2011
LAPORAN TAHUNAN
ANNUAL REPORT

MAJOR TEAM HOLDINGS BERHAD
(567427-W)

MAJOR TEAM HOLDINGS BERHAD
(567427-W)

1st Floor, Regal House, No. 1, Jalan U-Thant
55000 Kuala Lumpur, Malaysia
Tel : 603 - 2148 9822   Fax : 603 - 2148 6811

Contents

Notice Of Tenth Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Tenth Annual General Meeting of the Company will be held at Crystal Room, Crystal Crown Hotel Harbour View, Port Klang, 217, Persiaran Raja Muda Musa, 42000 Pelabuhan Klang, Selangor Darul Ehsan on Wednesday, 27 June 2012 at 3.00 pm for the following purposes:-

AGENDA

1) To receive the Audited Financial Statements for the financial year ended 31 December 2011 together with the Reports of the Directors and Auditors thereon.

2) To approve the payment of Directors' Fees for the financial year ended 31 December 2011. ***Resolution 1***

3) To re-elect Ms. Linda Goh Lay Choon who is retiring in accordance with Article 79 of the Company's Articles of Association. ***Resolution 2***

4) To re-elect Mr. Lau Yoke Keen who is retiring in accordance with Article 84 of the Company's Articles of Association. ***Resolution 3***

5) To consider, and if thought fit, to pass the following Ordinary Resolution:- ***Resolution 4***

"**THAT** Messrs. Morison Anuarul Azizan Chew, having consented to act, be and are hereby appointed as the Auditors of the Company in place of the retiring Auditors, Messrs. Anuarul Azizan Chew & Co and to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Board of Directors."

SPECIAL BUSINESS

To consider and, if thought fit, pass with or without modification, the following Resolutions:-

6) **ORDINARY RESOLUTION** ***Resolution 5***
- **AUTHORITY TO DIRECTORS TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965**

"**THAT** pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the issued and paid-up share capital of the Company for the time being, subject always to the approvals of the relevant regulatory authorities."

7) **SPECIAL RESOLUTION** ***Resolution 6***
- **PROPOSED AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION**

"**THAT** the proposed amendments to the Articles of Association of the Company as contained in Appendix I of the Annual Report 2011 ("proposed Amendments") be and are hereby approved and adopted."

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

By Order Of The Board
MAJOR TEAM HOLDINGS BERHAD

NG YIM KONG (LS0009297)
Company Secretary

5 June 2012

Notice Of Tenth Annual General Meeting (cont'd)

Notes:-

1. *A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend and vote on his(her) behalf. A proxy may but need not be a Member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*

2. *Where a Member appoints two (2) or more proxies, the appointment shall be invalid unless he(she) specifies the proportions of his(her) holdings to be represented by each proxy.*

3. *The Form of Proxy shall be signed by the appointor or his(her) attorney duly authorised in writing or, if the Member is a corporation, either under its common seal or under the hand of an officer or attorney so authorised.*

4. *The instrument appointing a proxy must be deposited at the Registered Office of the Company at Unit 07-02, Level 7, Persoft Tower, 6B Persiaran Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for the Meeting or any adjournment thereof.*

Explanatory Note on Special Business:-

1) AUTHORITY TO DIRECTORS TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

The proposed Resolution 5 under item 6 above, if passed, will empower the Directors of the Company, from the date of the above Annual General Meeting, authority to allot and issue shares in the Company up to an amount not exceeding in total 10% of the issued capital of the Company for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting.

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

Up to the date of this Notice, the Company did not issue any shares pursuant to the mandate granted to the Directors at the Ninth Annual General Meeting because there was no need for any fund raising activity for the purpose of investment, acquisition or working capital.

2) PROPOSED AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION

The proposed Resolution 6 under item 7 is to amend the Company's Articles of Association to be in line with the recent amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The details of the Proposed Amendments are as set out in Appendix I on pages 70 and 71of this Annual Report.

GENERAL MEETING RECORD OF DEPOSITORS

For the purpose of determining a member who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd in accordance with Article 55(1) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 21 June 2012. Only a depositor whose name appears on the Record of Depositors as at 21 June 2012 shall be entitled to attend this meeting or appoint proxy/proxies to attend and/or vote in his stead.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Details of Directors who are standing for re-election in Agenda 3 (Ms. Linda Goh Lay Choon) and Agenda 4 (Mr. Lau Yoke Keen) of the Notice of the Tenth Annual General Meeting are laid out in page 4 of the Annual Report.

Directors' Profile

Michael Lim Hee Kiang, a Malaysian, aged 64, is an Independent Non-Executive Director of Major Team Holdings Berhad ("MTHB"). He was appointed to the Board on 1 August 2003 and was appointed as the Chairman of MTHB on 23 February 2007. He was redesignated as member of the Audit Committee on 28 February 2007. He was subsequently appointed as the Chairman of Nomination Committee and member of Remuneration Committee on 28 April 2009. He is an Advocate and Solicitor, and holds an LLB degree with Second Class Upper Honours and an LLM degree with Distinction from Victoria University of Wellington, New Zealand (1972/1973). He was admitted as a Barrister and Solicitor of the Supreme Court of New Zealand in 1973. Upon returning to Malaysia in 1974, Mr. Lim was admitted to the High Court of Sarawak and Brunei and subsequently to the High Court of Malaya in 1978. He was a lecturer in the Law Faculty of the University of Malaya from 1975 to 1977. He joined Messrs. Shearn Delamore & Co. in 1978, and has been a partner of the firm for the last thirty (30) years. He had retired from Messrs. Shearn Delamore & Co. in 2009. Mr Lim is now a consultant with Messrs. Jeff Leong, Poon and Wong, a leading law firm in Kuala Lumpur. He sits on the Board of Directors of DKSH Holdings (Malaysia) Berhad, Selangor Properties Berhad, Wawasan TKH Holdings Berhad, Paragon Union Berhad and Seloga Holdings Berhad. He has no family relationship with any Director and/or substantial shareholders of MTHB and his directorship in MTHB does not give rise to any conflict of interest situation. He has no convictions for any offences within the past ten (10) years other than traffic offences, if any.

Linda Goh Lay Choon, a Malaysian, aged 48, is an Executive Director of MTHB. She was appointed to the Board on 9 September 2003 as a Non-Independent Non-Executive Director and has been appointed as an Executive Director of MTHB on 8 April 2005. She was also a member of the Audit Committee of MTHB until she resigned on 25 November 2008 to comply with the Listing Requirements of Bursa Malaysia Securities Berhad. She was appointed as a member of Remuneration Committee on 28 April 2009. She obtained a Bachelor of Laws (Honours) degree from the University of Wolverhampton, England in 1987 and a Certificate of Legal Practice, Malaysia in 1989. She practised law for three (3) years from 1990 to 1993 in the fields of litigation, conveyancing, commercial and criminal law with Messrs. Jeffrey Fernandez & Co. and Messrs. Lloyd Fernando & Associates. In June 1994, she joined Fimco as the Group Legal and Administration Manager for companies in the property development, construction, manufacturing and other industries, where she served until February 2003. She has no family relationship with any Director and/or substantial shareholders of MTHB and her directorship in MTHB does not give rise to any conflict of interest situation. She has no convictions for any offences within the past ten (10) years other than traffic offences, if any.

Fung Beng Ee, a Malaysian, aged 49, was appointed to the Board as an Independent Non-Executive Director on 28 July 2010. He was appointed as a member of the Audit Committee and Nomination Committee on 28 July 2010. Mr. Fung is a Managing Partner of Messrs Kamarudin & Partners. He is also currently a director of Northern Utility Resources Sdn. Bhd, Celedon Capital Sdn. Bhd., Climate Systems Sdn. Bhd., Nur Power Sdn. Bhd. and Nur Distribution Sdn. Bhd. He gratuated in 1987 and obtained with a master of Arts degree in Jurisprudence from the University of Oxford. He was call to the Bar of England and Wales at Lincoln's Inn in 1987. He was admitted to the High Court of Malaya in 1988 and subsequently to the Supreme Court of Singapore in 1992. He has no family relationship with any other Directors and/or substantial shareholders of MTHB and his directorship in MTHB does not give rise to any conflict of interest situation. He has no convictions for any offences within the past ten (10) years other than traffic offences, if any.

Lau Yoke Keen, a Malaysian, aged 46, is an Independent Non-Executive Director of MTHB. He was appointed to the Board on 11 August 2011. Mr Lau is a Chartered Accountant by profession and a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants. He is also a member of the Chartered Tax Institute of Malaysia. Mr Lau started his professional career with the public accounting firms of Hanafiah Raslan & Mohamad, (Arthur Andersen & Co) in 1986 and sunsequently in 1991 with Hew & Tan (Moores Rowland) until 1993. During the periods 1994 until 2001, Mr Lau has served in various financial management capacities with several companies (public listed and non public listed) mainly in the retail, manufacturing, information technology and property development sectors. In 2002, he went into Public practice and currently he is the Managing Partner of Messrs KL Associates, a Partner of Messrs YC Chong & Co and also a Director of Paragon Union Berhad. He has more than 16 years of exposure to various aspects of auditing, taxation and accounting. He has no family relationship with any Director and/or substantial shareholders of MTHB and his directorship in MTHB does not give rise to any conflict of interest situation. He has no convictions for any offences within the past ten (10) years other than traffic offences, if any.

Corporate Information

DOMICILE

Malaysia

LEGAL FORM AND PLACE OF INCORPORATION

A public listed company incorporated in Malaysia under the Companies Act, 1965 and limited by shares.

BOARD OF DIRECTORS

Michael Lim Hee Kiang	(Independent Non-Executive Chairman)
Linda Goh Lay Choon	(Executive Director)
Chin Nam Onn (Resigned on 12 May 2011)	(Independent Non-Executive Director)
Fung Beng Ee	(Independent Non-Executive Director)
Lau Yoke Keen (Appointed on 11 August 2011)	(Independent Non-Executive Director)

AUDIT COMMITTEE

Michael Lim Hee Kiang
(Chairman & Independent
Non-Executive Chairman)
Chin Nam Onn
(Independent Non-Executive Director)
(Resigned on 12 May 2011)
Fung Beng Ee
(Independent Non-Executive Director)
Lau Yoke Keen
(Independent Non-Executive Director)
(Appointed on 11 August 2011)

COMPANY SECRETARY

Ng Yim Kong (LS 0009297)

REGISTERED OFFICE

c/o Strategy Corporate Secretariat Sdn. Bhd.
Unit 07-02, Level 7, Persoft Tower
6B Persiaran Tropicana
47410 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7804 5929
Fax : 03-7805 2559

PRINCIPAL PLACE OF BUSINESS

1st Floor, Regal House
No. 1, Jalan U-Thant
55000 Kuala Lumpur
Malaysia
Tel : 03-2148 9822
Fax : 03-2148 6811

PRINCIPAL BANKERS

CIMB Bank Berhad
RHB Bank Berhad

REGISTRARS

Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Tel : 03-2084 9000
Fax : 03-2094 9940

AUDITORS

Anuarul Azizan Chew & Co. (AF1411)
Chartered Accountants
S18 Jalan 1/64
Off Jalan Kolam Air/Jalan Ipoh
51200 Kuala Lumpur
Tel : 03-4048 2888
Fax : 03-4048 2999

SOLICITOR

Shearn Delamore & Co.

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market

Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present to you the Annual Report and Audited Financial Statements of Major Team Holdings Berhad and the Group for the financial year ended 31 December 2011.

Performance and Financial Review

The year 2011 had been most difficult and challenging for the Group. The Group faced a competitive and demanding business environment which is highly volatile. The resilience of the Group was greatly tested by the economic slump. The Group's total revenue decreased by 34.3% from RM 14.92 million for the year ended 31 December 2010 to RM 9.80 million for the current financial year ended 31 December 2011. This was primarily due to commencement of projects in Singapore, although the softening demand from overseas market were affected by the disastrous slow down of the world financial markets and the continuing tightening market environment in the construction and property development sectors as well as the increasingly competitive downward forces and prices in the market. The property sector in the country as well as overseas were not spared by the current economic conditions which resulted in the Group having faced with very challenging operating environment. As a result of which, the Group has recorded gross profit of RM 0.74 million as compared to the gross loss of RM 2.323 million in the preceding financial year. Loss before taxation has decreased to RM 3.997 million in comparison to the loss before taxation of RM 5.778 million in the preceding financial year; while the Group's net loss for the financial year has decreased to RM 3.997 million from RM 5.490 million. The overall loss was attributable to a severe thinning of profit margin, stock value written down and loss in completed projects.

Prospect for the Financial Year

The year 2011 has evidenced serious dampening in the world economies and investors sentiments coupled with the persistence of high inflation across the globe. This uncertainty has adversely affected the local economic scene and with the softening markets both locally and overseas, the business operations will be even more difficult and remained challenging for the Group in the year 2011. The Group will likely to continue to face challenging market conditions and stringent contention from other players in the same industry and may likely to result in the contraction and continued thinning of future profit margins.

However, despite this challenging time, the Group will try to put in place all measures necessary to mitigate and minimize any substantial risks to its position and continue to be hopeful in identifying opportunities and prospective projects for participating in future tenders.

Corporate Social Responsibility (CSR)

The Group places a high priority on environmental issues and is satisfied that adequate systems are in place for the management of the Group's compliance with applicable environmental regulations in the Country.

Nurturing a strong corporate culture which emphasizes Corporate Social Responsibility (CSR) values and competencies is required to achieve the synergistic benefits. The Group is continuing to improve human resource development program for the employees and has provided various training to increase competency in skills.

Acknowledgement

On behalf of the Board, I would like to take the opportunity to express my sincere appreciation to the management and staff for their continued commitment and dedication during the past year. I also extend my gratitude to our loyal shareholders, valued customers, business associates, suppliers, bankers, industry partners and Government authorities and regulatory bodies for their invaluable and continuous support and confidence in the Group.

Michael Lim Hee Kiang
Chairman

Statement On Corporate Governance

The Board of Directors ("the Board") of Major Team Holdings Berhad ("MTHB") is committed to uphold the principles and standards of corporate governance throughout the Group so that the affairs of the Group are conducted with integrity, transparency and professionalism with the objective of safeguarding shareholders' investment and ultimately, the shareholders' interest.

The Board of Directors

The Board has the overall responsibility for Corporate Governance, strategic decision and overseeing the overall performance of the Company and of the Group.

The Board

The Board consists of an Executive Director and three (3) Independent Non-Executive Directors. This reflects a Board which consists of more than one-third (1/3) Independent Non-Executive Directors.

The Board has taken the necessary measures to ensure a balance of Executive Director and Non-Executive Directors (including Independent Non-Executive Directors) such that no individual or small group of individuals can dominate the Board's decision making.

The Executive Director is primarily responsible for heading the Board and leads the planning discussion at the Board level and is also responsible for the implementation of the policies and the day-to-day running of the business together with the Management.

Board Meetings

The Board met four (4) times during the financial year. The attendance of meetings of the individual Directors was as follows:-

Name of Directors	No. of Meetings Attended
Michael Lim Hee Kiang	4/4
Linda Goh Lay Choon	4/4
Chin Nam Onn (Resigned on 12 May 2011)	1/1
Fung Beng Ee	4/4
Lau Yoke Keen (Appointed on 11 August 2011)	2/2

Supply of Information

The Directors have access to the advice and services of the Company Secretary who is responsible for ensuring that Board Meeting procedures are adhered to and that applicable rules and regulations are complied with. Minutes of the Board Meetings are maintained. Besides the Company Secretary, the Independent Directors have unfetted access to the financial information of the Group.

Committees of the Board

The Audit Committee is established to assist the Board in the discharge of its duties. The Audit Committee operates under its term of reference. The summary of activities carried out by the Audit Committee during the financial year ended 31 December 2011 are set out in the Audit Committee Report.

Nomination Committee

The Nomination Committee serve to ensure that the Company provide a formal and transparent procedure for the appointment of new Directors to the Board. All the members of the Nomination Committee are Independent Non-Executive Directors. The members of the Nomination Committee comprises the following:-

1. Michael Lim Hee Kiang (Chairman)
2. Chin Nam Onn (Resigned on 12 May 2011)
3. Fung Beng Ee

The Nomination Committee's function, amongst others, is to recommend to the Board candidates for directorship to be filled. In addition, the Nomination Committee review the profile of the required skill and experience of each individual Director and assesses the effectiveness of the Board as a whole. This is to ensure that the Board has an appropriate balance or expertise and abilities. The Company Secretary assists the Board in ensuring that all appointments are properly made and all necessary information is obtained from Directors, for the purposes of meeting statutory obligations and other regulatory requirements.

Appointment and Re-election of Directors

The Article 79 of MTHB's Articles of Association stipulated that one-third (1/3) of the Board of Directors is required to offer themselves for re-election by rotation at each Annual General Meeting. All Directors are required to offer themselves for re-election at least once every three (3) years.

Remuneration Committee

The Remuneration Committee serve to ensure that the Company provide a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. The members of the Remuneration Committee comprises the following:-

1. Chin Nam Onn (Resigned on 12 May 2011)
2. Linda Goh Lay Choon
3. Fung Beng Ee

The remuneration of the Executive Director is linked to corporate and individual performance. The remuneration of Non-Executive Director is related to their experience and level of responsibilities and shall be subject to the approval of the Board. The respective Director will abstain from participating in decisions regarding his/her own remuneration package.

Directors' Remuneration

The details of the remuneration of Directors of the Company comprising remuneration received/receivable from the Company during the financial year are as follows:-

i) Aggregate remuneration of Directors categorised into appropriates components:-

Description	Salaries (RM)	Bonus, Commissions and Compensations (RM)	Fees (RM)	Benefits in-kinds (RM)	Total (RM)
Executive Director	268,800	-	-	-	268,800
Non-Executive Directors	-	-	55,000	-	55,000

ii) The number of Directors whose total remunerations falls within the following bands are:-

Range of Remunerations	Number of Directors	
	Executive	Non-Executive
Below RM50,000	-	4
RM50,001 - RM100,000	-	-
RM100,001 – RM150,000	-	-
RM150,001 - RM200,000	-	-
RM200,001 - RM250,000	-	-
RM250,001 - RM300,000	1	-

The Directors' fees amounting to RM55,000 proposed during the year will be subject to the shareholders' approval in the forthcoming Annual General Meeting and will be paid at a date to be decided after the shareholders' approval.

Directors' Training

During the financial year under review, the Board of Director had attended the briefing on "Amendments to the Listing Requirements of Bursa Malaysia Securities Berhad for the Main Market" given by the Company Secretary. In addition to that, the following Directors had attended the undermentioned conferences, seminars and/or training programmes:-

Directors	Seminars and/or Programmes attended	Date
Michael Lim Hee Kiang	• Risk Management • The Institute of Internal Auditors	27 June 2011 12 July 2011
Lau Yoke Keen	• Mandatory Accreditation Programme for Directors of Public Listed Companies	23-24 November 2011

Dialogue with Shareholders

MTHB recognises the importance of transparency and accountability to its shareholders and investors. The main forum for dialogue with shareholders is during MTHB's Annual General Meeting. Shareholders who attend the Annual General Meetings are given the opportunities to raise questions pertaining to the subject matters of such general meetings.

Providing timely information to shareholders and investors is also important in terms of the effectiveness of such communications. As such, MTHB always strives to make timely public announcement (including the quarterly financial results) through Bursa Securities of all major developments within MTHB.

Accountability and Audit

Financial Reporting

In presenting the annual financial statements and quarterly announcements, the Directors aim to present a balanced and understandable assessment of the Group's and the Company's position and prospects. The Audit Committee assists in reviewing the information disclosed to ensure accuracy and adequacy.

A Statement by the Directors of their responsibilities in preparing the financial statements is set out below.

Relationship with the Auditors

The role of Audit Committee in relation to the external Auditors is described on page 15 of this Annual Report. MTHB has always maintained a transparent relationship with its external Auditors in seeking their professional advice towards ensuring compliance with the relevant accounting standards.

Directors' Responsibility Statement

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year, which give a true and fair view of the Company's and Group's state of affairs. Following discussions with the external Auditors, the Directors consider that MTHB uses appropriate accounting policies that are consistently applied and supported by reasonable as well as prudent judgements and estimates, and that all accounting standards which they consider applicable have been adopted during the preparation of the financial statements.

The Directors are responsible for ensuring that MTHB keeps proper accounting records and that such records are disclosed with reasonable accuracy to ensure that the financial statements complies with the Companies Act, 1965. They have the general responsibility for taking such steps to safeguard the assets of the Group, and to detect and prevent fraud as well as other irregularities.

Additional Compliance Information

In compliance with the Listing Requirements of Bursa Securities, the following information is provided:-

Utilisation of Proceed

During the financial year, there was no proceed raised by the Group from any corporate proposal.

Share Buy-Back

MTHB did not have any share buy-back programme in place.

Option or Convertible Securities

There was no option or convertible securities exercised during the financial year.

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

MTHB did not sponsor any ADR or GDR Programme during the financial year.

Imposition of Sanction and/or Penalties

There were no sanctions and/or penalties imposed on MTHB or its subsidiaries, Directors or management by the relevant regulatory bodies.

Non-Audit Fees

The amount of non-audit fee paid/payable to External Auditors for the financial year ended 31 December 2011 is RM11,000.

Profit Guarantee

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

Material Contracts Involving Directors' and Substantial Shareholders' Interests

To the best of the Board's knowledge, there was no material contract involving the Group with any of the substantial shareholders or Directors in office or the persons connected with such substantial shareholders and/or Directors either still subsisting at the end of the financial year ended 31 December 2011 or entered into since the end of the previous financial year except for those disclosed under Related Party Disclosures on page 58 of Annual Report 2011.

Variance in Results

There was no material variance between the results for the financial year ended 31 December 2011 and the unaudited fourth quarter results ended 31 December 2011 previously announced by the Company.

Profit Estimate, Forecast and Projection

The Company did not release any profit estimate, forecast or projection for the financial year ended 31 December 2011.

Statement On Internal Control

Introduction

The Board, as guided by the "Statement on Internal Control: Guidance for Directors of Public Listed Companies" is pleased to provide the following Statement on Internal Control which outlines the nature and scope of internal controls of the Group during the financial year.

Board's responsibilities

The Board acknowledges its overall responsibility for the Group's system of internal control over both the financial and non-financial aspects relating to operational issues, compliance with relevant laws and regulations and risk management of the Group's activities and also for reviewing the adequacy and integrity of those systems.

The Board recognises that controls are an important part of managing risks in an effort to achieve corporate objectives. As such, the Board would set appropriate policies on internal controls designed to safeguard shareholders' investment and the Group's assets. It should be noted that such policies are designed to manage rather than to eliminate the risk of failure and can only provide reasonable, not absolute, assurance against material misstatement or loss.

Risk Management

Whilst the Board has the responsibility for managing risks and internal controls associated with the operations and ensuring compliance with applicable laws and regulations, the management is accountable to the Board for monitoring the Group's internal control systems and providing assurance to the Board that it has done so.

At present, the management monitors the adequacy and integrity of the Group's internal control systems. The participation of the Executive Director in the daily activities has also reduced the business and operational risks of the Group. The Executive Director and senior management regularly organised informal meetings for purpose of identifying and managing the business risk of the Group.

System of Internal Control

The summaries of the MTHB's system of internal control are as follows:

- The Board formulates strategies on an on-going basis and addresses issues arising from changes in both the external and domestic business environments;
- The Executive Directors are actively participating in day-to-day running of the Group's operations. This enables material issues to be effectively resolved on a timely basis;
- The Board and respective Boards of subsidiaries in the Group receive and review reports and cash flow from their management on a regular basis;
- The Audit Committee reviews on a quarterly basis the quarterly unaudited condensed financial results to monitor the Group's progress towards achieving the Group's objectives;
- The standard procedure has been developed and adopted by the operating units to suit the regulatory and business environment in which they operate;
- Operational structure with defined lines of responsibilities and delegation of authority. A process of hierarchical reporting has been established which provides for a documented and auditable trail of accountability;

Statement On Internal Control (cont'd)

- An organisation chart with formally defined lines of responsibilities and delegation of authority for different division within the Group including proper approval and authorization limit for approving capital expenditure and expenses within the Group;

- The Group had outsourced its internal audit function to an independent party who assists the Audit Committee as well as the Board of Directors to discharge their responsibility by providing an independent, objective assurance and advisory services that add value and improve the Group operation;

- The Audit Committee holds regular meetings to deliberate on findings and recommendations for improvement by both the internal and external auditors on the state of the internal control system, and reports back to the Board.

Conclusion

The Board of Directors, to its best knowledge, is not aware of any material internal control failures or any significant problems that have arisen during the financial year. The Directors are of the opinion that the existing system of internal control was satisfactory and has not resulted in significant losses, contingencies or uncertainties that would require disclosure in the Group's Annual Report.

The statement is made in accordance with the resolution of the Board of Directors dated 25 May 2012.

Audit Committee Report

Composition of Audit Committee

The Audit Committee comprises the following Directors:

Chairman

(i) Michael Lim Hee Kiang
Independent Non-Executive Director and Chairman of The Board of Director

Members

(ii) Chin Nam Onn - Independent Non-Executive Director
(Resigned on 12 May 2011)

(iii) Fung Beng Ee - Independent Non-Executive Director

(iv) Lau Yoke Keen - Independent Non-Executive Director
(Appointed on 11 August 2011)

Terms of Reference

Objective

The primary objective of the Audit Committee is to assist the Board of Directors in fulfilling its responsibilities relating to accounting and reporting practices of the Company and its subsidiaries.

Membership

The Audit Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist of not less than three (3) members of whom all must be Non-Executive Directors, with a majority of them being Independent Directors. No Alternate Director shall be appointed as a member of the Audit Committee.

At least one member of the Audit Committee:

i) must be a member of the Malaysian Institute of Accountants;
ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least three (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 (1) of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
    (c) fulfills such other requirements as prescribed or approved by Bursa Securities.

The members of the Audit Committee shall select a Chairman from among their members who shall be an Independent Director.

If a member of the Audit Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced below three (3), the Board of Directors shall, within three (3) months of the event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

The term of office and performance of Audit Committee members shall be reviewed by the Board in every three (3) years.

Audit Committee Report (cont'd)

Authority

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

(a) have authority to investigate any matter within its terms of reference;
(b) have the resources which are required to perform its duties;
(c) have full and unrestricted access to any information pertaining to the Company;
(d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
(e) be able to obtain independent professional or other advice; and
(f) be able to convene meetings with the external auditors, internal auditors or both, excluding the attendance of other Directors and employees of the Company, whenever deemed necessary.

Functions

The functions of the Audit Committee shall be:

a) to review:

   (i) with the external auditors, the audit plan;
   (ii) with the external auditors, his evaluation of the system of internal accounting controls;
   (iii) with the external auditors, his audit report;
   (iv) the assistance given by the employees of the Company to the external auditors;
   (v) the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
   (vi) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
   (vii) the quarterly results and year end financial statements, prior to the approval by the Board of Directors, focusing particularly on:
      (aa) changes in or implementation of major accounting policy changes;
      (bb) significant and unusual events; and
      (cc) compliance with accounting standards and other legal requirements;
   (viii) any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
   (ix) any letter of resignation from the external auditors of the Company; and
   (x) whether there is reason (supported by grounds) to believe that the Company's external auditors is not suitable for re-appointment; and

b) to meet with the external auditors twice a year.

c) to recommend the nomination of a person or persons as external auditors, together with such other functions as may be agreed to by the Audit Committee and the Board of Directors.

Meetings

Meetings shall be held not less than four (4) times a year and such additional meeting(s) as the Chairman shall decide in order to fulfill its duties. In addition, the Chairman shall convene a meeting whenever any member of the Audit Committee requests for a meeting. Written notice of the meeting together with the agenda shall be given to the members of the Audit Committee. Any other Directors and employees intending to attend any particular Audit Committee Meeting may do so only at the Audit Committee's invitation specific to the relevant meeting.

The external auditors shall have the right to appear and be heard at any meeting.

The quorum for a meeting shall be two (2) of which the majority of members present must be Independent Directors and any decision shall be by a simple majority. The Chairman shall not have a casting vote.

The Company Secretary shall be the Secretary of the Audit Committee.

Reporting Procedures

The minutes of meetings of the Audit Committee shall be circulated to all members of the Board.

Audit Committee Report

The Audit Committee shall prepare an Audit Committee Report at the end of each financial year.

Reporting of Breaches to Bursa Securities

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

Summary of Activities

In line with the terms of reference of the Audit Committee, the following activities were carried out by the Audit Committee during the financial year under review in discharging its duties:

1. reviewing and recommending the Group's unaudited quarterly financial results for the Board's approval;
2. reviewing the audited financial statements before recommending for the Board's approval;
3. reviewing the evaluation of the system of internal control, the audit report and the assistance given by the Company's employees to the external auditors;
4. reviewing the related party transactions to ensure that these were not detrimental to the Company and its minority shareholders;
5. reviewing and verifying the auditors' remuneration to ensure its adequateness and fairness;
6. reviewing and approving the External Auditors' Audit Planning Memorandum;
7. reviewing and recommending the re-appointment of auditors to the Board for its consideration; and
8. meeting with the external auditors without the presense of the Executive Directors and the Management.

Details of attendance

There were four (4) Audit Committee meetings held during the financial year and the details of the attendance of each Audit Committee member are as follows:

Name of Audit Committee Members	No. of Meetings Attended
Michael Lim Hee Kiang	4/4
Chin Nam Onn (Resigned on 12 May 2011)	1/1
Fung Beng Ee	4/4
Lau Yoke Keen (Appointed on 11 August 2011)	2/2

Internal Audit Functions

The internal audit function is outsourced to an independent professional firm which reports directly to the Audit Committee. The internal audit function is established to undertake independent, regular and systematic reviews of the system of financial and operational controls so as to provide reasonable assurance that such system continues to operate satisfactorily and effectively in the Group.

The internal auditors carry out their function based in the audit plan that is reviewed with the approval of the Audit Committee. The audit plan covers review of adequacy of operational controls, risk management, compliance with established procedures, laws and regulations, quality of assets, computer application system, amongst others. The internal auditors also carry out investigations and special review at the request of the Audit Committee, as and when it was necessary.

The internal audit reports are deliberated by the Audit Committee and recommendations are acted upon by the management accordingly.

During the year under review, the internal auditor presented the following reports to the Audit Committee :-

- Report on the follow up audit in relation to the credit control, business plan review and production in Stone World Sdn. Bhd. and
- Report in relation to the Inventory controls, production planning and production administrative controls in Stone World Sdn. Bhd.

The cost incurred for the internal audit function for the year ended 31 December 2011 was RM28,000.

Directors' Report

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2011.

Principal Activities

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiary companies are disclosed in Note 4 to the financial statements.

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

Financial Results

	Group RM	Company RM
Net loss for the financial year	3,997,468	8,994,725
Attributable to:		
Equity holders of the Company	3,997,468	8,994,725

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

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

Dividend

No dividend has been paid or declared by the Company since the end of the previous financial year. The Board of Directors does not recommend any dividend in respect of the financial year under review.

Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial year under review.

Issue of Shares and Debentures

There were no issues of shares or debentures during the financial year under review.

Options Granted Over Unissued Shares

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

Directors

The Directors who served since the date of the last report are as follows:

Michael Lim Hee Kiang	
Linda Goh Lay Choon	
Fung Beng Ee	
Lau Yoke Keen	(appointed on 11-8-2011)
Chin Nam Onn	(resigned on 12-5-2011)

Directors' Interests

None of the Directors holding office at the end of the financial year had any interest in the ordinary shares of the Company or its related corporations during the financial year under review.

Directors' Benefits

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

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

Other Statutory Information

(a) 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:
   (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written-off and that adequate allowance had been made for doubtful debts; and
   (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances which would render:
   (i) the amount written off for bad debts or the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent;
   (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading;
   (iii) any amount stated in the financial statements of the Group and of the Company misleading; and
   (iv) adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

(d) At the date of this report, there does not exist:
   (i) any charge on the assets of the Group or the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
   (ii) any contingent liability in respect of the Group or the Company which has arisen since the end of the financial year.

Holding Company

The holding company is Excellent Avenue (M) Sdn. Bhd., a company incorporated in Malaysia.

Ultimate Holding Company

The ultimate holding company is Exclusive Vest Holdings Sdn. Bhd., a company incorporated in Malaysia.

Auditors

The auditors, Anuarul Azizan Chew & Co., retire at the forthcoming annual general meeting and do not wish to seek re-appointment. The Company has received a nomination to appoint the firm under another name, Morison Anuarul Azizan Chew, as auditors for the ensuing year. Morison Anuarul Azizan Chew have expressed their willingness to accept nomination as auditors and a motion to resolve their appointment will be tabled at the forthcoming annual general meeting.

Signed in accordance with a resolution of the Directors.

LINDA GOH LAY CHOON	**MICHAEL LIM HEE KIANG**

KUALA LUMPUR
25 APRIL 2012

STATEMENT BY DIRECTORS
Pursuant to Section 169(15) of the Companies Act, 1965

We, LINDA GOH LAY CHOON and MICHAEL LIM HEE KIANG, being two of the Directors of MAJOR TEAM HOLDINGS BERHAD, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 23 to 65 are drawn up in accordance with the Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2011 and of the results of their operations and the cash flows of the Group and of the Company for the financial year ended on that date.

Signed in accordance with a resolution of the Directors.

LINDA GOH LAY CHOON **MICHAEL LIM HEE KIANG**

KUALA LUMPUR
25 APRIL 2012

STATUTORY DECLARATION
Pursuant to Section 169(16) of the Companies Act, 1965

I, SEOW AH MEE, being the officer primarily responsible for the financial management of MAJOR TEAM HOLDINGS BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 23 to 65 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed SEOW AH MEE at)
KUALA LUMPUR in the Federal)
Territory this 25 APRIL 2012)

Before me,

SEOW AH MEE

COMMISSIONER FOR OATHS

Independent Auditors' Report To The Members Of Major Team Holdings Berhad

(Company No: 567427-W)
(Incorporated In Malaysia)

Report on the Financial Statements

We have audited the accompanying financial statements of Major Team Holdings Berhad, which comprise the statements of financial position as at 31 December 2011 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 23 to 65.

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 the provisions of the Companies Act, 1965 and the Financial Reporting Standards in Malaysia, and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of 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 Company's preparation of the 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 Company's internal control. An audit also involves evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Report on Other Legal and Regulatory Requirements

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

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

(b) We have considered the financial statements and the independent auditors' reports of the subsidiary company which we have not acted as auditors, which are indicated in Note 4 to the financial statements.

(c) We are satisfied that the financial statements of the subsidiary companies that are consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements of the Group and have received satisfactory information and explanations as required by us for those purposes.

(d) The independent auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Act.

Other Matters

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

Other Reporting Responsibilities

The supplementary information set out in Note 29 is disclosed to meet the requirements 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.

ANUARUL AZIZAN CHEW & CO.
Firm Number: AF 0791
Chartered Accountants

CHEW KOK BIN
Approved Number: 1294/06/14 (J)
Partner of Firm

KUALA LUMPUR
25 April 2012

Statements Of Financial Position as at 31 December 2011

		Group		Company	
		2011	2010	2011	2010
	Note	RM	RM	RM	RM
Non-Current Assets					
Property, plant and equipment	3	30,238,809	31,649,232	1	1
Investment in subsidiary companies	4	-	-	39,151,401	46,702,461
		30,238,809	31,649,232	39,151,402	46,702,462
Current Assets					
Inventories	5	29,823,892	31,221,174	-	-
Trade receivables	6	8,441,736	6,561,717	-	-
Other receivables	7	2,861,630	1,217,694	137,181	137,181
Amount owing by subsidiary companies	8	-	-	4,376,855	5,117,518
Cash and bank balances		57,239	12,173	1,746	2,238
		41,184,497	39,012,758	4,515,782	5,256,937
Current Liabilities					
Trade payables	9	2,840,197	2,435,443	-	-
Other payables	10	9,404,385	4,262,980	1,884,576	1,443,618
Amount owing to customers on contracts	11	979,890	1,185,757	-	-
Amount owing to subsidiary companies	8	-	-	510,468	248,916
Hire purchase payables	12	71,829	93,910	-	-
Bank borrowings	13	18,662,583	19,150,181	-	-
Tax payable		2,309,064	2,309,064	-	-
		34,267,948	29,437,335	2,395,044	1,692,534
Net current assets		6,916,549	9,575,423	2,120,738	3,564,403
		37,155,358	41,224,655	41,272,140	50,266,865

The accompanying notes form an integral part of the financial statements

Statements Of Financial Position as at 31 December 2011 (cont'd)

		Group		Company	
		2011	2010	2011	2010
	Note	RM	RM	RM	RM
Financed By:					
Share capital	14	98,877,380	98,877,380	98,877,380	98,877,380
Accumulated losses		(61,886,537)	(57,889,069)	(57,605,240)	(48,610,515)
Total equity - attributable to equity holders of the parent		36,990,843	40,988,311	41,272,140	50,266,865
Non-Current Liabilities					
Hire purchase payables	12	164,515	236,344	-	-
Deferred tax liabilities	15	-	-	-	-
		164,515	236,344	-	-
		37,155,358	41,224,655	41,272,140	50,266,865

The accompanying notes form an integral part of the financial statements

Statements Of Comprehensive Income
For The Financial Year Ended 31 December 2011

		Group		Company	
		2011	2010	2011	2010
	Note	RM	RM	RM	RM
Revenue	16	9,848,801	14,919,727	-	-
Cost of sales		(9,106,493)	(17,243,564)	-	-
Gross profit/(loss)		742,308	(2,323,837)	-	-
Other operating income		813,973	212,607	-	109,999
Reversal of inventories written down		-	1,855,278	-	-
Impairment loss on investment in a subsidiary company		-	-	(7,551,060)	-
Selling and distribution expenses		(189,314)	(336,581)	-	-
Administration expenses		(4,218,881)	(4,105,225)	(1,443,665)	(1,275,280)
Finance costs	17	(1,145,554)	(1,080,927)	-	-
Loss before taxation	18	(3,997,468)	(5,778,685)	(8,994,725)	(1,165,281)
Taxation	19	-	288,686	-	-
Net loss for the financial year		(3,997,468)	(5,489,999)	(8,994,725)	(1,165,281)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the financial year		(3,997,468)	(5,489,999)	(8,994,725)	(1,165,281)
Net loss for the financial year attributable to:					
Equity holders of the Company		(3,997,468)	(5,489,999)		
Total comprehensive loss for the financial year attributable to:					
Equity holders of the Company		(3,997,468)	(5,489,999)		
Loss per share attributable to equity holders of the Company (Sen):					
Basic and diluted	20	(4.04)	(5.55)		

The accompanying notes form an integral part of the financial statements

Statements Of Changes In Equity
For The Financial Year Ended 31 December 2011

	Share Capital RM	Accumulated Losses RM	Total RM
	Attributable to Equity Holders of the Parent		
Group			
At 1 January 2010	98,877,380	(52,399,070)	46,478,310
Net loss for the financial year	-	(5,489,999)	(5,489,999)
Other comprehensive loss	-	-	-
Total comprehensive loss for the financial year	-	(5,489,999)	(5,489,999)
At 31 December 2010	98,877,380	(57,889,069)	40,988,311
At 1 January 2011	98,877,380	(57,889,069)	40,988,311
Net loss for the financial year	-	(3,997,468)	(3,997,468)
Other comprehensive loss	-	-	-
Total comprehensive loss for the financial year	-	(3,997,468)	(3,997,468)
At 31 December 2011	98,877,380	(61,886,537)	36,990,843
Company			
At 1 January 2010	98,877,380	(47,445,234)	51,432,146
Net loss for the financial year	-	(1,165,281)	(1,165,281)
Other comprehensive loss	-	-	-
Total comprehensive loss for the financial year	-	(1,165,281)	(1,165,281)
At 31 December 2010	98,877,380	(48,610,515)	50,266,865
At 1 January 2011	98,877,380	(48,610,515)	50,266,865
Net loss for the financial year	-	(8,994,725)	(8,994,725)
Other comprehensive loss	-	-	-
Total comprehensive loss for the financial year	-	(8,994,725)	(8,994,725)
At 31 December 2011	98,877,380	(57,605,240)	41,272,140

The accompanying notes form an integral part of the financial statements

Statements Of Cash Flows
For The Financial Year Ended 31 December 2011

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Cash Flows From Operating Activities				
Loss before taxation	(3,997,468)	(5,778,685)	(8,994,725)	(1,165,281)
Adjustments for:				
Impairment loss on trade receivables	-	44,183	-	-
Depreciation of property, plant and equipment	1,450,090	1,751,710	-	-
Gain on disposal of property, plant and equipment	(44,999)	(46,664)	-	(109,999)
Interest expense	1,145,554	1,080,927	-	-
Reversal of inventories written down	-	(1,855,278)	-	-
Impairment loss on investment in a subsidiary company	-	-	7,551,060	-
Operating loss before working capital changes	(1,446,823)	(4,803,807)	(1,443,665)	(1,275,280)
Decrease/(Increase) in working capital				
Inventories	1,397,282	5,503,665	-	-
Trade receivables	(1,504,869)	(296,721)	-	-
Other receivables	(1,643,936)	358,181	-	-
Trade payables	29,604	157,820	-	-
Other payables	5,141,405	494,973	440,958	83,352
Amount owing by/to customers on contracts	(205,867)	(1,324,221)	-	-
Amount owing by/to subsidiary companies	-	-	1,002,215	1,079,832
	3,213,619	4,893,697	1,443,173	1,163,184
Cash generated from/(used in) operations	1,766,796	89,890	(492)	(112,096)
Interest paid	(1,145,554)	(1,080,927)	-	-
Net cash from/(used in) operating activities	621,242	(991,037)	(492)	(112,096)

The accompanying notes form an integral part of the financial statements

Statements Of Cash Flows
For The Financial Year Ended 31 December 2011 (cont'd)

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Cash Flows From Investing Activities				
Purchase of property, plant and equipment	(39,668)	(31,200)	-	-
Proceeds from disposal of property, plant and equipment	45,000	185,000	-	110,000
Net cash from investing activities	5,332	153,800	-	110,000
Cash Flows From Financing Activities				
Increase in bills payable	358,000	66,000	-	-
Repayment of hire purchase payables	(93,910)	(87,837)	-	-
Net cash from/(used in) financing activities	264,090	(21,837)	-	-
Net increase/(decrease) in cash and cash equivalents	890,664	(859,074)	(492)	(2,096)
Cash and cash equivalents at beginning of the financial year	(9,738,008)	(8,878,934)	2,238	4,334
Cash and cash equivalents at end of the financial year	(8,847,344)	(9,738,008)	1,746	2,238
Cash and cash equivalents at end of the financial year comprises:				
Cash and bank balances	57,239	12,173	1,746	2,238
Bank overdraft	(8,904,583)	(9,750,181)	-	-
	(8,847,344)	(9,738,008)	1,746	2,238

The accompanying notes form an integral part of the financial statements

Notes To The Financial Statements

1. Corporate Information

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiary companies are disclosed in Note 4 to the financial statements.

The Company is a public limited liability company, incorporated under the Companies Act, 1965 and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Unit 07-02, Level 7, Menara Luxor, 6B, Persiaran Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Company is located at 1st Floor, Regal House, No.1, Jalan U-Thant, 55000 Kuala Lumpur.

2. Basis of Preparation and Significant Accounting Policies

(a) Basis of accounting

The financial statements of the Group and of the Company have been prepared on the historical cost convention unless otherwise indicated in the accounting policies below and in compliance with the provisions of the Companies Act, 1965 and the Financial Reporting Standards in Malaysia.

During the financial year, the Group and the Company have adopted the following applicable amendments to Financial Reporting Standards ("FRSs") and revised FRSs issued by the Malaysian Accounting Standards Board ("MASB") which are mandatory and effective for financial periods as stated below:

		Effective date for financial periods beginning on or after
Amendments to FRS 132	Financial Instruments: Presentation - paragraphs 11,16 and 97E	1 March 2010
FRS 3	Business Combinations (revised)	1 July 2010
FRS 127	Consolidated and Separate Financial Statements (revised)	1 July 2010
Amendments to FRS 7	Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRSs contained in the document entitled "Improvements to FRSs (2010)"		1 January 2011

The Directors of the Group and of the Company anticipate that the application of the above amendments to FRSs and revised FRSs do not have any significant impact on the financial statements of the Group and of the Company except as disclosed in Note 26 to the financial statements.

On 19 November 2011, MASB has issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework"). The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141, Agriculture and IC interpretation 15, Agreement for Construction of Real Estate, including its parent, significant investor and venturer ("Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRS framework for an additional one year. The Group and the Company do not qualify as Transitioning Entities and therefore, the adoption of MFRS framework will be mandatory for annual financial period beginning on or after 1 January 2012.

The Directors of the Group and of the Company anticipate that the application of the following FRSs and Malaysian Financial Reporting Standards ("MFRSs") which are mandatory and will be effective for financial periods as stated below will have no material impact on the financial statements of the Group and of the Company, except as disclosed in Note 27 to the financial statements:

		Effective date for financial periods beginning on or after
FRSs		
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement		1 July 2011
FRS 124	Related Party Disclosures (revised)	1 July 2012
Amendment to FRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2012
Amendment to FRS 7	Disclosures - Transfers of Financial Assets	1 January 2012
Amendment to FRS 112	Deferred tax: Recovery of Underlying Assets	1 January 2012
Amendment to FRS 101	Presentation of items of Other Comprehensive Income	1 July 2012
FRS 10	Consolidated Financial Statements	1 January 2013
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosure of Interests in Other Entities	1 January 2013
FRS 13	Fair Value Measurement	1 January 2013
FRS 119	Employee Benefits (as amended in November 2011)	1 January 2013
FRS 127	Consolidated and Separate Financial Statements (as amended in November 2011)	1 January 2013
FRS 128	Investments in Associates (as amended in November 2011)	1 January 2013
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to FRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
FRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009) Financial Instruments (IFRS 9 issued by IASB in October 2010)	1 January 2015
MFRSs		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2012
MFRS 2	Share-based Payment	1 January 2012
MFRS 3	Business Combinations	1 January 2012
MFRS 4	Insurance Contracts	1 January 2012
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2012
MFRS 6	Exploration for and Evaluation of Mineral Resources	1 January 2012
MFRS 7	Financial Instruments: Disclosures	1 January 2012
MFRS 8	Operating Segments	1 January 2012
MFRS 101	Presentation of Financial Statements	1 January 2012
MFRS 102	Inventories	1 January 2012
MFRS 107	Statement of Cash Flows	1 January 2012
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2012
MFRS 110	Events After the Reporting Period	1 January 2012
MFRS 111	Construction Contracts	1 January 2012

		Effective date for financial periods beginning on or after
MFRS 112	Income Taxes	1 January 2012
MFRS 116	Property, Plant and Equipment	1 January 2012
MFRS 117	Leases	1 January 2012
MFRS 118	Revenue	1 January 2012
MFRS 119	Employee Benefits	1 January 2012
MFRS 120	Accounting for Government Grants and Disclosure of Government Assistance	1 January 2012
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2012
MFRS 123	Borrowing Costs	1 January 2012
MFRS 124	Related Party Disclosures	1 January 2012
MFRS 126	Accounting and Reporting by Retirement Benefit Plans	1 January 2012
MFRS 127	Consolidated and Separate Financial Statements	1 January 2012
MFRS 128	Investments in Associates	1 January 2012
MFRS 129	Financial Reporting in Hyperinflationary Economies	1 January 2012
MFRS 131	Interests in Joint Ventures	1 January 2012
MFRS 132	Financial Instruments: Presentation	1 January 2012
MFRS 133	Earnings Per Share	1 January 2012
MFRS 134	Interim Financial Reporting	1 January 2012
MFRS 136	Impairment of Assets	1 January 2012
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2012
MFRS 138	Intangible Assets	1 January 2012
MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2012
MFRS 140	Investment Property	1 January 2012
MFRS 141	Agriculture	1 January 2012
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2012
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments	1 January 2012
IC Interpretation 4	Determining whether an Arrangement contains a Lease	1 January 2012
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2012
IC Interpretation 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment	1 January 2012
IC Interpretation 7	Applying the Restatement Approach under MFRS 129 Financial Reporting in Hyperinflationary Economies	1 January 2012
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2012
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2012
IC Interpretation 12	Service Concession Arrangements	1 January 2012
IC Interpretation 13	Customer Loyalty Programmes	1 January 2012
IC Interpretation 14	MFRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2012

		Effective date for financial periods beginning on or after
IC Interpretation 15	Agreements for the Construction of Real Estate	1 January 2012
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	1 January 2012
IC Interpretation 17	Distributions of Non-cash Assets to Owners	1 January 2012
IC Interpretation 18	Transfers of Assets from Customers	1 January 2012
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 January 2012
IC Interpretation 107	Introduction of the Euro	1 January 2012
IC Interpretation 110	Government Assistance - No Specific Relation to Operating Activities	1 January 2012
IC Interpretation 112	Consolidation - Special Purpose Entities	1 January 2012
IC Interpretation 113	Jointly Controlled Entities - Non-Monetary Contributions by Venturers	1 January 2012
IC Interpretation 115	Operating Leases - Incentives	1 January 2012
IC Interpretation 125	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	1 January 2012
IC Interpretation 127	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2012
IC Interpretation 129	Service Concession Arrangements: Disclosures	1 January 2012
IC Interpretation 131	Revenue - Barter Transactions Involving Advertising Services	1 January 2012
IC Interpretation 132	Intangible Assets - Web Site Costs	1 January 2012
Amendments to MFRS 101	Presentation of items of Other Comprehensive Income	1 July 2012
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employee Benefits	1 January 2013
MFRS 127	Separate Financial Statements (IAS 27 as amended by IASB in June 2011)	1 January 2013
MFRS 128	Investments in Associates and Joint Ventures (IAS 28 as amended by IASB in June 2011)	1 January 2013
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to MFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009) Financial Instruments (IFRS 9 issued by IASB in October 2010)	1 January 2015

(b) Functional and presentation currency

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

(c) Significant accounting estimates and judgements

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

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

(i) Depreciation of property, plant and equipment

The costs of property, plant and equipment of the Group and of the Company are depreciated on a straight-line basis over the useful lives of the assets. Management estimates the useful lives of the property, plant and equipment as disclosed in Note 2(e)(iii). These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of the Group's and of the Company's property, plant and equipment at 31 December 2011 are disclosed in Note 3 to the financial statements.

(ii) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. Objective evidence of impairment is determined based on the evaluation of collectability and aged analysis of accounts. A considerable amount of judgement is required in assessing the ultimate realisation of these loans and receivables, including the current creditworthiness and the past collection history of each loan and receivable. If the financial conditions of loans and receivables with which the Group deals were to deteriorate, resulting in an impairment of the ability to make payments, additional impairment may be required.

(iii) Income taxes

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

(iv) Estimation of fair value of properties

In the absence of current prices in an active market for similar properties, the Group and the Company considers information from a variety of sources, including:

(a) current prices in an active market for properties of a different nature, condition or location, adjusted to reflect those differences; or
(b) recent prices of similar properties based on less active market, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices.

(v) Construction contracts

The Group recognises contracts revenue and contracts costs in the statements of comprehensive income by using the stage of completion method. The stage of completion is determined by the proportion that contracts cost incurred for work performed to date as a percent of the estimated contracts costs.

Significant judgement is required in determining the stage of completion, the extent of the contracts costs incurred the estimated total contracts revenue and costs, as well as the recoverability of the constructions contracts. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists. The carrying amount of the Group's amount owing to customers on contracts at 31 December 2011 is disclosed in Note 11 to the financial statements.

(d) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies through equity accounting, which are made up to the end of the financial year.

In the Company's separate financial statements and investments in subsidiary companies are stated at cost less impairment losses in accordance with Note 2(f). On disposal of these investments, the difference between the net disposal proceeds and the carrying amount is recognised in the profit or loss attributable to the parent.

(i) Subsidiary companies

Subsidiary companies are those companies in which the Group has long term equity interest and has the power, directly or indirectly, to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanying a shareholding of more than one half of the voting rights.

The acquisition method of accounting is used to account for the acquisition of subsidiary companies. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed attributable to the acquirer in a business combination are measured initially at their fair values on the date of acquisition. Acquisition related costs incurred are expensed and included in the administration expenses. The difference between the acquisition cost and the fair values of the subsidiary companies' net assets is reflected as goodwill or reserve on consolidation as appropriate. Reserve on consolidation is recognised immediately in profit or loss attributable to the parent.

Subsidiary companies are consolidated from the date on which control is transferred to the Group to the date on which that control ceases.

If the business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date and the resulting gain or loss, if any, is recognised in profit or loss.

Any contingent consideration to be transferred by the Group will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of FRS139, it is measured in accordance with the appropriate FRS.

(ii) Transactions eliminated on consolidation

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

For each business combination, non-controlling interest in the acquiree are measured at fair value or at the proportionate share of the acquiree's identifiable net assets at the date of acquisition. Non-controlling interest are allocated at their share of the profit or loss and each component of other comprehensive income and are presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent. Losses are attributed to the non-controlling interest even if that results in a deficit balance.

(iii) Changes in Group composition

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences, recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained as an associate, joint venture or financial asset;
- Recognises any surplus or deficit in profit or loss;
- Reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate

(e) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 2(f).

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

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

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

Leasehold land and factory buildings of a subsidiary company have not been revalued since they were revalued in 1999. The Directors have not adopted a policy of regular revaluation of such assets and these assets continue to be stated at their 1999 valuation as permitted under the transitional provision of IAS 16 (Revised): Property, Plant and Equipment. These assets continue to be stated at their 1999 valuation less accumulated depreciation.

(ii) Subsequent costs

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

(iii) Depreciation

Depreciation is recognised in the statements of comprehensive income on a straight-line basis over the estimated useful lives of property, plant and equipment. No depreciation is provided on the freehold land. Leasehold land is amortised over the period of the lease.

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

Buildings	50 years
Plant and machinery	15 years
Tools and equipment	10 years
Computer and software	5 years
Furniture and fittings	10 years
Office equipment	10 years
Motor vehicles	5 years
Renovations	3 years

The depreciable amount is determined after deducting the residual value.

Depreciation methods, useful lives and residual values are reassessed at each financial year end.

Upon disposal of an asset, the difference between the net disposal proceeds and the carrying amount of the assets is charged or credited to the statements of comprehensive income. On disposal of a revalued asset, the attributable revaluation surplus remaining in the revaluation reserve is transferred to distribution reserve.

(f) Impairment of non-financial assets

The carrying amounts of assets are reviewed at each reporting date to determine whether there is any indication of impairment.

If any such indication exists then the asset's recoverable amount is estimated. For goodwill that have indefinite useful lives, recoverable amount is estimated at each reporting date or more frequently when indications of impairment are identified.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount unless the asset is carried at a revalued amount, in which case the impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the statements of comprehensive income in the period in which it arises. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

(g) Inventories

Inventories of raw materials and finished goods are valued at the lower of cost and net realisable value.

Cost of raw materials and consumables are valued at actual purchase cost plus the cost of bringing the inventories to their present location and condition and are determined on a first-in-first-out basis.

Cost of finished goods and work-in-progress comprises materials, direct labour and factory overheads and are determined on a first-in-first-out basis.

(h) Construction contracts

Construction contracts are stated at cost plus attributable profits less applicable progress billings and allowances for foreseeable losses, if any.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activities at the reporting date. The stage of completion is determined by the proportion that contract cost incurred for the work performed to date as a percent of the estimated contract costs.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable and 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.

The aggregate of the costs incurred and the profit/loss recognised on each contract is compared against the progress billings up to the period end. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as amount owing by customers on contracts. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as amount owing to customers on contracts

(i) Cash and cash equivalents

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

(j) Provisions for liabilities

Provisions for liabilities are recognised when the Group and the Company have a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

(k) Hire purchase

Assets acquired by way of hire purchase are stated at an amount equal to the lower of their fair values and the present value of the minimum hire purchase payments at the inception of the hire purchase, less accumulated depreciation and impairment losses. The corresponding liability is included in the statements of financial position as liabilities. In calculating the present value of the minimum hire purchase payments, the discount factor used is the interest rate implicit in the hire purchase, when it is practical to determine; otherwise, the Company's incremental borrowing rate is used.

Hire purchase payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total hire purchase commitments and the fair value of the assets acquired, are recognised as an expense in the statements of comprehensive income over the term of the relevant hire purchase 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 assets acquired under hire purchase is consistent with that for depreciable property, plant and equipment which are owned

(l) Foreign currencies

(i) Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of comprehensive income.

Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using historical rate as of the date of acquisition and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined.

(ii) Foreign operations

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

(1) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

(2) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(3) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings, are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the statements of comprehensive income as part of the gain or loss on sale.

The closing exchange rates used for each unit of the main foreign currencies in the Group are:

	2011 RM	2010 RM
Hong Kong Dollar (HKD)	0.4096	0.4196
Singapore Dollar (SGD)	2.4427	2.3859
Renminbi (RMB)	0.5034	0.4662
US Dollar (USD)	3.1770	3.0835

(m) Financial assets

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

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this at every reporting date except for financial assets at fair value through profit or loss.

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

Financial assets at fair value through profit or loss are financial assets that are designated or held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

Financial assets at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the statements of comprehensive income. After initial recognition, financial assets at fair value through profit or loss are subsequently measured at fair value.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are unquoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable.

Loans and receivables in the statements of financial position consist of trade and other receivables, and inter-company loans and advances. These are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current assets.

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

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has positive intention and ability to hold to maturity.

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

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date.

Investments are initially recognised at fair value plus transaction costs that are directly attributable to their acquisitions. Investment in equity instruments whose fair value cannot be reliably measured are valued at cost less impairment loss.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains and losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in statements of comprehensive income.

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

Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the statements of comprehensive income in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the statements of comprehensive income as part of other operating income when the Group's right to receive payments is established.

(n) Impairment of financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. For an equity instrument, a significant or prolonged declined in fair value below its cost is also considered objective evidence of impairment.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in statements of comprehensive income.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised costs, the reversal is recognised in statements of comprehensive income.

(o) Financial liabilities

Short-term borrowings, trade and other payables are classified as financial liabilities in the statements of financial position as there is a contractual obligation to make cash payments to another entity and is contractually obliged to settle the liabilities in cash.

Financial liabilities are initially recognised at fair value plus transaction costs, and are subsequently measured at amortised cost using the effective interest method, except when the Group designates the liabilities at fair value through profit or loss. Financial liabilities are designated at fair value through profit or loss when:

(i) they are acquired or incurred for the purpose of selling or repurchasing in the near term;

(ii) the designation eliminates or significantly reduces measurement or recognition inconsistencies that would otherwise arise from measuring financial liabilities or recognising gains or losses on them; or

(iii) the financial liability constains an embedded derivative that would need to be separately recorded.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

(p) Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial 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 compensation absences. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the reporting date.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the statements of comprehensive income as incurred.

(q) Income taxes

Income tax on the profit or loss for the financial year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax is recognised on the liability method for all temporary differences between the carrying amount of an asset or liability in the statements of financial position and its tax base at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that 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 accounting profit nor taxable profit.

Deferred tax asset and liability is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the reporting date. The carrying amount of a deferred tax asset is reviewed at each reporting date and is reduced to the extent that it becomes probable that sufficient future taxable profit will be available.

Deferred tax is recognised in the statements of comprehensive income, 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 to 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 or negative goodwill.

(r) Revenue recognition

(i) Construction contracts

Revenue from work done on construction contracts is recognised based on the percentage of completion method. The stage of completion is determined based on the total actual costs incurred to date over the estimated total contract costs. Allowance for foreseeable losses is made in the financial statements when such losses can be determined.

(ii) Goods sold and services rendered

Revenue from sales of goods and services measured at the fair value of the consideration receivable and is recognised when significant risk and rewards have been transferred to the buyer, if any, or upon performance of services, net of sales taxes and discounts.

(iii) Interest income

Interest income is recognised on a time proportion basis that takes into account the effective yield on the asset.

(s) Borrowings costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

When the borrowings are made specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of funds drawdown from that borrowing facility.

When the borrowings are made generally, and used for the purpose of obtaining a qualifying asset, the borrowing costs eligible for capitalisation are determined by applying capitalisation rate which is the weighted of the borrowing costs applicable to the Group's borrowings that are outstanding during the financial year, other than borrowings made specifically for the purpose acquiring another qualifying asset.

(t) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

(u) Segment reporting

For management purposes, the Group is organised into operating segment based on their business activities. An operating segment's operating results are reviewed regularly by the chief operating decision maker, who will make decisions to allocate resources to the segments and assess the segment performance.

3. **Property, Plant and Equipment**

Group	At Valuation Leasehold Land and buildings RM	<---- At Cost Freehold land and buildings RM	Plant and machinery RM	Tools and equipment RM	Computer and software RM	Furniture and fittings RM	Office equipment RM	Motor vehicles RM	Renovations RM	Total ----> RM
2011										
Cost/Valuation										
At 1.1.2011	42,829,572	738,413	34,315,114	385,643	701,268	724,699	789,839	2,288,793	7,374,708	90,148,049
Additions	-	-	-	39,583	-	-	85	-	-	39,668
Disposals	-	-	-	-	-	-		(340,000)	-	(34,0000)
At 31.12.2011	42,829,572	738,413	34,315,114	425,226	701,268	724,699	789,924	1,948,793	7,374,708	8,984,7717
Accumulated depreciation										
At 1.1.2011	11,940,417	135,136	32,649,825	369,674	686,785	682,658	673,677	2,007,014	7,330,520	56,475,706
Charge for the financial year	802,072	9,888	393,921	16,866	8,405	12,779	50,936	114,660	40,563	1,450,090
Disposals	-	-	-	-	-	-	-	(339,999)	-	(339,999)
At 31.12.2011	12,742,489	145,024	33,043,746	386,540	695,190	695,437	724,613	1,781,675	7,371,083	57,585,797
Accumulated impairment loss										
At 1.1.2011/31.12.2011	2,023,111	-	-	-	-	-	-	-	-	2,023,111
Carrying amount										
At 31.12.2011	28,063,972	593,389	1,271,368	38,686	6,078	29,262	65,311	167,118	3,625	30,238,809

3. **Property, Plant and Equipment (Cont'd)**

Group	At Valuation	< -------------	-------------	-------------	------------- At Cost	-------------	-------------	-------------	------------->	
	Leasehold Land and buildings RM	Freehold land and buildings RM	Plant and machinery RM	Tools and equipment RM	Computer and software RM	Furniture and fittings RM	Office equipment RM	Motor vehicles RM	Renovations RM	Total RM
2011										
Cost/Valuation										
At 1.1.2010										
- as previously stated	20,917,843	738,413	34,495,214	385,643	699,268	724,699	789,839	2,663,943	7,374,708	68,789,570
- effect of adopting amendment to FRS 117	21,911,729	-	-	-	-	-	-	-	-	21,911,729
At 1.1.2010, restated	42,829,572	738,413	34,495,214	385,643	699,268	724,699	789,839	2,663,943	7,374,708	90,701,299
Additions	-	-	29,200	-	2,000	-	-	-	-	31,200
Disposals	-	-	(209,300)	-	-	-	-	(375,150)	-	(584,450)
At 31.12.2010	42,829,572	738,413	34,315,114	385,643	701,268	724,699	789,839	2,288,793	7,374,708	90,148,049
Accumulated depreciation										
At 1.1.2010										
- as previously stated	6,110,051	125,248	32,058,526	346,091	676,360	658,205	619,686	2,248,228	7,299,420	50,141,815
- effect of adopting amendment to FRS 117	5,028,295	-	-	-	-	-	-	-	-	5,028,295
At 1.1.2010, restated	11,138,346	125,248	32,058,526	346,091	676,360	658,205	619,686	2,248,228	7,299,420	55,170,110
Charge for the financial year	802,071	9,888	662,264	23,583	10,425	24,453	53,991	133,935	31,100	1,751,710
Disposals	-	-	(70,965)	-	-	-	-	(375,149)	-	(446,114)
At 31.12.2010	11,940,417	135,136	32,649,825	369,674	686,785	682,658	673,677	2,007,014	7,330,520	56,475,706
Accumulated impairment loss										
At 1.1.2010										
- as previously stated	-	-	-	-	-	-	-	-	-	-
- effect of adopting amendment to FRS 117	2,023,111	-	-	-	-	-	-	-	-	2,023,111
At 1.1.2010, restated	2,023,111	-	-	-	-	-	-	-	-	2,023,111
Carrying amount										
At 31.12.2010	28,866,044	603,277	1,665,289	15,969	14,483	42,041	116,162	281,779	44,188	31,649,232

Notes To The Financial Statements (cont'd)

Company	Motor vehicle RM	Renovation RM	Total RM
2011			
Cost			
At 1.1.2011/31.12.2011	-	1,909,060	1,909,060
Accumulated depreciation			
At 1.1.2011/31.12.2011	-	1,909,059	1,909,059
Carrying amount			
At 31.12.2011	-	1	1
2010			
Cost			
At 1.1.2010	375,150	1,909,060	2,284,210
Disposal	(375,150)	-	(375,150)
At 31.12.2010	-	1,909,060	1,909,060
Accumulated depreciation			
At 1.1.2010	375,149	1,909,059	2,284,208
Charge for the financial year	(375,149)	-	(375,149)
At 31.12.2010	-	1,909,059	1,909,059
Carrying amount			
At 31.12.2010	-	1	1

(a) The short term leasehold land and factory buildings of the Group have been pledged to licensed bank as security for credit facility granted to a subsidiary company as disclosed in Note 13 to the financial statements.

(b) The short term leasehold land and factory buildings were revalued by the Directors in 1999 based on independent professional valuations using the comparison method.

Had the revalued short term leasehold land and factory buildings been included in the financial statements at historical cost, the carrying amount of the revalued factory buildings would have been RM17,300,282 (2010: RM17,796,883) respectively.

(c) The leasehold land of the Group has been reclassified as property, plant and equipment as a result of the adoption of the amendments to FRS 117, Leases. The remaining period of lease term is 43 years (2010: 44 years).

(d) The carrying amount of property, plant and equipment of the Group and of the Company acquired under hire purchase are as follows:

	Group 2011 RM	Group 2010 RM
Motor vehicles	167,109	280,328

4. Investment in Subsidiary Companies

(a) Investment in subsidiary companies

	Company 2011 RM	Company 2010 RM
Unquoted shares in Malaysia, at cost	55,002,461	55,002,461
Accumulated impairment loss	(15,851,060)	(8,300,000)
	39,151,401	46,702,461

(b) The subsidiary companies and shareholdings therein are as follows:

Name of company	Country of incorporation	Effective interest 2011 %	Effective interest 2010 %	Principal activities
Direct holding:				
Stone World Sdn. Bhd.	Malaysia	100	100	Manufacturing, supply and installation of dimension stone products
Stone World Marketing Sdn. Bhd.	Malaysia	100	100	Provision of management services and trading of stone products
Indirect holding:				
Subsidiary companies of Stone World Sdn. Bhd.				
Stone Export Sdn. Bhd.	Malaysia	100	100	Dormant
*Stone World (Hong Kong) Ltd.	Hong Kong	100	100	Ceased operations

*subsidiary company not audited by Anuarul Azizan Chew & Co.

5. Inventories

	Group 2011 RM	Group 2010 RM
At cost		
Raw materials	6,018,615	6,527,256
Work-in-progress	11,181,999	12,416,413
Finished goods	656,805	758,234
Consumables	1,668,452	1,899,388
	19,525,871	21,601,291

	Group 2011 RM	Group 2010 RM
At net realisable value		
Raw materials	1,902,287	1,876,011
Work-in-progress	7,924,156	7,097,058
Finished goods	471,578	646,814
	10,298,021	9,619,883
	29,823,892	31,221,174

Inventories of approximately RM1,500,000 (2010: RM1,400,000) are expected to be recovered after more than twelve months.

6. Trade Receivables

	Group 2011 RM	Group 2010 RM
Trade receivables	12,773,202	11,242,154
Retention sum	1,053,319	704,348
	13,826,521	11,946,502
Allowance for impairment	(5,384,785)	(5,384,785)
	8,441,736	6,561,717

The Group's normal trade credit terms range from 45 to 180 days (2010: 45 to 180 days). Other credit terms are assessed and approved on a case to case basis.

The ageing analysis is as follows:

	Group 2011 RM	Group 2010 RM
Neither past due nor impaired	1,330,589	44,330
1 to 30 days past due but not impaired	142,750	363,737
31 to 60 days past due but not impaired	202,790	993,301
61 to 90 days past due but not impaired	249,057	1,268,126
91 to 120 days past due but not impaired	104,399	189,735
More than 121 days past due but not impaired	6,412,151	3,702,488
	7,111,147	6,517,387
Individually impaired	5,384,785	5,384,785
	13,826,521	11,946,502

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. These debtors are mostly long term customers with no history of default in payments.

The Group's trade receivables that are past due at the reporting date but not impaired relate mainly to customers who have never defaulted on payments but are slow paymasters, hence, periodically monitored.

Movements in allowance for impairment during the financial year are as follows:

	Group	
	2011	**2010**
	RM	**RM**
At 1 January/31 December	5,384,785	5,384,785

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors with significant delay in repayment.

7. Other Receivables

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Other receivables	42,113	38,902	2,965	2,965
Deposits	1,947,099	1,062,915	134,216	134,216
Prepayments	872,418	115,877	-	-
	2,861,630	1,217,694	137,181	137,181

8. Amount Owing by/(to) Subsidiary Companies

These represent unsecured interest free advances and which are repayable on demand.

9. Trade Payables

The normal trade credit terms granted to the Group range from 30 to 120 days (2010: 30 to 120 days).

10. Other Payables

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Other payables				
- Related parties	8,281,538	2,983,216	1,168,322	728,384
- Third parties	636,634	653,405	604,082	604,082
	8,918,172	3,636,621	1,772,404	1,332,466
Accruals	395,259	397,110	112,172	111,152
Deposits	90,954	229,249	-	-
	9,404,385	4,262,980	1,884,576	1,443,618

11. Amount Owing by/(to) Customers on Contracts

	Group 2011 RM	Group 2010 RM
Aggregate cost incurred to date	1,755,111	4,500,324
Add: Attributable profits	278,297	446,564
	2,033,408	4,946,888
Less: Progress billings	(3,013,298)	(6,132,645)
	(979,890)	(1,185,757)
Represented by:		
Amount owing to customers on contracts	(979,890)	(1,185,757)
Retention sum included in the progress billings	189,319	613,264

12. Hire Purchase Payables

	Group 2011 RM	Group 2010 RM
(a) Minimum hire purchase payments		
Within one year	84,151	111,621
Between one and five years	178,419	260,626
After five years	-	1,944
	262,570	374,191
Less: Future finance charges	(26,226)	(43,937)
Present value of hire purchase liabilities	236,344	330,254
(b) Present value of hire purchase liabilities		
Within one year	71,829	93,910
Between one and five years	164,515	234,411
After five years	-	1,933
	236,344	330,254
Analysed as:		
Repayable within twelve months	71,829	93,910
Repayable after twelve months	164,515	236,344
	236,344	330,254

Interest is charged at rates of between 2.45% and 4.50% (2010: 2.45% and 4.50%) per annum.

13. Bank Borrowings

	Group 2011 RM	Group 2010 RM
Secured		
Bank overdraft	8,904,583	9,750,181
Bills payable	9,758,000	9,400,000
Total bank borrowings	18,662,583	19,150,181
Analysed as:		
Repayable within twelve months		
Secured		
Bank overdraft	8,904,583	9,750,181
Bills payable	9,758,000	9,400,000
	18,662,583	19,150,181

The above credit facilities obtained from a licensed bank are secured by the following:

(a) a first and second legal charge over a subsidiary company's short term leasehold land and factory buildings; and

(b) a first and second fixed and floating charge over the assets of a subsidiary company.

Maturity of borrowings is as follows:

	Group 2011 RM	Group 2010 RM
Within one year	18,662,583	19,150,181

The weighted average effective interest rates during the financial year are as follows:

	Group 2011 %	Group 2010 %
Bank overdraft	7.50	6.93
Bills payable	4.45	4.28

14. Share Capital

	Group 2011	Group 2010	Company 2011	Company 2010
	Number of Ordinary Shares		RM	RM
Ordinary shares of RM1each:				
Authorised	150,000,000	150,000,000	150,000,000	150,000,000
Issued and fully paid	98,877,380	98,877,380	98,877,380	98,877,380

15. Deferred Tax Liabilities

	Group 2011 RM	2010 RM
At 1 January	-	288,686
Recognised in statements of comprehensive income	-	(203,582)
Over provision in prior years	-	(85,104)
At 31 December	-	-
Presented after appropriate offsetting as follows:		
Deferred tax liabilities	3,997,644	4,068,200
Deferred tax assets	(3,997,644)	(4,068,200)
	-	-

The components and movements of deferred tax liabilities of the Group prior to offsetting are as follows:

Deferred tax liabilities of the Group:

	Accelerated capital allowance RM	Revaluation surplus of property RM	Total RM
At 1 January 2011	1,300,910	2,767,290	4,068,200
Recognised in statements of comprehensive income	5,811	(76,367)	(70,556)
At 31 December 2011	1,306,721	2,690,923	3,997,644
At 1 January 2010	1,404,929	2,843,834	4,248,763
Recognised in statements of comprehensive income	(103,891)	(76,544)	(180,435)
Over provision in prior year	(128)	-	(128)
At 31 December 2010	1,300,910	2,767,290	4,068,200

Deferred tax assets of the Group:

	Unused tax losses RM	Unutilised capital allowances RM	Allowance for impairment RM	Total RM
At 1 January 2011	(3,212,105)	(709,346)	(146,749)	(4,068,200)
Recognised in statements of comprehensive income	529,529	(458,973)	-	70,556
At 31 December 2011	(2,682,576)	(1,168,319)	(146,749)	(3,997,644)
At 1 January 2010	(3,128,263)	(685,065)	(146,749)	(3,960,077)
Recognised in statements of comprehensive income	-	(23,147)	-	(23,147)
Under provision in prior year	(83,842)	(1,134)	-	(84,976)
At 31 December 2010	(3,212,105)	(709,346)	(146,749)	(4,068,200)

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

	Group 2011 RM	2010 RM
Unused tax losses	11,337,533	8,236,487
Unutilised capital allowances	-	802,072
Accelerated capital allowances	(16,895)	(30,372)
	11,320,638	9,008,187

The unused tax losses and unutilised capital allowances are available indefinitely for offset against future taxable profits of the companies in which those items arose.

16. Revenue

	Group 2011 RM	2010 RM
Construction contracts	5,845,413	5,168,775
Sales of goods	4,003,388	9,750,952
	9,848,801	14,919,727

17. Finance Costs

	Group 2011 RM	Group 2010 RM
Finance costs on:		
Bank overdraft	699,398	653,316
Bills payable	425,942	400,533
Term loan	2,503	3,219
Hire purchase	17,711	23,859
	1,145,554	1,080,927

18. Loss before Taxation

Loss before taxation is derived after charging/(crediting):

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Auditors' remuneration				
- current year	37,496	36,571	11,000	11,000
- under provision in prior year	-	1,500	-	-
Impairment loss on trade receivables	-	44,183	-	-
Company's Directors				
- Fee	55,000	55,833	55,000	55,833
- Salaries and other emoluments	243,900	236,377	243,900	236,377
- Employees Provident Fund	28,800	27,972	28,800	27,972
Depreciation of property, plant and equipment	1,450,090	1,751,710	-	-
Gain on disposal of property, plant and equipment	(44,999)	(46,664)	-	(109,999)
Hire of equipment	47,487	64,924	-	-
Impairment loss on investment in a subsidiary company	-	-	7,551,060	-
Reversal of inventories written down	-	(1,855,278)	-	-
Rental of equipment	9,000	9,000	-	-
Rental of office paid to a related party	1,088,322	1,088,322	439,938	439,938
Realised loss on foreign exchange	5,286	209,541	-	-

19. Taxation

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Deferred taxation:				
Relating to origination and reversal of temporary differences	-	(203,582)	-	-
Over provision in prior years	-	(85,104)	-	-
	-	(288,686)	-	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2010: 25%) of the estimated assessable profit for the financial year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

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

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Loss before taxation	(3,997,468)	(5,778,685)	(8,994,725)	(1,165,281)
Tax at statutory tax rate of 25% (2010: 25%)	(999,367)	(1,444,671)	(2,248,681)	(291,320)
Expenses not deductible for tax purposes	413,220	365,170	2,248,681	291,320
Income not subject to tax	-	(463,819)	-	-
Deferred tax assets not recognised	648,600	1,367,051	-	-
Reversal of deferred taxation in prior year	(62,453)	(27,313)	-	-
Over provision of deferred taxation in prior year	-	(85,104)	-	-
Tax expense for the financial year	-	(288,686)	-	-

The Group has unused tax losses and unutilised capital allowances amounting to approximately RM26,741,000 (2010: RM24,724,000) available for carry forward to set-off against future taxable profits. The said amounts are subject to approval by the tax authorities.

20. Loss per Share

(a) Basic loss per share

The loss per share has been calculated based on the consolidated net loss for the financial year attributable to the equity holders of the parent and the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2011	**2010**
	RM	**RM**
Net loss for the financial year attributable to the equity holders of the Company	(3,997,468)	(5,489,999)
Weighted average number of shares in issue	98,877,380	98,877,380
Basic loss per share (sen)	(4.04)	(5.55)

(b) Fully diluted loss per share

There is no diluted loss per share as the Company does not have any dilutive potential ordinary shares as at financial year end.

21. Staff Costs

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Staff costs (excluding Directors)	2,615,675	2,767,557	209,660	265,680

Included in the total staff costs above are contributions made to the Employees Provident Fund under a defined contribution plan for the Group and the Company amounting to RM170,524 and RM17,466 (2010: RM167,425 and RM25,552) respectively.

22. Segment Information - Group

Segment information is primarily presented in respect of the Group's business segment which is based on the Group's management and internal reporting structure. Management monitors the operating results of its business segment separately for the purposes of making decision about resource allocation and performance assessment.

The Group reportable segments are as follows:

Manufacturing and trading	:	Manufacturing, supply, installation and trading of stone products
Others	:	Investment holding

2011	Note	Manufacturing and trading RM	Others RM	Total RM
Revenue				
Sales		9,848,801	-	9,848,801
Less : Inter-segment sales		-	-	-
		9,848,801	-	9,848,801
Results				
Depreciation		1,450,090	-	1,450,090
Other significant non-cash expenses	(a)	-	-	-
Segment loss		(2,547,350)	(1,450,118)	(3,997,468)
Assets				
Addition to non-current assets	(b)	39,668	-	39,668
Segment assets		71,284,378	138,928	71,423,306
Liabilities				
Segment liabilities	(c)	30,237,394	1,886,005	32,123,399

2010	Note	Manufacturing and trading RM	Others RM	Total RM
Revenue				
Sales		14,919,727	-	14,919,727
Less : Inter-segment sales		-	-	-
		14,919,727	-	14,919,727
Results				
Depreciation		1,751,710	-	1,751,710
Other significant non-cash expenses	(a)	48,183	-	48,183
Segment loss		(4,323,476)	(1,166,523)	(5,489,999)
Assets				
Addition to non-current assets	(b)	31,200	-	31,200
Segment assets		70,520,559	141,431	70,661,990
Liabilities				
Segment liabilities	(c)	25,918,311	1,446,304	27,364,615

(a) Other significant non-cash expenses consist of the following:

	Group 2011 RM	2010 RM
Impairment loss on trade receivables	-	48,183

(b) Additions to non-current assets consist of additions of property, plant and equipment.

(c) Tax payable and deferred tax liabilities is added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position.

Geographical information

(i) Revenue by geographical location of customers

	Group 2011 RM	Group 2010 RM
Malaysia	8,597,832	6,604,503
Singapore	1,250,969	7,780,822
	9,848,801	14,385,325

(ii) Non-current assets by geographical location of assets are as follows:

	Group 2011 RM	Group 2010 RM
Malaysia	30,238,809	31,649,232
Hong Kong	-	-
	30,238,809	31,649,232

Information about major customers

Revenue from 1 (2010: 4) major customers amounting to approximately RM3,693,000 (2010: RM14,311,000), arising from manufacturing and trading segment.

23. Contingent Liabilities

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Secured				
Corporate guarantee to licensed banks for credit facilities granted to subsidiary companies				
- Limit of guarantees	-	-	28,000,000	28,000,000
- Amount utilised	-	-	18,892,583	19,380,181
Banker's guarantees in favour of the local authorities for the purpose of construction contracts	230,000	230,000	-	-

24. Related Party Disclosures

(a) In addition to the transactions detailed elsewhere in the financial statements, the Company had the following transactions with related parties during the financial year:

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Related company				
*Rental expenses paid/payable	1,088,322	1,088,322	439,938	439,938
Subsidiary companies				
Settlement of liabilities on behalf of (by) the subsidiary companies	-	-	608	(413,807)

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

(b) Information regarding outstanding balances arising from related party transactions are disclosed in Notes 8 and 10 to the financial statements.

(c) Information regarding compensation of key management personnel is as follows:

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Short-term employee benefits	268,800	261,049	268,800	261,049

25. Capital Management

The objective of the Group on capital management is to ensure that it maintains a strong credit rating and safeguard the Group's ability to continue as a going concern, so as to support its business, maintain the market confidence and maximise shareholders' value.

The Group monitors the capital using gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio between 30% and 50%.

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Trade and other payables	12,244,582	6,698,423	1,884,576	1,443,618
Hire purchase payables	236,344	330,254	-	-
Bank borrowings	18,662,583	19,150,181	-	-
Amount owing to subsidiary company	-	-	510,468	248,916
Less: cash and cash equivalents	(57,239)	(12,173)	(1,746)	(2,238)
Net debts	31,086,270	26,166,685	2,393,298	1,690,296
Equity attributable to shareholders of the Company	36,990,843	40,988,311	41,272,140	50,266,865
Capital and net debts	68,077,113	67,154,996	43,665,438	51,957,161
Gearing ratio	45.7%	39.0%	5.5%	3.3%

There were no changes to the Group's approach to capital management during the financial year.

26. Effects on Adoption of New FRS, Revised FRSs and Amendments to FRS

The effects on adoption of the following applicable revised FRSs and amendments to FRS in financial year 2011 are set out below:

(a) FRS 3: Business Combinations (revised)

This FRS requires the entity to disclose the following:

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

(ii) It changes the recognition and subsequent accounting requirements for contingent consideration. Under the previous version of the Standard, contingent consideration was recognised at the acquisition date only if payment of the contingent consideration was probable and it could be measured reliably; any subsequent adjustments to the contingent consideration were recognised against goodwill. Under the revised Standard, contingent consideration is measured at fair value at the acquisition date; subsequent adjustments to the consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss;

(iii) It requires the recognition of a settlement gain or loss where the business combination in effect settles a pre-existing relationship between the Group and the acquiree; and

(iv) It requires acquisition-related costs to be accounted for separately from the business combination, generally leading to those costs being recognised as an expense in profit or loss as incurred, whereas previously they were accounted for as part of the cost of the business combination.

The revised FRS 3 was adopted prospectively by the Group and the Company and therefore, no restatements will be required in respect of transactions prior to the date of adoption.

(b) FRS 127: Consolidated and Separate Financial Statements (revised)

The revised Standard will affect the Group's accounting policies regarding changes in ownership interests in its subsidiaries that do not result in a change in control. Previously, in the absence of specific requirements in FRSs, increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised, where appropriate; for decreases in interests in existing subsidiaries regardless of whether the disposals would result in the Group losing control over the subsidiaries, the difference between the consideration received and the carrying amount of the share of net assets disposed of was recognised in profit or loss.

Under FRS 127 (revised), increases or decreases in ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are dealt with in equity and attributed to the owners of the parent, with no impact on goodwill or profit or loss. When control of a subsidiary is lost as a result of a transaction, event or other circumstance, FRS 127 (revised) requires that the Group derecognise all assets, liabilities and non-controlling interests at their carrying amounts. Any retained interest in the former subsidiary is recognised at its fair value at the date when control is lost, with the resulting gain or loss being recognised in profit or loss.

The revised FRS 127 was adopted prospectively by the Group and the Company and therefore, no restatements will be required in respect of transactions prior to the date of adoption.

(c) Amendments to FRS 101: Presentation of Financial Statements

The Amendments clarifies that an entity shall present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.

This is a disclosure standard and hence does not have any impact on the financial position and performance of the Group and the Company.

(d) Amendments to FRS 3: Business Combinations

The Amendments clarifies that the choice of measuring non-controlling interests at fair value or at the proportionate share of the acquiree's identifiable net assets applies only to components of non-controlling interests that constitute a present ownership interest that entitles their holders to a proportionate share of the entity's net assets in the event of liquidation. All other components of non-controlling interests are measured at fair value, unless another measurement basis is required by FRS.

27. MFRSs Not Yet Adopted

Certain new accounting standards and interpretations have been issued and are mandatory for accounting periods as mentioned in Note 2(a) to the financial statements. Technical Release 3 Guidance on Disclosures of Transition to IFRSs ('TR 3') provides voluntary disclosure requirements on the potential impact of adoption of MFRSs. The quantified impact of the implementation of most of the MFRSs would only be observable in the subsequent financial years. The potential impact arising from MFRS framework of the Group and the Company has been assessed as follows:

(a) MFRS 10: Consolidated Financial Statements

This Standard establishes a single control model that applies to all entities including "special purpose entities". The changes introduced by this standard will require management to exercise significant judgement to determine which entities are controlled, and therefore are required to be consolidated by a parent.

(b) MFRS 12: Disclosure of Interests in Other Entities

This Standard includes all disclosure relate to an entity's interest in subsidiary company, joint arrangements, associated company and structured entities. A number of new disclosure are required.

(c) MFRS 13: Fair Value Measurement

This Standard establishes a single source of guidance under MFRS for all fair value measurements. This Standard does not change when an entity is required to use fair value, but rather provides guidance of how to measure fair value under MFRS when fair value is required or permitted.

(d) MFRS 116: Property, Plant and Equipment

FRS 116 contains an additional disclosure to require an entity to disclose if it had applied the transitional provision provided by the MASB when FRS 116 was first adopted in 1998. The said transitional provision allowed an entity to carry the asset's revalued amount as surrogate cost. However, MFRS 116 does not have similar requirement for such transition.

28. Financial Instruments

(a) Financial risk management objectives and policies

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

(b) Foreign currency exchange risk

The Group is exposed to foreign currency risk on sales, and purchases that are denominated in a currency other than Ringgit Malaysia. The Group monitors the foreign currency risks on an ongoing basis.

The net unhedged financial assets and financial liabilities of the Group that are not denominated in their functional currencies are as follows:

Notes To The Financial Statements (cont'd)

	Financial Assets (Liabilities) Held in Non-Functional Currency			
	Singapore Dollar	**US Dollar**	**Renminbi**	**Total**
Functional Currency	RM	RM	RM	RM
Group 2011				
Trade receivable				
Ringgit Malaysia	3,023,147	-	-	3,023,147
Trade payables				
Ringgit Malaysia	1,973	71,071	112,238	185,282

	Financial Assets (Liabilities) Held in Non-Functional Currency			
	Singapore Dollar	**US Dollar**	**Renminbi**	**Total**
Functional Currency	RM	RM	RM	RM
Group 2011				
Trade receivable				
Ringgit Malaysia	2,570,096	-	-	2,570,096
Trade payables				
Ringgit Malaysia	139,755	262,327	48,463	450,545

Currency risk sensitivity analysis

The following table shows the sensitivity of the Group's equity and loss net of tax to a reasonably possible change in the SGD and RMB exchange rate against the functional currency of the Company, with all other variables remain constant.

		Group	
		2010	**2010**
		RM	**RM**
Loss net of tax			
SGD/RM	- strengthened 5%	129,096	480,367
	- weakened 5%	(129,096)	(480,367)
RMB/RM	- strengthened 10%	(11,224)	(210,195)
	- weakened 10%	11,224	210,195

(c) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises from the Group's borrowings. The Group does not hedge the interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the financial year are as follows:

	Group 2011 RM	Group 2010 RM
Fixed rate instruments		
Hire purchase payables	236,344	330,254

	Group 2011 RM	Group 2010 RM
Fixed rate instruments		
Bank overdraft and bill payable	18,662,583	19,150,181

Interest rate risk sensitivity analysis

A change of 50 basis points ("bp") in interest rates at the end of the reporting period would have (increase)/ decrease loss net of tax by the amounts shown below, assuming all other variables remain constant.

	Group 2011 RM	Group 2010 RM
Loss net of tax		
50 bp increase	(95,949)	(111,785)
50 bp decrease	95,949	111,785

(d) Credit risk

Exposure to credit risk

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

Credit risk concentration

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

The Group determines concentrations of credit risk by monitoring the country profiles of its trade receivables on an ongoing basis as follows:

	Group 2011 RM	Group 2010 RM
By country:		
Malaysia	4,873,732	3,991,621
Singapore	3,023,147	2,570,096
	7,896,879	6,561,717

(e) Liquidity and cash flow risk

The Group seeks to achieve a flexible and cost effective borrowing structure to ensure that the projected net borrowing needs are covered by available committed facilities. Debt maturities are structured in such a way to ensure that the amount of debt maturing in any one year is within the Group's ability to repay and/or refinance.

<u>Maturity analysis</u>

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on contractual undiscounted repayment obligations.

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
Group				
2011				
Trade payables	2,840,197	-	-	2,840,197
Other payables	9,404,385	-	-	9,404,385
Hire purchase payables	71,829	164,515	-	236,344
Bank borrowings	18,662,583	-	-	18,662,583
Total undiscounted financial liabilities	30,978,994	164,515	-	31,143,509
2010				
Trade payables	2,435,443	-	-	2,435,443
Other payables	4,262,980	-	-	4,262,980
Hire purchase payables	93,910	234,411	1,933	330,254
Bank borrowings	19,150,181	-	-	19,150,181
Total undiscounted financial liabilities	25,942,514	234,411	1,933	26,178,858
Company				
2011				
Other payables	1,443,618	-	-	1,443,618
2010				
Other payables	1,443,618	-	-	1,443,618

(f) Fair values

(i) The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables and short term borrowings approximate fair value due to the relatively short term nature of these financial instruments.

(ii) The aggregate fair values of the other financial liabilities carried on the statements of financial position are as follows:

	2011		2010	
	Carrying amount RM	Fair Value RM	Carrying amount RM	Fair value RM
Group Financial liability				
Hire purchase payables	236,344	207,097	236,344	207,097

The fair value of long term hire purchase payables carried on the statement of financial position is estimated using valuation technique under the hierarchy level 2 mentioned below whereby the expected future cash flows of the hire purchase payables is discounted at the market interest rate for similar types of borrowing.

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The aggregate fair values of the other financial liabilities carried on the statement of financial position approximates their carrying value and the Company does not anticipate the carrying amounts recorded at the reporting date to be significantly different from the values that would eventually be settled.

29. Accumulated Losses

The breakdown of the accumulated losses of the Group and of the Company as of 31 December into realised and unrealised amounts, pursuant to the directive, is as follows:

	Group	
	2011 RM	**2010 RM**
Total accumulated losses		
Realised	(79,347,216)	(77,094,871)
Unrealised	-	-
	(79,347,216)	(77,094,871)
Less: Consolidation adjustments	17,460,679	19,205,802
Total accumulated losses as per consolidated statement of financial position	(61,886,537)	(57,889,069)

	Company	
	RM	**RM**
Total accumulated losses		
Realised	(57,605,240)	(48,610,515)
Unrealised	-	-
	(57,605,240)	(48,610,515)
Less: Consolidation adjustments	-	-
Total accumulated losses as per consolidated statement of financial position	(57,605,240)	(48,610,515)

The above disclosure of realised and unrealised profits or losses is made solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia Securities Berhad and is not made for any other purposes.

30. Comparative Information

The following comparative figures have been restated to conform with the current year's presentation:

	As previously stated RM	Reclassified RM	Restated RM
Statements of financial position			
Current Liabilities			
Trade payables	2,324,395	111,048	2,435,443
Other payables	4,250,390	12,590	4,262,980
Bank borrowings	19,273,819	(123,638)	19,150,181
Statements of cash flows			
Cash Flows From Operating Activities			
Trade payables	46,772	111,048	157,820
Other payables	482,383	12,590	494,973

31. Ultimate Holding Company

The ultimate holding company is Exclusive Vest Holdings Sdn. Bhd., a company incorporated in Malaysia.

32. Holding Company

The holding company is Excellent Avenue (M) Sdn. Bhd., a company incorporated in Malaysia.

33. Date of Authorisation for Issue

The financial statements of the Group and of the Company for the financial year ended 31 December 2011 were authorised for issue in accordance with a resolution of the Board of Directors on 25 April 2012.

Subsidiary Companies

Name of company	2011	2010	Principal activities
Stone World Sdn Bhd (224526-D)	100%	100%	Manufacturing, supply and installation of dimension stone products
Stone World Marketing Sdn Bhd (299584-P) Head office:- 2nd Floor, Regal House No. 1, Jalan U-Thant 55000 Kuala Lumpur Malaysia Tel : 03-2148 3882 Fax : 03-2148 2889 Factory:- No. PLO 466, Jalan Gangsa Pasir Gudang Industrial Estate 81700 Pasir Gudang Johor Darul Ta'azim Malaysia Tel : 07-251 7632 Fax : 07-251 3353	100%	100%	Provision of management services and trading of stone products
* Stone Export Sdn Bhd (331454-T)	100%	100%	Dormant
* Stone World (HK) Ltd (490576)	100%	100%	Ceased operations

* Held through Stone World Sdn Bhd (224526-D)

List Of Properties Held By The Group
As At 31 December 2011

Location	Age of building	Tenure	Description	Land Area (Sq.m)	Build-up area (Sq.m)	Cost / Revaluation (RM)	Carrying Amount as at 31.12.2011 (RM)
1. PLO 466, Jalan Gangsa Pasir Gudang Industrial Estate 81700 Pasir Gudang Johor Bahru, Johor Malaysia.	19	Leasehold (Expiry) (10.08.2053)	Leasehold Land, factory and office	64,749	18,696.98 (Factory) 937.02 (office)	42,829,572*	28,063,972
2. Lot 1573, 1577, 2118 and 2221 in the Mukim of Plentong, Johor Bahru, Johor Malaysia.	13	Freehold	Bungalow	1,133	400	738,413^	593,389

* Valued on 8 July 2000 by Khong & Jaafar Sdn. Bhd.
^ Acquired on 17 June 1997

Analysis Of Shareholdings

Class of shares : Ordinary Shares of RM1.00 each
Voting rights : One (1) vote per RM1.00 share

Distribution of Shareholdings as per Record of Depositors as at 4 May 2012

Size of holdings	No. of holders	No. of shares	%
1 - 99	16	300	0.00
100 - 1,000	2,841	1,095,539	1.11
1,001 - 10,000	1,044	3,997,220	4.04
10,001 - 100,000	268	9,128,401	9.23
100,001 - 4,943,868 (*)	67	24,839,059	25.12
4,943,869 and above (**)	2	59,816,861	60.50
Total	4,238	98,877,380	100.00

* Less than 5% of the issued and paid-up share capital.
** 5% and above of the issued and paid-up share capital.

Substantial Shareholders as per the Register of Substantial Shareholders as at 4 May 2012

	Direct Shareholdings		Indirect Shareholdings	
Name	**No. of shares**	**%**	**No. of shares**	**%**
Ample Potential Sdn. Bhd.	9,816,861	9.93	-	-
Ooi Chew Kun	-	-	9,816,861(a)	9.93
Estate of Wong Thiam Loy	-	-	59,816,861(b)	60.50
Kong See Kuan	40,801	0.04	59,816,861(c)	60.50
Excellent Avenue (M) Sdn. Bhd.	50,000,000	50.57	-	-
Exclusive Vest Holdings Sdn. Bhd.	-	-	50,000,000(d)	50.57

(a) Deemed interest through his substantial shareholdings in Ample Potential Sdn. Bhd..

(b) Deemed interest through the late Mr. Wong Thiam Loy's substantial shareholdings in Ample Potential Sdn. Bhd. and the substantial shareholdings of his spouse, Madam Kong See Kuan's substantial shareholdings in Exclusive Vest Holdings Sdn. Bhd. which has substantial shareholdings in Excellent Avenue (M) Sdn. Bhd..

(c) Deemed interest through her substantial shareholdings in Exclusive Vest Holdings Sdn. Bhd. which has substantial shareholdings in Excellent Avenue (M) Sdn. Bhd. and her spouse, the late Mr. Wong Thiam Loy's direct shareholdings in Ample Potential Sdn. Bhd..

(d) Deemed interest through its substantial shareholdings in Excellent Avenue (M) Sdn. Bhd..

Directors' Shareholdings as per the Register of Directors' Shareholdings as at 4 May 2012

	Direct Shareholdings		Indirect Shareholdings	
Name	**No. of shares**	**%**	**No. of shares**	**%**
Michael Lim Hee Kiang	-	-	-	-
Linda Goh Lay Choon	-	-	-	-
Fung Beng Ee	-	-	-	-
Lau Yoke Keen	-	-	-	-

Top 30 Shareholders as per the Record of Depositors as at 4 May 2012

No.	Name	Shareholdings	%
1.	Excellent Avenue (M) Sdn. Bhd.	50,000,000	50.57
2.	Ample Potential Sdn. Bhd.	9,816,861	9.93
3.	AMSEC Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Cherie Sumana Weerasena	3,520,200	3.56
4.	Lim Soo Fun	1,890,000	1.91
5.	Lim Soo Chin	1,649,500	1.67
6.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chia Song Ngee	1,472,200	1.49
7.	Tan Chong Thiam	1,109,900	1.12
8.	Sim Mong Kui	671,900	0.68
9.	Tham Sook Ling	650,000	0.66
10.	Affin Nominees (Tempatan) Sdn. Bhd. -Pledged Securities Account for Chung Chee Yang	592,900	0.60
11.	Abu Hassan Bin Hashim	575,900	0.58
12.	Chow Poh Meng	571,700	0.58
13.	Helen Yong Lee Ping	528,000	0.53
14.	Tan Eng Wah @ Tan Eng Khoe	475,000	0.48
15.	Affin Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Thung Bong Miang	428,000	0.43
16.	Lee Poh Yee	424,959	0.43
17.	Chia Chuan Huat	422,000	0.43
18.	TA Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Kwei Eng An	402,900	0.41
19.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ng Nyuk Yong	397,000	0.40
20.	RHB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Leow Ten Mooi	328,100	0.33
21.	Low Kok Heng	317,700	0.32
22.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tan Seng Yong	314,000	0.32
23.	Gan Hiok Kwee	300,000	0.30
24.	Affin Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ong Lee Tin	291,800	0.30
25.	Seow Wei Khong	286,100	0.29
26.	Ong Chiew Kee	284,400	0.29
27.	Chiew Kin Loong	273,100	0.28
28.	Cheah Vun Fung	269,200	0.27
29.	OSK Nominees (Tempatan) Sdn. Berhad - Pledged Securities Account for Tan Ee Seng	258,300	0.26
30.	Maybank Nominees (Tempatan) Sdn. Bhd. Gee Ah Hing	245,100	0.25

APPENDIX I

Special Resolution - Proposed Amendments to the Company's Articles of Association

THAT the Articles of Association of the Company be amended in the following manner:-

Article No.	Existing Articles	Amended Articles
2 Interpretation	**WORDS** / **MEANINGS** - / No Provision	**WORDS** / **MEANINGS** **Exempt Authorised Nominee** / **An authorised nominee defined under the Central Depositories Act which is exempted from compliance with provisions of subsection 25A(1) of the Central Depositories Act.**
64 Right to vote	Subject to any rights or restrictions for the time being attaching to any class or classes of shares, at meetings of Members or of classes of Members each Member entitled to vote may vote in person or by proxy or by attorney or being a corporation is represented by a representative and on a show of hands every person present who is a Member or a proxy or an attorney or being a corporation is represented by a representative of a Member shall have one (1) vote, and on a poll every Member present in person or by proxy or by attorney or by other duly authorised representative for a corporation shall have one (1) vote for every such share he holds.	Subject to any rights or restrictions for the time being attaching to any class or classes of shares, at meetings of Members or of classes of Members each Member entitled to vote may vote in person or by proxy or by attorney or being a corporation is represented by a representative and on a show of hands every person present who is a Member or a proxy or an attorney oe being a corporation is represented by a representative of a Member shall have one (1) vote, and on a poll every Member present in person or by proxy or by attorney or by other duly authorised representative for a corporation shall have one (1) vote for every such share he holds. **A proxy appointed to attend and vote at a meeting of a company shall have the same rights as the member to speak at the meeting.**
69 Proxy to be in writing	The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. The Directors may but shall not be bound to require evidence of the authority of any such attorney or officer. A proxy may but need not be a Member of the Company and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.	The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. **A member of a Company entitled to attend and vote at a meeting of a Company, or at a meeting of any class of members of the Company, shall be entitled to appoint any person as his proxy to attend and vote instead of the member at the meeting. There shall be no restriction as to the qualification of the proxy** and the provisions of Section 149(1)(b) of the Act shall not apply to the Company.

APPENDIX I (cont'd)

Article No.	Existing Articles	Amended Articles
70 Number of Proxy	A Member (other than an autorised nominee as defined under Central Depository Act) may appoint more than one (1) proxy to attend the same meeting. Where a Member appoints two (2) or more proxies, he shall specify the proportion of his shareholdings to be represented by each proxy. Where a member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.	A Member (other than an autorised nominee as defined under Central Depository Act) may appoint more than one (1) proxy to attend the same meeting. Where a Member appoints two (2) or more proxies, he shall specify the proportion of his shareholdings to be represented by each proxy. Where a member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. **Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.**
72 Instrument appointing proxy to be deposited	The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Office of the Company, or at such other place within Malaysia as is specified for that purpose in the notice convening the meeting, not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote and in default the instrument of proxy shall not be treated as valid.	The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Office of the Company, or at such other place within Malaysia as is specified for that purpose in the notice convening the meeting, not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote and in default the instrument of proxy shall not be treated as valid. **The completed instrument of proxy once deposited will not preclude the member from attending and voting in person at the General Meeting should the member subsequently wish to do so. A** member who is not resident in Malaysia or Singapore may by cable or other telegraphic communication appoint a proxy/ proxies to vote for him at any General Meeting of the Company PROVIDED:- (a) such cable or other telegraphic communication shall have been received at the Office not less than forty-eight (48) hours before the time for the holding of the General Meeting or adjourned meeting as the case may be at which the person named in such cable or other telegraphic communication proposes to vote; and (b) the Directors are satisfied as to the genuineness of such cable or other telegraphic communication.

EXCELLENT AVENUE (M) SDN BHD (212248-P)
2nd Floor, Regal House, No. 1, Jalan U Thant, 55000 Kuala Lumpur.
Tel : 603-21482811 Fax : 603-21486822

NOTICE OF NOMINATION OF NEW AUDITORS

Date: 24th November 2011

The Board of Directors
MAJOR TEAM HOLDINGS BERHAD
Unit 07-02, Level 7
Persoft Tower
6B Persiaran Tropicana
47410 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs,

RE: NOTICE OF NOMINATION OF MESSRS MORISON ANUARUL AZIZAN CHEW AS AUDITORS PURSUANT TO SECTION 172(11) OF THE COMPANIES ACT, 1965

Pursuant to Section 172(11) of the Companies Act, 1965, we, being a member of Major Team Holdings Berhad ("the Company"), holding not less than 5% of the total voting shares of the Company hereby give notice of our intention to nominate Messrs. Morison Anuarul Azizan Chew as Auditors of the Company in place of the retiring Auditors, Messrs. Anuarul Azizan Chew & Co and to propose that the following ordinary resolution be tabled at the forthcoming Annual General Meeting of the Company:-

"**THAT** Messrs. Morison Anuarul Azizan Chew, having consented to act, be and are hereby appointed as the Auditors of the Company in place of the retiring Auditors, Messrs. Anuarul Azizan Chew & Co and to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Board of Directors."

Yours faithfully

Kong See Kuan
Director

Kong Say Hoon
Director

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MAJOR TEAM HOLDINGS BERHAD
(567427-W)
(Incorporated in Malaysia)

FORM OF PROXY

I/We ____
(FULL NAME IN BLOCK LETTERS)

of ____
(FULL ADDRESS)

being a Member of **MAJOR TEAM HOLDINGS BERHAD** hereby appoint ______________________

____
(FULL NAME IN BLOCK LETTERS)

of ____
(FULL ADDRESS)

of failing whom ____
(FULL NAME IN BLOCK LETTERS)

of ____
(FULL ADDRESS)

or failing whom, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us and on my/our behalf at the Tenth Annual General Meeting of the Company to be held at Crystal Room, Crystal Crown Hotel Harbour View, Port Klang, 217, Persiaran Raja Muda Musa, 42000 Pelabuhan Klang, Selangor Darul Ehsan on Wednesday, 27 June 2012 at 3.00 p.m. and any adjournment thereof.

My/Our proxy(ies) is/are to vote as indicated below:-

No.	Resolutions	For	Against
1	Resolution 1		
2	Resolution 2		
3	Resolution 3		
4	Resolution 4		
5	Resolution 5		
6	Resolution 6		

[Please indicate with (X) in the spaces provided how you wish your vote to be casted. If no specific direction as to voting is given, the proxy will vote or abstain at his(her) discretion.]

Dated this ____________ day of ______________________ 2012

____
Signature of Member / Common Seal

Number of shares held :

Notes:-

1. *A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend and vote on his(her) behalf. A proxy may but need not be a Member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*
2. *Where a Member appoints two (2) or more proxies, the appointment shall be invalid unless he(she) specifies the proportions of his(her) holdings to be represented by each proxy.*
3. *The Form of Proxy shall be signed by the appointor or his(her) attorney duly authorised in writing or, if the Member is a corporation, either under its common seal or under the hand of an officer or attorney so authorised.*
4. *The instrument appointing a proxy must be deposited at the Registered Office of the Company at Unit 07-02, Level 7, Persoft Tower, 6B Persiaran Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for the Meeting or any adjournment thereof.*

Fold this flap for sealing

Then fold here

STAMP

The Company Secretary

MAJOR TEAM HOLDINGS BERHAD

(Company No. 567427-W)

Unit 07-02, Level 7, Persoft Tower

6B Persiaran Tropicana

47410 Petaling Jaya

Selangor Darul Ehsan

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