, suppliers, business associates, bankers, various regulatory authorities and our faithful shareholders for their continued support and confidence in us.

To my fellow Board members, I thank you for their guidance and advice throughout the year. I would like to extend a warm welcome to Mr Chia Lui Meng who has joined us as Chief Executive Officer on 10 October 2011. I would also like to express our appreciation and gratitude to Mr Chong Wan Ping, who has resigned from the Board on 1 April 2011, for his past contribution.

On behalf of the Board

Datuk Lim Siew Choon
Executive Chairman

19 October 2011

Property Development Division

Revenue generated by the property development division rose to RM414.1 million compared to RM306.6 million in the previous financial year. The increase in revenue was mainly attributed to higher revenue recognition from advanced stage of construction of on-going projects and good take up rates registered for newly launched projects.



BUKIT RIMAU @ SHAH ALAM

Bukit Rimau township development project comprises bungalows, semi-dees, super link homes, zero-lots, cluster homes and shop offices spanning over a 358-acre freehold land. In addition to the completed Columbia Asia Medical Centre and Carrefour Hypermarket development, this well-established township will be further enhanced with 149 units of new shop offices. Upon completion of Phases 6 and 6B1 shop offices development, the township is set to transform into a vibrant commercial centre in the area with ease of access via the Bukit Rimau interchange along the KESAS highway.

During the financial year under review, 16 units of semi-dees development known as Casa Villas, 11 units of luxurious bungalows development known as Azures and 48 units of shop offices under Phase 6 within the commercial development were completed. These units were all fully sold in 2010.

Phase 6B1, comprising 101 units shop offices which was launched and fully sold in 2010 is expected to be completed well ahead of schedule in December 2011.

The entire Bukit Rimau development project is expected to be fully developed within the next 2 years.



AMAYA SAUJANA @ SAUJANA SUBANG

Amaya Saujana is a service apartment development sited on a 6-acre freehold land. This project comprises three 13-storey blocks of 374 well-designed residential suites with clubhouse facilities is located right across the road from the prestigious Saujana Golf and Country Resort and adjacent to the Japanese International School.

Its unique design, based on bungalow layout living concept, with lush garden landscape at ground level and highly accessible location via all major highways in the Klang Valley has attracted the urban affluent group. All the units have been sold and delivery of vacant possession had commenced in November 2010.



THE GROVE – WATERSCAPE VILLAS @ SS23, PETALING JAYA

The Grove – Waterscape Villas is an exclusive gated and guarded residential enclave in SS23, Petaling Jaya. Located away from the hustle and bustle of major highways, it is nonetheless easily accessible from Kuala Lumpur, Subang, Shah Alam and the Klang Valley via major highway through a network of feeder roads.

This 4.8-acre freehold development comprises 35 units of premium lifestyle series of 3-storey bungalows and link bungalows complete with a private clubhouse with facilities. Its close proximity to various matured neighbourhoods and established amenities has made it a highly sought after property. The project has enjoyed 100% take up rate.

Construction work is scheduled for completion in November 2011.

V SQUARE @ PETALING JAYA CITY CENTRE

V Square or commonly known as VSQ is a commercial development strategically located along the busy Jalan Utara of Section 52, Petaling Jaya. This 2.6-acre development is surrounded by notable landmarks such as the Armada Hotel, PJ Hilton, Crystal Crown Hotel and Menara Axis. It is also within walking distance from the Asia Jaya LRT Station.

The development comprises 7 blocks of retail and office space with ample car parks facilities. The two 12-storey corporate office blocks under phase 1 were fully sold whereas the 17-storey corporate business suites has achieved 93% take up rate. Phase 2 comprises 2 blocks of 20-storey corporate twin towers and retail podiums. With its modern façade design and prime location, this development will emerge as the next distinctive landmark in Petaling Jaya upon completion.

To-date, the en-bloc sale of one of the Phase 2 corporate twin towers has been completed. Construction is on schedule and completion is expected to be in December 2011 for Phase 1 and June 2012 for phase 2.



MUTIARA INDAH @ PUCHONG

Mutiara Indah is a mix development comprising cluster homes, semi detached houses, terrace houses, shop offices and apartments on a 82-acre leasehold land in Puchong.

The terrain of Mutiara Indah is undulating and the development offers a panoramic view of its surroundings. The site is easily accessible via a network of highways namely, the Damansara-Puchong Highway, the KESAS Highway, the Maju Expressway and the South Klang Valley Expressway.

Phase 3A development which consists of 101 units of double storey link homes has enjoyed a success rate of 95% in sales. Construction has been completed and delivery of vacant possession to our purchasers had commenced from August 2011.



AMAYA MALURI @ KUALA LUMPUR

Amaya Maluri is a mixed commercial development comprising 25 retail shops and 398 serviced apartments housed in a 20-storey tower block with 3 levels of elevated car park. The development is located within the established business centre of Taman Maluri, Cheras and only 4-km away from Kuala Lumpur City Centre. The site of this 2.7-acre leasehold development land is adjacent to the existing Jaya Jusco Shopping Centre within walking distance to the proposed Maluri MRT station.

The project launch has received overwhelming response and achieved a sales take up rate of 82%. Construction work of the building had commenced since April 2011 and is on schedule to complete by end of 2012.



Construction and Project Management Division

For the current financial year under review, total revenue from the construction and project management division increased from RM39.0 million in 2010 to RM47.4 million. The increase in revenue was due to the commencement of the construction works of Jaya Shopping Centre in January 2011.

Major construction and project management projects undertaken and secured by the Division during the financial year are set out below.



JAYA SHOPPING CENTRE

The design and build contract for the redevelopment of the Jaya Shopping Centre at Section 14, Petaling Jaya was awarded to Domain Resources Sdn Bhd in 2009. The old shopping centre and office building was demolished and is being redeveloped into a 7-storey modern neighbourhood shopping mall with 4 levels of basement car parks.

Construction work commenced in January 2011 upon the completion of the demolition work by other contractors. The redevelopment project is expected to be completed in mid 2013.



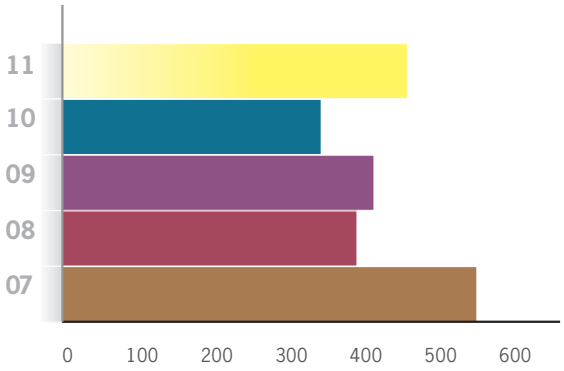
PEARL @ KLCC

Located at the distinguished embassy enclave of Jalan Stonor, Kuala Lumpur, Pearl @ KLCC has been conceptualized as one of the most desired luxurious condominium development in the area. The development comprises 177 units of luxurious condominiums with 2 blocks of 41-storey building.

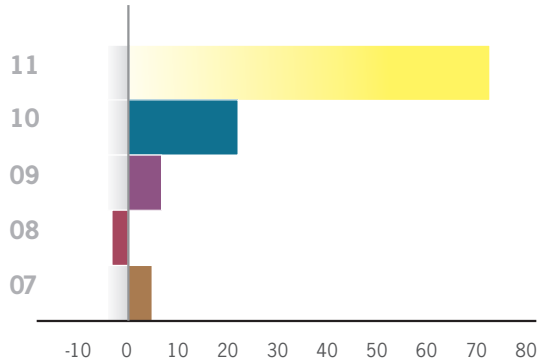
Domain Resources Sdn Bhd was appointed as the Project Development and Construction Manager. The certificate of practical completion for the project is expected to be received before end of the year.

GROUP FINANCIAL HIGHLIGHTS

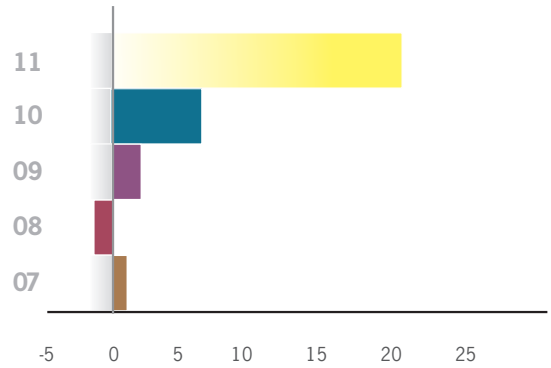
REVENUE
RM mil/YEAR



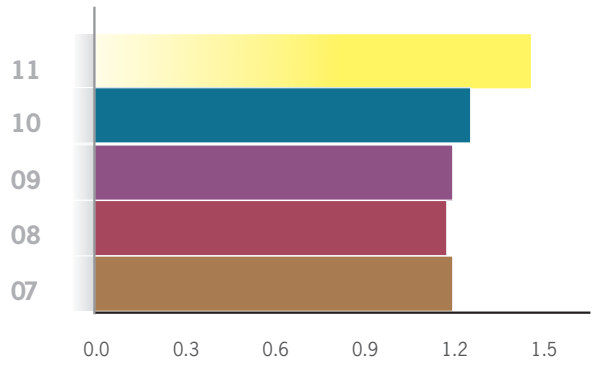
PROFIT/(LOSS) AFTER TAXATION
RM mil/YEAR



BASIC EARNINGS/(LOSS) PER SHARE
Sen



NET ASSETS PER SHARE
RM/YEAR



Year ended 30 June	2011	2010	2009	2008	2007
Revenue (RM'000)	462,392	346,920	417,647	394,873	555,535
Profit/(Loss) Before Taxation (RM'000)	98,152	35,820	12,045	(364)	8,468
Profit/(Loss) After Taxation (RM'000)	72,694	22,067	6,503	(3,120)	4,670
Profit/(Loss) Attributable to Equity Holders of the Company (RM'000)	72,694	22,067	6,638	(4,657)	3,372
Paid-Up Capital (RM'000)	348,353	348,353	348,353	348,353	348,353
Equity Attributable to Equity Holders of the Company (RM'000)	509,129	439,709	417,642	411,004	418,049
Total Assets (RM'000)	959,366	733,194	808,128	861,025	885,194
Basic Earnings/(Loss) Per Share (Sen)	20.86	6.33	1.91	(1.34)	0.97
Net Assets Per Share (RM)	1.46	1.26	1.20	1.18	1.20

INTRODUCTION

The Board of Directors of Malton Berhad ("Board") is committed to ensure that high standards of corporate governance are practiced throughout Malton Berhad ("Malton" or "Company") and its subsidiaries ("Group"). The Board is of the view that this is fundamental towards the protection and enhancement of shareholders' value. The Board fully supports the principles set out in the Malaysian Code on Corporate Governance ("Code"). The Board is pleased to outline the manner in which the Group has applied the principles set out in the Code and hereby confirms that the Group has complied with the best practices sets out in the Code for the financial year ended 30 June 2011.

THE BOARD

1. Board Membership

The Group is led and controlled by an effective Board. Presently, the Board comprises four executive directors and three independent non-executive directors as set out below.

Name	Directorship
Datuk Lim Siew Choon (Executive Chairman)	Executive
Guido Paul Philip Joseph Ravelli (Deputy Chairman)	Independent and Non-Executive
Datin Tan Kewi Yong	Executive
Chua Thian Teck	Executive
Hong Lay Chuan	Executive
Hj Ahmad Bin Hj Ismail, PJK	Independent and Non-Executive
Tan Peng Sheung	Independent and Non-Executive

The profiles of the Directors are presented in this Annual Report.

During the financial year, Mr Chong Wan Ping who was Managing Director resigned on 1 April 2011. The present composition of the Board complies with the requirement of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Main Market Listing Requirements"). There is balance in the Board as each independent director brings invaluable judgement to bear on issues of strategy, performance, resource allocation, risk management and standards of conduct. In the opinion of the Board, the minority shareholders are fairly well represented by the presence of these highly capable and credible independent non-executive directors.

Mr Guido Paul Philip Joseph Ravelli is the senior independent non-executive director. Any concerns relating to the Group may be conveyed to him.

2. Directors' Duties and Responsibilities

Malton is led by a team of experienced directors. Each director comes from different professional background bringing depth and diversity of expertise, a wide range of experience and perspective to the business operations.

There is a clear division of role and responsibilities of the Executive Chairman and the Managing Director to ensure balance of power and authority. The Executive Chairman is primarily responsible for the vision and strategic direction of the Group. The Executive Directors including Managing Director are responsible for the implementation of the objectives and goals of the Group and operational matters of the Group.

The Deputy Chairman, an independent non-executive director, ensures that the Board practices good governance in discharging its duties and responsibilities. The Board, as a whole, retains overall control of the Group.

As a matter of course, from time to time, the Board examines its size with a view to determine the impact of its number upon its effectiveness.

3. Board Meetings

The Board meets at least five times a year, with additional matters addressed by way of circular resolutions and additional meetings held as and when necessary. The Board met five times during the financial year ended 30 June 2011. The attendance of the directors during the said financial year is set out below.

Name	Directorship
Datuk Lim Siew Choon	5 of 5
Guido Paul Philip Joseph Ravelli	5 of 5
Chong Wan Ping - *resigned on 1 April 2011*	4 of 4
Datin Tan Kewi Yong	4 of 5
Chua Thian Teck	5 of 5
Hong Lay Chuan	5 of 5
Hj Ahmad Bin Hj Ismail, PJK	5 of 5
Tan Peng Sheung	5 of 5

4. Board Committees

As recommended by the Code, the Board may establish Board Committees to assist the Board in discharging its duties.

The Board has formed the following Committees, each with its own functions and responsibilities. All Board Committees report to the Board.

- Audit Committee
- Nominating Committee
- Remuneration Committee

5. Appointment to the Board

It is recommended in Part 2 of the Code that the assessment of new candidates for appointment as directors is to be made by the Nominating Committee. The decision for appointment of new directors is a matter for deliberation by the Board as a whole.

The Nominating Committee of Malton comprises exclusively independent non-executive directors. The members of the Nominating Committee are as follows:-

- Guido Paul Philip Joseph Ravelli
- Hj Ahmad Bin Hj Ismail, PJK
- Tan Peng Sheung

The authorities, functions and responsibilities of the Nominating Committee are set out in its terms of reference. The main objectives of the Nominating Committee are to review, recommend and consider candidates for appointment to the Board, to assess the effectiveness and continually seek ways to upgrade the effectiveness of the Board as a whole and the Committees of the Board. It also assesses the contribution of each Director, executive or independent non-executive.

During the financial year ended 30 June 2011, the Nominating Committee met once to review the performance of all the Board members, individually and collectively as a Board.

6. Appointment and Re-election of the Directors

In accordance with the Articles of Association of the Company, the Board can appoint any person to be a Director as and when it is deemed necessary. Any person so appointed shall hold office until the next Annual General Meeting at which time he will be subject to election by the shareholders.

In compliance with the Main Market Listing Requirements, the Articles of Association of the Company provide that all Directors of the Company, including the Managing Director shall retire from office at least once every three years but be eligible for re-election.

7. Directors' Training and Development

The Board of Directors as a whole will assess, then establish and propose training and development programmes which in its view are essential and beneficial to the Directors in carrying out his or her duties and responsibilities as a Director.

The Directors will continuously review conferences, seminars and forums based on the suitability and timing. In addition to attending conferences, seminars and other training programmes, the Directors constantly keep up to date with all types of reading materials concerning market development, industry news, changes in the regulations, related issues and all happenings. All of the Directors have attended the Directors' Mandatory Accreditation Programme ("MAP") as required by Bursa Malaysia Securities Berhad. During the financial year ended 30 June 2011, the Directors attended various seminar and forums, amongst others, industry-related programmes including the 4th Malaysian Property Summit 2011, Green Tour, Tall Buildings – Cost & Construction Challenges and Development Strategies for Greater KL & Klang Valley, programmes organised by Bursa Malaysia including The Board's Responsibility for Corporate Culture and Assessing the Risk and Control Environment, Brand Creation with Blue Ocean Strategy and World Expo 2010 held in Shanghai.

8. Supply and Dissemination of Information

Board meetings are structured with pre-determined agendas. Appropriate and complete Board papers are prepared prior to each Board meeting. These are distributed to the Board in sufficient time to enable the Directors to obtain further information and explanation, where necessary. Directors also have unfettered access to all information within the Group in furtherance of their duties.

There are matters reserved specifically for the Board's decision including the approval of acquisitions and disposals of assets and investments that are material to the Group.

The Directors in their individual capacity or the Board as a whole, in furtherance of their duties, have access to independent professional advice, if and when they deem necessary, and at the Group's expense.

All Directors have access to the advice and services of the Company Secretary and the Internal Audit Department.

9. Directors' Remuneration

The Company has adopted the principle recommended in the Code whereby the level of remuneration of the Directors is sufficient to attract and retain Directors needed to manage the Group successfully. The remuneration system is structured to link rewards to corporate and individual performance in the case of executive directors. In the case of non-executive directors, the level of remuneration shall reflect the level of responsibilities undertaken by the particular non-executive director concerned.

THE BOARD (cont'd)

9. Directors' Remuneration (cont'd)

To assist the Board in the discharge of its responsibilities in this matter, the Board endorsed the formation of a Remuneration Committee on 24 October 2002. The composition of the Remuneration Committee is as follows:-

- Guido Paul Philip Joseph Ravelli
- Chua Thian Teck
- Hj Ahmad Bin Hj Ismail, PJK

The authorities, functions and responsibilities of the Remuneration Committee are set out in its terms of reference. The Committee will review the remuneration packages of each individual Executive Director from time to time to ensure that the remuneration packages remain competitive in order to attract and retain competent executives who can manage the Group successfully. Executive Directors play no part in decisions on their own remuneration.

The determination of remuneration packages of non-executive directors is a matter of the Board as a whole. The independent non-executive directors do not partake in decisions affecting their remuneration.

During the financial year ended 30 June 2011, the Remuneration Committee had met to discuss the remuneration structure and packages for review by the Board.

The aggregate remuneration of Directors for the financial year ended 30 June 2011 is as follows:-

	Executive Directors RM	Non-Executive Directors RM	Total RM
Directors' Salaries	3,010,000	-	3,010,000
EPF	480,737	-	480,737
Directors' Fees	-	108,000	108,000
Meeting Allowance	-	36,000	36,000
Bonus	523,350	-	523,350
Benefits in kind	173,300	11,700	185,000
TOTAL	4,187,387	155,700	4,343,087

The number of Directors whose total remuneration falls within the following bands are as follows:-

	Executive Directors	Non-Executive Directors	Total
RM50,000 and below	-	1	1
RM50,001 to RM100,000	-	2	2
RM500,000 to RM550,000	1	-	1
RM600,001 to RM650,000	1	-	1
RM800,001 to RM850,000	1	-	1
RM850,001 to RM900,000	1	-	1
RM1,300,001 to RM1,350,000	1	-	1
TOTAL	5	3	8

DIALOGUE BETWEEN THE COMPANY AND INVESTORS

The Board values and encourages dialogues with the shareholders to establish better understanding of the Company's objectives and performance.

The Annual General Meeting provides an appropriate forum for the shareholders to participate in questions and answers sessions. The Company is committed to disseminate information in strict adherence to the disclosure requirements of the Main Market Listing Requirements. The Company ensures that material information relating to the Group is disclosed by way of announcement to the Bursa Malaysia Securities Berhad as required.

The Company has established its website, www.malton.com.my which allows shareholders and the public, access to corporate information, financial statements, news and events relating to the Group.

CORPORATE SOCIAL RESPONSIBILITY

The Board recognises the importance of the Group in its role as a responsible corporate citizen. The Group's business and operation practices reflect its values and the interests of all stakeholders including its customers, investors, employees, the community and environment.

The Group is committed to conduct its business in socially and environmentally conscious and responsible approach. The Board is aware that as the Group continues to grow, so will its social responsibility efforts. It will have to make frequent adjustments in response to economic and regulatory changes. It reviews its product development and operational practices and procedures from time to time, considering and adopting sustainable methods and processes where applicable and feasible. As an employer, the Group is committed in the development and training needs of its employees, both technical and soft skills. As a conscientious developer, the Group undertakes community campaigns to create awareness among the community on security and self-preservation matters.

The Group has and will continually support humanitarian causes, educational and social development of the society through donation, sponsorships and participation in fund raising and community events which include the involvement and efforts of the employees of the Group.

MATERIAL CONTRACTS

There were no material contracts involving the interests of the Directors and/or major shareholders of the Company other than those disclosed in the Related Party Disclosure presented in the Financial Statements of this Annual Report.

NON-AUDIT FEES PAID TO EXTERNAL AUDITOR

Non-audit fees paid, during the financial year ended 30 June 2011, to Messrs Deloitte & Touche amounted to RM129,250.00.

RECURRENT RELATED PARTY TRANSACTIONS

The Company was given shareholders' mandate to enter into Recurrent Related Party Transactions for the sale of trading stock properties with related parties ("Recurrent Transactions") at the Fifteenth Annual General Meeting held on 25 November 2010. The Recurrent Transaction conducted during the financial year ended 30 June 2011 is set out below.

Related party	Relationship	RM'000
Chua Thian Teck	Executive Director of Malton Berhad	668

ACCOUNTABILITY AND AUDIT

1. Financial Reporting

In presenting the annual financial statements and quarterly results, the Board aims to present a balanced and understandable assessment of the Group's position and prospects.

The Audit Committee assists the Board in examining information to be disclosed to ensure the accuracy and authenticity of such information.

2. Relationship with the External Auditors

The Board has established a formal and transparent relationship with the auditors of the Company. The role of the Audit Committee in relation to the external auditors is described in the Audit Committee Report of this Annual Report.

STATEMENT ON INTERNAL CONTROL

The Board is committed to maintain a sound internal control system to safeguard the shareholders' interest and the Group's assets.

The Board has established an appropriate control environment and risk management framework as well as reviewing its adequacy and integrity.

1. Control Environment and Risk Management Framework

This is established to identify significant risks faced by the Group in its operating environment. The Group continuously identifies and assesses impact of such risks and develops necessary measures to control the risks.

2. Group Structure

This is achieved through clearly defined operating and reporting structures with clear lines of accountability and responsibilities. Changes in the Group structure are duly communicated to management team of the Group. In addition, details of directorships within the Group are constantly highlighted to ensure that related parties are duly identified, as necessary.

3. Internal Audit Function

In addition, the Group has an internal audit department which carries out the internal audit function in the Group. The findings of the internal audit department are regularly reported to the Audit Committee. The Audit Committee meets at least four times a year with the Board to discuss significant issues found during the internal audit process and make necessary recommendations to the Board.

4. Control Framework

(a) Financial Information and Information System

Monthly management reports are prepared at subsidiary levels and subject to review by senior management and the executive directors.

(b) Performance Reporting and Monitoring

Quarterly financial statements are presented to the Audit Committee and the Board for review and discussion.

(c) Standardisation of Policies and Procedures

Standardised policies and procedures are implemented to address the financial and operational controls of the Group.

DIRECTORS' RESPONSIBILITY IN PREPARING THE FINANCIAL STATEMENTS

The Directors are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group at the end of the financial year and of the results and the cash flow of the Group for the financial year.

The Directors are satisfied that, in preparing the financial statements of the Group for the financial year ended 30 June 2011, the Group has adopted approved applicable accounting standards in Malaysia and complied with the provisions of the Companies Act, 1965.

MEMBERSHIP AND MEETINGS

The Audit Committee comprises three independent non-executive directors as follows:-

- Tan Peng Sheung (Independent Non-Executive Director)
- Guido Paul Philip Joseph Ravelli (Deputy Chairman/Independent Non-Executive Director)
- Hj Ahmad Bin Hj Ismail, PJK (Independent Non-Executive Director)

Tan Peng Sheung is the Chairman of the Audit Committee and is registered as a Chartered Accountant with the Malaysian Institute of Accountants (MIA).

The Audit Committee met five times during the financial year ended 30 June 2011. The attendance of the members of the Audit Committee is set out below.

Name	Total Meetings Attended
Tan Peng Sheung	5 out of 5
Guido Paul Philip Joseph Ravelli	5 out of 5
Hj Ahmad Bin Hj Ismail, PJK	5 out of 5

SUMMARY OF ACTIVITIES

The Audit Committee has carried out its duty in accordance with its Terms of Reference.

During the financial year ended 30 June 2011, the Committee reviewed the quarterly results and financial statements for recommendation to the Board of Directors. The Committee approved the audit plan of the Group and reviewed matters brought up by the internal audit department. The Audit Committee met regularly with the Board of Directors to discuss issues discovered during the internal audit process and make the necessary recommendations.

INTERNAL AUDIT FUNCTION

The Group has an internal audit department which reports directly to the Committee. During the financial year ended 30 June 2011, the internal audit department carried out its audit duties covering business audit, system audit, operational and financial audits for reporting to the Committee. The Committee together with the internal auditors reviewed the quarterly results for recommendation to the Board of Directors.

TERMS OF REFERENCE

Objectives of Audit Committee

The primary objectives of the Committee are to:-

1. Maintain, through regularly scheduled meetings, an open line of communication between the Board, Management, external auditors and internal auditors;

2. Oversee and appraise the quality of the audits conducted by the external auditors and the internal auditors; and

3. Provide assistance to the Board in fulfilling its fiduciary responsibilities relating to the Company's administrative, operating and accounting controls.

TERMS OF REFERENCE (cont'd)

Members of the Audit Committee

1. The Company shall appoint an Audit Committee from amongst its directors and shall consist of not less than three in numbers, all of whom shall be non-executive directors with a majority of them being independent directors.

2. At least one member of the Audit Committee:-

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

   (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:-

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

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

   (iii) fulfils such other requirements as prescribed by Bursa Malaysia Securities Berhad.

3. No alternate director shall be appointed as a member of the Committee.

4. If a member of the Committee for any reason ceases to be a member with the result that the number is reduced to below 3, the Board of Directors shall, within 3 months of that event, appoint such number of new members as maybe required to make up the minimum number of 3 members.

5. The Board of Directors must review the term of office and performance of the Committee and each of its members 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.

Chairman of Audit Committee

The members of the Committee shall elect a Chairman from among their number who shall be an independent director subject to endorsement by the Board.

Meetings and Reporting of Audit Committee

1. The quorum in respect of a meeting of the Committee shall be a majority of independent directors.

2. The Committee shall meet at least each quarter of a financial year and such additional meetings as the Chairman shall decide in order to fulfil its duties.

3. The Company Secretary or any person appointed by the Audit Committee shall act as the Secretary of the Audit Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and other supporting explanatory documentation for circulation to the Committee Members prior to each meeting. The Secretary will also be responsible for keeping the minutes of the meetings of the Committee, and circulating them to the members and to other members of the Board of Directors. The Chairman shall convene a meeting of the Committee to consider any matter the external auditors believe should be brought to the attention of the directors or shareholders.

4. The Company must ensure that other directors and employees attend any particular Committee meeting only at the Committee's invitation, specific to the relevant meeting.

5. All or any of the members of the Committee may participate in a meeting of the Committee by means of a telephone conference, video conferencing or any communication equipment that allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.

TERMS OF REFERENCE (cont'd)

Authority

The Committee shall, in accordance with a procedure to be determined by the Board of Directors and at the cost of the Company:-

(i) Have authority to investigate any matter within its terms of reference;

(ii) Have the resources which are required to perform its duties;

(iii) Have full and unrestricted access to any information pertaining to the Company;

(iv) Have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;

(v) Be able to obtain independent professional or other advice; and

(vi) Be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees, whenever deemed necessary.

The Chairman of the Committee shall engage on a continuous basis with senior management on matters affecting the Company.

Where the Committee is of the view that a matter reported by it to the Board of Directors of the Company has not been satisfactorily resolved resulting in a breach of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Audit Committee shall promptly report such matter to Bursa Malaysia Securities Berhad.

Functions and Responsibilities

The primary functions of the Committee are to review the following and report the same to the Board of Directors:-

(i) The audit plan, audit report and evaluation of the system of internal controls with the external auditors and assistance given by the employees of the Company to the external auditors;

(ii) The adequacy of scope, functions and resources of the internal audit function and the necessary authority to carry out its duties;

(iii) The internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate actions are taken on the recommendation of the internal audit function;

(iv) The quarterly results and year end financial statements; prior to approval by the Board of Directors, focusing particularly on:-

  (a) changes in or implementation of major accounting policy changes;

  (b) significant and unusual events; and

  (c) compliance with accounting standards and other legal requirements.

(v) Any related party transaction and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity;

(vi) Any letter of resignation from the external auditors of the Company;

(vii) Whether there is reason (supported by grounds) to believe that the Company's external auditor is not suitable for reappointment; and

(viii) Recommend the nomination of a person or persons as external auditors.

FINANCIAL STATEMENTS

28 REPORT OF THE DIRECTORS

32 INDEPENDENT AUDITORS' REPORT

34 STATEMENTS OF COMPREHENSIVE INCOME

35 STATEMENTS OF FINANCIAL POSITION

37 STATEMENTS OF CHANGES IN EQUITY

39 STATEMENTS OF CASH FLOWS

41 NOTES TO THE FINANCIAL STATEMENTS

97 SUPPLEMENTARY INFORMATION - DISCLOSURE ON REALISED AND UNREALISED PROFITS

98 STATEMENT BY DIRECTORS

98 DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

REPORT OF THE DIRECTORS

The directors of **MALTON BERHAD** have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2011.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding and the provision of management services to its subsidiary companies.

The principal activities of the subsidiary companies are disclosed in Note 14 to the Financial Statements.

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

RESULTS OF OPERATIONS

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

	The Group RM'000	The Company RM'000
Profit before tax	98,152	31,405
Income tax expense	(25,458)	(9,224)
Profit for the year	72,694	22,181

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

DIVIDENDS

On 24 January 2011, the Company paid a final dividend of 1.5%, less 25% income tax, amounting to RM3,918,970 in respect of the financial year ended 30 June 2010 as approved by the shareholders at the last Annual General Meeting.

The directors do not recommend the payment of any final dividend in respect of the current financial year.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

SHARE OPTIONS

The Employees' Share Option Scheme ("ESOS") of the Company was effective on 23 December 2005 and the salient features of the ESOS are set out in Note 25 to the Financial Statements.

The persons to whom the options have been granted have no right to participate, by virtue of the options, in any share issue of any other company within the Group.

SHARE OPTIONS (cont'd)

The movements in number of options granted, exercised and cancelled pursuant to the ESOS during the financial year are as follows:

Exercisable From	Subscription price per share RM	Number of options				
		Balance as of 1.7.2010	Granted	Exercised	Cancelled	Balance as of 30.6.2011
1.8.2007	1.00	6,760,000	-	-	(65,000)	6,695,000

The exercise period for the above options will expire on 22 December 2015 subsequent to the extension of another five years period from 23 December 2010.

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company.

OTHER STATUTORY INFORMATION

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

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that there are no known bad debts to be written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

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

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

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

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

(d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

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

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

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

OTHER STATUTORY INFORMATION (cont'd)

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

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

DIRECTORS

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

Datuk Lim Siew Choon
Guido Paul Philip Joseph Ravelli
Datin Tan Kewi Yong
Chua Thian Teck
Hong Lay Chuan
Hj. Ahmad Bin Hj. Ismail
Tan Peng Sheung
Chong Wan Ping (resigned on 1 April 2011)

In accordance with Article 100 of the Company's Articles of Association, Tuan Hj. Ahmad Bin Hj. Ismail and Mr. Tan Peng Sheung retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS

The shareholdings in the Company of those who were directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows:

	Number of ordinary shares of RM1 each			
	Balance as of 1.7.2010	Bought	Sold	Balance as of 30.6.2011
Shares in the Company				
Indirect interest				
Datuk Lim Siew Choon	132,064,428	-	-	132,064,428*

* *Held through Malton Corporation Sdn. Bhd.*

In addition to the above, the directors are deemed to have an interest in the shares of the Company to the extent of the options granted to them as follows:

	Number of options over ordinary shares of RM1 each			
	Balance as of 1.7.2010	Granted	Exercised	Balance as of 30.6.2011
ESOS of the Company				
Datuk Lim Siew Choon	1,250,000	-	-	1,250,000
Guido Paul Philip Joseph Ravelli	150,000	-	-	150,000
Datin Tan Kewi Yong	450,000	-	-	450,000
Chua Thian Teck	450,000	-	-	450,000
Hong Lay Chuan	200,000	-	-	200,000
Hj. Ahmad Bin Hj. Ismail	150,000	-	-	150,000

DIRECTORS' INTERESTS (cont'd)

By virtue of above directors' interests in shares of the Company, they are deemed to have an interest in shares of all the subsidiary companies to the extent the Company has its interest.

Other than as disclosed above, the directors do not have any other interest in the shares of its related companies during and at the end of the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by the directors as disclosed in the financial statements or the fixed salary of full-time employees of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than those arising from the share options granted under the ESOS.

SUBSEQUENT EVENTS

The subsequent event is disclosed in Note 34 to the Financial Statements.

AUDITORS

The auditors, Messrs. Deloitte & Touche, have indicated their willingness to continue in office.

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

CHUA THIAN TECK

HONG LAY CHUAN

Kuala Lumpur,
19 October 2011

Report on the Financial Statements

We have audited the financial statements of **MALTON BERHAD**, which comprise the statements of financial position of the Group and of the Company as of 30 June 2011 and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 34 to 96.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion to you, 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 towards any other person for the contents of this report.

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 the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2011 and of their financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

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

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

(b) we have considered the accounts and auditors' reports of subsidiary companies, of which we have not acted as auditors, as shown in Note 14 to the Financial Statements, being accounts that have been included in the financial statements of the Group;

Report on Other Legal and Regulatory Requirements (cont'd)

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that: (cont'd)

(c) we are satisfied that the accounts of the subsidiary companies that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purpose of the preparation of the financial statements of the Group, and we have received satisfactory information and explanations as required by us for these purposes; and

(d) the auditors' reports on the accounts of the subsidiary companies were not subject to any qualification and did not include any adverse comment made under Sub-section (3) of Section 174 of the Act.

Other Reporting Responsibilities

The supplementary information set out on page 97 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No.1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

DELOITTE & TOUCHE
AF 0834
Chartered Accountants

YEE YOON CHONG
Partner - 1829/07/13 (J)
Chartered Accountant

19 October 2011

STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 30 JUNE 2011

	Note	The Group 2011 RM'000	The Group 2010 RM'000	The Company 2011 RM'000	The Company 2010 RM'000
Revenue	5	462,392	346,920	54,615	32,318
Cost of sales	6	(300,314)	(257,300)	-	-
Gross profit		162,078	89,620	54,615	32,318
Other income		10,649	5,131	106	876
Share in results of associated companies		537	1,575	-	-
Selling and distribution expenses		(13,937)	(12,658)	-	-
Other expenses		(52,149)	(41,560)	(13,719)	(10,174)
Finance costs	7	(9,026)	(6,288)	(9,597)	(8,709)
Profit before tax	8	98,152	35,820	31,405	14,311
Income tax expense	9	(25,458)	(13,753)	(9,224)	(1,088)
Profit for the year		72,694	22,067	22,181	13,223
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		72,694	22,067	22,181	13,223
Total comprehensive income attributable to:					
Owners of the Company		72,694	22,067	22,181	13,223
Non-controlling interests		-	-	-	-
		72,694	22,067	22,181	13,223
Earnings per ordinary share:	10				
Basic (sen)		20.86	6.33		
Diluted (sen)		17.39	5.28		

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF FINANCIAL POSITION

as of 30 JUNE 2011

	Note	The Group 2011 RM'000	The Group 2010 RM'000	The Company 2011 RM'000	The Company 2010 RM'000
ASSETS					
Non-current Assets					
Property, plant and equipment	11	10,554	18,822	1,515	257
Investment properties	12	43,696	21,645	-	-
Land held for property development	13	191,899	133,535	-	-
Investment in subsidiary companies	14	-	-	500,362	497,596
Investment in associated companies	15	22,712	22,175	20,600	20,600
Other investments	16	1,589	1,456	-	-
Deferred tax assets	17	5,131	4,439	-	-
Other receivable	13(b)	20,775	8,000	-	-
Total Non-current Assets		296,356	210,072	522,477	518,453
Current Assets					
Property development costs	18	196,779	214,726	-	-
Inventories	19	39,343	61,558	-	-
Trade receivables	20	94,124	68,459	-	-
Other receivables and prepaid expenses	20	45,301	51,438	2,086	1,874
Tax recoverable		5,007	570	4,068	2,011
Accrued billings	21	56,862	61,341	-	-
Amount due from contract customers	22	1,179	-	-	-
Amount owing by subsidiary companies	23	-	-	10,180	3,561
Fixed deposits with licensed banks	31	17,260	3,961	-	-
Cash and bank balances	24	207,155	61,069	131,316	444
Total Current Assets		663,010	523,122	147,650	7,890
Total Assets		**959,366**	**733,194**	**670,127**	**526,343**
EQUITY AND LIABILITIES					
Capital and Reserves					
Issued capital	25	348,353	348,353	348,353	348,353
Reserves	26	160,776	91,356	81,134	62,872
Equity attributable to owners of the Company		509,129	439,709	429,487	411,225
Non-controlling interests		-	-	-	-
Total Equity		509,129	439,709	429,487	411,225
Non-current Liabilities					
Bank borrowings - non-current portion	27	47,395	63,149	-	35,385
Hire-purchase payables - non-current portion	28	2,014	362	-	-
Deferred tax liabilities	17	55	55	55	55
Total Non-current Liabilities		49,464	63,566	55	35,440

	Note	The Group 2011 RM'000	The Group 2010 RM'000	The Company 2011 RM'000	The Company 2010 RM'000
Current Liabilities					
Trade payables	29	62,322	35,528	-	-
Other payables and accrued expenses	29	251,889	78,185	133,774	1,948
Advance billings	21	5,018	31,103	-	-
Amount due to contract customers	22	-	930	-	-
Amount owing to subsidiary companies	23	-	-	71,869	69,843
Bank borrowings - current portion	27	67,794	73,704	34,942	7,887
Hire-purchase payables – current portion	28	805	859	-	-
Tax liabilities		12,945	9,610	-	-
Total Current Liabilities		400,773	229,919	240,585	79,678
Total Liabilities		450,237	293,485	240,640	115,118
Total Equity and Liabilities		**959,366**	**733,194**	**670,127**	**526,343**

The accompanying Notes form an integral part of the Financial Statements.

The Group	Issued capital RM'000	Non-Distributable Reserves: Share premium RM'000	Non-Distributable Reserves: Available-for-sale reserve RM'000	Non-Distributable Reserves: Revaluation reserve RM'000	Non-Distributable Reserves: Option reserve RM'000	Distributable Reserve: Retained earnings RM'000	Attributable to owners of the Company RM'000	Non-controlling interests RM'000	Total RM'000
Balance as of 1 July 2009	348,353	255	-	-	190	68,844	417,642	7,769	425,411
Acquisition of remaining interest in an existing subsidiary	-	-	-	-	-	-	-	(7,769)	(7,769)
Total comprehensive income for the year	-	-	-	-	-	22,067	22,067	-	22,067
Balance as of 30 June 2010	348,353	255	-	-	190	90,911	439,709	-	439,709
Balance as of 1 July 2010									
As previously stated	348,353	255	-	-	190	90,911	439,709	-	439,709
Effects of adopting FRS 139 (Note 2)	-	-	(493)	-	-	(927)	(1,420)	-	(1,420)
As restated	348,353	255	(493)	-	190	89,984	438,289	-	438,289
Revaluation surplus of property, plant and equipment (Note 11)	-	-	-	2,065	-	-	2,065	-	2,065
Total comprehensive income for the year	-	-	-	-	-	72,694	72,694	-	72,694
Dividends to equity holders of the Company (Note 30)	-	-	-	-	-	(3,919)	(3,919)	-	(3,919)
Balance as of 30 June 2011	348,353	255	(493)	2,065	190	158,759	509,129	-	509,129

		Non-Distributable Reserves		Distributable Reserve	
The Company	Issued capital RM'000	Share premium RM'000	Option reserve RM'000	Retained earnings RM'000	Total RM'000
Balance as of 1 July 2009	348,353	255	190	49,204	398,002
Total comprehensive income for the year	-	-	-	13,223	13,223
Balance as of 30 June 2010	348,353	255	190	62,427	411,225
Balance as of 1 July 2010	348,353	255	190	62,427	411,225
Total comprehensive income for the year	-	-	-	22,181	22,181
Dividends to equity holders of the Company (Note 30)	-	-	-	(3,919)	(3,919)
Balance as of 30 June 2011	348,353	255	190	80,689	429,487

The accompanying Notes form an integral part of the Financial Statements.

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES				
Profit for the year	72,694	22,067	22,181	13,223
Adjustments for:				
Income tax expense recognised in the income statements	25,458	13,753	9,224	1,088
Finance costs	9,026	6,288	9,597	8,709
Depreciation of property, plant and equipment	2,435	2,176	195	65
Impairment loss on other investments	-	1,993	-	1,500
Impairment loss on investment in subsidiary companies	-	-	367	-
Allowance for foreseeable loss	3,754	946	-	-
Inventories written down	4,682	873	-	-
Write-offs of:				
Development expenditure	2,158	587	-	-
Property, plant and equipment	180	56	-	-
Allowance for doubtful debts	-	201	-	-
Share in results of associated companies	(537)	(1,575)	-	-
Excess of net assets over cost of acquisition of the remaining interest in subsidiary company	-	(1,463)	-	-
Interest income	(2,367)	(826)	(97)	(876)
Gain on disposal of other investments	-	(796)	-	-
Gain on disposal of property, plant and equipment	(323)	(100)	-	-
Unrealised gain on foreign exchange	(78)	-	-	-
Gain on fair value changes of investment properties	(5,290)	-	-	-
Dividend income	-	-	(47,985)	(27,500)
Operating Profit/(Loss) Before Working Capital Changes	111,792	44,180	(6,518)	(3,791)
(Increase)/Decrease in:				
Property development costs, net of interest expense of RM4,134,000 (2010: RM3,686,000)	(54,898)	73,603	-	-
Inventories	12,847	11,614	-	-
Trade receivables	(25,665)	70,018	-	-
Other receivables and prepaid expenses	6,137	4,806	(212)	(1,011)
Accrued billings	4,479	(40,095)	-	-
Amount due from contract customers	(1,179)	13,974	-	-
Increase/(Decrease) in:				
Trade payables	27,534	(53,380)	-	-
Other payables and accrued expenses	52,693	(3,658)	1,826	(175)
Advance billings	(26,085)	19,443	-	-
Amount due to contract customers	(930)	(938)	-	-
Cash Generated From/(Used In) Operations	106,725	139,567	(4,904)	(4,977)
Income tax paid	(28,056)	(8,424)	(8)	-
Income tax refunded	804	29	723	7
Net Cash Generated From/(Used In) Operating Activities	79,473	131,172	(4,189)	(4,970)

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES				
(Increase)/Decrease in:				
Land held for property development, net of interest expense of RM867,000 (2010: RM1,796,000)	(8,474)	(11,573)	-	-
Amount owing by subsidiary companies	-	-	(6,619)	61,913
Fixed deposits pledged to licensed banks	1,748	(3,499)	-	-
Investment in associated companies	-	(8,300)	-	(8,300)
Acquisition of remaining interest in subsidiary company	-	(5,675)	-	-
Purchase of other investments	(55)	(3,734)	-	-
Additions to property, plant and equipment	(6,801)	(1,117)	(1,455)	(64)
Proceeds from disposal of other investments	-	2,811	-	-
Proceeds from disposal of property, plant and equipment	333	112	2	-
Investment in subsidiary companies	-	-	(3,133)	-
Interest received	1,348	826	97	876
Dividend received	-	-	35,989	25,250
Net Cash (Used In)/From Investing Activities	(11,901)	(30,149)	24,881	79,675

	Note	The Group		The Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES					
Proceeds from long-term loans		34,500	12,500	-	-
Repayment of long-term loans		(34,067)	(36,893)	(4,681)	(5,236)
Payment of hire-purchase payables		(654)	(987)	-	-
Increase/(Decrease) in amount owing to subsidiary companies		-	-	2,026	(66,835)
Dividend paid		(3,919)	-	(3,919)	-
Interest paid		(10,202)	(11,770)	(9,597)	(8,709)
Net Cash Used In Financing Activities		(14,342)	(37,150)	(16,171)	(80,780)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		53,230	63,873	4,521	(6,075)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		38,857	(25,016)	(3,441)	2,634
CASH AND CASH EQUIVALENTS AT END OF YEAR	31	92,087	38,857	1,080	(3,441)

Note:
During the current financial year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM9,053,000 (2010: RM1,117,000) and RM1,455,000 (2010: RM64,000) respectively of which RM2,252,000 (2010: RMNil) and RMNil (2010: RMNil) respectively was acquired under hire-purchase arrangements. Cash payments for the acquisition of property, plant and equipment amounted to RM6,801,000 (2010: RM1,117,000) and RM1,455,000 (2010: RM64,000) respectively.

The accompanying Notes form an integral part of the Financial Statements.

1. GENERAL INFORMATION

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

The principal activity of the Company is that of investment holding and the provision of management services to its subsidiary companies.

The principal activities of the subsidiary companies are disclosed in Note 14.

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

The registered office of the Company is located at 19-0, Level 19, Pavilion Tower, 75, Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia.

The principal place of business of the Company is located at Level 18 & 19, Pavilion Tower, 75, Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia.

The financial statements of the Group and of the Company have been approved by the Board of Directors for issuance on 19 October 2011.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

The financial statements are presented in Ringgit Malaysia (RM) and all values are recorded to the nearest thousand (RM'000) except when otherwise indicated.

Adoption of New and Revised Financial Reporting Standards

In the current financial year, the Group and the Company adopted all the new and revised Standards and Issues Committee Interpretations ("IC Interpretation") issued by the Malaysian Accounting Standards Board ("MASB") that are relevant to its operations and effective for annual periods beginning on or after 1 July 2010 as follows:

FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate)
FRS 2	Share-based Payment Amendments to FRS 2 Share-based Payment - vesting conditions and cancellations - scope of FRS 2 and revised FRS 3
FRS 3	Business Combination (revised)
FRS 4	Insurance Contracts
FRS 5	Non-current Assets Held for Sale and Discontinued Operations (Amendments relating to plan to sell the controlling interest in a subsidiary)
FRS 7	Financial Instruments: Disclosures Amendments to FRS 7 Disclosures - reclassification of financial assets and reclassification of financial assets - Effective date and transition
FRS 8	Operating Segments Amendments to FRS 8 - Disclosure of information about segment assets
FRS 101	Presentation of Financial Statements (revised)
FRS 123	Borrowing Costs (revised)
FRS 127	Consolidated and Separate Financial Statements (revised)
FRS 127	Consolidated and Separate Financial Statements (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate)
FRS 128	Investments in Associates (revised)
FRS 132	Financial Instruments: Presentation (Amendments relating to Puttable Financial Instruments and Obligations arising on liquidation and transitional provision relating to Compound Instruments)
FRS 138	Intangible Assets (Amendments relating to additional consequential amendments arising from FRS 3)

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (cont'd)

Adoption of New and Revised Financial Reporting Standards (cont'd)

FRS 139	Financial Instruments: Recognition and Measurement [Amendments to FRS 139 - eligible hedged items, reclassification of financial assets, reclassification of financial assets - Effective date and transition and embedded derivatives) - consequential amendments arising from FRS 3 (revised) and FRS 127 (revised)]

Improvements to FRS issued in 2009

IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 9	Reassessment of Embedded Derivatives (Amendments relating to embedded derivatives)
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction

Improvements to FRS issued in 2010

IC Interpretation 9	Reassessment of Embedded Derivatives (Amendments relating to scope of IC Interpretation 9 and revised FRS 3)
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirement and Their Interaction
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners

The adoption of these new and revised Standards and IC Interpretations did not result in significant changes in the accounting policies of the Group and of the Company and have no significant effect on the financial performance or position of the Group and of the Company except for those discussed below:

Standards affecting presentation and disclosure

FRS 7 Financial Instruments: Disclosures

FRS 7 and the consequential amendment to FRS 101 Presentation of Financial Statements require disclosure of information about the significance of financial instruments for the Group's and the Company's financial position and performance, the nature and extent of risks arising from financial instruments, and the objectives, policies and process for managing capital.

The Group and the Company have applied FRS 7 prospectively in accordance with the transitional provisions of this Standard. Comparative disclosures have not been presented upon initial adoption of this Standard as the Group and the Company have availed themselves of the transition provision in this Standard.

FRS 8 Operating Segments

FRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. In contrast, the predecessor Standard (FRS 114$_{2004}$ Segment Reporting) required an entity to identify two sets of segments (business and geographical), using a risks and returns approach, with the entity's 'system of internal financial reporting to key management personnel' serving only as the starting point for the identification of such segments. The Group concluded that the reportable operating segments determined in accordance with FRS 8 are the same as the business segments previously identified under FRS 114. The Group has adopted FRS 8 retrospectively.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (cont'd)

Standards affecting presentation and disclosure (cont'd)

FRS 101 Presentation of Financial Statements (revised)

The revised FRS 101 introduces terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, the revised Standard requires the presentation of a third statement of financial position in the event that the entity has applied new accounting policies retrospectively. 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 income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group and the Company have elected to present this statement as one statement.

There is no impact on the Group's and the Company's financial statements as this change in accounting policy affects only the presentation of the Group's and the Company's financial statements.

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

Standards affecting the reported results or financial position

FRS 139 Financial Instruments: Presentation and Measurement

The Group and the Company adopted FRS 139 prospectively on 1 July 2010 in accordance with the transitional provisions in FRS 139. On that date, financial assets were classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. Financial liabilities were either classified as financial liabilities at fair value through profit or loss or other financial liabilities (i.e. those financial liabilities which are not held for trading or designated as at fair value through profit or loss upon initial recognition). The accounting policies for financial assets and financial liabilities are as disclosed in Note 3.

The effects arising from the adoption of this Standard has been accounted for by adjusting respective opening balance as of 1 July 2010, as shown below and comparatives are not restated.

Statements of Financial Position	As of 1 July 2010 RM'000	Effects of Adoption of FRS 139 RM'000	Restatement As of 1 July 2010 RM'000
The Group			
Non-current Assets			
Other receivable	8,000	(1,420)	6,580
Capital and Reserves			
Available-for-sale reserve	-	(493)	(493)
Retained earnings	90,911	(927)	89,984

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (cont'd)

FRS, Amendments to FRS and IC Interpretations issued but not yet effective

At the date of authorisation for issue of these financial statements, the new and revised Standards and IC Interpretations which were issued but not yet effective and not early adopted by the Group and the Company are as listed below:

FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to limited exemption from Comparative FRS 7 Disclosures for First-time Adopters)[1]
FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to additional exemptions for First-time Adopters)[1]
FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to improvements to FRS 2010)[1]
FRS 2	Share-based Payment (Amendments relating to group cash-settled share based payment transaction)[1]
FRS 7	Financial Instruments: Disclosures (Amendments relating to improving disclosures about financial instruments)[1]
FRS 124	Related Party Disclosure (revised)[2]

Improvements to FRS 2010[1]

IC Interpretation 4	Determining whether an arrangement contains a lease[1]
IC Interpretation 15	Agreements for the Construction of Real Estate[3]
IC Interpretation 18	Transfers of Assets from Customers[4]
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments[5]

1 Effective for annual periods beginning on or after 1 January 2011
2 Effective for annual periods beginning on or after 1 January 2012
3 Original effective date of 1 July 2010 deferred to 1 January 2012 via amendment issued by MASB on 31 August 2010
4 Applies prospectively to transfers of assets from customers received on or after 1 January 2011
5 Effective for annual periods beginning on or after 1 July 2011

Consequential amendments were also made to various FRS as a result of these new/revised FRS.

The directors anticipate that the adoption of the above Standards and Interpretations, when they become effective, are not expected to have material impact on the financial statements of the Group and of the Company in the period of initial application except as follows:

IC Interpretation 15 Agreements for the Construction of Real Estate

This Interpretation clarifies when and how revenue and related expenses for the sale of a real estate unit should be recognised if an agreement between a developer and a buyer is reached before the construction of the real estate is completed. Furthermore, the Interpretation provides guidance on how to determine whether an agreement is within the scope of FRS 111 Construction Contracts or FRS 118 Revenue.

The Group currently recognises revenue arising from property development projects using the stage of completion method. The Group is in the process of making an assessment of the impact of this Interpretation.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

(b) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group and the Company and the amount of the revenue can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business.

(i) Sale of development properties

Revenue from sale of residential and commercial properties are accounted for by the stage of completion method as described in Note 3(p).

Sale of completed property units is recognised when the risk and reward associated with ownership transfers to the property purchasers.

(ii) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 3(q).

(iii) Project management fee

Project management fee is recognised when such service is rendered.

(iv) Dividend income

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

(v) Rental income

Rental income is recognised over the tenure of the rental period of properties.

(vi) Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(c) 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 and of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plan

As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"), a statutory defined contribution plan for all their eligible employees based on certain prescribed rates of the employees' salaries. Such contributions are recognised as an expense in profit or loss as incurred. Once the contributions have been paid, the Group and the Company have no further payment obligations.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Employee Benefits (cont'd)

(iii) Equity compensation benefits

Under the Company's Employees' Share Option Scheme ("ESOS"), share options to acquire ordinary shares of the Company are granted to eligible employees of the Group. Details of the Company's ESOS are disclosed in Note 25. The ESOS, an equity-settled share-based compensation plan, allows the Group's employees to acquire ordinary shares of the Company. The total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share option reserve within equity over the vesting period and takes into account the probability that the options will vest. The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in the profit or loss, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred to share premium, or until the option expires, upon which it will be transferred directly to retained earnings. The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

(d) Foreign currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the financial statements of the Group, the results and financial position of each entity are expressed in RM, which is the functional currency of the Company and the presentation currency for the financial statements of the Group.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purpose of presenting financial statements of the Group, the assets and liabilities of the Group's foreign operations are expressed in RM using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during the period, in which case the exchange rates of the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchanges differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

(e) Income Taxes

Income tax in profit or loss for the year 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 tax rates that have been enacted or substantively enacted by the end of the reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Income Taxes (cont'd)

Deferred tax is provided for, using the "liability" method, on temporary differences as of the end of reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liabilities are recognised for all taxable temporary differences while 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 future 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 negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and the Company intend to settle their current tax assets and liabilities on a net basis.

(f) Basis of Consolidation

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

The financial statements of the Group incorporate the financial statements of the Company and of its subsidiary companies as mentioned in Note 14 made up to 30 June 2011. The results of subsidiary companies acquired or disposed of during the year are included in profit or loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

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

All significant intercompany transactions, balances and resulting unrealised profits are eliminated on consolidation. Unrealised losses are eliminated on consolidation unless costs cannot be recovered. The financial statements of the Group reflect external transactions only.

Non-controlling interests in the net assets (excluding goodwill) of the subsidiary companies of the Group are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholders' share of changes in equity since the date of the combination. Losses applicable to the non-controlling in excess of the non-controlling interest in the subsidiary company's equity are allocated against the interests of the Group except to the extent that the non-controlling shareholders' has a binding obligation and is able to make an additional investment to cover the losses.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Business Combination

Acquisition of subsidiary companies and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 3, Business Combinations are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with FRS 5, Non-current Assets Held for Sale and Discontinued Operations, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities recognised exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling shareholder's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

(h) Investments in Subsidiary Companies

Investments in unquoted shares of subsidiary companies, which are eliminated on consolidation, are stated in the Company's financial statements at cost. When there is an indication of impairment in the value of the investment, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

(i) Investments in Associated Company

An associated company is an entity over which the Group has significant influence and that is neither a subsidiary company nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associated company are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with FRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, investments in associated company are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associated company, less any impairment in the value of individual investments. Losses of an associated company in excess of the Group's interest in that associated company (which includes any long-term interests that, in substance, form part of the Group's net investment in the associated company) are not recognised unless the Group has incurred legal or constructive obligations or made payments on behalf of the associated company.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associated company recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Where a group entity transacts with an associated company of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associated company.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) Impairment of Non-Financial Assets

At the end of each reporting period, the Group reviews the carrying amounts of property, plant and equipment, investment properties, land held for property development, investment in subsidiary companies and investment in associated companies to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(k) Property, Plant and Equipment

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

Construction in progress is not depreciated. Depreciation of other property, plant and equipment is computed on a straight-line basis to write-off the cost of the property, plant and equipment over their estimated useful lives.

The principal annual rates used are as follows:

Freehold property	1%
Long-term leasehold properties	Over the lease period of 70 to 99 years
Furniture and fittings	10%
Office equipment	10%
Motor vehicles	20%
Sundry equipment	15% - 20%
Electrical installations	10%
Computers	20%
Office renovations	10%

At the end of each reporting period, the residual values, useful lives and depreciation method of the property, plant and equipment are reviewed, and the effects of any changes are recognised prospectively.

Gain or loss arising on the disposal or retirement of an asset is determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset, and is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(l) Property, Plant and Equipment Under Hire-Purchase Arrangements

Property, plant and equipment acquired under hire-purchase arrangements are recognised in the financial statements and the corresponding obligations treated as liabilities. Finance charges are allocated to profit or loss to give a constant periodic rate of interest on the remaining hire-purchase liabilities.

(m) Leases

(i) Finance Lease

Assets acquired under leases which transfer substantially all of the risks and rewards incident to ownership of the assets are capitalised under property, plant and equipment. The assets and the corresponding lease obligations are recorded at their fair values or, if lower, at the present value of the minimum lease payments of the leased assets at the inception of the respective leases.

In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's incremental borrowing rate is used.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in profit or loss over the term of the relevant lease period so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets and assets under hire-purchase is consistent with that for depreciable property, plant and equipment as described in Note 3(k).

(ii) Operating Lease

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating lease are charged to profit or loss over the lease period.

(n) Provisions

Provisions are made when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(o) Investment Properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are based on active market prices, adjusted, if necessary, for any difference in the nature, location or conditions of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair value are included in profit or loss in the period in which they arise.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) Investment Properties (cont'd)

On the disposal of the investment property, or when it is permanently withdrawn from use and no economic benefits are expected from its disposal, it shall be derecognised (eliminated from the statement of financial position). The difference between the net proceeds and the carrying amount is recognised in profit or loss in the period of the retirement or disposal.

(p) Land Held for Property Development and Property Development Costs

Land and development expenditure are classified as property development costs under current assets when significant development work has been undertaken and is expected to be completed within the normal operating cycle.

Property development revenue are recognised for property development projects sold using the percentage of completion method, by reference to the stage of completion of the property development projects at the end of the reporting period as measured by the proportion that development costs incurred for work performed to-date bear to the estimated total property development costs on completion.

When the outcome of a property development activity cannot be estimated reliably, property development revenue is recognised to the extent of property development costs incurred that are probable of recovery.

Any anticipated loss on property development project (including costs to be incurred over the defects liability period), is recognised as an expense immediately as foreseeable losses.

Accrued billings represent the excess of property development revenue recognised in profit or loss over the billings to purchasers while progress billings represents the excess of billings to purchasers over property development revenue recognised in profit or loss.

Land held for development and costs attributable to the development activities which are held for future development where no significant development has been undertaken is stated at cost less impairment losses (if any). Such assets are transferred to property development activities when significant development has been undertaken and the development is expected to be completed within the normal operating cycle.

(q) Construction Contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured as the physical proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customers.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are probable of recovery. Contract costs are recognised as expenses in the period in which they are incurred.

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

When costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds billings to contract customers, the balance is shown as amount due from contract customers. When billings to contract customers exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as amount due to contract customers.

(r) Borrowing Costs

Interest incurred on borrowings related to property development activities or construction of assets are capitalised as part of the cost of the asset during the period of time required to complete and prepare the asset for its intended use. Capitalisation of borrowing costs ceases when the assets are ready for their intended use or sale.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(r) Borrowing Costs (cont'd)

All other borrowing costs are recognised as an expense in profit or loss in the period in which they are incurred.

(s) Inventories

Inventories comprise completed property units, bunglow lots and commercial land for sale and are valued at the lower of cost (determined on the specific identification basis) and net realisable value. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing and selling.

(t) Cash and Cash Equivalents

The Group and the Company adopt the indirect method in the preparation of statements of cash flows.

For the purposes of the statements of cash flows, cash and cash equivalents include cash on hand and at bank and short-term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

(u) Financial Instruments

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

Where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, such financial assets are recognised and derecognised on trade date.

Financial instruments are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial Assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and, 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

(i) Effective interest method

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

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

(ii) Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(u) Financial Instruments (cont'd)

(ii) Financial assets at FVTPL (cont'd)

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and FRS 139 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item in profit or loss.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group and the Company have the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis.

(iv) AFS financial assets

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at FVTPL. All AFS assets are measured at fair value at the end of the reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of the reporting period.

Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

(v) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(u) Financial Instruments (cont'd)

(vi) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For equity investments classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period ranging from 7 to 90 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is 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 carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

With the exception of AFS equity instruments, 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 through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

(vii) Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(u) Financial Instruments (cont'd)

Financial Liabilities and Equity Instruments

(a) Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

(b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group and the Company are recognised at the proceeds received, net of direct issue costs. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of direct attributable transactions costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(c) Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

(i) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statements of comprehensive income/profit or loss.

(ii) Other financial liabilities

The Group's and the Company's other financial liabilities, which include trade and other payables, other payables and accrued expenses, amount owing to subsidiary companies, hire-purchase payables and borrowings, are recognised initially at fair value plus directly attributable transactions and subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or a shorter period, to the net carrying amount on initial recognition.

(iii) Derecognition of financial liabilities

The Group and the Company derecognised financial liabilities when, and only when, the Group's and Company's obligations are discharged, cancelled or they expire.

(iv) Financial Guarantee Contracts

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(u) Financial Instruments (cont'd)

Financial Liabilities and Equity Instruments

(c) Financial liabilities

(iv) Financial Guarantee Contracts (cont'd)

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(a) Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 3 above, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements other than as follows:

(i) Impairment of non-financial assets

The Group reviews the carrying amount of its non-financial assets to determine whether there is an indication that those assets have suffered an impairment loss. Significant judgement is required to determine the extent and amount of the impairment loss (if any).

(ii) Revenue recognition on property development projects

The Group recognises property development revenue and costs in profit or loss by using the percentage of completion method. The percentage of completion is determined by the proportion that property development projects sold attributable to the percentage of development work performed during the year. Significant judgement is required in determining the percentage of completion, the extent of the property development project sold and costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. Estimated losses are recognised in full when determined. Property development revenue and expenses estimates are reviewed and revised periodically as work progresses and as variation orders are approved.

(iii) Revenue recognition on construction contracts

The Group recognises contract revenue and costs in profit or loss by using the percentage of completion method. The percentage of completion is determined by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Significant judgement is required in determining the percentage of completion, the extent of the contract costs incurred, the estimated total contract revenue and costs, as well as the recoverability of the contract projects.

(iv) Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences, unused tax losses and unused tax credits to the extent it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

(a) Critical judgements in applying the Group's accounting policies (cont'd)

(v) Classification between investment properties and property, plant and equipment

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for own use for administrative purposes.

If these portions would be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for own use for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

(vi) Fair value of investment properties

The directors use their judgement in selecting and applying an appropriate valuation technique, by relying on the work of independent firm of valuers, for investment properties stated at fair value. Fair value is determined using open-market value based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset.

(b) Key sources of estimation uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation 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 other than as follows:

Allowance for doubtful debts

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

5. REVENUE

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Revenue from:				
Property development (Note 21)	388,197	291,168	-	-
Construction and project management	47,434	39,019	-	-
Property trading	25,921	15,479	-	-
Others	156	264	-	-
Rental income from investment properties	684	990	-	-
Management fee receivable from subsidiary companies (Note 23)	-	-	6,630	4,818
Dividend income from subsidiary companies				
Gross dividends	-	-	47,985	9,000
Exempt dividends	-	-	-	18,500
	462,392	346,920	54,615	32,318

Direct operating expenses of the Group arising from rental of investment properties during the financial year amounted to RM408,000 (2010: RM389,000).

6. COST OF SALES

Included in cost of sales are:

	The Group	
	2011 RM'000	2010 RM'000
Cost of property development sold	245,278	218,841
Cost of construction and project management	28,160	25,341
Cost of inventories sold	22,222	11,614
Allowance for foreseeable loss	3,754	946

7. FINANCE COSTS

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Interest expense on:				
Term loans/Bridging loan	8,831	9,109	3,091	3,435
Bank overdrafts	796	1,850	129	25
Revolving credits	466	731	-	-
Hire-purchase	109	80	-	-
Amount owing to subsidiary company (Note 23)	-	-	6,377	5,249
Imputed interest on other receivable	3,825	-	-	-
	14,027	11,770	9,597	8,709
Less interest capitalised in:				
Land held for property development (Note 13)	(867)	(1,796)	-	-
Property development costs (Note 18)	(4,134)	(3,686)	-	-
	(5,001)	(5,482)	-	-
	9,026	6,288	9,597	8,709

8. PROFIT BEFORE TAX

(a) Profit before tax is arrived at after (crediting)/charging:

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Interest income on:				
Fixed deposits	(314)	(386)	-	(2)
Amount owing by subsidiary companies (Note 23)	-	-	(97)	(874)
Imputed interest on other receivable	(1,019)	-	-	-
Others	(1,034)	(440)	-	-
Gain on fair value changes of investment properties (Note 12)	(5,290)	-	-	-
Rental income	(929)	(400)	-	-
Gain on disposal of property, plant and equipment	(323)	(100)	-	-
Unrealised gain on foreign exchange	(78)	-	-	-
Excess of net assets over cost of acquisition of the remaining interest in subsidiary company	-	(1,463)	-	-
Gain on disposal of other investments	-	(796)	-	-
Depreciation of property, plant and equipment (Note 11)	2,435	2,176	195	65

8. PROFIT BEFORE TAX (cont'd)

(a) Profit before tax is arrived at after (crediting)/charging: (cont'd)

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Impairment loss on:				
Other investments	-	1,993	-	1,500
Investment in subsidiary companies	-	-	367	-
Inventories written down	4,682	873	-	-
Write-offs of:				
Property, plant and equipment (Note 11)	180	56	-	-
Development expenditure (Notes 13 and 18)	2,158	587	-	-
Rental of premises payable to:				
Third party	1,984	282	258	-
Subsidiary companies (Note 23)	-	-	-	360
Audit fee:				
Statutory	300	292	60	60
Others	5	10	-	10
Realised foreign exchange loss	5	13	-	-
Lease rental	55	6	18	2
Allowance for doubtful debts	-	201	-	-

(b) Staff costs

Wages, salaries and bonus	19,745	10,676	4,099	1,540
Defined contribution plans	1,634	1,317	156	128
Social security contributions	95	84	8	4
	21,474	12,077	4,263	1,672

(c) Directors' remuneration

		The Group		The Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Directors of the Company Executive:					
Salaries and other emoluments		3,533	2,554	3,533	2,554
Fees		-	30	-	30
Defined contribution plans		481	332	481	332
		4,014	2,916	4,014	2,916
Non-Executive:					
Fees		108	108	108	108
Allowances	36	33	36	33	
		144	141	144	141
		4,158	3,057	4,158	3,057

The estimated monetary value of benefits-in-kind received and receivable by the directors otherwise than in cash from the Group and the Company amounted to RM185,000 and RM185,000 (2010: RM162,000 and RM162,000), respectively.

9. INCOME TAX EXPENSE

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Estimated tax payable:				
Current	26,499	14,687	9,120	1,088
(Over)/Underprovision in prior years	(349)	668	104	-
	26,150	15,355	9,224	1,088
Deferred tax assets (Note 17):				
Current	239	(1,602)	-	-
Underprovision in prior years	(931)	-	-	-
	(692)	(1,602)	-	-
	25,458	13,753	9,224	1,088

A reconciliation of income tax expense applicable to profit before tax at the applicable statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Profit before tax	98,152	35,820	31,405	14,311
Tax at the applicable tax rate of 25%	24,538	8,955	7,851	3,578
Tax effects of:				
Expenses not deductible for tax purposes	4,521	5,733	1,269	2,135
Income not subject to tax	(2,167)	(213)	-	(4,625)
Realisation of deferred tax assets previously not recognised	(20)	(996)	-	-
Tax effect of share in results of associated companies	(134)	(394)	-	-
(Over)/Underprovision in prior years in respect of estimated tax payable	(349)	668	104	-
Underprovision in prior years in respect of deferred tax assets	(931)	-	-	-
	25,458	13,753	9,224	1,088

As of 30 June 2011, the Company has the following tax exempt income accounts:

	The Company	
	2011 RM'000	2010 RM'000
Exempt income account in respect of dividend received	18,500	18,500
Section 12 of the Income Tax (Amendment) Act, 1999	21	21
	18,521	18,521

The balances in the tax exempt income accounts, which are subject to the agreement with the tax authorities, is available for distribution of tax exempt dividends up to the same amounts to the shareholders of the Company.

10. EARNINGS PER ORDINARY SHARE

Basic

The basic earnings per ordinary share of the Group has been calculated based on the profit attributable to ordinary equity holders of the Company of RM72,694,000 (2010: RM22,067,000) and on number of ordinary shares in issue and ranking for dividend of 348,352,928 (2010: 348,352,928) during the year.

Diluted

The diluted earnings per ordinary share of the Group for year 2011 and 2010 has been calculated based on the profit attributable to ordinary equity holders of the Company of RM72,694,000 (2010: RM22,067,000) and on the enlarged number of ordinary shares in issue and ranking for dividend of 418,023,512 (2010: 418,023,512) to effect the bonus issue of 69,670,584 new ordinary shares of RM1.00 each in July 2011.

The assumed conversion of the options pursuant to the Employees' Share Option Scheme ("ESOS") has an anti-dilutive effect.

11. PROPERTY, PLANT AND EQUIPMENT

The Group	Freehold property RM'000	Long-term leasehold properties RM'000	Furniture and fittings RM'000	Office equipment RM'000	Motor vehicles RM'000	Sundry equipment RM'000	Electrical installations RM'000	Computers RM'000	Office renovations RM'000	Total RM'000
Cost										
Balance as of 1 July 2009	4,760	20,721	2,016	1,456	9,393	84	261	1,582	3,950	44,223
Additions	-	-	681	84	65	31	-	256	-	1,117
Transfer to investment properties (Note 12)	-	(6,126)	-	-	-	-	-	-	-	(6,126)
Disposals	-	-	(11)	-	(467)	(2)	-	(5)	-	(485)
Write-offs	-	(460)	(67)	(246)	-	-	-	(116)	(599)	(1,488)
Balance as of 30 June 2010/ 1 July 2010	4,760	14,135	2,619	1,294	8,991	113	261	1,717	3,351	37,241
Additions	-	-	1,054	181	2,843	944	-	133	3,898	9,053
Revaluation surplus	-	2,065	-	-	-	-	-	-	-	2,065
Transfer to investment properties (Note 12)	(4,760)	(16,200)	-	-	-	-	-	-	-	(20,960)
Disposals	-	-	-	-	(625)	-	-	(2)	-	(627)
Write-offs	-	-	-	(13)	-	(30)	-	(1)	(3,141)	(3,185)
Balance as of 30 June 2011	-	-	3,673	1,462	11,209	1,027	261	1,847	4,108	23,587

11. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Group	Freehold property RM'000	Long-term leasehold properties RM'000	Furniture and fittings RM'000	Office equipment RM'000	Motor vehicles RM'000	Sundry equipment RM'000	Electrical installations RM'000	Computers RM'000	Office renovations RM'000	Total RM'000
Accumulated depreciation										
Balance as of 1 July 2009	616	2,390	1,487	1,032	6,609	44	44	1,294	3,208	16,724
Charge for the year	48	152	118	143	1,278	14	26	118	279	2,176
Transfer to investment properties (Note 12)	-	(577)	-	-	-	-	-	-	-	(577)
Disposals	-	-	(3)	-	(465)	(1)	-	(4)	-	(473)
Write-offs	-	-	(48)	(217)	-	-	-	(113)	(594)	(972)
Balance as of 30 June 2010/ 1 July 2010	664	1,965	1,554	958	7,422	57	70	1,295	2,893	16,878
Charge for the year	-	29	237	70	1,290	85	26	185	513	2,435
Transfer to investment properties (Note 12)	(664)	(1,994)	-	-	-	-	-	-	-	(2,658)
Disposals	-	-	-	-	(617)	-	-	-	-	(617)
Write-offs	-	-	-	(10)	-	(29)	-	(1)	(2,965)	(3,005)
Balance as of 30 June 2011	-	-	1,791	1,018	8,095	113	96	1,479	441	13,033

11. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Group	Freehold property RM'000	Long-term leasehold properties RM'000	Furniture and fittings RM'000	Office equipment RM'000	Motor vehicles RM'000	Sundry equipment RM'000	Electrical installations RM'000	Computers RM'000	Office renovations RM'000	Total RM'000
Accumulated impairment loss										
Balance as of 1 July 2009	-	2,001	-	-	-	-	-	-	-	2,001
Write-offs	-	(460)	-	-	-	-	-	-	-	(460)
Balance as of 30 June 2010	-	1,541	-	-	-	-	-	-	-	1,541
Transfer to investment properties (Note 12)	-	(1,541)	-	-	-	-	-	-	-	(1,541)
Balance as of 30 June 2011	-	-	-	-	-	-	-	-	-	-
Net book value										
Balance as of 30 June 2011	-	-	1,882	444	3,114	914	165	368	3,667	10,554
Balance as of 30 June 2010	4,096	10,629	1,065	336	1,569	56	191	422	458	18,822

11. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Company	Furniture and fittings RM'000	Office equipment RM'000	Motor vehicles RM'000	Computers RM'000	Office renovations RM'000	Total RM'000
Cost						
Balance as of 30 June 2009	60	120	200	252	-	632
Additions	16	10	-	38	-	64
Balance as of 30 June 2010/ 1 July 2010	76	130	200	290	-	696
Additions	351	49	-	43	1,012	1,455
Disposals	-	-	-	(2)	-	(2)
Balance as of 30 June 2011	427	179	200	331	1,012	2,149
Accumulated depreciation						
Balance as of 30 July 2009	7	46	200	121	-	374
Charge for the year	7	11	-	47	-	65
Balance as of 30 June 2010/ 1 July 2010	14	57	200	168	-	439
Charge for the year	27	15	-	58	95	195
Balance as of 30 June 2011	41	72	200	226	95	634
Net book value						
Balance as of 30 June 2011	386	107	-	105	917	1,515
Balance as of 30 June 2010	62	73	-	122	-	257

Included in property, plant and equipment of the Group and the Company are fully depreciated property, plant and equipment with a cost of RM7,867,000 and RM280,000 (2010: RM7,151,000 and RM223,000) respectively, which are still in use.

Included in property, plant and equipment of the Group are property, plant and equipment under hire-purchase arrangements with net book value of RM2,912,000 (2010: RM1,163,000).

As of 30 June 2011, motor vehicles of the Group with net book value of RMNil (2010: RM176,000) are registered in the name of a third party in trust for the Group.

In 2010, freehold property and long-term leasehold property of the Group with carrying amount of RM4,096,000 and RM5,474,000 respectively are charged to a licensed bank for term loan facilities granted to the Company as mentioned in Note 27.

In 2010, long-term leasehold properties of the Group with carrying amount of RM10,781,000 were charged to licensed banks for credit facilities granted to certain subsidiary companies as mentioned in Note 27.

12. INVESTMENT PROPERTIES

The Group	Long-term leasehold properties RM'000	Freehold properties RM'000	Total RM'000
At fair value:			
As of 1 July 2009	11,296	4,800	16,096
Transfer from property, plant and equipment (Note 11)	5,549	-	5,549
As of 30 June 2010/1 July 2010	16,845	4,800	21,645
Transfer from property, plant and equipment (Note 11)	12,474	4,287	16,761
Change in fair value of investment properties (Note 8)	2,577	2,713	5,290
As of 30 June 2011	31,896	11,800	43,696

The investment property of the Group amounting to RM18,600,000 (2010: RM5,700,000) is charged to a licensed bank for term loan facilities granted to the Company as mentioned in Note 27.

The investment properties of the Group amounting to RM17,600,000 (2010: RM15,649,000) are charged to licensed banks for credit facilities granted to certain subsidiary companies as mentioned in Note 27.

The fair value of the Group's investment properties is determined by the directors based, among others, on a valuation carried out in December 2010 by an independent firm of professional valuers that is not related to the Group, and current prices in an active market for similar properties.

13. LAND HELD FOR PROPERTY DEVELOPMENT

	The Group 2011 RM'000	2010 RM'000
At beginning of year:		
Freehold land - at cost	40,418	36,517
Freehold land - proprietor's entitlement	8,000	8,000
Long-term leasehold land - at cost	39,200	34,000
Long-term leasehold land - proprietor's entitlement	17,000	25,000
Development expenditure	28,917	30,746
	133,535	134,263
Additions during the year:		
Freehold land - at cost	17,785	5,160
Long-term leasehold land - at cost	-	5,200
Long-term leasehold land - proprietor's entitlement	100,000	-
Development expenditure	6,624	3,009
	124,409	13,369
Transfer to property development costs (Note 18):		
Freehold land - at cost	-	(1,259)
Long-term leasehold land - at cost	(29,000)	-
Development expenditure	(9,356)	(4,367)
	(38,356)	(5,626)
Assignment of development rights of long-term leasehold land - proprietor's entitlement (Note 13 (b))	(17,000)	(8,000)
Fair value adjustment of proprietor's entitlement	(8,989)	-
Development expenditure written off during the year	(1,700)	(471)
At end of year	191,899	133,535

13. LAND HELD FOR PROPERTY DEVELOPMENT (cont'd)

(a) Included in current additions to development expenditure are the following:

	The Group	
	2011 RM'000	2010 RM'000
Interest expense on (Note 7):		
Term loans/Bridging loan	867	1,796

(b) In 2006, Malton Development Sdn Bhd ("MDSB"), a wholly-owned subsidiary company, entered into joint venture development agreements ("JVDA") with various third parties ("JV Partners"). Pursuant to the JVDA, the JV Partners are required to deliver vacant possession of the leasehold land ("the Land") to MDSB for development. All the development costs will be borne by MDSB and MDSB is entitled to the entire proceeds from the development. In consideration for the land delivered, the JV Partners are entitled to a fixed sum of RM25,000,000 paid by MDSB in accordance with the terms of the JVDA.

In 2010, MDSB and the JV Partners entered into a deed of assignment with a third party, to assign the development rights of a portion of the Land to the said third party for a total consideration of RM10. Pursuant to the deed of assignment, a portion of the said Land amounting to RM8,000,000 (2010: RM8,000,000) is recoverable from the said third party immediately upon receipt of proceeds from the sale of the completed properties developed by the said third party.

During the financial year, MDSB and the JV Partners entered into another deed of assignment with the said third party, to assign the development rights of the balance portion of the Land to the said third party for a total consideration of RM10. Pursuant to the deed of assignment, the balance of the said Land amounting to RM17,000,000 is recoverable from the said third party immediately upon receipt of proceeds from the sale of the completed properties developed by the said third party.

As of 30 June 2011, the total amount receivable from the said third party is RM20,775,000 (2010: RM8,000,000). This amount is classified as non-current other receivable as the amount is not expected to be receivable within the next 12 months.

(c) The title deeds in respect of the freehold and leasehold land - proprietor's entitlement are not registered under the subsidiary companies' name as these title deeds will be transferred directly to house buyers upon completion of the sale of the properties.

(d) As of 30 June 2011, the freehold land of the Group amounting to RMNil (2010: RM4,762,000) is charged to a licensed bank for term loan facilities granted to the Company as disclosed in Note 27.

As of 30 June 2011, the freehold land, leasehold land and a piece of leasehold land under joint venture arrangement of the Group amounting to RM20,976,000 (2010: RM42,661,000), RM94,912,000 (2010: RM43,440,000) and RM101,497,000 (2010: RMNil) respectively, are charged to licensed banks for credit facilities granted to certain subsidiary companies as disclosed in Note 27.

14. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company	
	2011 RM'000	2010 RM'000
Unquoted shares, at cost	500,729	497,596
Less: Accumulated impairment loss	(367)	-
	500,362	497,596

14. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

The subsidiary companies are as follows:

Name	Country of Incorporation	Effective Equity Interest 2011 %	Effective Equity Interest 2010 %	Principal Activities
Direct Subsidiary Companies				
Khuan Choo Realty Sdn Bhd	Malaysia	100	100	Investment in property, investment holding, and provision of management services
Bukit Rimau Development Sdn Bhd	Malaysia	100	100	Property development
Domain Resources Sdn Bhd	Malaysia	100	100	Construction, project management and consultancy services
Domain Stable Construction Sdn Bhd***	Malaysia	100	-	Property development
Pembinaan Gapadu Sdn Bhd	Malaysia	100	100	Property development
Regal Marvel Construction Sdn Bhd	Malaysia	100	100	Investment holding and provision of treasury and fund management services
Khuan Choo Property Management Sdn Bhd	Malaysia	100	100	Property development
Malton Development Sdn Bhd	Malaysia	100	100	Property development
Kumpulan Gapadu Sdn Bhd	Malaysia	100	100	Investment holding
Layar Raya Sdn Bhd	Malaysia	100	100	Property development
Beijing Malton Investment Consultancy Ltd**	People's Republic of China	100	100	Dormant
Malton Assets Limited**	British Virgin Islands	100	100	Dormant
Malton Asia Limited **	British Virgin Islands	100	100	Dormant
Ehsan Armada Sdn Bhd*	Malaysia	100	100	Property development

14. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

The subsidiary companies are as follows:

Name	Country of Incorporation	Effective Equity Interest 2011 %	Effective Equity Interest 2010 %	Principal Activities
Indirect Subsidiary Companies (Held through Khuan Choo Realty Sdn Bhd)				
Asia-Condo Corporation Sdn Bhd	Malaysia	100	100	Property development and investment
Gapadu Development Sdn Bhd	Malaysia	100	100	Property development
Gapadu Harta Sdn Bhd	Malaysia	100	100	Property development
Khuan Choo Development Sdn Bhd	Malaysia	100	100	Property development
Horizontal Promenade Sdn Bhd	Malaysia	100	100	Property development
Rentak Sejati Sdn Bhd*	Malaysia	100	100	Property development
Silver Setup Sdn Bhd	Malaysia	100	100	Investment holding
Khuan Choo Sdn Bhd*	Malaysia	100	100	Property trading
Melariang Sdn Bhd	Malaysia	100	100	Property development and investment holding
Indirect Subsidiary Companies (Held through Domain Resources Sdn Bhd)				
Domain Property Services Sdn Bhd	Malaysia	100	100	Property management services
DMP Construction Sdn Bhd	Malaysia	100	100	Construction
Domain EPC Sdn Bhd	Malaysia	100	100	Project management
Domain Project Management Sdn Bhd	Malaysia	100	100	Dormant
Domain Stable Construction Sdn Bhd***	Malaysia	-	100	Inactive
Indirect Subsidiary Company (Held through Silver Setup Sdn Bhd)				
Silver Quest Development Sdn Bhd	Malaysia	100	100	Property development

14. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

The subsidiary companies are as follows: (cont'd)

Name	Country of Incorporation	Effective Equity Interest 2011 %	Effective Equity Interest 2010 %	Principal Activities
Indirect Subsidiary Company (Held through Melariang Sdn Bhd)				
Interpile (M) Sdn Bhd	Malaysia	100	100	Property development
Indirect Subsidiary Company (Held through Kumpulan Gapadu Sdn Bhd)				
Pioneer Haven Sdn Bhd	Malaysia	100	100	Property development

* The financial statements of these subsidiary companies are audited by auditors other than the auditors of the Company.

** The financial statements of these subsidiary companies are examined for the purpose of consolidation.

*** During the financial year, Domain Resources Sdn Bhd, a wholly-owned subsidiary company, disposed of its entire interests in Domain Stable Construction Sdn Bhd ("Domain Stable") to the Company for a total consideration of RM3,133,000. Accordingly, Domain Stable became a direct subsidiary company of the Company.

During the previous financial year, the Group and the Company undertook the following transactions:

(a) Khuan Choo Realty Sdn Bhd ("KCRSB"), a wholly-owned subsidiary company, disposed of its entire interests in Regal Marvel Construction Sdn Bhd ("RMCSB") to the Company for a total consideration of RM34,454,442 through the capitalisation of amount owing by KCRSB. Accordingly, RMCSB became a direct subsidiary company of the Company.

Also, the Company acquired additional 23,320,000 new ordinary shares of RM1 each of RMCSB at an issue price of RM10 each, amounting to RM233,200,000 through the capitalisation of amount owing by RMCSB.

(b) The Company acquired additional 3,999,998 new ordinary shares of Kumpulan Gapadu Sdn Bhd ("KGSB"), a wholly-owned subsidiary company, through capitalisation of amount owing by KGSB.

(c) Silver Setup Sdn Bhd, a wholly-owned indirect subsidiary company acquired the remaining equity interests in Silver Quest Development Sdn Bhd (formerly known as Perak Fruits & Development Corporation Sdn Bhd) for a cash consideration of RM6,306,302.

(d) KGSB acquired 100 ordinary shares of RM1 each in Pioneer Haven Sdn Bhd ("PHSB"), representing 100% equity interests in PHSB, for a cash consideration of RM100. The effect of the acquisition of PHSB on the financial results of the Group from the date of acquisition to 30 June 2010 was, however, not material.

Also, KGSB acquired additional 4,999,900 new ordinary shares of RM1 each of PHSB, amounting to RM4,999,900 by cash.

15. INVESTMENT IN ASSOCIATED COMPANIES

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Unquoted shares, at cost	20,600	20,600	20,600	20,600
Share in post acquisition results	2,112	1,575	-	-
	22,712	22,175	20,600	20,600

On 28 July 2010, Khuan Choo Sdn Bhd, an indirect wholly-owned subsidiary company, entered into a sale and purchase agreement with a third party to acquire a 45% equity interests in Inai Berkat Sdn Bhd, a company incorporated in Malaysia, for a consideration of RM45.

During the previous financial year, the Company acquired a 20% equity interests in Austin Heights Sdn Bhd, a company incorporated in Malaysia, for a consideration of RM20,600,000.

The summarised management financial statements of the associated companies are as follows:

	30 JUNE 2011 RM'000	30 JUNE 2010 RM'000
Assets and Liabilities		
Total assets	171,246	78,111
Total liabilities	(100,884)	(27,182)
Net Assets	70,362	50,929
Group's share of associated companies net assets	14,065	10,186
Goodwill on acquisition	8,647	11,989
Net Assets	22,712	22,175

	Year ended 30 June 2011 RM'000	From date of acquisition to 30 June 2010 RM'000
Income Statements		
Total revenue	63,338	79,723
Profit/(Loss) for the year/period	(3,192)	7,874
Group's share of profit for the year/period	537	1,575

15. INVESTMENT IN ASSOCIATED COMPANIES (cont'd)

The associated companies are as follows:

Name	Country of Incorporation	Effective Equity Interest 2011	Effective Equity Interest 2010	Principal Activities
Direct Associated Company				
Austin Heights Sdn Bhd *#	Malaysia	20	20	Property development
Indirect Associated Companies (Held through Austin Heights Sdn Bhd)				
Austin Heights Education Sdn Bhd *#	Malaysia	20	20	Educational operation and management
Austin Heights Management Sdn Bhd *#	Malaysia	20	20	Housing management
Polygreat Resources Sdn Bhd *#	Malaysia	20	20	Hotel and service suite operator
Austin Heights Golf and Country Resort Sdn Bhd (formerly known as Austin Heights Go Green Sdn Bhd *#	Malaysia	20	20	Golf and recreational club
Detik Hartamas Sdn Bhd*#	Malaysia	20	-	Property development
Indirect Associated Companies (Held through Khuan Choo Sdn Bhd)				
Inai Berkat Sdn Bhd *	Malaysia	45	-	Property development
Indirect Associated Companies (Held through Inai Berkat Sdn Bhd)				
Flora Bliss Property Development Sdn Bhd *@	Malaysia	15	-	Property trading

* The financial statements of these associated companies are audited by auditors other than the auditors of the Company.

\# The financial year end of these associated companies is 30 April 2011.

@ The financial year end of this associated company is 31 December 2010.

16. OTHER INVESTMENTS

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Available-For-Sale				
Quoted shares outside Malaysia*	1,797	1,719	-	-
Less: Impairment loss	(453)	(453)	-	-
	1,344	1,266	-	-
Transferable golf and country club memberships*	285	230	-	-
Less: Impairment loss	(40)	(40)	-	-
	245	190	-	-
Held to Maturity				
Unquoted subordinated bond*	3,000	3,000	3,000	3,000
Less: Impairment loss	(3,000)	(3,000)	(3,000)	(3,000)
	-	-	-	-
	1,589	1,456	-	-
Market value of quoted shares outside Malaysia	1,344	1,266	-	-

In 2007, the Company subscribed for unquoted subordinated bond issued by a specially incorporated corporation as fulfillment of one of the conditions to an unsecured term loan facility of RM30,000,000 (2010: RM30,000,000) obtained by the Company as mentioned in Note 27. There is no coupon rate for the unquoted subordinated bond and the maturity date of the subordinated bond is 26 January 2012.

* Prior to 1 July 2010, these investments are stated at cost less impairment.

17. DEFERRED TAX ASSETS/(LIABILITIES)

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
At beginning of year	4,384	2,782	(55)	(55)
Credit/(Charge) to profit or loss (Note 9):				
Current year:				
Property, plant and equipment	(26)	(235)	-	-
Other payables and accrued expenses	(759)	1,181	-	-
Property development costs	1,092	-	-	-
Unused tax losses	(1,844)	843	-	-
Unabsorbed capital allowances	29	(429)	-	-
Others	1,269	242	-	-
	(239)	1,602	-	-
Under/(Over)provision in prior years:				
Property, plant and equipment	(72)	-	-	-
Property development costs	447	-	-	-
Other payables and accrued expenses	(36)	-	-	-
Unused tax losses	581	-	-	-
Unabsorbed capital allowances	11	-	-	-
	931	-	-	-
At end of year	5,076	4,384	(55)	(55)

17. DEFERRED TAX ASSETS/(LIABILITIES) (cont'd)

Certain deferred tax assets and liabilities have been offset in accordance with the Group's accounting policy. The following is an analysis of the deferred tax balances (after offset) for statements of financial position purposes:

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Deferred tax assets	5,131	4,439	-	-
Deferred tax liabilities	(55)	(55)	(55)	(55)
	5,076	4,384	(55)	(55)

Deferred tax assets/(liabilities) provided in the financial statements are in respect of the tax effects of the following:

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Deferred tax liabilities (before offsetting)				
Temporary differences arising from:				
Property, plant and equipment	(405)	(307)	(55)	(55)
Offsetting	350	252	-	-
Deferred tax liabilities (after offsetting)	(55)	(55)	(55)	(55)

	The Group	
	2011 RM'000	2010 RM'000
Deferred tax assets (before offsetting)		
Temporary differences arising from:		
Property development costs	1,539	-
Other payables and accrued expenses	496	1,291
Others	1,511	242
Unused tax losses	1,858	3,121
Unabsorbed capital allowances	77	37
	5,481	4,691
Offsetting	(350)	(252)
Deferred tax assets (after offsetting)	5,131	4,439

As mentioned in Note 3, the tax effects of deductible temporary differences, unused tax losses and unused tax credits which would give rise to deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. As of 30 June 2011, the estimated amount of deductible temporary differences, unused tax losses and unabsorbed capital allowances, for which the tax effects have not been recognised in the financial statements due to uncertainty of its realisation, is as follows:

17. DEFERRED TAX ASSETS/(LIABILITIES) (cont'd)

	The Group	
	2011 RM'000	2010 RM'000
Temporary differences arising from:		
Property, plant and equipment	40	40
Property development costs	260	946
Other payables and accrued expenses	337	1,230
Unused tax losses	15,083	13,601
Unabsorbed capital allowances	1,086	1,068
	16,806	16,885

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

18. PROPERTY DEVELOPMENT COSTS

	The Group	
	2011 RM'000	2010 RM'000
At beginning of year:		
Freehold land - at cost	53,448	52,189
Freehold land - proprietor's entitlement	86,819	86,819
Long-term leasehold land - at cost	48,087	51,957
Long-term leasehold land - proprietor's entitlement	16,302	49,263
Development expenditure	259,595	290,601
	464,251	530,829
Additions during the year:		
Freehold land - at cost	15,287	-
Long-term leasehold land - proprietor's entitlement	-	2,840
Development expenditure	212,342	146,084
	227,629	148,924
Transfer from land held for property development (Note 13):		
Long-term leasehold land - at cost	29,000	-
Freehold land - at cost	-	1,259
Development expenditure	9,356	4,367
	38,356	5,626
Cumulative costs recognised as an expense in the income statements:		
Previous year	(249,525)	(231,254)
Current year	(274,293)	(218,841)
Allowance for foreseeable loss during the year	(3,754)	(946)
Closed out due to completion of projects	77,023	201,516
	(450,549)	(249,525)
Revision in long-term leasehold land – proprietor's entitlement	(741)	-
Development expenditure written off during the year	(458)	(116)

18. PROPERTY DEVELOPMENT COSTS (cont'd)

	The Group	
	2011 RM'000	2010 RM'000
Costs closed out during the year due to completion of projects	(77,023)	(201,516)
Transfer to inventories	(4,686)	(19,496)
At end of year	196,779	214,726

Included in current additions to development expenditure are the following:

	The Group	
	2011 RM'000	2010 RM'000
Interest expense on (Note 7):		
Term loans/bridging loan	4,134	3,517
Bank overdrafts	-	169
	4,134	3,686

The title deeds in respect of the freehold and long-term leasehold land - proprietor's entitlement are not registered under the subsidiary companies' names as these title deeds will be transferred directly to house buyers upon sale of the properties.

Certain freehold and leasehold land under property development amounting to RM17,402,000 (2010: RM51,793,000) and RM39,108,000 (2010: RM85,706,000), respectively are charged to licensed banks for credit facilities granted to the Group as mentioned in Note 27.

19. INVENTORIES

	The Group	
	2011 RM'000	2010 RM'000
Completed properties	27,746	42,722
Commercial land	9,000	13,025
Bungalow land	2,597	5,811
	39,343	61,558

Included in inventories are completed properties with cost amounting to RM2,626,000 (2010: RM13,636,000) charged to licensed banks for credit facilities granted to the Company as mentioned in Note 27.

Included in inventories are completed properties and commercial land with cost amounting to RM10,880,000 (2010: RM2,483,000) charged to licensed banks for credit facilities granted to certain subsidiary companies as mentioned in Note 27.

20. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES

Trade receivables comprise mainly amounts receivable from customers for construction works carried out, project management services and sales of properties developed by the Group. The credit period granted to customers generally ranges from 7 to 90 days (2010: 7 to 90 days) unless otherwise agreed under contractual obligations.

	The Group	
	2011 RM'000	2010 RM'000
Trade receivables	80,926	55,633
Less: Allowance for doubtful debts	(229)	(229)
Net	80,697	55,404
Retention sum held by contract customers (Note 22)	3,681	10,137
Stakeholder sum held by solicitors	9,746	2,918
	94,124	68,459

Ageing of past due but not impaired

	The Group
	2011 RM'000
60 - 90 days	27,196
91 - 120 days	821
> 120 days	17,807
Total	45,824

20. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES (cont'd)

Movement in the allowance for doubtful debts

	The Group 2011 RM'000
Balance at beginning and end of year	229

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated.

Ageing of impaired trade receivables

	The Group 2011 RM
> 120 days	229

Other receivables and prepaid expenses consist of:

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Other receivables	2,032	1,132	1,952	123
Advance to an indirect associated company	20,000	-	-	-
Deposits	22,941	49,674	108	1,747
Prepaid expenses	328	632	26	4
	45,301	51,438	2,086	1,874

Advance to an indirect associated company amounting to RM20,000,000 (2010: RMNil) is interest free, unsecured and repayable on demand.

Included in deposits of the Group are the following:

(a) an amount of RM9,250,000 (2010: RMNil) of the Group representing deposit paid by Asia-Condo Corporation Sdn Bhd ("ACC"), an indirect wholly-owned subsidiary company, to Tekad Harapan Sdn Bhd ("THSB") pursuant to a Development Agreement ("DA"). In accordance to the DA with THSB, ACC is obliged to pay THSB entitlement a sum equal to 35% of the gross profit before tax (as defined in the DA) to be generated by the development of certain parcels of land belonging to a third party progressively. As of 30 June 2011, certain terms of the DA have not been fulfilled.

(b) an amount of RM4,000,000 (2010: RMNil) of the Group representing earnest deposits paid by Malton Development Sdn Bhd ("MDSB"), a wholly-owned subsidiary company, to a third party for a proposed property development project.

(c) an amount of RM5,500,000 (2010: RMNil) of the Group representing earnest deposits paid by Kumpulan Gapadu Sdn Bhd ("KGSB"), a wholly-owned subsidiary company, to a third party for a proposed property development project.

20. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES (cont'd)

Included in deposits of the Group are the following: (cont'd)

(d) an amount of RM500,000 (2010: RM500,000) of the Group representing deposit paid by Pioneer Haven Sdn Bhd ("PHSB"), a wholly-owned subsidiary company, to Bukit Jalil Development Sdn Bhd ("BJDSB") pursuant to a Joint Development Agreement ("JDA").

On 16 March 2010, PHSB entered into a JDA with BJDSB. Pursuant to the JDA, BJDSB is required to deliver vacant possession of a parcel of freehold land to PHSB for development. All the development costs will be borne by PHSB. PHSB is entitled to 83% of the gross development value of the development, whereas BJDSB is entitled to 17% of the gross development value of the development and the total entitlement of BJDSB shall not be less than RM265,000,000 in accordance with the terms of the JDA.

On 26 April 2010, Ho Hup Construction Company Berhad ("Ho Hup"), the holding company of BJDSB, served a legal suit against BJDSB and 10 others including PHSB seeking inter alia for a declaration that the JDA is void.

On 7 June 2011, the Judge declared that the JDA be null and void and BJDSB was ordered to return the RM500,000.00 deposit to PHSB.

On 17 June 2011, the Judge dismissed PHSB application for stay but with further direction that Ho Hup shall not dispose or enter into joint venture of the said land.

PHSB has filed for appeal to Judge in Chambers against the decision and the appeal is scheduled for hearing on 9 November 2011.

(e) an amount of RMNil (2010: RM35,518,000) of the Group paid to third parties in respect of the long-term leasehold land - proprietor's entitlement pursuant to the joint venture development agreement ("JVDA") entered into between Gapadu Harta Sdn Bhd, an indirect wholly-owned subsidiary company, and third parties in 2007. As of 30 June 2010, certain terms of the JVDA have not been fulfilled. During the current financial year, the terms of the JVDA have been fulfilled and the said amount has been reclassified to Land Held for Development.

(f) an amount of RMNil (2010: RM8,000,000) of the Group representing earnest deposits paid by Bukit Rimau Development Sdn Bhd ("BRDSB"), a wholly-owned subsidiary company, to a third party for a proposed property development project ("the Project"). During the financial year, BRDSB decided not to proceed with the Project and the amount has been refunded to BRDSB.

21. ACCRUED/(ADVANCE) BILLINGS

	The Group	
	2011 RM'000	2010 RM'000
Progress billings to date	(650,034)	(282,839)
Cumulative revenue recognised in the income statements:		
Prior year	313,077	459,068
Current year (Note 5)	388,197	291,168
Closed out due to completion of projects	604	(437,159)
	701,878	313,077
	51,844	30,238
Represents:		
Accrued billings	56,862	61,341
Advance billings	(5,018)	(31,103)
	51,844	30,238

22. AMOUNT DUE FROM/(TO) CONTRACT CUSTOMERS

	Note	The Group 2011 RM'000	2010 RM'000
Contract costs incurred		42,262	28,625
Add: Attributable profit		2,953	8,181
		45,215	36,806
Less: Progress billings received and receivable		(44,036)	(37,736)
		1,179	(930)
Represents:			
Amount due from contract customers		1,179	-
Amount due to contract customers		-	(930)
		1,179	(930)
Retention sum held by contract customers (included under trade receivables)	20	3,681	10,137
Retention sum payable to sub-contractors (included under trade payables)	29	10,128	11,099

Included in current additions to contract costs are the following:

	The Group 2011 RM'000	2010 RM'000
Staff costs	720	626

Staff costs include salaries, contributions to Employees Provident Fund ("EPF") and all other staff related expenses. Contributions to EPF by the Group during the year amounted to RM70,000 (2010: RM48,000).

23. RELATED PARTY TRANSACTIONS AND BALANCES

Amount owing by subsidiary companies, which arose mainly from advances and payments made on behalf, is repayable on demand and bears interest at rates ranging from 7.22% to 8.27% (2010: 7.22% to 10.23%) per annum.

Amount owing to subsidiary companies, which arose mainly from advances and payments made on behalf, is repayable on demand and bears interest at rates ranging from 7.22% to 8.27% (2010: 7.22% to 10.23%) per annum.

The related party of the Company and subsidiary companies and its relationship are as follows:

Related Party	Relationship
Capital Flagship Sdn Bhd	A Company in which a director of the Company, Datuk Lim Siew Choon has indirect financial interests.

23. RELATED PARTY TRANSACTIONS AND BALANCES (cont'd)

During the financial year, significant related party transactions are as follows:

	The Company	
	2011 RM'000	2010 RM'000
With subsidiary companies:		
Management fee received/receivable (Note 5)	6,630	4,818
Interest income received/receivable (Note 8)	97	874
Assignment of debts to subsidiary companies	-	278,293
Interest expense paid/payable (Note 7)	(6,377)	(5,249)
Assignment of debts from subsidiaries companies	-	(278,293)
Rental of premises paid/payable (Note 8)	-	(360)

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
With a related party:				
Rental of premises paid/payable	125	-	17	-
With a director of the Company:				
Sales of properties to a director of the Company	668	-	-	-

Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel of the group and of the Company includes Executive Directors and Non-Executive Directors of the Company and certain members of senior management of the Group and of the Company.

The remuneration of key management personnel during the year are as follows:

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Short-term employee benefits	4,873	4,060	3,677	2,725
Defined contribution plans	592	444	481	332
	5,465	4,504	4,158	3,057

The estimated monetary value of benefits-in-kind received and receivable by the key management personnel otherwise than in cash from the Group and the Company during the financial year amounted to RM245,000 and RM185,000 (2010: RM244,000 and RM162,000), respectively.

Included in the remuneration of key management personnel is the remuneration of directors of the Company as disclosed in Note 8(c).

24. CASH AND BANK BALANCES

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Housing Development Accounts - Note (a)	43,366	34,719	-	-
Cash and bank balances - Note (b)	163,789	26,350	131,316	444
	207,155	61,069	131,316	444

(a) The Housing Development Accounts are maintained by the Group in accordance with Section 7(A) of the Housing Developers (Control and Licensing) Act, 1966. These accounts, which consist of monies received from house purchasers, are for the payment of property development expenditure incurred and are restricted from use in other operations. The surplus monies, if any, will be released to the Group upon completion of the property development projects and after all property development expenditure have been fully settled.

(b) Included in cash and bank balances of the Group and of the Company is an amount of RM130,000,000 (2010: RMNil) representing the partial proceeds of the Proposed Rights Issue of RM139,341,169 nominal value 7-year 6% redeemable convertible secured loan stocks at 100% of its nominal value together with 139,341,169 free detachable new warrants and 69,670,584 new ordinary bonus shares of RM1.00 each. The Proposed Rights Issue was completed on 1 July 2011.

25. SHARE CAPITAL

	The Group and The Company	
	2011 RM'000	2010 RM'000
Authorised:		
1,000,000,000 ordinary shares of RM1 each	1,000,000	1,000,000
Issued and fully paid:		
348,352,928 ordinary shares of RM1 each	348,353	348,353

Share Options

The Employees' Share Option Scheme ("ESOS") for eligible employees of the Group, which expired on 22 December 2010 has been extended another five years to expire on 22 December 2015. On 2 July 2007, the Company made an offer to grant 14,690,000 share options to the eligible employees of the Group pursuant to the ESOS.

The salient features of the ESOS are as follows:

(a) the total number of shares which may be made available shall not exceed 15% of the issued and paid-up share capital of the Company at the time of offer of the ESOS.

(b) the ESOS shall be in force for a duration of five years.

(c) all employees, including directors, who are confirmed full-time employees of the Company and have been serving for at least one year within the Group are eligible.

(d) any allocation of options under the ESOS to a director of the Company shall require prior approval from the shareholders of the Company at a general meeting.

25. SHARE CAPITAL (cont'd)

Share Options (cont'd)

The salient features of the ESOS are as follows: (cont'd)

(e) no option shall be granted for less than 100 shares or for more than the maximum allowable allotment as follows:

(i) the number of options allocated, in aggregate, to the directors and senior management of the Group shall not exceed 50% of the total options available under the ESOS; and

(ii) the number of options allocated to any individual director or executive who, either singly or collectively through his/her associates (as defined in the Companies Act, 1965), holding 20% or more in the issued and paid-up share capital of the Company shall not exceed 10% of the total options available under the ESOS.

(f) the option price shall be at a discount of not more than 10% from the weighted average market price of the Company as shown in the Daily Official List issued by Bursa Malaysia Securities Berhad for the five market days immediately preceding the date of offer or at par value of the ordinary shares of the Company, whichever is higher.

(g) the Option Committee may at any time and from time to time, before and/or after an option is granted, limit the exercise of the number and/or percentage of the option offered during the duration of the ESOS and impose any other terms and/or conditions deemed appropriate by the Option Committee in its sole discretion including amending or varying any terms and conditions imposed earlier.

26. RESERVES

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Non-distributable:				
Share premium	255	255	255	255
Options reserve	190	190	190	190
Revaluation reserve	2,065	-	-	-
Available-for-sale reserve	(493)	-	-	-
Distributable:				
Retained earnings	158,759	90,911	80,689	62,427
Total	160,776	91,356	81,134	62,872

Share premium

Share premium arose from the following:

	The Group and The Company	
	2011 RM'000	2010 RM'000
Restricted issue	61,601	61,601
Public issue	64,399	64,399
Warrants issue	250	250
	126,250	126,250
Capitalisation for bonus issues	(118,732)	(118,732)
Share issue expenses	(7,263)	(7,263)
	255	255

26. RESERVES (cont'd)

Options reserve

Options reserve, which relates to the equity-settled share options granted to eligible employees by the Group and the Company, is made up of the cumulative value of services received from employees recorded on grant of share options.

Revaluation reserve

Revaluation reserve represents the increase in the fair value of long-term leasehold properties prior to reclassification as investment properties.

Available-for-sale reserve

The Available-for-Sale reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed of or impaired.

Retained earnings

Distributable reserves are those available for distribution as dividend. Taking into consideration the tax exempt income account as mentioned in Note 9 and based on the estimated tax credits available and the prevailing tax rate applicable to dividends, the Company is able to distribute up to RM21,204,000 out of its retained earnings as of 30 June 2011 by way of cash without additional tax liabilities being incurred.

The Finance Act 2007 introduced a single tier tax system with effect from the year of assessment 2008. Companies without Section 108 tax credit will automatically move to the single tier tax system on 1 January 2008 whilst companies with such tax credits are given an irrevocable option to disregard the balance of the tax credit and switch over to the new system during the transitional period of six years. All companies will be on the new system on 1 January 2014. Under the single tier tax system, tax on profits of companies is a final tax and dividend distributed will be exempted from tax in the hands of the shareholders. The recipient of the dividend will not be able to claim any tax credits as in the previous imputation system.

As of 30 June 2011, the Company has yet to make the irrevocable option to switch over to the new system.

27. BANK BORROWINGS

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Secured:				
Revolving credits	8,000	9,247	-	-
Bank overdrafts (Note 31)	236	22,333	236	3,885
Long-term loans	74,587	72,224	4,706	9,387
Bridging loans	2,366	3,049	-	-
Unsecured:				
Long-term loan	30,000	30,000	30,000	30,000
	115,189	136,853	34,942	43,272
Less: Amount due within next 12 months (included under current liabilities)	(67,794)	(73,704)	(34,942)	(7,887)
Non-current portion	47,395	63,149	-	35,385

The non-current portion is repayable as follows:

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Between 1 - 2 years	35,980	31,099	-	4,002
Between 2 - 5 years	11,415	32,050	-	31,383
	47,395	63,149	-	35,385

27. BANK BORROWINGS (cont'd)

As of 30 June 2011, the Group and the Company have the following credit facilities from licensed banks:

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Secured:				
Revolving credits	8,000	33,500	-	-
Bank overdrafts	30,003	50,503	4,000	4,000
Term loans	157,833	169,565	20,000	20,000
Bridging loans	33,000	16,500	-	-
Islamic financing	13,000	15,500	-	-
Bankers guarantee	21,485	21,485	2,000	2,000
Unsecured:				
Term loan	30,000	30,000	30,000	30,000
	293,321	337,053	56,000	56,000

The interest rates per annum are as follows:

	The Group		The Company	
	2011 per annum	2010 per annum	2011 per annum	2010 per annum
Secured:				
Revolving credits	5.47% to 6.02%	5.77% to 8.05%	-	-
Bank overdrafts	7.30% to 8.60%	7.05% to 9.25%	7.30% to 7.60%	6.65% to 7.05%
Term loans	7.80% to 8.35%	6.80% to 9.25%	8.05% to 8.35%	7.30% to 8.38%
Bridging loans	8.05% to 8.35%	7.05% to 8.50%	-	-
Islamic financing	7.80% to 8.10%	7.30% to 7.80%	-	-
Unsecured:				
Term loan	8.38%	8.38%	8.38%	8.38%

The unsecured term loan of the Group and the Company are covered by negative undertakings that the Company shall not incur, assume, guarantee or permit to exist any indebtedness without the prior consents of all persons to whom the Company has now or hereafter provided a negative pledge. As one of the conditions to the collateralised loan obligations, the Company subscribed for subordinated bond issued by a specially incorporated corporation as mentioned in Note 16.

Other than the above, the borrowings of the Group and of the Company are secured against the following:

(i) Charge over the investment properties, land held for property development, property development, commercial land, completed properties and bungalow land of certain subsidiary companies as mentioned in Notes 12, 13, 18 and 19, respectively.

(ii) A debenture incorporating a fixed and floating charge over present and future assets of certain subsidiary companies.

(iii) Fixed deposits of certain subsidiary companies as mentioned in Note 31.

28. HIRE-PURCHASE PAYABLES

	The Group	
	2011 RM'000	2010 RM'000
Total outstanding	3,121	1,262
Less: Interest-in-suspense outstanding	(302)	(41)
Principal outstanding	2,819	1,221
Less: Amount due within 12 months (shown under current liabilities)	(805)	(859)
Non-current portion	2,014	362

The non-current portion is payable as follows:

	The Group	
	2011 RM'000	2010 RM'000
Between 1 - 2 years	1,133	314
Between 2 - 5 years	881	48
	2,014	362

For the financial year ended 30 June 2011, the effective interest rates for the hire-purchase payables range from 4.18% to 6.54% (2010: 4.30% to 6.54%) per annum. Interest rates are fixed at the inception of the hire-purchase arrangements.

29. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

Trade payables comprise mainly amount outstanding to contractors and consultants for property development projects. The credit period granted to the Group ranges from 30 to 120 days (2010: 30 to 120 days).

Trade payables are as follows:

	The Group	
	2011 RM'000	2010 RM'000
Trade payables	52,194	24,429
Retention sum payable to sub-contractors (Note 22)	10,128	11,099
	62,322	35,528

Other payables and accrued expenses are as follows:

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Proceeds from Proposed Rights Issue - Note (a)	130,000	-	130,000	-
Accrued costs to completion of projects	28,610	21,293	-	-
Other payables - Note (b)	72,677	15,649	258	477
Accrued uncertified works performed by sub-contractors	11,173	33,875	-	-
Accrued expenses	9,167	7,096	3,516	1,471
Amount owing to directors - Note (c)	272	272	-	-
	251,899	78,185	133,774	1,948

29. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES (cont'd)

Other payables and accrued expenses are as follows: (cont'd)

(a) This represents partial proceeds of the Proposed Rights Issue received as disclosed in Note 24 (b).

(b) Amount payable totalling RM65,553,000 (2010: RM2,104,000) included in other payables of the Group are in respect of property development projects undertaken by the Group.

(c) Amount owing to directors, which arose mainly from unsecured advances, is interest-free and repayable on demand.

30. DIVIDENDS

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Declared to the equity holders of the Company:				
Final dividend of 1.5%, less 25% tax (2010: Nil)	3,919	-	3,919	-
	3,919	-	3,919	-

31. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Fixed deposits with licensed banks	17,260	3,961	-	-
Cash and bank balances	207,155	61,069	131,316	444
Bank overdrafts (Note 27)	(236)	(22,333)	(236)	(3,885)
	224,179	42,697	131,080	(3,441)
Less: Non cash and cash equivalents:				
Proposed Rights Issue application money - Note (a)	(130,000)	-	(130,000)	-
Fixed deposits pledged to licensed banks - Note (b)	(1,559)	(3,840)	-	-
Debt Service Reserve Account - Note (c)	(533)	-	-	-
	92,087	38,857	1,080	(3,441)

(a) The Proposed Rights Issue application money represents the partial proceeds of the Proposed Rights Issue of RM139,341,169 nominal value 7-year 6% redeemable convertible secured loan stocks at 100% of its nominal value together with 139,341,169 free detachable new warrants and 69,670,584 new ordinary bonus shares of RM1.00 each. The Proposed Rights Issue was completed on 1 July 2011.

(b) Included in fixed deposits with licensed banks of the Group is an amount of RM1,559,000 (2010: 3,840,000) pledged to financial institutions for banking facilities granted to subsidiary companies as mentioned in Note 27.

The interest rates for fixed deposits range from 1.6% to 3.1% (2010: 2.50% to 3.70%) per annum. The fixed deposits have an average maturity period of 1 to 365 days (2010: 1 to 365 days).

(c) Debts service reserve account represents amount placed for purposes of servicing interest of term loan granted by a financial institution for a subsidiary company.

32. SEGMENTAL REPORTING

For management purposes, the Group is organised into the following operating divisions:

(i) Property development segment is involved in the business of constructing and developing residential and commercial properties. The reportable segment has been formed by aggregating the property construction and development segments, which are regarded by management to exhibit similar economic characteristics.

(ii) Construction and project management segment is involved in the business of construction works for development of residential and commercial properties.

(iii) Property trading segment is involved in the business of sales of developed residential and commercial properties.

(iv) Others segment, which is involved in the business of investment holding, property investment and management, and provision of management and accounting services, are not material to the Group and therefore not separately reported.

Inter-segment revenue mainly comprise construction works performed and provision of management services to the subsidiary companies.

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

32. SEGMENTAL REPORTING (cont'd)

The Group 2011	Property development RM'000	Construction and project management RM'000	Property trading RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External sales	388,197	47,434	25,921	840	-	462,392
Inter-segment sales	-	160,360	-	55,596	(215,956)	-
	388,197	207,794	25,921	56,436	(215,956)	462,392
Results						
Segment results	72,237	37,492	(1,177)	42,824	(47,102)	104,274
Interest income						2,367
Finance costs						(9,026)
Share in results of associated companies						537
Profit before tax						98,152
Income tax expense						(25,458)
Profit for the year						72,694
Attributable to:						
Equity holders of the Company						72,694
Non-controlling interests						-
						72,694
Assets						
Segment assets	735,491	173,436	48,455	544,674	(552,828)	949,228
Unallocated assets						10,138
						959,366
Liabilities						
Segment liabilities	321,269	104,949	16,891	321,195	(327,067)	437,237
Unallocated liabilities						13,000
						450,237
Other information						
Capital expenditure	4,545	2,603	-	1,905	-	9,053
Depreciation of property, plant and equipment	1,463	525	-	439	8	2,435
Non-cash expenses other than depreciation	16	73	-	91	-	180

32. SEGMENTAL REPORTING

The Group 2010	Property development RM'000	Construction and project management RM'000	Property trading RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External sales	291,168	39,019	15,479	1,254	-	346,920
Inter-segment sales	-	138,665	-	54,350	(193,015)	-
	291,168	177,684	15,479	55,604	(193,015)	346,920
Results						
Segment results	30,288	17,910	1,722	43,381	(53,594)	39,707
Interest income						826
Finance costs						(6,288)
Share in results of associated companies						1,575
Profit before tax						35,820
Income tax expense						(13,753)
Profit for the year						22,067
Attributable to:						
Equity holders of the Company						22,067
Non-controlling interests						-
						22,067
Assets						
Segment assets	618,080	138,505	44,212	98,885	(171,497)	728,185
Unallocated assets						5,009
						733,194
Liabilities						
Segment liabilities	221,321	92,445	2,485	130,782	(163,213)	283,820
Unallocated liabilities						9,665
						293,485
Other information						
Capital expenditure	747	274	-	96	-	1,117
Depreciation of property, plant and equipment	1,135	536	7	498	-	2,176
Non-cash expenses other than depreciation	1,535	227	873	2,021	-	4,656

33. FINANCIAL INSTRUMENTS

(i) Capital risk management

The Group and the Company manage its capital to ensure that it will be able to continue as a going concern while maximising returns to its shareholders through the optimisation of debt and equity balance. The Group's and the Company's overall strategy remain unchanged from 2010.

The Group and the Company did not engage in any transaction involving financial derivative instruments during the financial year.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristic of the underlying assets. No changes were made in the objectives, policies or processes during the financial year ended 30 June 2011.

Gearing ratio

The gearing ratio at end of the reporting period is as follows:

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Total debt	118,008	138,074	34,942	43,272
Equity	509,129	439,709	429,487	411,225
Debt to equity ratio	0.23	0.31	0.08	0.11

Debt is defined as long and short-term borrowings and hire-purchase payables as described in Notes 27 and 28.

Equity includes all capital and reserves of the Group and the Company that are managed as capital.

Significant Accounting Policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement and the bases for recognition of income and expenses), for each class of financial asset, financial liability and equity instrument are disclosed in Note 3.

Categories of Financial Instruments

	The Group 2011 RM'000	The Company 2011 RM'000
Financial assets		
Available-for-Sale		
Other investments	1,589	-
Loans and receivables		
Trade receivables	94,124	-
Other receivables	42,807	1,952
Amount owing by subsidiary companies	-	10,180
Deposit, cash and bank balances	224,415	131,316

33. FINANCIAL INSTRUMENTS (cont'd)

(i) Capital risk management (cont'd)

Categories of Financial Instruments (cont'd)

	The Group 2011 RM'000	The Company 2011 RM'000
Financial liabilities		
At amortised cost		
Trade payables	62,322	-
Other payables and accrued expenses	72,949	258
Amount owing to subsidiary companies	-	71,869
Bank borrowings	115,189	34,942
Hire-purchase payables	2,819	-

(ii) Financial Risk Management Objectives

The operations of the Group are subject to a variety of financial risk, including foreign currency risk, interest rate risk, credit risk, liquidity risk and cash flow risk.

The Group has formulated a financial risk management framework whose principal objective is to minimise the Group's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group.

Financial risk management is carried out through risk reviews, internal control systems and adherence to Group financial risk management policies. The Board regularly reviews these risks and approves the treasury policies, which cover the management of these risks.

(a) Foreign Currency Risk Management

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign exchange rate risk mainly through its other investments in quoted shares outside Malaysia.

(b) Interest Rate Risk Management

The Group and the Company are exposed to interest rate risk through the impact of rate changes on interest-bearing deposits, hire-purchase payables and borrowings.

The carrying amounts, the range of applicable interest rates during the year and the remaining maturities of the Group and the Company's financial instruments that are exposed to interest rate risk are disclosed in Notes 27, 28 and 31.

Interest rate exposure is measured using sensitivity analysis as disclosed below:

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for financial instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

33. FINANCIAL INSTRUMENTS (cont'd)

(ii) Financial Risk Management Objectives (cont'd)

(b) Interest Rate Risk Management

Interest rate sensitivity analysis (cont'd)

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's:

- profit for the year ended 30 June 2011 would decrease/increase by RM1,453,000. This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings; and

The Group's sensitivity to interest rates has decreased during the current period mainly due to the reduction in variable rate debt instruments.

(c) Credit Risk Management

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the Group.

The Group is exposed to credit risk mainly from its customer base, including trade receivables. The Group extends credit to its customers based upon careful evaluation of the customer's financial condition and credit history. Trade receivables are monitored on an ongoing basis by the Group's credit control department.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counter parties and customers.

The Group's credit risk on deposits, cash and balances is limited as the Group places its fund with reputable financial institutions with high credit ratings.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is the carrying amount of financial assets which are mainly trade and other receivables, deposits with licensed bank and cash and bank balances.

(d) Liquidity Risk Management

The Group and the Company seek to invest cash assets safely and profitably. The Group also seeks to control credit risk by setting counterparty limits and ensuring that sale of products and services are made to customers with an appropriate credit history, and monitoring customers' financial standing through periodic credit review and credit checks at point of sales. The Group and the Company consider the risk of material loss in the event of non-performance by a financial counterparty to be unlikely.

The following tables detail the Group's and the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

33. FINANCIAL INSTRUMENTS (cont'd)

(ii) Financial Risk Management Objectives (cont'd)

(d) Liquidity Risk Management (cont'd)

The Group 2011	Weighted average effective interest rate %	Less than 1 year RM'000	1-2 years RM'000	2-5 years RM'000	5+years RM'000	Total RM'000
Non-interest bearing	-	135,271	-	-	-	135,271
Hire-purchase liability	4.53	805	1,133	881	-	2,819
Variable interest rate instruments	8.27	37,794	35,980	11,415	-	85,189
Fixed interest rate instruments	8.38	30,000	-	-	-	30,000
The Company 2011						
Non-interest bearing	-	72,652	-	-	-	72,652
Variable interest rate instrument	8.27	4,942	-	-	-	4,942
Fixed interest rate instruments	8.38	30,000	-	-	-	30,000
Financial guarantee*	-	-	-	-	-	-

* At the end of the reporting period, it was not probable that the counterparties to financial guarantee contracts will claim under the contracts. Consequently, the amount included above is nil.

(e) Cash Flow Risk

The Group reviews its cash flow position regularly to manage its exposure to fluctuations in future cash flows associated with its monetary financial instruments.

(iii) Fair Value of Financial Instruments

	The Group 2011		The Company 2011	
	Carrying Amount RM'000	Fair Value RM'000	Carrying Amount RM'000	Fair Value RM'000
Financial assets				
Other investments	1,589	1,589	-	-
Trade receivables	94,124	94,124	-	-
Other receivables	42,807	42,807	1,952	1,952
Amount owing by subsidiary companies	-	-	10,180	10,180
Deposit, cash and bank Balances	224,415	224,415	131,316	131,316
Financial liabilities				
Bank borrowings	115,189	115,189	34,942	34,942
Hire-purchase payables	2,819	2,819	-	-
Trade payables	62,322	62,322	-	-
Other payables and accrued expenses	72,949	72,949	258	258
Amount owing to subsidiary companies	-	-	71,869	71,869

33. FINANCIAL INSTRUMENTS (cont'd)

(iii) Fair Value of Financial Instruments (cont'd)

The following method and assumptions were used to estimate the fair values of the following classes of financial instruments:

(i) **Cash and cash equivalents, trade and other receivables/payables, and amount owing by/to subsidiary companies**

The carrying amounts approximate fair values due to the relatively short-term maturity of these financial instruments.

(ii) **Borrowings and hire-purchase**

The fair values of borrowings and hire-purchase payables are estimated by discounting the expected future cash flows based on current rates for similar types of borrowings and hire-purchase arrangements.

34. SUBSEQUENT EVENT

At the extraordinary general meeting of the Company held on 20 May 2011, the shareholders approved the Proposed Renounceable Rights Issue of up to RM156,390,346 nominal value 7-year 6% redeemable convertible secured loan stocks ("RCSLS") at 100% of its nominal value together with up to 156,390,346 free detachable new warrants ("Warrants") and up to 78,195,173 new ordinary shares of RM1.00 each in the Company ("Malton Shares") ("Bonus Shares") attached on the basis of RM2.00 nominal value of RCSLS together with two (2) Warrants and one (1) Bonus Shares for every five (5) Malton Shares held ("Proposed Rights Issue");

On 1 July 2011, the Company completed the Proposed Rights Issue with the issuance of RM139,341,169 nominal value 7-year 6% RCSLS at 100% of its nominal value together with 139,341,169 free detachable new warrants and 69,670,584 new ordinary bonus shares of RM1.00 each.

35. CONTINGENT LIABILITIES - UNSECURED

As of 30 June 2011, the Group and the Company have the following contingent liabilities:

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Legal claim filed by a third party against a subsidiary company for alleged damages to the said third party's building during the construction project	841	841	-	-
Corporate guarantee given to financial institutions for credit facilities granted to subsidiary companies	-	-	84,125	95,953
Corporate guarantee given to contractors/suppliers of subsidiary companies	-	-	3,681	11,834
	841	841	87,806	107,787

The total amount of corporate guarantees provided by the Company to financial institutions for the credit facilities granted to subsidiary companies amounted to RM84,125,000 (2010: RM95,953,000). The financial guarantees have not been recognised since the fair value on initial recognition was not material as the financial guarantees provided by the Company did not contribute towards credit enhancement of the subsidiary companies' borrowings in view of the securities pledged by the subsidiary companies as disclosed in Note 27.

36. COMMITMENTS

As of 30 June 2011, the Group has the following approved and contracted for commitments in respect of:

	The Group	
	2011 RM'000	2010 RM'000
Purchase of land	-	68,495
Purchase of property, plant and equipment	-	805
	-	69,300

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Securities") issued a directive to all listed issuers pursuant to Paragraph 2.06 and 2.23 of the Bursa Securities Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the retained earnings or accumulated losses as of the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Securities further issued guidance on the disclosure and the prescribed format of disclosure.

The breakdown of the retained earnings of the Group and of the Company as of 30 June 2011 into realised and unrealised profits or losses, pursuant to the directive, is as follows:

	The Group 2011 RM'000	The Company 2011 RM'000
Total retained earnings of the Group and the Company		
Realised	368,846	80,744
Unrealised	9,109	(55)
Total share of retained profits from associated companies		
Realised	5,094	-
Unrealised	(2,982)	-
	380,067	80,689
Less: Consolidation adjustments	(221,308)	-
Total retained earnings as per statements of financial position	158,759	80,689

Comparative information is not presented in the first financial year of application pursuant to the directive issued by Bursa Securities on 25 March 2010.

The determination of realised and unrealised profits or losses is based on Guidance of Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements" as issued by the Malaysian Institute of Accountants on 20 December 2010. A charge or credit to the profit or loss of a legal entity is deemed realised when it is resulting from the consumption of resource of all types and form, regardless of whether it is consumed in the ordinary course of business or otherwise. A resource may be consumed through sale or use. Where a credit or a charge to the profit or loss upon initial recognition or subsequent measurement of an asset or a liability is not attributed to consumption of resource, such credit or charge should not be deemed as realised until the consumption of resource could be demonstrated.

This supplementary information has been made solely for complying with the disclosure requirements as stipulated in the directive of Bursa Securities and is not made for any other purposes.

The directors of **MALTON BERHAD** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Financial Reporting Standards and the provisions of 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 30 June 2011 and of the financial performance and the cash flows of the Group and of the Company for the year ended on that date.

The supplementary information set out on page 97, which is not part of the financial statements, is prepared in all material aspects, in accordance with Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad

Signed in accordance with
a resolution of the Directors,

CHUA THIAN TECK **HONG LAY CHUAN**

Kuala Lumpur,
19 October 2011

DECLARATION BY THE DIRECTOR

Primarily responsible for the financial management of the company

I, **CHUA THIAN TECK**, the director primarily responsible for the financial management of **MALTON BERHAD**, do solemnly and sincerely declare that the accompanying financial statements, are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

CHUA THIAN TECK

Subscribed and solemnly declared by the
abovenamed **CHUA THIAN TECK** at
KUALA LUMPUR this 19th day of October, 2011.

Before me,

HEAVEN HO THIAN KOK (W382)
COMMISSIONER FOR OATHS

DEVELOPMENT PROPERTIES

LOCATION	TENURE	INITIAL GROSS LAND AREA	BALANCE OF NET LAND AREA FOR DEVELOPMENT	USAGE	NET BOOK VALUE AS AT 30 JUNE 2011 RM	YEAR OF ACQUISITION/ REVALUATION*
Geran No. 105491 Lot 65305 Pekan Serdang Daerah Petaling, Selangor (Formerly held under master title No. C.T. 9616, Lot No. 1875, Mukim Petaling, Daerah Kuala Lumpur, Negeri Selangor)	Freehold	40.00 acres	3.40 acres	Proposed commercial development	8,331,585	16.08.2006*
Geran 36409, Lot No. 3783, Mukim and Daerah Klang, Selangor	Freehold	387.74 acres	20.30 acres	Proposed mixed development comprising bungalows, link bungalows, link houses and commercial development	20,403,624	26.01.2001*
PN77546, Lot No.43001 Pekan Subang Jaya Daerah Petaling, Selangor (Formerly held under H.S (D) 176205, PT44561 Pekan Baru Subang, District of Petaling)	Leasehold expiring on 2.10.2101	12.00 acres	12.00 acres	Proposed commercial development	17,591,696	24.06.2002
H.S(D) 48952 PT No.5159, Mukim Petaling, Daerah Petaling Selangor	Leasehold expiring on 11.12.2089	64.19 acres	0.30 acres	Proposed residential development	299,701	31.10.2002
Geran No. 27440, Lot 1656 HS(D) 1335, PT 1495/5, HS(D) 1336, PT 1495/6, HS(D) 1337, PT 1495/7, HS(D) 1338, PT 1495/8, Geran No. 31298, Lot 4293 Geran No. 31299, Lot 4294 Geran No. 31300, Lot 4295 Geran No. 31301, Lot 4296 Mukim Cheras District of Ulu Langat, Selangor	Freehold	67.35 acres	67.35 acres	Proposed mixed development	33,465,771	19.06.2003 22.08.2006 24.05.2007 30.06.2007

DEVELOPMENT PROPERTIES (cont'd)

LOCATION	TENURE	INITIAL GROSS LAND AREA	BALANCE OF NET LAND AREA FOR DEVELOPMENT	USAGE	NET BOOK VALUE AS AT 30 JUNE 2011 RM	YEAR OF ACQUISITION/ REVALUATION*
HS(D) 808 & 809 Lot 19 & 20 Mukim of Hulu Terengganu	Leasehold expiring on 15.09.2061	108.49 acres	108.49 acres	Proposed mixed development	3,384,000	27.07.2002
H.S.(D) 112592 PT No. 446 H.S.(D) 112593 PT No. 445 Section 90 Town and District of Kuala Lumpur Wilayah Persekutuan	Leasehold expiring on 11.12.2105	2.70 acres	2.70 acres	Proposed commercial development	40,973,074	28.06.2007
Geran No. 134238, Lot No. 16787, Seksyen 39 Bandar Petaling Jaya, Petaling, Selangor (formerly known as H.S.(D) 18360 PT 3122 Mukim Sungai Buloh Petaling, Selangor)	Freehold	4.81 acres	4.81 acres	Proposed residential development	8,916,989	28.06.2007
H.S.(D) 236663, PT 5 Seksyen 27 Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor	Leasehold expiring 14.12.2105	2.58 acres	2.58 acres	Proposed commercial development	76,612,659	19.07.2007
H.S.(D) 177909, PT4 Seksyen 27 Bandar Petaling Jaya, Daerah Petaling Negeri Selangor	Leasehold expiring on 18.08.2101	0.67 acres	0.67 acres	Proposed commercial development	6,622,965	29.06.2010
Geran No. 247190, Lot No. 330 to Geran No. 247192, Lot No. 332, all in Bandar Saujana, District of Petaling Selangor	Freehold	3.17 acres	3.17 acres	Proposed residential development	32,661,324	10.11.2010
Geran Mukim No. 849, Lot No. 2014 to Geran Mukim No. 852 Lot. No. 2017, Geran Mukim No. 320, Lot No. 151 and Geran Mukim No. 459, Lot No. 706 all in the Mukim 6, Tempat Pondok Upeh, Daerah Barat Daya, Pulau Pinang	Freehold	2.33 acres	2.33 acres	Proposed residential development	5,530,377	13.08.2010
Geran Mukim No. 38, Lot No. 311 and Geran Mukim No. 40, Lot No. 313 both in Mukim 5, Daerah Barat Daya, Pulau Pinang	Freehold	9.96 acres	9.96 acres	Proposed residential development	13,397,125	18.03.2011

INVESTMENT PROPERTIES & OTHER PROPERTIES

LOCATION	TENURE	APPROXIMATE AGE OF THE BUILDING Year	NET LETTABLE AREA SQ. FT	USAGE	NET BOOK VALUE AS AT 30 JUNE 2011 RM	YEAR OF ACQUISITION/ REVALUATION*
21st & 22nd Floor Menara Uni.Asia 1008 Jalan Sultan Ismail Kuala Lumpur	Leasehold expiring on 6.02.2078	10	21,673.00	Office	11,400,000	22.12.2010*
Mezzanine Floor Menara ING Jalan Raja Chulan Kuala Lumpur	Freehold	27	7,631.62	Office	5,400,000	22.12.2010*
Level 6, West Wing Menara ING Jalan Raja Chulan Kuala Lumpur	Freehold	27	4,482.00	Office	3,200,000	22.12.2010*
Level 6, East Wing Menara ING Jalan Raja Chulan Kuala Lumpur	Freehold	27	4,494.00	Office	3,200,000	22.12.2010*
Unit 2-111A 2nd Floor Endah Parade Shopping Mall Bukit Jalil Kuala Lumpur	Leasehold expiring on 19.02.2083	12	462.00	Retail	296,158	01.12.1996
15th Floor, Menara Uni. Asia 1008 Jalan Sultan Ismail Kuala Lumpur	Leasehold expiring on 6.02.2078	10	12,989.00	Office	7,200,000	22.12.2010*
4th Floor Wisma Tecna No.18A Section 51A/223 46100 Petaling Jaya Selangor	Leasehold expiring on 8.09.2067	13	20,342.00	Office	5,500,000	22.12.2010*
20th Floor Menara Uni. Asia 1008 Jalan Sultan Ismail Kuala Lumpur	Leasehold expiring on 6.02.2078	10	10,060.00	Office	7,500,000	22.12.2010*

Net book value of the development properties are stated at Group land cost together with the related development expenditure incurred to the on going and remaining unsold properties.

** Year of revaluation*

ORDINARY SHARES OF RM1.00 EACH AS AT 25 OCTOBER 2011

Authorised Share Capital	:	RM1,000,000,000 divided into 1,000,000,000 Ordinary Shares of RM1.00 each
Issued and Fully Paid-Up Share Capital	:	RM418,023,512 divided into 418,023,512 Ordinary Shares of RM1.00 each
Class of Shares	:	Ordinary Shares of RM1.00 each
Voting Rights	:	One Vote per Ordinary Share

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 25 OCTOBER 2011

Size of Shareholdings	No of Holders	Total Holdings	%
Less than 100	35	1,411	#
100 to 1,000	1,759	1,642,180	0.39
1,001 to 10,000	4,221	21,070,359	5.04
10,001 to 100,000	2,535	77,313,599	18.50
100,001 to less than 20,901,175*	352	185,931,535	44.48
20,901,175* and above	1	132,064,428	31.59
	8,903	418,023,512	100.00

\# Negligible
* 5% of the Issued and Paid-Up Share Capital

SUBSTANTIAL SHAREHOLDERS AS AT 25 OCTOBER 2011

	Direct Interest		Deemed Interest	
	No of Shares	%	No of Shares	%
Malton Corporation Sdn Bhd	158,477,313	37.91	-	-
Datuk Lim Siew Choon	-	-	158,477,313*	37.91
Datin Tan Kewi Yong	-	-	158,477,313*	37.91

DIRECT AND DEEMED INTEREST OF DIRECTORS IN THE ORDINARY SHARES OF MALTON BERHAD AS AT 25 OCTOBER 2011

	Direct Interest		Deemed Interest	
	No of Shares	%	No of Shares	%
Datuk Lim Siew Choon	-	-	158,477,313*	37.91
Guido Paul Philip Joseph Ravelli	-	-	-	-
Datin Tan Kewi Yong	-	-	158,477,313*	37.91
Chua Thian Teck	-	-	-	-
Hong Lay Chuan	-	-	-	-
Hj Ahmad Bin Hj Ismail, PJK	-	-	-	-
Tan Peng Sheung	-	-	-	-

* held via Malton Corporation Sdn Bhd

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS OF ORDINARY SHARES AS AT 25 OCTOBER 2011

	Names	Shareholdings	%
1.	EB Nominees (Tempatan) Sdn Bhd (Malton Corporation Sdn Bhd)	132,064,428	31.59
2.	EB Nominees (Tempatan) Sdn Bhd (Lee Kim Hooi)	14,500,000	3.47
3.	Malton Corporation Sdn Bhd	13,206,442	3.16
4.	Alliancegroup Nominees (Tempatan) Sdn Bhd (Malton Corporation Sdn Bhd)	11,956,443	2.86
5.	EB Nominees (Tempatan) Sdn Bhd (Teras Layar Sdn Bhd)	10,464,000	2.50
6.	Public Nominees (Tempatan) Sdn Bhd (Lim Gim Leong)	4,393,700	1.05
7.	EB Nominees (Tempatan) Sdn Bhd (Radius Elit Sdn Bhd)	3,850,000	0.92
8.	Yeoh Kean Hua	3,830,000	0.92
9.	Eastern Pacific Industrial Corporation Berhad	3,125,000	0.75
10.	Mayban Nominees (Tempatan) Sdn Bhd (Mak Kok Leong)	3,032,400	0.73
11.	Citigroup Nominees (Asing) Sdn Bhd (UBS AG)	2,549,500	0.61
12.	Hong Kea Choon	2,241,000	0.54
13.	Public Nominees (Tempatan) Sdn Bhd (Au Kwan Seng)	2,141,900	0.51
14.	Cimsec Nominees (Tempatan) Sdn Bhd (Tan Soon Lai)	1,888,300	0.45
15.	Tan Soon Lai	1,860,700	0.44
16.	Chung Sow Leng	1,820,000	0.44
17.	Lim Vee Nyoke @ Lim Yam Nyoke	1,540,000	0.37
18.	Mayban Nominees (Tempatan) Sdn Bhd (Au Kwan Seng)	1,443,800	0.34

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS OF ORDINARY SHARES AS AT 25 OCTOBER 2011 (cont'd)

Names	Shareholdings	%
19. HSBC Nominees (Asing) Sdn Bhd (Exempt An for Credit Suisse)	1,350,000	0.32
20. Tan Kok Sing	1,337,000	0.32
21. Tan Kok Sing	1,324,000	0.32
22. Citigroup Nominees (Asing) Sdn Bhd (Goldman Sachs International)	1,315,100	0.31
23. Alliancegroup Nominees (Tempatan) Sdn Bhd (Malton Corporation Sdn Bhd)	1,250,000	0.30
24. Lim Kai Swee	1,200,000	0.29
25. Mayban Nominees (Tempatan) Sdn Bhd (Lim Gim Leong)	1,150,200	0.28
26. Cimsec Nominees (Asing) Sdn Bhd (CIMB Bank for Chang, Tzung-Yaur @ Eddy Chang)	1,088,000	0.26
27. Ghazali Bin Mohd	1,000,000	0.24
28. Mohd Saleh Bin Che Sulong	1,000,000	0.24
29. Public Nominees (Tempatan) Sdn Bhd (Han Fook Fong)	1,000,000	0.24
30. HLB Nominees (Asing) Sdn Bhd (Chang, Tzung-Yaur @ Eddy Chang)	990,000	0.24

WARRANTS AS AT 25 OCTOBER 2011

No of Warrants : 139,341,169
Issue Date : 1 July 2011
Maturity Date : 30 June 2018
Exercise Price : RM1.00
Exercise Rights : Each warrant entitles the holder(s) to subscribe for one (1) Ordinary Share of RM1.00 each in the Company at any time before the Maturity Date

ANALYSIS BY SIZE OF WARRANTHOLDINGS AS AT 25 OCTOBER 2011

Size of Warrantholdings	No of Holders	Total Holdings	%
Less than 100	2	95	#
100 to 1,000	594	389,910	0.28
1,001 to 10,000	1,449	6,163,860	4.42
10,001 to 100,000	650	22,712,973	16.30
100,001 to less than 6,967,058*	118	57,248,560	41.09
6,967,058* and above	1	52,825,771	37.91
	2,814	139,341,169	100.00

\# Negligible
* 5% of Warrants in Issue

DIRECT AND DEEMED INTEREST OF DIRECTORS IN THE WARRANTS OF MALTON BERHAD AS AT 25 OCTOBER 2011

	Direct Interest		Deemed Interest	
	No of Warrants	%	No of Warrants	%
Datuk Lim Siew Choon	-	-	52,825,771 *	37.91
Guido Paul Philip Joseph Ravelli	-	-	-	-
Datin Tan Kewi Yong	-	-	52,825,771 *	37.91
Chua Thian Teck	-	-	-	-
Hong Lay Chuan	-	-	-	-
Hj Ahmad Bin Hj Ismail, PJK	-	-	-	-
Tan Peng Sheung	-	-	-	-

* held via Malton Corporation Sdn Bhd

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS OF WARRANTS AS AT 25 OCTOBER 2011

	Names	Warrantholdings	%
1.	Malton Corporation Sdn Bhd	52,825,771	37.91
2.	Mayban Nominees (Tempatan) Sdn Bhd (Au Kwan Seng)	5,503,300	3.95
3.	Mayban Nominees (Tempatan) Sdn Bhd (Lim Gim Leong)	5,149,600	3.70
4.	Public Nominees (Tempatan) Sdn Bhd (Au Kwan Seng)	3,601,300	2.58
5.	Ku Lian Sin	2,689,000	1.93
6.	Lim Cheng Ten	2,080,000	1.49
7.	Lai Siew Khim	2,000,000	1.44
8.	Cimsec Nominees (Asing) Sdn Bhd (CIMB Bank for Chang, Tzung-Yaur @ Eddy Chang)	2,000,000	1.44
9.	Chaang Kok Leong	1,852,000	1.33
10.	Tan Kok Keat	1,800,000	0.29
11.	Radius Elit Sdn Bhd	1,584,000	1.14
12.	Tan Kok Keat	1,512,000	1.09
13.	Lyncher Wung Wei Fong	1,512,000	1.09
14.	Teoh Kiat Kiong	1,000,000	0.72
15.	Ooi Ing Kooi	1,000,000	0.72
16.	Yeoh Kean Hua	900,000	0.65
17.	Cimsec Nominees (Tempatan) Sdn Bhd (CIMB Bank for Tan Soon Lai)	790,000	0.57
18.	Lau Chwee Kim	748,700	0.54
19.	Mayban Nominees (Tempatan) Sdn Bhd (Mak Kok Leong)	670,800	0.48

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS OF WARRANTS AS AT 25 OCTOBER 2011 (cont'd)

Names	Warrantholdings	%
20. ECML Nominees (Tempatan) Sdn Bhd (Keng Eng Hai)	610,000	0.44
21. Mohd Fauzi Bin Mohd Anuar	600,000	0.43
22. Cimsec Nominees (Tempatan) Sdn Bhd (Teh Swee Heng)	517,200	0.37
23. Sim Mui Khee	500,000	0.36
24. ECML Nominees (Tempatan) Sdn Bhd (Ng Tiam Ming)	500,000	0.36
25. Amsec Nominees (Tempatan) Sdn Bhd (Parmjit Singh A/L Meva Singh)	468,200	0.34
26. HSBC Nominees (Asing) Sdn Bhd (Exempt An for Credit Suisse)	450,000	0.32
27. Beh Choo Sim	450,000	0.32
28. Teo Ah Seng	400,000	0.29
29. Mayban Nominees (Tempatan) Sdn Bhd (Yeoh Kok Keat)	390,000	0.28
30. Tan Fong Ang	385,000	0.28

REDEEMABLE CONVERTIBLE SECURED LOAN STOCKS ("RCSLS") AS AT 25 OCTOBER 2011

Issue Date : 1 July 2011
Maturity Date : 30 June 2018
Exercise Price : RM1.00
Exercise Rights : Each RCSLS entitles the holder(s) to subscribe for one (1) Ordinary Share of RM1.00 each in the Company at any time before the Maturity Date

ANALYSIS BY SIZE OF RCSLS HOLDINGS AS AT 25 OCTOBER 2011

Size of RCSLS holdings	No of Holders	Holdings (RM)	%
Less than 100	4	184	#
100 to 1,000	615	408,176	0.29
1,001 to 10,000	1,666	7,375,640	5.29
10,001 to 100,000	666	22,116,838	15.88
100,001 to less than 6,967,058*	132	61,614,560	44.22
6,967,058* and above	1	47,825,771	34.32
	3,084	139,341,169	100.00

Negligible
* 5% of RCSLS in Issue

DIRECT AND DEEMED INTEREST OF DIRECTORS IN THE RCSLS OF MALTON BERHAD AS AT 25 OCTOBER 2011

	Direct Interest		Deemed Interest	
	RCSLS (RM)	%	RCSLS (RM)	%
Datuk Lim Siew Choon	-	-	52,825,771*	37.91
Guido Paul Philip Joseph Ravelli	-	-	-	-
Datin Tan Kewi Yong	-	-	52,825,771*	37.91
Chua Thian Teck	-	-	-	-
Hong Lay Chuan	-	-	-	-
Hj Ahmad Bin Hj Ismail, PJK	-	-	-	-
Tan Peng Sheung	-	-	-	-

* held via Malton Corporation Sdn Bhd

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS OF RCSLS AS AT 25 OCTOBER 2011

	Names	RCSLS (RM)	%
1.	Alliancegroup Nominees (Tempatan) Sdn Bhd (Malton Corporation Sdn Bhd)	47,825,771	34.32
2.	Ho Chu Chai	6,070,400	4.36
3.	Alliancegroup Nominees (Tempatan) Sdn Bhd (Malton Corporation Sdn Bhd)	5,000,000	3.59
4.	ECML Nominees (Tempatan) Sdn Bhd (Leong Kam Chee)	3,190,200	2.29
5.	Siva Kumar A/L M Jeyapalan	3,153,800	2.26
6.	Cimsec Nominees (Tempatan) Sdn Bhd (CIMB Bank for Diana Teo May Ling)	2,371,800	1.70
7.	Lim Gaik Bway @ Lim Chiew Ah	2,158,000	1.55
8.	Tan Leng Mooi	2,000,000	1.44
9.	Radius Elit Sdn Bhd	1,584,000	1.14
10.	Cimsec Nominees (Tempatan) Sdn Bhd (CIMB Bank for Khoo Chai Pek)	1,266,500	0.91
11.	An Choi Kin	1,237,200	0.89
12.	Mary Tan @ Tan Hui Ngoh	1,119,500	0.80
13.	Ma Pin Ling	1,038,000	0.74
14.	Leong Kam Chee	1,000,000	0.72
15.	Ku Lian Sin	1,000,000	0.72
16.	Yeoh Kean Hua	900,000	0.65
17.	Heng Ah Lik	850,400	0.61
18.	Chu Yee San	761,200	0.55
19.	Ng Ho Fatt	700,000	0.50
20.	Sew Boon Ee	600,000	0.43

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS OF RCSLS AS AT 25 OCTOBER 2011 (cont'd)

Names	RCSLS (RM)	%
21. Teo Ah Seng	600,000	0.43
22. Khoo Chai Ee	585,800	0.42
23. Md Nahar Bin Noordin	534,100	0.38
24. JF Apex Nominees (Tempatan) Sdn Bhd (Voon Sze Lin)	525,200	0.37
25. Chai Sin Hioong	520,000	0.37
26. Alliancegroup Nominees (Tempatan) Sdn Bhd (Ang Yook Chu @ Ang Yoke Fong)	481,100	0.34
27. Ch'ng Chee Seng	458,500	0.33
28. Low Soh Lay	456,000	0.33
29. Ong Ong Lei	450,000	0.32
30. HSBC Nominees (Asing) Sdn Bhd (Exempt An for Credit Suisse)	450,000	0.32

NOTICE IS HEREBY GIVEN that the Sixteenth Annual General Meeting of MALTON BERHAD ("Company") will be held at Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 24 November 2011 at 9.00 a.m. for the following purposes:-

AGENDA

ORDINARY BUSINESS

1. To lay the Report of the Directors and Financial Statements of the Company for the year ended 30 June 2011

2. To approve Final Dividend of 0.85% less Income Tax and Final Tax Exempt Dividend of 1.15% for each Ordinary Share of RM1.00 each in respect of the year ended 30 June 2011 **Ordinary Resolution 1**

3. To approve the payment of directors' fees of RM108,000 for the year ended 30 June 2011 **Ordinary Resolution 2**

4. To re-elect Hj Ahmad Bin Hj Ismail, PJK who retires by rotation pursuant to Article 100 of the Company's Articles of Association and being eligible, offered himself for re-election **Ordinary Resolution 3**

5. To re-elect Mr Tan Peng Sheung who retires by rotation pursuant to Article 100 of the Company's Articles of Association and being eligible, offered himself for re-election **Ordinary Resolution 4**

6. To re-appoint Messrs Deloitte & Touche as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration **Ordinary Resolution 5**

SPECIAL BUSINESS

7. Authority for Directors of the Company ("Directors") to issue shares pursuant to Section 132D of the Companies Act, 1965

   "THAT, subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this Resolution in any one financial year does not exceed 10% of the issued share capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." **Ordinary Resolution 6**

8. Proposed Renewal of Authority for Share Buy Back

   "THAT, subject to compliance with the Companies Act, 1965 ("Act"), the Memorandum and Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, regulations and guidelines and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised to allocate an amount not exceeding the total of audited share premium reserve and retained earnings of the Company for the purpose of and to purchase such amount of ordinary shares of RM1.00 each in the Company ("Proposed Renewal of Authority for Share Buy Back") as may be determined by the Directors of the Company ("Directors") provided that the aggregate number of shares purchased and/or held as Treasury Shares pursuant to this resolution does not exceed RM41,802,351 comprising 41,802,351 ordinary shares of RM1.00 each, representing ten percent (10%) of the total issued and paid-up share capital of the Company.

AGENDA (cont'd)

SPECIAL BUSINESS (cont'd)

8. Proposed Renewal of Authority for Share Buy Back (cont'd)

(As at 30 June 2011, the Company has total audited share premium reserve of approximately RM255,000 and retained earnings of RM80,689,000.)

THAT upon completion of the purchase by the Company of its own shares, the Directors are authorised to deal with the said Shares in the following manner:-

i) cancel the Shares so purchased; or
ii) retain the Shares so purchased as Treasury Shares; or
iii) retain part of Shares so purchased as Treasury Shares and cancel the remainder; or
iv) to resell the Treasury Shares on the Bursa Securities and/or distribute the Treasury Shares as dividends to the Company's shareholders and/or subsequently cancel the Treasury Shares or combination of the three;

and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of the Bursa Securities and any other relevant authority for the time being in force.

AND THAT the Directors be and are hereby empowered to carry out the above immediately upon the passing of this resolution and from the date of the passing of this resolution until:

i) the conclusion of the next annual general meeting ("AGM") of the Company following the general meeting at which this resolution was passed at which time it shall lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
iii) revoked or varied by ordinary resolution passed by the shareholders in a general meeting;

whichever is the earliest and the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things deem fit and expedient in the interest of the Company to give full effect to the Proposed Renewal of Authority for Share Buy Back contemplated and/or authorised by this Ordinary Resolution." **Ordinary Resolution 7**

9. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature in respect of Sale of Trading Stock Properties

"THAT approval be and is hereby given to the Company and its subsidiaries to enter into and give effect to recurrent related party transactions of a revenue or trading nature and with all classes of related parties in respect of sale of trading stock properties as stated in Section 3.4 of the Circular to Shareholders dated 2 November 2011 which are necessary for the Group's day-to-day operations subject to the following:-

(a) the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public where applicable and not to the detriment of the minority shareholders; and

(b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the renewal of shareholders' mandate authority during the financial year based on the following information:-

(i) the type of the recurrent related party transactions made; and
(ii) the names of the related parties involved in the recurrent related party transactions made and their relationship with the Company.

AGENDA (cont'd)

SPECIAL BUSINESS (cont'd)

9. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature in respect of Sale of Trading Stock Properties (cont'd)

(c) and such approval shall continue to be in force until:

(i) the conclusion of the next AGM of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
(ii) the expiration of the period within which the next AGM is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of Act); or
(iii) revoked or varied by resolution passed by the shareholders of the Company in a general meeting;

whichever is the earliest; and

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution." **Ordinary Resolution 8**

10. Proposed Allocation of Options to Mr Hong Lay Chuan

"THAT the Company and the Directors of the Company ("Directors") be and are hereby authorised to offer and grant to Mr Hong Lay Chuan, an Executive Director of the Company, options to subscribe for up to a maximum of 900,000 new ordinary shares of RM1.00 each in the Company under Malton Berhad Employees' Share Option Scheme ("ESOS") in accordance to the Bylaws of ESOS governing and constituting the ESOS and to allot and issue from time to time, subject always to any adjustments which may be made in accordance with the Bylaws of ESOS".

Ordinary Resolution 9

11. Proposed Allocation of Options to Mr Tan Peng Sheung

"THAT the Company and the Directors of the Company ("Directors") be and are hereby authorised to offer and grant to Mr Tan Peng Sheung, an Independent Non-Executive Director of the Company, options to subscribe for up to a maximum of 300,000 new ordinary shares of RM1.00 each in the Company under Malton Berhad Employees' Share Option Scheme ("ESOS") in accordance to the Bylaws of ESOS governing and constituting the ESOS and to allot and issue from time to time, subject always to any adjustments which may be made in accordance with the Bylaws of ESOS". **Ordinary Resolution 10**

BY ORDER OF THE BOARD

HOR SHIOW JEI
Company Secretary

Kuala Lumpur
Dated: 2 November 2011

Notes:

1. *A member of the Company entitled to attend and vote, is entitled to appoint a proxy (or in the case of a corporation, to appoint a representative) to attend and vote in his stead. A member shall not be entitled to appoint more than two proxies to attend and vote at the same meeting. Where a member appoints two proxies, he shall specify in the instrument appointing the proxies the proportions of his shareholdings to be presented by each proxy PROVIDED that in the case of a vote by show of hands, only one of the proxies shall be entitled to vote.*

2. *The proxy form must be signed by the appointor or his attorney duly authorised in writing or in the case of a corporation, executed under its common seal or attorney duly authorised in that behalf.*

3. *All proxy forms must be deposited at the Registered Office at 19-0, Level 19, Pavilion Tower, 75, Jalan Raja Chulan, 50200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting.*

NOTICE OF DIVIDEND PAYMENT AND BOOK CLOSURE

NOTICE IS HEREBY GIVEN THAT Final Dividend of 0.85% less Income Tax and Final Tax Exempt Dividend of 1.15% for every Ordinary Share of RM1.00 each in respect of the year ended 30 June 2011 if approved by the shareholders of the Company at the Sixteenth Annual General Meeting to be held on Thursday, 24 November 2011, will be paid on 16 January 2012 to the shareholders of the Company whose names appear in the Record of Depositors at the close of business on 30 December 2011.

A depositor shall qualify for entitlement to the dividend only in respect of:-

(a) Shares transferred into the depositor's securities account before 4.00 p.m on 30 December 2011 in respect of ordinary transfers; and

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

BY ORDER OF THE BOARD

HOR SHIOW JEI
Company Secretary

Kuala Lumpur
Dated: 2 November 2011

EXPLANATORY NOTES ON SPECIAL BUSINESS

ORDINARY RESOLUTION 6

Ordinary Resolution 6 is proposed pursuant to Section 132D of the Companies Act, 1965, and if passed, will primarily give flexibility to the Board of Directors to issue and allot shares at any time in their absolute discretion without convening a general meeting. This general mandate sought, which is a renewal of general mandate obtained from the shareholders at the Fifteenth Annual General Meeting of the Company held on 25 November 2010, will expire at the conclusion of the next Annual General Meeting of the Company.

The mandate obtained from the shareholders at the Fifteenth Annual General Meeting of the Company held on 25 November 2010 was not utilised, thus no proceeds were raised from the previous mandate.

EXPLANATORY NOTES ON SPECIAL BUSINESS (cont'd)

ORDINARY RESOLUTION 7

The proposed Ordinary Resolution 7, if passed, will enable the Company to allocate an amount not exceeding the total of audited share premium reserve and retained earnings of the Company for the purchase of ordinary shares of RM1.00 each in the Company to be determined by the Directors of the Company provided that the aggregate number of shares purchased and/or held as Treasury Shares pursuant to this resolution does not exceed RM41,802,351 comprising 41,802,351 ordinary shares of RM1.00 each in Malton, representing ten percent (10%) of the total issued and paid-up capital of the Company. This authority, unless revoked or varied by resolution passed by the shareholders of the Company at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company, or the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held, whichever is the earliest.

ORDINARY RESOLUTION 8

The proposed Ordinary Resolution 8, if passed, will enable the Company and its subsidiaries ("Group") to enter into any of the recurrent related party transactions of a revenue or trading nature set out in the Circular to Shareholders of the Company dated 2 November 2011 which are necessary for the Group's day-to-day operations. This authority, unless revoked or varied by resolution passed by the shareholders of the Company at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company, or the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held, whichever is the earliest.

ORDINARY RESOLUTION 9 AND 10

These proposals are made pursuant to Malton Berhad Employees' Share Option Scheme ("ESOS") in accordance with the Bylaws of ESOS.

PROXY FORM

MALTON BERHAD

I/We, _____
(full name in BLOCK)

NRIC No/Company No _____ of _____
(address)

_____

being a member of Malton Berhad holding _____ Ordinary

Shares of RM1.00 each, hereby appoint _____
(full name in BLOCK)

NRIC No/Company No _____ of _____
(address)

_____
(address)

or failing him/her, _____
(full name in BLOCK)

NRIC No/Company No _____ of _____
(address)

_____
(address)

as my/our proxy for me/us on my/our behalf at the Sixteenth Annual General Meeting of the Company to be held on 24 November 2011 at 9.00 a.m and any adjournment thereof and to vote as indicated below.

	RESOLUTIONS	For	Against
Ordinary Resolution 1	To approve Final Dividend of 0.85% less Income Tax and Final Tax Exempt Dividend of 1.15% for each Ordinary Share of RM1.00 each in respect of the year ended 30 June 2011		
Ordinary Resolution 2	To approve the payment of directors' fees of RM108,000 for the year ended 30 June 2011		
Ordinary Resolution 3	To re-elect Hj Ahmad Bin Hj Ismail, PJK who retires by rotation pursuant to Article 100 of the Company's Articles of Association		
Ordinary Resolution 4	To re-elect Mr Tan Peng Sheung who retires by rotation pursuant to Article 100 of the Company's Articles of Association		
Ordinary Resolution 5	To re-appoint Messrs Deloitte & Touche as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration		
Ordinary Resolution 6	Authority for Directors of the Company to issue shares pursuant to Section 132D of the Companies Act, 1965		
Ordinary Resolution 7	Proposed Renewal of Authority for Share Buy Back		
Ordinary Resolution 8	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature in respect of Sale of Trading Stock Properties		
Ordinary Resolution 9	Proposed Allocation of Options to Mr Hong Lay Chuan		
Ordinary Resolution 10	Proposed Allocation of Options to Mr Tan Peng Sheung		

Please indicate with an "X" in the relevant box for each resolution. Unless voting instructions are indicated as above, the proxy may abstain from voting as he/she deems fit.

_____

Signature of Member
Date:

Notes:

1. *A member of the Company entitled to attend and vote, is entitled to appoint a proxy (or in the case of a corporation, to appoint a representative) to attend and vote in his stead. A member shall not be entitled to appoint more than two proxies to attend and vote at the same meeting. Where a member appoints two proxies, he shall specify in the instrument appointing the proxies the proportions of his shareholdings to be presented by each proxy PROVIDED that in the case of a vote by show of hands, only one of the proxies shall be entitled to vote.*
2. *The proxy form must be signed by the appointor or his attorney duly authorised in writing or in the case of a corporation, executed under its common seal or attorney duly authorised in that behalf.*
3. *All proxy forms must be deposited at the Registered Office at 19-0, Level 19, Pavilion Tower, 75, Jalan Raja Chulan, 50200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting.*

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Stamp/Setem

THE COMPANY SECRETARY

MALTON BERHAD (320888-T)

19-0, Level 19, Pavilion Tower
75, Jalan Raja Chulan
50200 Kuala Lumpur
Malaysia

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MALTON
BERHAD
(320888-T)

19-0, Level 19, Pavilion Tower
75, Jalan Raja Chulan
50200 Kuala Lumpur
Tel 603 2088 2888
Fax 603 2088 2999
www.malton.com.my