

# ANNUAL REPORT 2009



**MAH SING GROUP BERHAD**

(230149-P)  
(Incorporated In Malaysia)

With Courage To  
**Dream**  
Comes Readiness To  
**Deliver**



Artist's impression of Southbay City

Annual Report **2009**



Winner of Cityscape Asia  
Real Estate Award 2010,  
Best Developer –  
Waterfront Development (Future)  
for Southbay, Penang Island

Building Exceptional Spaces  
Creating Premier Lifestyles



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# Awards and Accolades

Mah Sing Group continued to garner global and local accolades in recognition of the organisation's outstanding achievements. As Malaysia's premier lifestyle developer, the Group's strong reputation has been built on years of unblemished track record of high-quality offerings and distinguished service.

In 2009, we bagged 9 awards in recognition of the Group's excellent performance and our commercial and residential projects were also honoured with global awards for their outstanding qualities and innovation. Meanwhile, our plastics division had also gotten due recognition for its outstanding performance.

January 2009	Mah Sing Plastics Industries Sdn Bhd (MSPI) awarded The Best Practice Productivity Award Year 2008 by Samsung Electronics (M) Sdn Bhd.
January 2009	Mah Sing Properties voted as The Most Preferred Brand – Property in The BrandLaureate SMEs Chapter Awards 2008.
	MSPI awarded Best Brand, Corporate Branding and Manufacturing – Plastics in The BrandLaureate SMEs Chapter Award 2008.
March 2009	Mah Sing Group Berhad named Best Brand in the Property Category in The BrandLaureate 2008-2009 Awards.
April 2009	Aman Perdana was named Best Mixed-Use Development and Southgate Commercial Centre named Best Office Development at the Asia Pacific Property Awards sponsored by CNBC Arabia.
September 2009	Won Euromoney Real Estate Awards 2009 for Best Developer, Malaysia for second consecutive year.
October 2009	Listed in Top 30, The Edge's Top Property Developers Award 2009.
December 2009	MPSI received Outstanding Award of 2009 South East Asia Supplier Innovation by Samsung Electronics.
January 2010	MPSI awarded the 8th Asia Pacific International Honesty Enterprise – Keris Award 2009 organised by Entrepreneur Development Association.
March 2010	Mah Sing Group Berhad was named Best Brand in the Property Category by The BrandLaureate 2009-2010 Awards for the second consecutive year.
April 2010	Bagged four awards at the Asia Pacific International Property Awards 2010 in association with Bloomberg Television. Won 5-Star Awards for Best Property for One Legenda, Cheras and Best Architecture for Legenda@Southbay, Penang Island. One Legenda was also named Best Property Asia Pacific and will represent the region at the world level. Meanwhile, The Icon Jalan Tun Razak received a Highly Commended Award in the Best Office Development category.
May 2010	Won Cityscape Asia Real Estate Award 2010, Best Developer – Waterfront Development (Future) for Southbay, Penang Island.

## Garden Plaza, Cyberjaya

[www.gardenplaza.com.my](http://www.gardenplaza.com.my)

Call +603 9221 6888

Mah Sing Group's second development in Cyberjaya, after Garden Residence, consisting of serviced apartments and retail units.



*Artist's impression only*

# A Multi-Award Winning Developer



Best Property Asia Pacific  
One Legenda,  
Cheras



Best Property Malaysia  
One Legenda,  
Cheras



Best Architecture Malaysia  
(Multiple Units)  
Legenda@Southbay,  
Penang Island



Best Office Development  
Malaysia  
The Icon Jalan Tun Razak,  
KL



Best Mixed-Use  
Development Malaysia  
Aman Perdana



Best Office  
Development Malaysia  
Southgate Commercial Centre



Best Property Malaysia  
Kemuning Residence



Best Development Malaysia  
Damansara Legenda



Best Developer, Malaysia  
Euromoney Real Estate  
Awards 2009



Best Developer Overall Malaysia  
Best Developer – Mixed-use Development  
Best Developer – Office/Business Developer



The BrandLaureate Awards  
2009 & 2010  
Category – Property



The BrandLaureate SMEs  
Chapter Awards 2008  
The Most Preferred Brand – Property



Cityscape Asia Real Estate Award 2010  
Best Developer –  
Waterfront Development (Future)  
for Southbay, Penang Island



Top 30, Top Property  
Developers Award (2006 – 2009)  
Top 100 Companies With  
Best Returns Over 5 Years (2006 & 2007)



Forbes Asia Best Under  
US\$1 Billion Company  
(2005 – 2007)



Top 1,000 Malaysian  
Companies, MDCA



Best Landscape  
Award, MPJB

# Our Developments

- Grand entrance statements
- Show villages featuring various home designs
- Lush landscaping
- Recreational parks and community areas
- Trendy lifestyle development themes
- Gated and guarded community living
- Innovative designs and excellent finishes
- Green street concept
- Grade A offices
- Integrated business parks

## Landed Residential - Linked Homes, Superlinks, Semi-Detached, Garden Bungalows & Bungalows.

### Legenda Series

Luxurious high-end homes in prestigious, prime locations. Extensive landscaping creates a revitalizing ambience for wholesome living.



### Residence Series

Trend-setting boutique developments with practical layouts and lush greenery to promote better living.



### Perdana Series

Well-planned lifestyle townships, self-contained and easily accessible. Well-maintained parks are community focal points.



# Our Developments (Cont'd)

Mah Sing Group Berhad, Malaysia's premier lifestyle developer, synonymous with trendy quality properties in prime and strategic locations.

We are a fully integrated property developer with a strong presence in the Klang Valley, Penang Island and Johor Bahru. Our developments are showcases of contemporary lifestyle statements. An innovator of concept living, we provide harmonious and serene environments with gated and guarded security which is a joy to come home to.

## High-Rise Residential - Studios, Serviced Suites & Condominiums.

### Icon Residence Series

Luxurious high-end homes in high-rise living. Iconic architecture to create a resort-like environment in prime city locations.



### M-Suites Series

Mid to high-end serviced residences for those seeking comfortable living in prime locations.



## Commercial - Offices, Integrated Business Hubs, Retails & Shops.

### Commercial Series

Investment-grade A offices, lifestyle commercial development including well-planned business parks, offices, shops and retails.



## Industrial - Semi-Detached Corporate Warehousing.

### i-Parc Series

Modern and customizable factories. Flexible designs to suit different needs at strategic locations with confluence of land, sea and air traffic access.



With Delivery Comes The  
Fulfillment of Our Promise



Artist's impression of One Legenda, Cheras





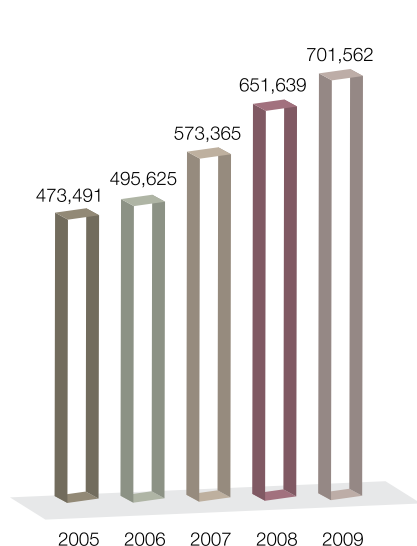
Best Property Asia Pacific  
One Legenda,  
Cheras



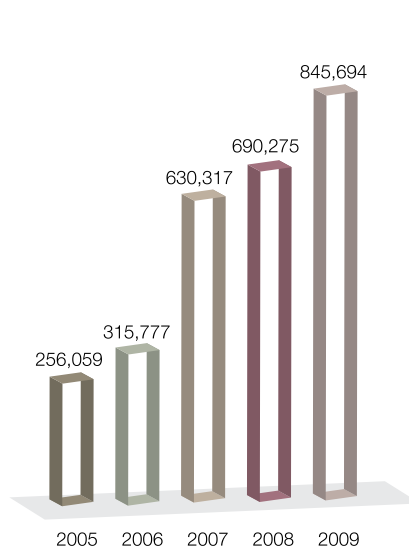
Best Property Malaysia  
One Legenda,  
Cheras



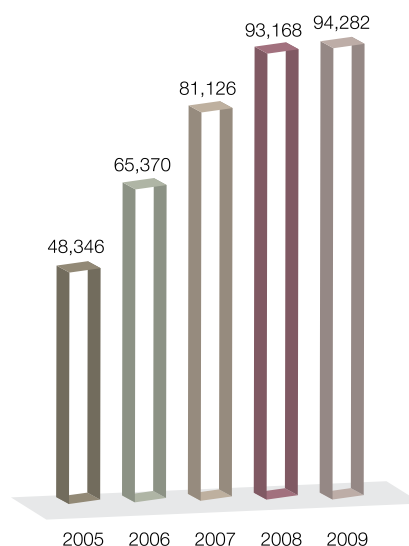
# Group Five-year Financial Highlights



Revenue (in RM'000)



Shareholders' funds (in RM'000)



Net profit attributable to shareholders (in RM'000)

## FINANCIAL YEAR ENDED 31 DECEMBER

	2005 RM'000	2006 RM'000	2007 RM'000	2008 RM'000	2009 RM'000
<b>REVENUE</b>					
Properties	356,255	387,815	443,382	502,107	<b>563,991</b>
Plastics	117,071	107,558	126,318	145,723	<b>135,210</b>
Others	165	252	3,665	3,809	<b>2,361</b>
	<b>473,491</b>	<b>495,625</b>	<b>573,365</b>	<b>651,639</b>	<b>701,562</b>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>					
Properties	63,336	92,351	113,439	134,946	<b>143,963</b>
Plastics	8,677	2,931	7,165	6,090	<b>8,098</b>
Others	(2,393)	(1,998)	(2,899)	(5,030)	<b>(7,818)</b>
	<b>69,620</b>	<b>93,284</b>	<b>117,705</b>	<b>136,006</b>	<b>144,243</b>
Net Profit Attributable to Shareholders	48,346	65,370	81,126	93,168	<b>94,282</b>
Paid-Up Share Capital	145,131	152,044	310,671	313,423	<b>346,487</b>
Shareholders' Funds	256,059	315,777	630,317	690,275	<b>845,694</b>
Total Assets Employed	619,516	746,742	1,110,124	1,199,513	<b>1,546,548</b>
Basic Earnings per Share (sen)	12.9	17.0	14.8	14.9	<b>14.9</b>
Fully Diluted Earnings per Share (sen)	11.7	14.4	14.1	14.8	<b>14.9</b>
Gross Dividend per share (%)	12.0	12.0	16.0	16.0	<b>13.0</b>
Net Assets per Share (RM)	0.7	0.9	1.0	1.1	<b>1.2</b>
Return on Equity	19%	21%	13%	13%	<b>11%</b>
Average Return on Equity	21%	23%	17%	14%	<b>12%</b>

# Corporate Information

## BOARD OF DIRECTORS

**JEN. TAN SRI YAACOB BIN MAT ZAIN (R)**  
Chairman/Independent Non-Executive Director

**TAN SRI DATO' SRI LEONG HOY KUM**  
Group Managing Director/Group Chief Executive

**STEVEN NG POH SENG**  
Executive Director

**LIM KIU HOCK**  
Executive Director

**LEONG YUET MEI**  
Non-Independent Non-Executive Director

**CAPTAIN IZAHAM BIN ABD. RANI (R)**  
Independent Non-Executive Director

**LOH KOK LEONG**  
Independent Non-Executive Director

## AUDIT COMMITTEE

**JEN. TAN SRI YAACOB BIN MAT ZAIN (R)**  
**CAPTAIN IZAHAM BIN ABD. RANI (R)**  
**LOH KOK LEONG**

## NOMINATION COMMITTEE

**JEN. TAN SRI YAACOB BIN MAT ZAIN (R)**  
**LEONG YUET MEI**  
**CAPTAIN IZAHAM BIN ABD. RANI (R)**

## REMUNERATION COMMITTEE

**JEN. TAN SRI YAACOB BIN MAT ZAIN (R)**  
**TAN SRI DATO' SRI LEONG HOY KUM**  
**LEONG YUET MEI**

## OPTION COMMITTEE

**JEN. TAN SRI YAACOB BIN MAT ZAIN (R)**  
**TAN SRI DATO' SRI LEONG HOY KUM**  
**LOH KOK LEONG**

## SECRETARIES

**YANG BAO LING (MAICSA 7041240)**  
**KUAN HUI FANG (MIA 16876)**

## REGISTRAR

**Tricor Investor Services Sdn Bhd**  
(formerly known as Tenaga Koperat Sdn Bhd)  
(Company No. 118401-V)  
Level 17, The Gardens North Tower  
Mid Valley City, Lingkaran Syed Putra  
59200 Kuala Lumpur  
Tel: 603-2264 3883 Fax: 603-2282 1886

## REGISTERED OFFICE

Penthouse Suite 1, Wisma Mah Sing  
No. 163, Jalan Sungai Besi  
57100 Kuala Lumpur  
Tel: 603-9221 8888 Fax: 603-9222 2833  
E-mail: [ir@mahsing.com.my](mailto:ir@mahsing.com.my)  
Website: [www.mahsing.com.my](http://www.mahsing.com.my)

## AUDITORS

**Deloitte KassimChan (AF 0080)**  
Chartered Accountants  
Level 19, Uptown 1  
No. 1, Jalan SS 21/58, Damansara Uptown  
47400 Petaling Jaya  
Selangor Darul Ehsan  
Tel: 603-7723 6500 Fax: 603-7726 3986

## BANKERS

Affin Bank Berhad  
CIMB Bank Berhad  
CIMB Islamic Bank Berhad  
EON Bank Berhad  
Hong Leong Bank Berhad  
Malayan Banking Berhad  
OCBC Bank (Malaysia) Bhd  
RHB Bank Berhad  
United Overseas Bank (Malaysia) Berhad

Bank of China  
PT Bank Ekonomi Raharja  
The Bank of Tokyo-Mitsubishi UFJ, Ltd

## STOCK EXCHANGE LISTING

Main Board of Bursa Malaysia  
Securities Berhad

## STOCK SHORT NAME

MAHSING (8583)

## INDEX

Kuala Lumpur Composite Index (KLCI)

# Corporate Profile

Month	Highlights
<b>1994-2000</b>	Ventured into property development and completed 4 projects.
<b>February 2000</b>	Acquired 303 acres of freehold development land in Skudai, JB.
<b>October 2000</b>	Launched Sri Pulai Perdana project in Skudai, JB.
<b>June 2003</b>	Acquired 168 acres of freehold development land in Tebrau, JB.
<b>August 2003</b>	Launched Austin Perdana project in Tebrau, JB.
<b>October 2003</b>	Acquired 17 acres of freehold development land in Damansara, PJ.
<b>April 2004</b>	Acquired 315 acres of freehold development land in Meru-Shah Alam Growth Corridor.
<b>June 2004</b>	Officially launched Damansara Legenda high-end niche project in Damansara, PJ.
<b>February 2005</b>	Officially launched Aman Perdana, Meru-Shah Alam Growth Corridor.
<b>January 2006</b>	Listed among Top 1,000 Companies in Malaysia for 2004/2005 by the Ministry of Domestic Trade and Consumer Affairs.
<b>May 2006</b>	Ranked 1st in the Property Sector, in The Edge's Top 100 Companies with Best Returns Over 5 Years.
<b>October 2006</b>	Awarded Forbes Asia Best Under US\$1 Billion Company.
<b>June 2007</b>	Won The Edge KPMG Top Shareholder Return.
<b>August 2007</b>	Listed in Top 30, The Edge's Top Property Developers Award 2007.
<b>September 2007</b>	Damansara Legenda awarded Best Development Malaysia by International Property Awards in association with CNBC.
<b>October 2007</b>	Awarded Forbes Asia Best Under US\$1 Billion Company.
<b>January 2008</b>	Acquired 67 acres of freehold land for Sri Pulai Perdana 2 in Skudai, JB.
<b>February 2008</b>	Listed as a Kuala Lumpur Composite Index Stock.
<b>June 2008</b>	Won Best Property Malaysia for Kemuning Residence Garden Bungalow Type C1 in Shah Alam at the Asia Pacific Property Awards 2008 in association with CNBC.
<b>August 2008</b>	Listed in Top 30, The Edge's Top Property Developers Award 2008.
<b>September 2008</b>	Won Euromoney Liquid Real Estate Awards 2008 for 3 categories namely Best Developer Overall, Malaysia, Best Office/Business Developer, Malaysia and Best Mixed-Use Developer, Malaysia.
<b>November 2008</b>	Acquired 5.3 acres of freehold land for commercial development of StarParc Point in Setapak.
<b>December 2008</b>	Mah Sing Plastics Industries Sdn Bhd (MSPI) awarded Best Practice Vendor Award by SEMA for achieving Level 7 of MSPI-BP 10 Factory Innovation.
<b>January 2009</b>	Mah Sing Properties voted as The Most Preferred Brand – Property in The BrandLaureate SMEs Chapter Awards 2008.
<b>January 2009</b>	MSPI awarded Best Brand, Corporate Branding, Manufacturing – Plastics in The BrandLaureate SMEs Chapter Awards 2008.
<b>March 2009</b>	Mah Sing Group Berhad named Best Brand in the Property Category of The BrandLaureate 2008-2009 Awards.
<b>April 2009</b>	Aman Perdana named Best Mixed-Use Development and Southgate Commercial Centre named Best Office Development at the Asia Pacific Property Awards 2009 in association with CNBC Arabia.
<b>June 2009</b>	Purchased additional 6 acres of land to enhance the overall planning for Sri Pulai Perdana 2 in Skudai, JB.
<b>August 2009</b>	Purchased 115 acres of prime freehold land in Cyberjaya to develop Garden Residence - a gated and guarded residential with a green axis.
<b>September 2009</b>	Purchased 13 acres of land in Bukit Jelutong to develop iParc@Bukit Jelutong.
<b>September 2009</b>	Awarded Best Developer in Malaysia in the esteemed Euromoney Real Estate Awards 2009 for the second year running.

# Corporate Profile (Cont'd)

Month	Highlights
October 2009	Purchased 26 acres of prime land in Selayang to develop Perdana Residence 2.
October 2009	Acquired 20 acres of prime land in Petaling Jaya to develop a world-class integrated commercial hub.
October 2009	Listed in The Edge's Top 30, Top Property Developers Award for the 4th year running.
December 2009	Signed a Letter of Intent on a joint venture basis (51% stake) to develop a mixed development project in Wujin district in Changzhou, Jiangsu province in China.  Registered a wholly-owned subsidiary in Changzhou, China with a registered capital of USD29.8million.
December 2009	Acquired approximately 3.38 acres of freehold land along Pykett Avenue in the heart of Georgetown to develop Icon Residence Penang.
December 2009	MSPI received the 2009 Outstanding Award of S.E. Asia Supplier Innovation from Samsung Electronics.
February 2010	Acquired 19-acre piece of industrial land to build industrial lots, iParc2@Shah Alam.
February 2010	Purchased 6-acre of commercial freehold land in Cyberjaya to develop Garden Plaza.
March 2010	Awarded the Best Brand in Property by The BrandLaureate Awards 2009-2010 for the second year running.
April 2010	Won 5-Star Awards for Best Property for One Legenda, Cheras and Best Architecture for Legenda@Southbay, Penang Island at the Asia Pacific International Property Awards 2010 in association with Bloomberg Television. One Legenda was also named Best Property Asia Pacific and will represent the region at the world level. Meanwhile, The Icon Jalan Tun Razak received a Highly Commended Award in the Best Office Development category.
April 2010	Purchased 1.44 acre of prime land in Jalan Ampang for M-Suites.
May 2010	Won Cityscape Asia Real Estate Award 2010, Best Developer – Waterfront Development (Future) for Southbay, Penang Island.



Best Mixed-Use  
Development Malaysia  
Aman Perdana

**Aman Perdana, Meru-Shah Alam**  
[www.mahsing.com.my](http://www.mahsing.com.my)  
 Call +603 3291 3666

Located strategically in the highly accessible Meru-Shah Alam growth corridor, Aman Perdana is a freehold 315-acre development consisting of semi-detached homes and bungalows set in a linear park.

Lakes and linear parks dot the development, catering to the recreational needs of the residents. All of these are within walking distance to the residents' homes.

Actual image



## The Industry Leader In Iconic Architecture



Artist's impression of The Icon Residence Penang

# Corporate Highlights

## January 2009

Launched innovative Easy Home Ownership plan for both residential and commercial projects.

## January 2009

Mah Sing Plastics Industries Sdn Bhd (MSPi) was honoured with The BrandLaureate - SMEs Chapter Awards 2008 for brand excellence in the Corporate Branding – Best Brand in Manufacturing – Plastics category at The BrandLaureate Awards by the Asia Pacific Brands Foundation.

## January 2009

Mah Sing Properties voted The Most Preferred Brand - Property at The BrandLaureate - SMEs Chapter Awards 2008.

## March 2009

Awarded the Best Brand in Property in the prestigious The BrandLaureate Awards 2008-2009 organized by the Asia Pacific Brands Foundation (APBF).

## April 2009

Won two awards in the Asia Pacific Property Awards 2009 in association with CNBC Arabia.

Southgate was lauded as the Best Office Development in Malaysia, the only commercial property in Malaysia to receive 5 stars while Aman Perdana was named 4 stars Best Mixed-Use Development in Malaysia.

## June 2009

Purchased additional 6 acres of land to enhance the overall planning for Sri Pulai Perdana 2 in Skudai, JB.

## August 2009

Purchased 115 acres of prime freehold land in Cyberjaya to develop Garden Residence - a gated and guarded residential with a green axis.

## August 2009

Enbloc sale of Corporate Block in Southgate, Kuala Lumpur.

## September 2009

Purchased 13 acres of land in Bukit Jelutong. iParc@Bukit Jelutong will be a low density industrial development suitable for corporate offices and warehousing.

## September 2009

Completion of The Icon Jalan Tun Razak, Mah Sing's 20-storey Grade A office and the only office to be accorded the Construction Quality Assessment System (CONQUAS) award.

## September 2009

Awarded the "Best Developer" in Malaysia in the esteemed Euromoney Real Estate Awards 2009 for the second year running.

## October 2009

Purchased 26 acres of prime land in Selayang. Perdana Residence 2 will tap on the success of Perdana Residence 1 which has been fully sold.

## October 2009

Acquired 20 acres of prime land in Petaling Jaya situated at the crossroads of Lebuhraya Damansara Puchong and the Federal Highway. World-class integrated commercial hub comprising shop offices, semi-detached offices and Small Office Home Offices (SOHOs).

## October 2009

Listed in The Edge's Top 30, Top Property Developers Award for the 4th year running.

## December 2009

Official launch of StarParc Point, a vibrant business hub in Setapak.

## December 2009

Signed a Letter of Intent to develop a mixed development project in Wujin district in Changzhou, Jiangsu province in China.

Registered a wholly-owned subsidiary in Changzhou, China with a registered capital of USD29.8million.

## December 2009

Acquired approximately 3.38 acres of freehold land along Pykett Avenue off Jalan Burma in the heart of Georgetown. Icon Residence Penang will be an upmarket condominium project.

## One Legenda, Cheras

[www.onelegenda.com.my](http://www.onelegenda.com.my)

Call +603 9221 6888

This exclusive project features 26 units of 3-storey bungalows with an average land size of 8,000 sq.ft and an approximate built-up in excess of 6,000 sq.ft. These bungalows will have a minimalist, modern design, juxtaposed against the rich heritage of the 130-million year old Hulu Langat Forest Reserve.



Best Property Asia Pacific  
& Malaysia  
One Legenda,  
Cheras



*Artist's impression only*

# Corporate Highlights (Cont'd)

## December 2009

MSPI received the 2009 Outstanding Award of S.E.Asia Supplier Innovation from Samsung Electronics.

## December 2009

Enbloc sale of Apex Block in Southgate, Kuala Lumpur.

## December 2009

Achieved sales of RM727million for 2009 which is 1.6 times above the year's target of RM453million.

## February 2010

Acquired 19-acre piece of commercial land to build industrial lots, iParc2@Shah Alam to cater to spill over demand from iParc@Bukit Jelutong.

## February 2010

Purchased 6-acre of commercial freehold land in Cyberjaya to develop Garden Plaza consisting of serviced apartments and retail units.

## March 2010

Awarded the Best Brand in Property by The BrandLaureate Awards 2009-2010 for the second year running.

## March 2010

Approved bonus issue of up to 151million new ordinary shares.

## April 2010

Purchased prime land in Jalan Ampang for M-Suites.

## May 2010

Won Cityscape Asia Real Estate Award 2010, Best Developer – Waterfront Development (Future) for Southbay, Penang Island.



Best Property Malaysia  
Kemuning Residence

## Kemuning Residence, Shah Alam

[www.mahsing.com.my](http://www.mahsing.com.my)

Call +603 9221 6888

Kemuning Residence with its gated and guarded concept and modern, spacious interior designs, is the ideal choice. Immerse yourself in the splendour of a brand new luxurious lifestyle. Cross the threshold of this impressive designer entrance. Paved private roads amidst blossoming greenery and stylish landscape will lead you to your very own residential haven.



Actual image

# Corporate Structure

(Active Operating Subsidiaries)



## MAH SING GROUP BERHAD

### Property Division

#### Property Development

- 100% Mah Sing Properties Sdn Bhd
- 100% Mestika Bistari Sdn Bhd
- 100% Mah Sing International (HK) Limited
- 100% Mah Sing Property Consulting (Chang Zhou) Pte. Ltd.
- 100% Intramewah Development Sdn Bhd
- 100% Jastamax Sdn Bhd
- 100% Klassik Tropika Development Sdn Bhd
- 100% Loyal Sierra Development Sdn Bhd
- 100% Legend Grand Development Sdn Bhd
- 100% Maxim Heights Sdn Bhd
- 100% Multi Synergy Group Sdn Bhd
- 100% Myvilla Development Sdn Bhd
- 100% Nova Century Development Sdn Bhd
- 100% Nova Legend Development Sdn Bhd
- 100% Star Residence Sdn Bhd
- 100% Sierra Peninsular Development Sdn Bhd
- 100% Supreme Springs Sdn Bhd
- 100% Venice View Development Sdn Bhd
- 70% Enrich Property Development Sdn Bhd
- 70% Vienna Home Sdn Bhd
- 70% Vienna View Development Sdn Bhd

#### Property Management

- 100% Acacia Springs Management Sdn Bhd
- 100% Mestika Kenangan Sdn Bhd
- 100% Prima Peninsular Development Sdn Bhd
- 100% Quantum Noble Development Sdn Bhd
- 100% Vienna Grand Development Sdn Bhd

### Plastics Division

#### Plastics Manufacturing

- 100% Mah Sing Plastics Industries Sdn Bhd
- 100% Kenwira Sdn Bhd
- 100% Vital Routes Sdn Bhd
- 65% PT Mah Sing Indonesia

#### Plastics Trading

- 100% Mah Sing Enterprise Sdn Bhd

#### The Icon Jalan Tun Razak, Kuala Lumpur

[www.mahsing.com.my](http://www.mahsing.com.my)  
Call +603 9221 6888

The Icon is an upscale commercial development in the heart of KL City Centre, and is the only office to be accorded the CONQUAS award. The stylish façade, revolutionary architecture and state-of-the-art features make The Icon a very desirable address for high-flying and aspiring businesses.



Best Office Development  
Malaysia  
The Icon Jalan Tun Razak,  
KL



Actual image

# Directors' Profiles

## **JEN. TAN SRI YAACOB BIN MAT ZAIN (R)** **Chairman / Independent Non-Executive Director**

**Malaysian, 74 years of age**

- **Appointed to the Board on 29 June 1994**
- **Chairman of the Audit Committee**
- **Chairman of the Nomination Committee**
- **Chairman of the Remuneration Committee**
- **Chairman of the Option Committee**
- **Attended all 5 Board Meetings and 4 Audit Committee Meetings convened during the financial year.**

Jen. Tan Sri Yaacob had a distinguished career spanning nearly 40 years in Angkatan Tentera Malaysia before retiring in 1993 as a Panglima Angkatan Tentera Malaysia. He had attended courses at the Australian Army General Command and Staff College, the Naval Post Graduate School in Monterey, United States of America, the Royal College of Defence Studies in the United Kingdom, including the Advance Management Programme at Harvard Business School.

Apart from his directorship in the Company, he is the Chairman of Affin Investment Bank Berhad, Syarikat Permodalan Kebangsaan Berhad and SPK Sentosa Corporation Berhad.

There is no conflict of interest between him and the Company nor are there any family relationships between him and any director or major shareholder of the Company. He has not been convicted for any offences within the past 10 years other than for traffic offences, if any.

## **TAN SRI DATO' SRI LEONG HOY KUM** **P.S.M., S.S.A.P., D.P.M.S., J.P., Hon. Ph.D** **Group Managing Director/Group Chief Executive**

**Malaysian, 52 years of age**

- **Founder and First Director Appointed to the Board, on 3 December 1991**
- **Member of the Remuneration Committee**
- **Member of the Option Committee**
- **Attended all the 5 Board Meetings convened during the financial year.**

Tan Sri Dato' Sri Leong founded the plastics manufacturing division in 1979 and listed Mah Sing Group Berhad on the Kuala Lumpur Stock Exchange in 1992. He has been on the Central Committee of the 900-member Malaysian Plastics Manufacturers Associations since 1986. He has been the Honorary President of the Young Malaysian Movement Association (YMM) since 1999 and of The Dramatic Art Society, Malaysia since 1996. Besides that, he has been the Vice-President of the Table Tennis Association of Malaysia since 1999.

Tan Sri Dato' Sri Leong Hoy Kum is the key driving force behind the phenomenal growth and success of Mah Sing Group Berhad. Driven by his determination to maximise shareholders' value

and passion for property, Tan Sri Dato' Sri Leong ventured into property development in 1994. As its Group Managing Director and Group Chief Executive, he is instrumental in shaping Mah Sing as a multi-award winning real estate specialist. His vast experience spanning 30 years as well as his entrepreneur spirit culminated in the Group expanding rapidly with projects in Malaysia's main growth corridors, namely Kuala Lumpur, Klang Valley, South Johor and Penang. Mah Sing will also be venturing into their maiden overseas venture in China soon.

In recognition of his achievements, he was conferred an honorary Doctor of Philosophy (Ph.D.) in Business Administration by the Honolulu University, Hawaii in 2000. He was conferred the Darjah Paduka Mahkota Selangor (D.P.M.S.) which carries the title "Dato'" and the Jaksa Pengaman (J.P.) awards by his Highness, Sultan of Selangor in 1996 and 2001 respectively. Tan Sri Dato' Sri Leong was conferred the Darjah Kebesaran Sultan Ahmad Shah Pahang Yang Amat DiMulia – Peringkat Pertama Sri Sultan Ahmad Shah Pahang (S.S.A.P.) which carries the title "Dato' Sri" on the Sultan Pahang's 77th birthday on 3rd November 2007 and the Darjah Panglima Setia Mahkota (P.S.M.) which carries the title "Tan Sri" in 2009.

He also sits on the Board of Directors of various other private companies.

He is the brother to Director, Ms Leong Yuet Mei. There is no conflict of interest between him and the Company nor has he been convicted for any offences within the past 10 years other than for traffic offences, if any.

## **MR STEVEN NG POH SENG** **Executive Director**

**Malaysian, 44 years of age**

- **Appointed to the Board on 27 June 2005**
- **Attended all 5 Board Meetings convened during the financial year.**

Mr Ng has more than 20 years experience in audit, accounts, corporate finance and financial investment. He holds a Bachelor of Science degree majoring in accounting from the University of Wales (UK). He is a member of both the Institute of Chartered Accountants in England and Wales and the Malaysian Institute of Accountants. He worked in a Chartered Accountancy firm in United Kingdom and upon his return to Malaysia, he served as a Manager in Malaysian International Merchant Bankers Berhad before joining SP Setia Berhad. After 8 years of service in SP Setia Berhad, he left as Head of Corporate Affairs prior to joining the Company.

He is currently the Executive Director of the Company heading the Group Corporate and Investment division.



# Directors' Profiles (Cont'd)

There is no conflict of interest between him and the Company nor are there any family relationships between him and any director or major shareholder of the Company. He has not been convicted for any offences within the past 10 years other than for traffic offences, if any.

## **MR LIM KIU HOCK** Executive Director

**Malaysian, 54 years of age**

- Appointed to the Board on 30 October 2006
- Attended all 5 Board Meetings convened during the financial year.

Mr Lim has more than 28 years of experience in property development. He holds a Bachelor (Hons) Degree in Housing, Building and Planning from the University of Science, Penang. He is a member of The Chartered Institute of Building, United Kingdom (CIOB). He was the head of the property division of the Berjaya Land Bhd for 13 years, before moving on to MK Land Holdings as Chief Operating Officer, and then on to Zelan Development Sdn Bhd, a subsidiary of Tronoh Consolidated Berhad as Managing Director. He is well experienced in handling the development of golf and seaside resorts, shopping malls development and management, residential housing schemes and privatization of projects from the government.

He joined the Company as Business Development Director before being appointed to the Board.

There is no conflict of interest between him and the Company nor are there any family relationships between him and any director or major shareholder of the Company. He has not been convicted for any offences within the past 10 years other than for traffic offences, if any.

## **MS LEONG YUET MEI** Non-independent Non-Executive Director

**Malaysian, 56 years of age**

- Appointed to the Board on 17 November 1997
- Member of the Nomination Committee
- Member of the Remuneration Committee
- Attended 4 out of the 5 Board Meetings convened during the financial year.

Ms Leong has been attached to RHB Securities Sdn Bhd as a Dealers Representative since 1991. Prior to that she was attached to KAF Discount Berhad as a Senior Accountant.

Ms Leong is the elder sister to Tan Sri Dato' Sri Leong Hoy Kum, the Group Managing Director/Group Chief Executive. There is no conflict of interest between her and the Company nor has she been convicted for any offences within the past 10 years other than for traffic offences, if any.

## **CAPTAIN IZAHAM BIN ABD. RANI (R)** Independent Non-Executive Director

**Malaysian, 48 years of age**

- Appointed to the Board on 16 April 2001
- Member of the Nomination Committee
- Member of the Audit Committee
- Attended all the 5 Board Meetings and 4 Audit Committee Meetings convened during the financial year.

Captain Izaham served in the Malaysian Armed Forces for nearly 14 years before his early retirement in 1992. He attended various career courses conducted domestically as well as in Australia and Singapore. He was the Business Development Manager at the Kukup Golf Resort in Pontian, Johor before serving Port Dickson Golf & Country Club as the General Manager until end 2004.

Captain Izaham is also a Director in a leading multinational petroleum company from the Sultanate of Oman, (MB Petroleum Services Sdn Bhd) and Epicentro Resources Sdn Bhd which deals in Defence Products and is a subsidiary of British Aerospace (BAE Systems).

There is no conflict of interest between him and the Company nor are there any family relationships between him and any director or major shareholder of the Company. He has not been convicted for any offences within the past 10 years other than for traffic offences, if any.

## **MR LOH KOK LEONG** Independent Non-Executive Director

**Malaysian, 45 years of age**

- Appointed to the Board on 23 September 2002
- Member of the Audit Committee
- Member of the Option Committee
- Attended all the 5 Board Meetings and 4 Audit Committee Meetings convened during the financial year.

Mr Loh is an accountant by profession and has been attached to various international accounting firms both in Malaysia as well as overseas for more than 20 years, 3 years of which as a partner of Deloitte Touche Tohmatsu Kuala Lumpur. He is currently a partner of a professional services firm, Russell Bedford LC & Company. He is a member of the Malaysian Institute of Accountants, the Malaysian Institute of Certified Public Accountants and the Chartered Tax Institute of Malaysia.

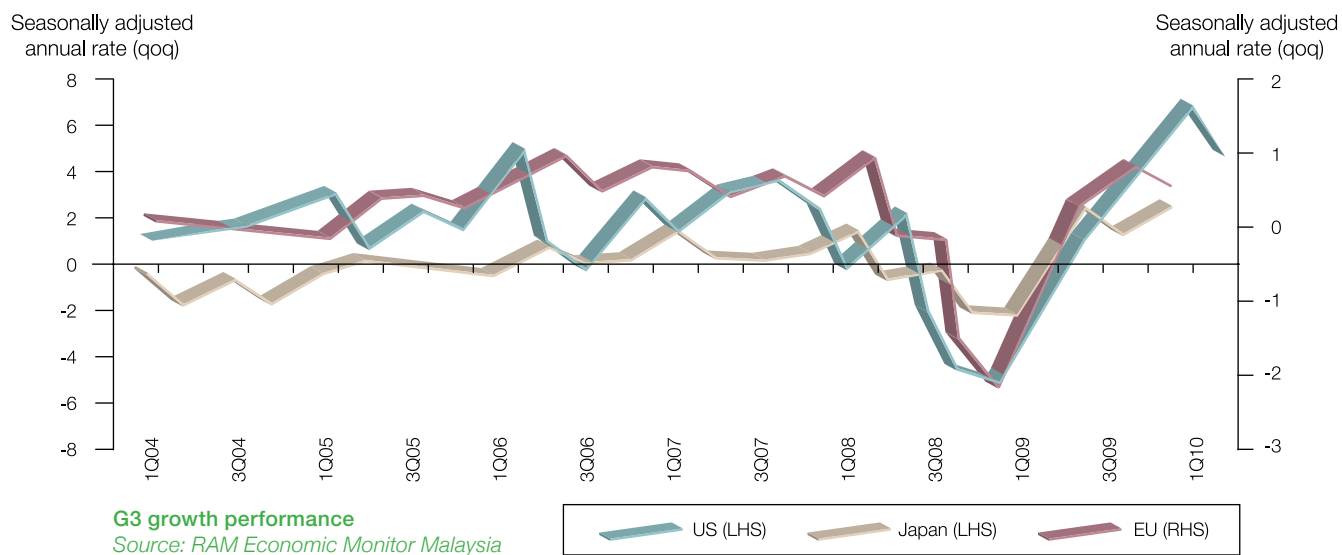
There is no conflict of interest between him and the Company nor are there any family relationships between him and any director or major shareholder of the Company. He has not been convicted for any offences within the past 10 years other than for traffic offences, if any.

# Chairman's Statement

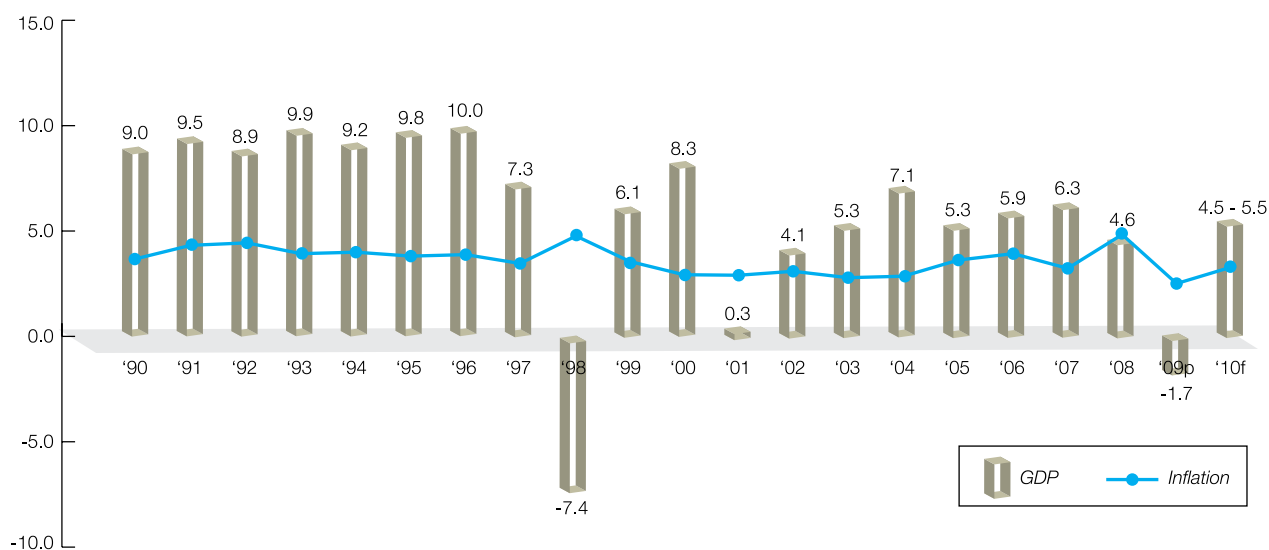
Dear Valued Shareholders,

## Overview

2009 was a very challenging year for the global and domestic economies as the financial turmoil which began in September 2008 took its toll on governments and businesses across the world. Unemployment rates in developed countries rose to unprecedented level and consumers and business sentiments took a dive. Governments reached deep into their coffers, and implemented pump priming measures of quantum not seen before. Their strategies paid off as we saw improvement in industrial activities towards the second half of the year.



Closer to home, the Malaysian economy recorded a technical recession for the first time in a decade, with GDP contracting by 5.1% on an annual basis in the first half of the year. As economic activities declined, the private sector took a cautious stance in investments and demand for properties fell. However, with the Government's announcement of RM67billion stimulus packages, prospects and sentiments improved in the second half of the year.

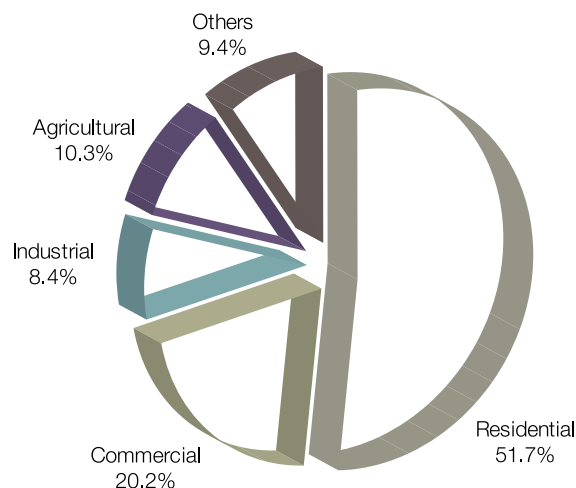


# Chairman's Statement (Cont'd)

## The Malaysian Property Market

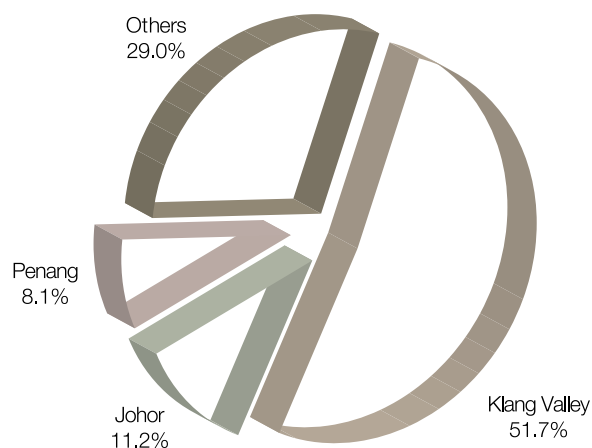
In line with the downturn of the domestic economy, the Malaysian property market contracted, with value of transactions declining by 8.3% to RM81billion in 2009 while the number of property transactions fell by 1% to 337,859. The residential sector performed commendably in 2009 with a 1% gain in transaction value to RM42billion.

Mah Sing Group bucked the industry trend. We were among the few in the sector in the country which registered positive growth in sales, revenue and profit for the year.



Breakdown of transaction value by type in 2009

Source: NAPIC



Breakdown of transaction value by states in 2009

Source: NAPIC



### Southgate, Kuala Lumpur

[www.southgate.com.my](http://www.southgate.com.my)

Call +603 9221 6888

Trendy with cutting edge infrastructure, Southgate Commercial Centre is designed to meet the needs of modern businesses while elevating business image in the bustling KL city. A contemporary and dynamic environment, expect modern office suites interwoven with designer lifestyle stores, complemented by vibrant gourmet restaurants and alfresco cafés.



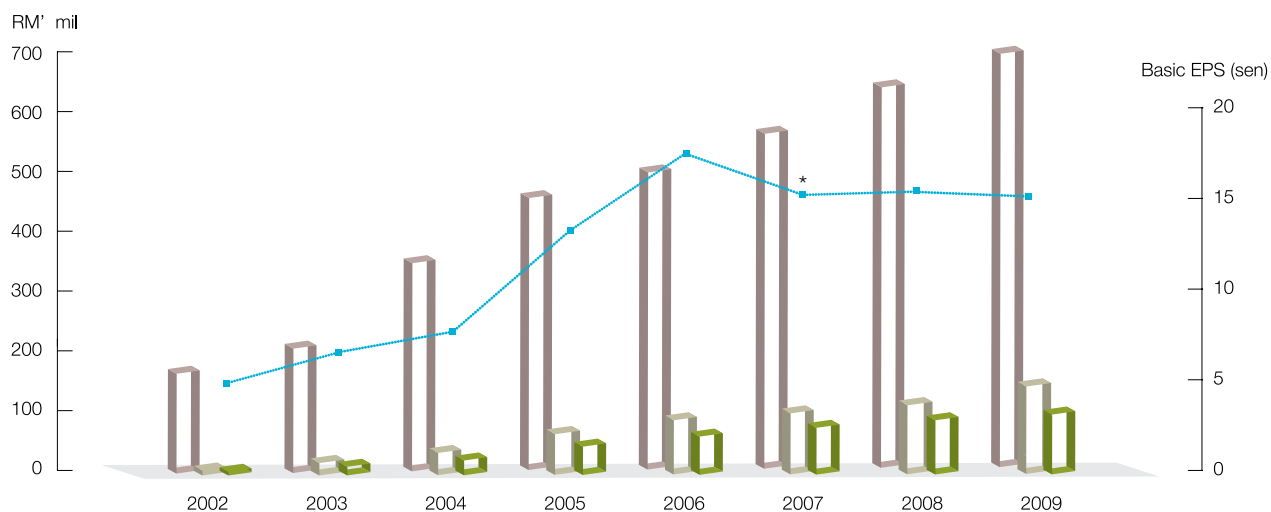
Best Office  
Development Malaysia  
Southgate Commercial Centre

Artist's impression only

# Chairman's Statement (Cont'd)

## Financial Review

Despite operating in a difficult external and domestic environment, Mah Sing Group prevailed, and emerged stronger. The Group recorded impressive sales of RM727million in 2009, which way surpassed our initial target of RM453million. Meanwhile, revenue rose by 7.7% to RM701.6million and net profit improved by 1.2% to RM94.3million. For the past seven years since 2002, the Group had posted a robust compounded annual growth rate of 51% in net profit, which is stellar for the industry.



Legend	2002	2003	2004	2005	2006	2007	2008	2009
Revenue (RM' mil)	170.6	212.0	356.5	473.5	495.6	573.4	651.6	701.6
PBT (RM' mil)	8.5	21.2	38.8	69.6	93.3	117.7	136.0	144.2
Net Profit (RM' mil)	5.3	14.7	25.1	48.3	65.4	81.1	93.2	94.3
Earnings Per Share (sen)*	4.7	6.4	7.5	12.9	17.0	14.8	14.9	14.9

### Impressive growth rate for the past seven years

*\*Note : EPS in 2007 takes into account private placement and rights issue completed in February and June 2007 respectively.*

In line with the Company's dividend policy of distributing a minimum 40% of net profit, I am pleased to announce that the Board of Directors has recommended a first and final dividend of 13% or 6.5sen per ordinary share, less income tax of 25% for the financial year ended 31 December 2009. This represents a payout of approximately 43% of 2009's net profit and is subject to approval by shareholders at the forthcoming Annual General Meeting.

## Corporate Highlights

The Group was able to cushion the adverse impact of the global downturn through its sound business strategies, effective execution, strong branding as well as firm financial strength. The Group had also planned ahead to ensure that we have the financial capability to expand when the opportunities arise. As at end 2009, we had a potential war chest of about RM1billion should we raise our net gearing up to 0.5 times.

With cautious optimism and confidence, we proceeded with our expansion plan and went on an acquisition trail for more landbank. Backed by our healthy financial position which has grown from strength to strength over the years, we were able to purchase six pieces of land across the country with estimated gross development value of RM2.2billion.

We also made our maiden venture overseas into China to develop a project in Wujin district in Changzhou via a joint venture with a reputable Chinese local partner. We hold a 51% stake in the joint venture. Wujin was ranked 8th in the Top 100 Best Cities and Counties in mainland China, while Forbes ranked Changzhou as 9th in China's Best Business Cities. Wujin is known for its commercial and industrial activities, and has enjoyed strong property demand both from the local populace as well as the expatriate community which flocks there to enjoy the conducive investment climate.

# Chairman's Statement (Cont'd)

## Corporate Social Responsibility

As a caring developer and corporate citizen, the Group has continuously reached out to the community through the Mah Sing Foundation. The Group's principal in doing business has always been to give back to the community and this year was no exceptional. The Group continued to provide support to causes close to our heart, namely focusing in the areas of offering medical assistance, education and charity.

## Awards And Achievements

I am pleased to highlight that throughout the year, the Group continued to garner global and domestic awards in recognition of our notable achievements. In 2009, we had won a total of nine awards, which acknowledged our innovation, excellent customer service and high-quality offerings.

For the second year running, the Group was voted the Best Developer by the prestigious Euromoney Real Estate Awards. The Group was named the Best Brand in the Property Category of The BrandLaureate Awards for two consecutive years which reaffirmed the Group's commendable branding efforts.

Our residential and commercial projects were also honoured with global awards over the past year. For the fourth year running, the Group won 5-Star Awards for Best Property for One Legenda, Cheras and Best Architecture for Legenda@Southbay, Penang Island at the Asia Pacific International Property Awards 2010 in association with Bloomberg Television. One Legenda was also named Best Property Asia Pacific and will represent the region at the world level. Meanwhile, The Icon Jalan Tun Razak received a Highly Commended Award in the Best Office Development category. The Group had won a 5-Star award for its vibrant project, Southgate Commercial Centre for Best Office Development, and a 4-star award for their successful Aman Perdana project for Best Mixed-Use Development in Malaysia at the Asia Pacific Property Awards 2009 in association with CNBC Arabia-

### Legenda@Southbay, Batu Maung

[www.southbay.com.my](http://www.southbay.com.my)

Call +604 627 1888

Legenda@Southbay consists of 3 & 4-storey resort bungalows in a gated and guarded community catering exclusively to the discerning. These award-winning modern homes with a luxurious resort environment come with numerous bedrooms and attached bathrooms. Generously sized car porches cater to modern lifestyle where families often have more than 2 cars. Other features built into the design emphasize on sun shading, cross ventilation and rain protection in view of the local climate.



Best Architecture Malaysia  
(Multiple Units)  
Legenda@Southbay,  
Penang Island



*Artist's impression only*



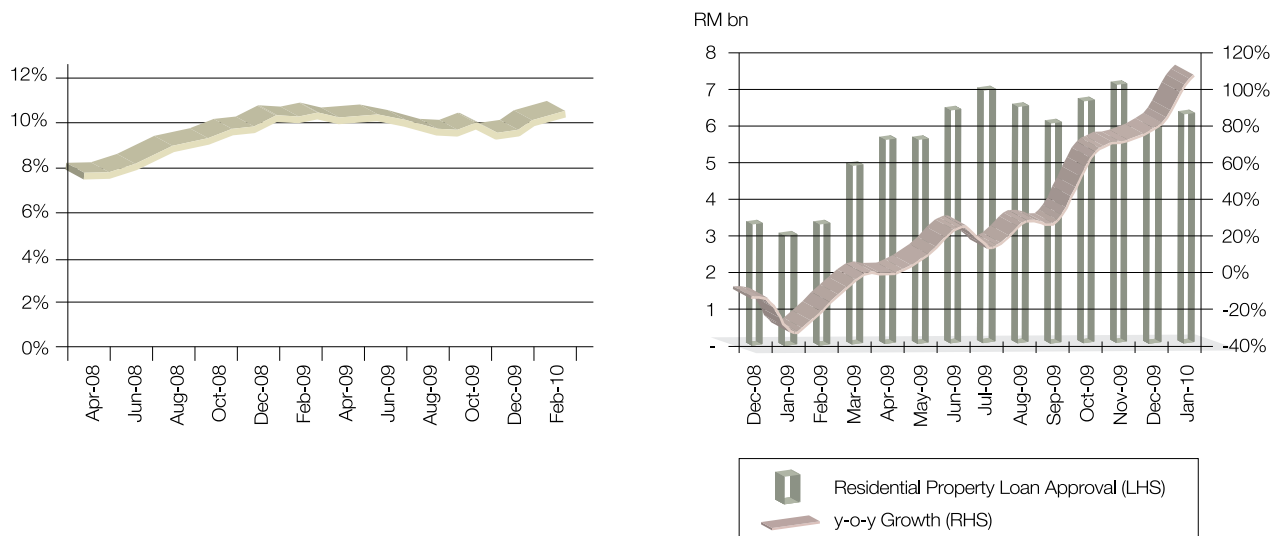
# Chairman's Statement (Cont'd)

## Future Prospects

With improved consumer and business sentiments, 2010 will be a good year for the Malaysian property market. Prospects for the residential, commercial and industrial segments are bright, given a better employment market, pent-up demand as well as still-conducive interest rate levels.

While Bank Negara Malaysia had raised the Overnight Policy Rate (OPR) by 25 basis points in March 2010 and again in May 2010, Base Lending Rates remain low at approximately 6% compared to a historical high of 12.3% in 1998 and Malaysia continues to enjoy a conducive financing environment. Furthermore, increases in interest rates have historically proven to have low correlation to property sales, as the economic outlook and income growth have proven to be more important.

The residential property market is gaining momentum in 2010 due to the healthy employment rate coupled with strong liquidity and attractive financing packages. Recent loan indicators have shown that demand for properties is on a rising trend.



**Consumer loan growth**  
Source: Bank Negara Malaysia

**Residential property loan approval**  
Source: Bank Negara Malaysia

Meanwhile, the office segment will benefit from the recovery of both the domestic and global economies, further supported by the ongoing liberalisation of the financial and real-estate sectors. This also bodes well for the industrial sector, especially with the right products which meet market needs. The retail segment is also envisaged to reap rewards from the domestic economy's better prospects and a potential higher volume of more tourist arrivals.

As developers are envisaged to roll out their new launches after having held back in the last 1-2 years, the operating environment is expected to be competitive in 2010.

However, Mah Sing is well prepared. The Group will continue to focus on satisfying the market's needs with its offerings of exclusive medium to high-end landed residential homes in gated and guarded communities; high-rise niche residential units comprising serviced suites, studios and condominiums with iconic designs; commercial developments comprising integrated business hubs, retails and shops in vibrant locations; and industrial projects like semi-detached factories on prime land.

In the coming years, we shall proceed with our three-pronged strategy which has worked in the Group's favour. We will continue our niche, quick turnaround development model for residential, commercial and industrial sectors as it has proven to yield attractive returns and is profitable and cash generative. We shall continue acquiring strategic landbank in matured locations for our niche products and target to acquire a larger tract of strategic landbank over the next two years, and we will continue to explore overseas expansion to drive future earnings growth.

# Chairman's Statement (Cont'd)

## Appreciation

On behalf of the Board, I would like to thank all our shareholders, business associates, customers, the Government and the local authorities for their confidence and trust in the Group throughout these years.

Our heartiest appreciation also goes out to our staff, of whom without their unwavering commitment, hard work and buy-in, this remarkable year would not have been made possible.

With your continued support, we look forward to an even better year ahead.

**JEN. TAN SRI YAACOB BIN MAT ZAIN (R)**  
Chairman

## StarParc Point, Setapak

[www.mahsing.com.my](http://www.mahsing.com.my)  
Call +603 9221 6888

Set in the vibrant neighbourhood of Setapak with a catchment of 700,000 people within a 15-minute drive time, StarParc Point fronts Jalan Genting Klang and is the perfect commercial address for better visibility and excellent accessibility.



*Artist's impression only*

# Group Managing Director's Statement

Mah Sing Group had a challenging but rewarding year in 2009 with improved financial performance and stronger sales. Despite a downturn in the global and domestic economy, the Group was determined to enhance shareholders value as we proceeded cautiously but confidently with our launches and land acquisitions.

Despite fewer launches and scaled down expansion plans in the property sector last year, Mah Sing saw opportunities in adversity.

Spurred by our low gearing, we diligently scouted for landbanks at strategic locations for future growth. For the whole year, we successfully purchased six pieces of prime land across the country with an estimated total gross development value (GDV) of RM2.2billion. With our quick turnaround business model, we were able to generate sales from some of these projects in the same year. Currently, we have 26 projects of which 5 have been completed, 11 ongoing and 10 new projects in the pipeline.

Fulfilling our buyers' needs have always been at the forefront of our priorities. In view of the cautious sentiments, the Group came up with various innovative marketing schemes to make property ownership more affordable for our wide base of customers. In January 2009, we launched the Easy Ownership programme whereby our buyers only had to pay an initial downpayment of 5% to 10% of the purchase price to own their dream home. The response to the campaign was overwhelming as evidenced by the high take-up rate in each project that we launched.

In 2009, we recorded a commendable RM727million in sales which surpassed our initial target of RM453million by 60% times. This prompted us to set a sales target of RM1billion for 2010 and while this is ambitious, we believe this is achievable given our strong branding, products quality, location, concept and track record. So far, we are on track to achieve our sales target with sales achievement for the first 3 months of the year hitting RM601million. This is three times the RM170million sales achieved in the same period in 2009.

We have also continued our land acquisition programme as we are confident that the property outlook has brightened with the improved economic conditions. As at April 2010, we have acquired 3 pieces of land in the Klang Valley with a combined gross development value of RM688million. The latest acquisition also enabled the Group to launch a new brand series, M-Suites which offers mid to high-end, comfortable high-rise living in cushy serviced residences and condominiums, with the option to be fully-furnished with built-up from 430 sq.ft. onwards.



# Group Managing Director's Statement (Cont'd)

## Strategic Expansion Across The Country

We continued to stamp our footprint on the property market across the country, by building sustainable lifestyle developments.

In the Klang Valley, the Group's commercial and industrial segments grew at an impressive pace. We launched our projects, StarParc Point in Setapak and industrial lots, iParc@ Bukit Jelutong, both of which garnered very positive response. We also successfully sold both our Corporate Block and Apex Block in our award-winning commercial centre Southgate at Jalan Sungai Besi on an enbloc basis. In September, we completed our flagship 20-storey Grade A office in the heart of Kuala Lumpur. The Icon Jalan Tun Razak is the first and only office building in Malaysia to be accorded the stringent Construction Quality Assessment System (CONQUAS) award. To tap into the rapidly growing commercial market of Petaling Jaya, we acquired 20 acres of prime land in Petaling Jaya to develop a world-class integrated commercial hub named Icon City comprising shop offices, semi-detached offices, serviced apartments and Small Office Home Offices (SOHOs).

On Penang Island, we continued to strengthen our presence and signed a Sale and Purchase Agreement for a piece of land in Georgetown to develop into high-end condominium. The acquisition is strategic as it allows the Group to tap on the success and spillover demand of our Residence@Southbay project in Batu Maung. We launched Residence@Southbay comprising superlink homes and it was very successful with more than 90% sold to-date.



As a premier lifestyle developer, we expanded our lifestyle townships by offering new products to enhance the projects. To achieve this, we acquired additional land in Sri Pulai Perdana 2, Johor Bahru. With the acquisition, it allowed the Group to enhance the overall development planning by improving its product development, infrastructure planning and landscaping.

In 2009, we saw it was an opportune time for us to spread our wings overseas. We signed a Letter of Intent to develop a mixed development project in Wujin district in Changzhou, Jiangsu province in China with estimated total investment value of about USD620million via a joint venture with a reputable Chinese local partner. We hold a 51% stake in the joint venture. Known for its commercial and industrial activities, Wujin has enjoyed strong property demand both from the local populace as well as the expatriate community which flocks there to enjoy the conducive investment climate. We are confident of our investments in China given its growing population and booming economy.

# Group Managing Director's Statement (Cont'd)

## Plastics

Mah Sing Plastics Industries (MPSI) continued to contribute positively and profitably to the Group's operations. The plastic division has consistently garnered awards and accolades for its outstanding performance and this year was no exception. MPSI was honoured with The BrandLaureate SMEs Chapter Awards 2008 for brand excellence in the Best Brand, Corporate Branding, Manufacturing – Plastics category. It was lauded by its client by winning the SEMA Outstanding Award of 2009 S.E Asia Supplier Innovation in recognition of its excellent performance in innovation activities as a valued supplier. The Company was also bestowed the 8th Asia Pacific International Honesty Enterprise – Keris Award 2009 in recognition of its outstanding track record, corporate social responsibility activities as well as strong market presence.

As a responsible corporate citizen, MPSI sponsored its second batch of students from lower income families for a 10-month apprentice course in plastic injecting moulding. Besides providing a monthly living allowance, MPSI will employ the students for a minimum of one year upon completion of the course.

## Bright Prospects Ahead

We are optimistic and excited about our prospects for 2010 with the improved property outlook and the launching of several new projects across the country. Silver linings have emerged from the gloomy economic condition, and the Malaysian property market has shown resilience throughout the course.

We will continue to focus on the country's economic and property hotspots where we'd made our mark, namely Kuala Lumpur, Klang Valley, Johor Bahru and Penang Island. Meanwhile, we will constantly scout for prime landbank with ready infrastructure and amenities in these regions as well as Kota Kinabalu to meet market demand for our award winning products. We will also boost our business development activities to reach owners of land with good development potential for outright sales or joint ventures, and will participate in the Government's tender process for government lands that will be developed by the private sector.

Throughout the year, our staff have worked passionately to deliver their best to our stakeholders. I am pleased to note that they have succeeded and it is my hope and onus that they remain motivated and perform their best.

With each step that we take, we are becoming closer to realizing our vision to be a world-class regional developer. We welcome you in continuing this journey with us.

**TAN SRI DATO' SRI LEONG HOY KUM**  
**GROUP MANAGING DIRECTOR/ GROUP CHIEF EXECUTIVE**

## Garden Residence, Cyberjaya

[www.gardenresidence.com.my](http://www.gardenresidence.com.my)

Call +603 9221 6888

Garden Residence is conceptualized as a self-sustaining residential development within a resort lifestyle environment, and is strategically located between KL City Centre and KLIA. This medium to high-end residential development comprises of 2 & 3-storey of superlink, semi-detached and bungalow.



*Artist's impression only*



# Review Of Operations

## Residential Development

### Central Region - Klang Valley

#### Aman Perdana, Meru-Shah Alam Growth Corridor

Aman Perdana is a housing estate strategically located with excellent accessibility in the bustling Klang-Shah Alam growth corridor. Lush linear parks, landscaped lakes and playgrounds dot the 315-acre freehold development of mainly semi-detached homes and bungalows. A grand entrance statement welcomes residents home to an enclave complete with modern facilities and conveniences. Layouts are open-plan, allowing residents a free hand in space planning to fit their lifestyles.

In May 2009, 108 units of the Academy Precinct which comprise double storey linked semi-detached houses were launched and by the end of 2009, 90% of the units were sold. In early 2010, the Group launched its final and finest phase of 89 bungalows, of which some units come with its own private pool.

#### Kemuning Residence, Shah Alam

This gated and guarded development comprises 150 garden bungalows with excellent facilities such as multi-tier security, generous landscaping, gardens and playgrounds as well as a private clubhouse with swimming pool and gym facilities. Phase One of the exclusive development comprising 139 units has been completed with CFO while Phase Two comprising 11 units is under construction and is expected to be completed in the fourth quarter of 2010.

#### Garden Residence, Cyberjaya

Nestled within Cyberjaya, Garden Residence is a medium to high-end residential development, modeled with a garden home concept in mind, highlighting safety, security, sustainability and innovation. The project will be a self-contained mini-township including a clubhouse and various facilities and amenities comprising 2 and 3-storey superlink homes with approximate built up from 2,800 sq.ft., 2 and 3-storey semi-detached homes with approximate built-up from 3,000 sq.ft., and 2 and 3-storey bungalows with approximate built-up from 3,700 sq.ft.

Garden Residence is strategically located within the smart town of Cyberjaya and lies in the heart of the Multimedia Super Corridor, with the presence of multinational companies such as Shell, Dell, Ericsson, HSBC, Nokia and BMW. Cyberjaya is exceptionally well connected, especially as the dedicated Kuala Lumpur-Putrajaya Expressway (Maju Expressway) shortens the travel time between Kuala Lumpur and Cyberjaya to just 20 minutes. The project was recently launched to overwhelming response, and the show village is expected to be completed in the first half of 2010.

Aman Perdana,  
Meru-Shah Alam Growth Corridor



Kemuning Residence,  
Shah Alam



Garden Residence,  
Cyberjaya



# Review Of Operations (Cont'd)

## Hijauan Residence and One Legenda, Cheras

Nestled within close proximity of Hulu Langat Forest Reserve, the Group offers two exclusive gated and guarded communities in Cheras.

Hijauan Residence is conceptualized to provide a private and luxurious home retreat next to the cooling forest reserve. Located within a gated and guarded environment, it boasts of stylishly designed homes set amidst the backdrop of the Hulu Langat Forest Reserve and has a natural, eco-sanctuary concept. The semi-detached and linked semi-detached houses have been completed and the take-up rate for the garden bungalows have been excellent with more than 95%. The garden bungalows are expected to be completed in the last quarter of 2010. Hijauan Residence Garden Villas will be the final phase of the development. The 4-storey Garden Villas provide excellent forest reserve views and come with individual private lift. With a built-up of approximately 6,300 – 6,800 sq.ft., they provide grand spaciousness for the whole family. There are two master suites which come with individual jacuzzis for extra luxury. The show house is currently under construction and it is expected to be ready by the first half of 2010.

Meanwhile, One Legenda's architectural concept and design is avant-garde, complete with modern yet minimalist touches. It forms part of the Group's Legenda series, which has been deemed as the definition of a luxurious living standard. One Legenda, unique in its class and exclusive with only 26 units, conceptualizes the private and utmost luxury home living in a secured, exclusive gated and guarded community. The modern minimalist design of each bungalow creates a spacious home setting, perfectly in harmony with the 3-generation family lifestyle where the young has their private recreation area with the lap pool and having an exclusive fully built in-house gym for private usage.

The 7+1 room design also caters to the individual needs of every family member, yet offers abundant living and recreation space for the entire family interaction and activity. Security and wellbeing for every One Legenda 3-storey bungalow are taken to an extended gauge, with a built-in Smart Home System and a gated and guarded community. This prestigious project won the 5-Star Award for Best Property, Malaysia at the Asia Pacific International Property Awards 2010 in association with Bloomberg Television, and was also named Best Property Asia Pacific and will represent the region at the world level. The show house is currently under construction and the award-winning project is expected to be launched in the second half of 2010.

## Perdana Residence 2, Selayang

Perdana Residence 2 is a gated and guarded project containing 268 units of 3-storey superlink homes with built-up from 3,182 sq.ft. The exclusive project is targeted at families who are looking for contemporary resort living in a safe and secured environment with its 2.5-metre high perimeter fencing integrated with infra red CCTV and fiber optic sensors.

To ensure its residents enjoy a healthy living, there will be a clubhouse with swimming pool, gym, BBQ area, children's playground and other amenities. The Group has also conceptualized a thematic red ribbon leisure park within the project to create a tropical resort ambience with lush greeneries.

This project is located in the heart of Selayang with easy accessibility via a network of highways and trunk roads including the Middle Ring Road 2, Jalan Kuching, Selayang-Kepong Highway and the Rawang Highway. The project was launched in March 2010, and the sales take-up has been very encouraging.

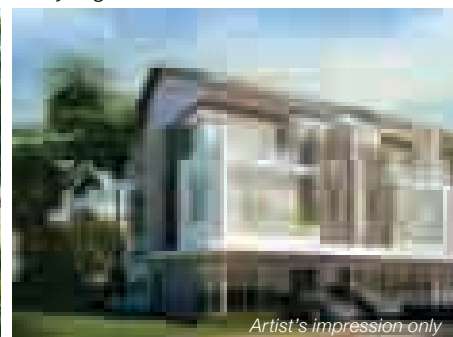
*Hijauan Residence,  
Cheras*



*One Legenda,  
Cheras*



*Perdana Residence 2,  
Selayang*



# Review Of Operations (Cont'd)

## Icon Residence, Mont' Kiara

Icon Residence, Mont' Kiara features a state-of-the-art architecture, first of its kind in the Klang Valley. Its tower blocks are interspersed with landscape and water features, whilst also integrating elements of the sun, sky and scenic greenery into a three dimensional lattice of terraces, gardens and living spaces. By allowing these elements to flow seamlessly in and around each unit, the distinction between indoors and outdoors is dispelled.

This luxurious project offers freehold fully or partly furnished serviced suites to complement the high rise luxury market in Mont' Kiara and Sri Hartamas area. With approximately 260 units of serviced suites, the proposed layout ranges from 850 sq.ft. – 1,800 sq.ft. Every unit creates corner units with panoramic backdrop views of either KLCC or Mont' Kiara skyline. Selected units come with private lift access.

The residential blocks are further broken up by having spaces between them and breaking the blocks into smaller components and pavilions, doing away with the long linear effect of the block mass. Juxtaposition of the units within blocks helps to break up the mass into smaller components to achieve residential scale. The project has been opened for registration with more than 4,000 registrants thus far and the project preview is targeted in the first half of 2010.

## Northern Region - Penang Island

### Southbay City, Batu Maung

Southbay City captures and exudes an aura of sophistication and energy that is set to be the benchmark of a modern lifestyle. The largest phase of the massive Southbay township sits on a prime 34.5-acre site and features integrated commercial and lifestyle developments made up of a mixture of residential suites, office suites, Grade A offices, retail outlets, hotel and resort, and other recreational attractions. Awareness campaign for the first phase of Southbay City has been initiated.

Icon Residence,  
Mont' Kiara



Southbay City,  
Batu Maung



# Review Of Operations (Cont'd)

## **Residence@Southbay, Batu Maung**

Our 284 units of 3-storey superlink homes generated homebuyers' interest in Batu Maung and raised the Group's profile as the project enhanced investment values in the vicinity. The sales of Residence@Southbay exceeded expectations by hitting 70% sales mark within the first two weeks of launch in May 2009. To-date, the response has been overwhelming with 90% take-up rate and construction is at an advance stage. This project is slated for completion by end of 2010.

## **Legenda@Southbay, Batu Maung**

Set atop a gentle hillside on a quiet corner of Penang Island lies this unique treasure that is reserved only for an exclusive few. Registration of interest for the 76 units of resort bungalows commenced since September 2009 and three innovations have been introduced to the potential prospects in January 2010. The first was the ultra modern façade of our 3 and 4-storey resort bungalows. Its modern contemporary theme emphasizes clean lines, juxtapositioning of geometrical forms, sharp angles and uncluttered façade. The use of a predominantly white and off-white colour scheme and strong colours at selected locations to accentuate the overall white tones will amplify the contemporary and modern concept. The second innovation was the garden-style entrance - a statement of class and elegance. Designed to be the pride of the community, the entrance statement here at Legenda@Southbay encompasses pristine sweeping landscapes. In addition, stylish designer lamp posts offer a fresh option to complete the grand experience of living at Legenda@Southbay. The third innovation comes in the form of the residents' clubhouse with a 2-acre rejuvenating park.

## **The Icon Residence Penang**

The Icon Residence Penang on Pykett Avenue is located at the crossroads of Burmah and Anson Roads in the heart of Georgetown, Penang Island. The location is well established, and is considered a high end area on Penang Island. The land is matured and surrounded by completed residential properties and some low rise condominiums. It is also a stone throw away from major establishments such as the Chinese Recreation Club and Penang Plaza along Burma Road, Wisma Persekutuan ("Federal Government Building") and TNB Building along Anson Road. Based on preliminary plans, the luxurious condominium will offer units from 1,400 sq.ft. with indicative pricing from RM770,000 onwards. The project is expected to be previewed by early 2011.

*Residence@Southbay,  
Batu Maung*



*Legenda@Southbay,  
Batu Maung*



*The Icon Residence,  
Penang Island*





# Review Of Operations (Cont'd)

## Southern Region - Johor

### Austin Perdana, Tebrau

Austin Perdana has become a much sought after address in Johor Bahru. Being fully gated and guarded, this mixed development features a Lake Park Living theme featuring landscaped lake and numerous water features. In February 2009, the vibrant commercial centre, Austin Centre Point comprising 116 units of 3-storey shop office obtained Certificate of Fitness for Occupation.

### Sierra Perdana, Tebrau-Plentong

Sierra Perdana is a themed housing development featuring "Adventure Park Living" – to add life, spirit, and fun to ordinary day-to-day living. Located approximately 18km from Johor Bahru city centre, the project is accessible via the Pasir Gudang Highway and ideally located next to Johor Bahru-Penang Coastal Highway which will directly link to Johor Bahru (JB) city centre by the end of 2010. This will further enhance its value and accessibility in the near future and will draw this eastern part of JB closer to the city folks and all its conveniences and public amenities. Distance and traveling time will be shortened considerably. Phase 1, 2, 5 and 7 comprising 767 units of 1-storey, 1½-storey and 2-storey terrace houses were fully sold out, completed and handed over to purchasers. Another 1,000 units comprising residential and commercial properties will be available for sale in 2010.

### Sri Pulai Perdana 2, Skudai

Sri Pulai Perdana 2 is a gated and guarded enclave of Garden Resort Homes which offers harmonious community living. A comprehensive security system with boom gate system, access card system, CCTV monitoring, a guard house and security patrolling by a well-disciplined security force assures secure and comfortable surroundings for the entire family. Located in a prime location served by an integrated network of expressways and trunk roads, Sri Pulai Perdana 2 enjoys close proximity to all the conveniences for daily life. University Teknologi Malaysia, established schools, hypermarkets and Pulai Spring Resort are just a stone's throw away.

Featuring link homes, superlink homes, link semi-detached homes and shop offices with modern façades, the project was soft launched in February 2009. To improve the exclusivity of the project, a clubhouse for residents with swimming pools, gymnasium and barbeque pits was provided. As a complement to the indoor clubhouse, there will also be children's playgrounds where residents can enjoy the great outdoors. The clubhouse and open spaces sit on approximately 3 acres of land, and encourages better interaction and community living among residents. Strong emphasis is placed on high quality of workmanship, innovative and practical interior design as well as integrated landscaping. The synergy from these focuses creates an upscale, desirable living environment to attract discerning customers. A show village featuring 8 units of furnished and basic units of different types of properties was built to allow customers to have a clear idea of the property they are investing in. In 2009, the Group offered double storey terraces houses with built-ups from 1,639 sq.ft. and in 2010, it will launch shop offices and link semi-detached houses.

*Austin Perdana,  
Tebrau*



*Artist's impression only*

*Sierra Perdana,  
Tebrau-Plentong*



*Artist's impression only*

*Sri Pulai Perdana 2,  
Skudai*



*Artist's impression only*



# Review Of Operations (Cont'd)

## Commercial Developments

### The Icon Jalan Tun Razak, Kuala Lumpur

The Icon Jalan Tun Razak is the first purpose built Grade A office building in the vicinity of KLCC to be completed with Certificate of Occupancy issued in 2009. The prestigious office building has more than 500,000 sq.ft. of lettable office space available for lease and boasts of large floor plates of approximately 30,000 sq.ft. per floor. The 20-floor modern and dynamic building with its bold and articulate spaces further accentuates the overall image of the surrounding area. It is also the first and only office building in Malaysia to be accorded the stringent Construction Quality Assessment System (CONQUAS) award.

The iconic building was recently bestowed a Highly Commended Award in the Best Office Development category in the 2010 Asia Pacific Property Awards in association with Bloomberg Television.

### Southgate Commercial Centre, Kuala Lumpur

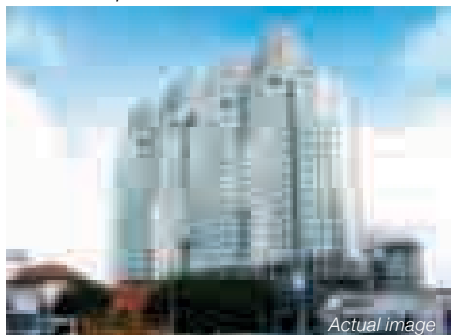
Southgate is a lifestyle commercial development with retail units, shops and offices located strategically at the southern gateway to Kuala Lumpur. Since its launch in June 2008, the construction progress has been smooth with 65% of the construction work being completed, and the entire project is targeted for completion by early 2011. In August 2009, the Corporate Block and carparks were sold enbloc to Koperasi Permodalan Felda for RM226million and four months later, the Apex Block comprising 2 levels of retail space and 5 levels of prime office space with net floor area of 90,126 sq.ft. was sold enbloc for RM63million. The Southgate project's appeal and strong investment proposition stem from several factors including its exceptional visibility due to high passing traffic, as well as its proximity to Kuala Lumpur town with KLCC merely 3km away. The project was awarded 5 stars for "Best Office Development Malaysia" in the 2009 Asia Pacific Property Awards in association with CNBC Arabia. It was the only project by a Malaysian property developer to be awarded the highest 5 stars ranking in the prestigious awards.

### StarParc Point, Setapak

StarParc Point is an integrated business hub featuring 3-storey shop offices (Star Series) and 6-storey retail offices (Style Series) on 5 acres of freehold commercial land. The Star series offers wider lot sizes of 24' x 70' and fronts Jalan Genting Klang and Jalan Taman Ibu Kota while the Style Series faces the covered lifestyle square. With transparent roofing, water fountain and space for organizing events in the covered lifestyle square, it will be an attraction for retails and offices. The unique streetscapes and landscapes will further enhance the environment within the square and create an excellent concept for alfresco F&B outlets and lifestyle retail shops.

Star Series' built-up ranges from approximately 4,875 sq.ft. and are designed with high ceilings on the ground floor. Built-up for Style Series retail lots ranges from approximately 2,454 sq.ft. while the office suites' built-up is from approximately 1,263 sq.ft. StarParc Point enjoyed 70% take-up rate prior to its official launch in December 2009.

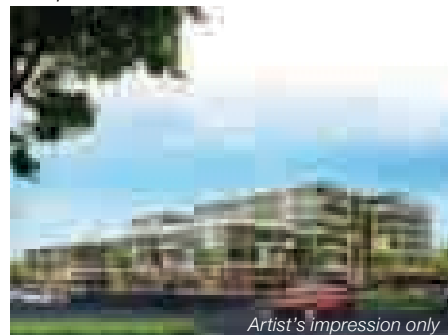
*The Icon Jalan Tun Razak,  
Kuala Lumpur*



*Southgate Commercial Centre,  
Kuala Lumpur*



*StarParc Point,  
Setapak*



# Review Of Operations (Cont'd)

## Industrial Development

### iParc@Bukit Jelutong

The Group rolled out its industrial series, iParc in November 2009. iParc@Bukit Jelutong is envisioned to be a low-density industrial park hosting hi-tech industries well as logistics warehousing and service facilities. The main target market would be local companies looking to integrate their corporate headquarters with operations and warehousing facilities as well as multinational corporations from various industries. iParc@Bukit Jelutong was launched to overwhelming response with all of the 42 units being sold out within few months. iParc@Bukit Jelutong offered 3-storey semi-detached factories with layout flexibility options priced from RM2.4million with built-up from 5,400 sq.ft. onwards.

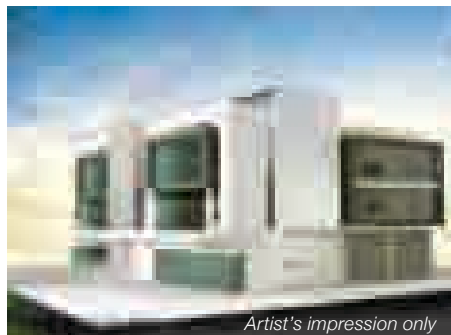
### iParc2@Shah Alam

iParc2@Shah Alam offers 64 semi-detached factories on 19.18 acres within the Hicom Industrial Estate close to Subang Jaya. It enjoys exceptional accessibility with a network of highways leading to all major locations and key logistic ports. The semi-detached factories offer contemporary “modern cubic” architecture, attractive façades with glass fenestrations and flexible floor layouts. It comes in three designs and are priced from RM2.7million onwards. Since its preview in April 2010, the response has been very encouraging.

*iParc,  
Bukit Jelutong*



*iParc2,  
Shah Alam*



# Corporate Social Responsibility

As a caring corporate citizen, Mah Sing Group Berhad's principal in doing business has always been to give back to the community. Our commitment towards corporate social responsibility is deeply embedded in our corporate philosophy and the Group has made numerous donations to worthy causes in the past.

This year was no exception as the Group continued to provide support to causes close to our heart, namely focusing in the areas of offering medical assistance, education and charity.

As a responsible corporate citizen, Mah Sing Group will continuously provide support for harmonious, knowledgeable and stronger communities.

## About Mah Sing Foundation

Mah Sing Foundation is a charitable trust established by Mah Sing Group Berhad dedicated to helping those in need. To consolidate the Group's charitable efforts, Mah Sing Foundation has been set up to receive and administer funds solely for medical, educational and charitable purposes as well as seek to raise more funds via annual fund raising activities and events. Mah Sing Foundation which has a philanthropic model will be the cornerstone of our Corporate Social Responsibility programmes.

Assistance will be given out based on the following guidelines:

- (a) Medical assistance for Malaysians who are suffering from disease and disability, or critically ill. The Foundation will also carry out and support schemes by organizations that look after public health and welfare, including giving financial support.
- (b) Financial assistance and relief schemes for the poor and distress will also be given.
- (c) Education assistance consisting subsidies and donations to needy and deserving students. The Foundation will provide the assistance to primary, secondary, university and also post graduates students for the advancement of education.
- (d) Encourage social and sporting activities which will enrich the community and serve to promote national unity.

## Medical Assistance

Mah Sing Foundation provides financial assistance to non-governmental organizations with medical aid missions. In 2009, medical assistance was extended to Persatuan Kebajikan Kanak-Kanak Istimewa Insan.

## Education

Having a competent workforce is crucial in ensuring that the nation is able to progress and grow from strength to strength. And this can be achieved by ensuring that children have access to education which is able to strengthen their mental capabilities as well as to develop their character in a proper and nurturing environment.



# Corporate Social Responsibility (Cont'd)

## Direct funding

More often than not, providing direct funding resolves education woes. By concentrating our resources, we can achieve measurable outcomes.

## Continuous learning

In line with the Group's CSR missions, one of the most effective way of supporting and promoting importance of education is via encouragement of employee's continuous learning done through human resource policies.

For the year of 2009, Mah Sing Foundation provided financial aid to four schools in Klang Valley and Johor. A total of RM92,000 was channeled towards building new blocks, canteen, library as well as to purchase much needed equipments for the schools.

## Charity

The Foundation also extended its hands to assist charitable causes in times of distress and emergencies. In the wake of Typhoon Morakot, the worst natural disaster to hit Taiwan in over 50 years, Mah Sing Foundation provided RM50,000 in emergency aid to meet the most urgent needs of survivors. To assist an old lady whose house was lost due to fire, the Foundation donated RM15,000 to rebuild her home.

A total of RM15,000 was also channeled to Bursa Malaysia Kuala Lumpur Rat Race 2009, a run which is jointly organized by The Edge and Bursa Malaysia to raise fund for charity.

Mah Sing Foundation will continuously alleviate the sufferings of the poor and needy by working closely with leading non-national organizations to provide aid and assistance.

Date	Description
05/01/2009	IMU Education Sdn Bhd
17/01/2009	J/K Pembinaan SJK (C) Chen Moh, P. J.
22/04/2009	Persatuan Kebajikan Kanak-Kanak Istimewa Insan
03/08/2009	IMU Education Sdn Bhd
06/08/2009	Lembaga Pengurus SJKC Khai Chee
25/08/2009	Lembaga Pengurus SJK (C) Kulai 1 & 2
18/09/2009	Sempurna Rajin S/B-donation to Chin Kui Lan
28/10/2009	SJK (C) Yoke Nam, Kuala Lumpur





# Calendar Of Events

## 4 January 2009

Pre-Chinese New Year Celebration with fortune-telling and feng shui consultation for Sierra Perdana residents.

## 11 January 2009

Open Day at the new Pin Hwa school at Aman Perdana.



## 17 January 2009

Mah Sing Group held its Annual Dinner themed "Shanghai Night"

## February 2009

Chinese New Year celebration at various developments such as Kemuning Residence, Hijauan Residence, Aman Perdana, Sierra Perdana and Sri Pulai Perdana. Many exciting activities were lined up such as lion dance show, open house, contests, etc.



## 15 March 2009

An appreciation lucky draw was held for buyers of Sri Pulai Perdana.



## 5 April 2009

Formula One events were organized for kids at Aman Perdana in conjunction with the Malaysia F1 month.





# Calendar Of Events (Cont'd)



## 14 April 2009

Official launch of garden bungalows at Hijauan Residence. The evening event included activities such as stage performance, Chinese calligraphy art show, wine and dine as well as a firework show.

## 16-19 April 2009

Took part in Mapex Johor Property Exhibition at City Square, Johor Bahru.



## 8-17 May 2009

Official launch of Residence@Southbay with show houses ready for viewing.



## 24 May 2009

Residents of Hijauan Residence had the opportunity to enjoy a Hot Air Balloon ride to view the beautiful forest reserve next to the housing development.

## 11 June 2009

A forklift safety training session was held for staff at MSPI.



## 20 June 2009

A financial talk held in collaboration with Shanghai magazine was conducted at Southgate sales gallery.

## Calendar Of Events (Cont'd)

### 21 June 2009

Father's Day celebration at Aman Perdana with free car washes and cupcakes for fathers. Meanwhile, at Hijauan Residence, a Go Kart Racing session was organized.



### 21 June 2009

A day to pamper parents at Sierra Perdana with fun activities such as foot massages, games and good food.



### 5 July 2009

Official launching of Sri Pulau Perdana 2 township by ADUN Nusajaya YB Datuk Aziz Sopian. Organised a beehive of activities for the day including traditional Malay dance, colouring contests, fishing games and games stalls for the whole day event.



### 16 August 2009

A talk and consultation session was held at Hijauan Residence by international Feng Shui consultant Joey Yap.



## Calendar Of Events (Cont'd)



### September 2009

Held breaking fast, Majlis Berbuka Puasa and Open House at some of our developments such as Hijauan Residence, Sierra Perdana and Sri Pulai Perdana 2 as a show of appreciation to our Bumi buyers.



### 27 September - 4 October 2009

Mid Autumn festival celebration at Sri Pulai Perdana 2 with story-telling, performance by Chinese clown and traditional mooncakes were served. Meanwhile, residents at Hijauan Residence were treated to a sumptuous meal and mooncakes.



### 4 October 2009

One Malaysia Cultural event was held to celebrate Hari Raya and Deepavali together. Various cultural activities were held to promote a harmonious neighbourhood.



### 11 October 2009

Open house at Residents' Clubhouse at Residence@Southbay. The 2-storey clubhouse featuring beautiful landscape and a swimming pool marks Residence@Southbay as the first development in the vicinity to provide such opulent offering.



## Calendar Of Events (Cont'd)

### 21 November 2009

Participated in MAPEX at Mid Valley.



### 22 November 2009

School Holiday Funtasia was organised for children with fun activities such as telematch, kids driving school, etc at Sierra Perdana.



### 11-12 December 2009

MSPI Annual Dinner 2009 was held at A Famosa Resort Malacca as a show of appreciation to staff for all their hard work and contributions during the year.

### 13 December 2009

Promoted healthy living by inviting residents to participate in activities such as jogging, blood donation and health checks.



### 13 December 2009

To celebrate the joyous season, a Christmas Bazaar was held at Aman Perdana.



## Calendar Of Events (Cont'd)



### **20 December 2009**

An education book fair was held in conjunction with school holidays at Sri Pulai Perdana 2.



### **16 January 2010**

Mah Sing Group held its Annual Dinner 2009 themed "Night of Elegance" at Ritz-Carlton Hotel. It was a fun-filled night to celebrate a year of success and hard work.



Featuring The Largest &  
Most Complete Property Showcase





Artist's impression of Hijauan Residence, Cheras



# Corporate Governance Statement

The Board of Directors (“the Board”) of Mah Sing Group Berhad (“Mah Sing” or “the Company”) believes that good corporate governance practices are of high importance to the long-term success of Mah Sing Group (“the Group”) and its drive for continuous growth.

The Board is committed to ensure the highest standard of corporate governance is practiced throughout the Group as a fundamental part of discharging its responsibilities in safeguarding the interest of all stakeholders as well as enhancing shareholders’ value and financial performance of the Group. To this end, the Board fully supports the recommendations of the Revised 2007 Malaysian Code on Corporate Governance (“the Code”) and has taken appropriate steps to ensure compliance.

The Board has set out the following statement of how the Group has applied the principles of the Code and its extent of compliance with best practices in the Code throughout the financial year ended 31 December 2009. The Board is of the opinion that except where stated otherwise, the Group has generally applied the principles and complied with best practices outlined in the Code.

## A. BOARD OF DIRECTORS

### 1. THE BOARD

The Board takes full responsibility for the performance of the Group and guides the Group on its short and long term goals, providing advice and devising strategies on management and business development issues.

The Board conducts at least four (4) regularly scheduled meetings annually, with additional meetings convened as and when necessary. The Board met five (5) times during the financial year. Besides these Board meetings, the Board also exercises control on matters that require its approval by way of circular resolutions and informal meetings. Proceedings of the relevant meetings and the resolutions reached have been properly recorded and duly minuted.

The attendance of each Director at the Board meetings is as tabulated below:

Name of Directors	Total Meeting Attended	Percentage of Attendance (%)
JEN. TAN SRI YAACOB BIN MAT ZAIN (R)	5/5	100
TAN SRI DATO’ SRI LEONG HOY KUM	5/5	100
STEVEN NG POH SENG	5/5	100
LIM KIU HOCK	5/5	100
LEONG YUET MEI	4/5	80
CAPTAIN IZAHAM BIN ABD. RANI (R)	5/5	100
LOH KOK LEONG	5/5	100

### 2. BOARD BALANCE

The Board currently has seven (7) members of whom four (4) are Non-Executive Directors. Amongst the Non-Executive Directors, three (3) are Independent Non-Executive Directors including the Chairman. The profile of each Director is presented on pages 18 to 19 of this Annual Report.

The Board constitutes an optimal size and appropriate composition, based on the Group’s current business profile, sufficient for effectively leading the Group on its current business growth thrust. The Board leads, provides strategic direction and manages the Group. All Board members bring a wide range of business experience, expertise and professional judgment to bear on issues of strategy, performance, resources and standards of conduct. Although all the Directors have equal responsibilities for the Group’s operations, the role of the Independent Non-Executive Directors are particularly important in bringing independent judgement and ensuring all issues proposed by the executive management are fully discussed and examined and take into account the long term interests, not only of the shareholders, but also of the employees, customers and business associates. To this effect, any concerns and queries relating to the Group may be conveyed to any of the Independent Non-Executive Directors.

# Corporate Governance Statement (Cont'd)

There is a clear division of responsibilities between the Chairman and the Group Managing Director / Group Chief Executive to ensure a balance of power and authority. The Chairman is responsible for ensuring Board effectiveness and standard of conduct while the management of the Group's businesses and implementation of policies and day-to-day running of the businesses are handled by the Group Managing Director / Group Chief Executive and Executive Directors. The Independent Non-Executive Directors provide independent views to safeguard the interests of shareholders.

## 3. SUPPLY OF INFORMATION

Sufficient notice of Board meetings is given and specific matters requiring Board's decision are included in the agenda.

During Board meetings, the Non-Executive Directors are briefed on, amongst others, major operational, financial and corporate issues, activities and performance of projects, divisional performance, business outlook, major acquisition and disposal of assets including investments and changes in the requirements of regulatory bodies. The Directors are also notified of any corporate announcements released to Bursa Securities. They are also notified of the impending restriction in dealing with the securities of the Company at least one month prior to the release of the quarterly financial result announcement.

The Chairman of the Audit Committee would inform the Directors at Board meetings, of any salient matters noted by the Audit Committee and which require the Board's notice or direction.

All Directors have access to the advice and services of the Company Secretaries and senior management.

The Directors, whether as a full Board or in their individual capacity have access to all information within the Group and may seek independent professional advice, where necessary, in the furtherance of their duties and they may do so at the Group's expense.

## 4. APPOINTMENTS AND RE-ELECTION OF DIRECTORS TO THE BOARD

Appointments to the Board are made based on the recommendation of the Nomination Committee.

In accordance with the Company's Articles of Association, at least one-third ( $\frac{1}{3}$ ) of the Directors shall retire from office every year provided always that all Directors shall retire from office at least once in every three (3) years but shall be eligible for re-election in the Annual General Meeting.

Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(2) of the Companies Act, 1965.

## 5. DIRECTORS' TRAINING

All the Directors have attended the Mandatory Accreditation Program prescribed by Bursa Securities. The Group acknowledges the fact that continuous education is vital for the Board to gain insight into the state of the economy, changing commercial risks, technological advances in our core businesses, latest regulatory requirements and management strategies. As such, the Directors are updated from time to time on relevant new laws and regulations or will attend relevant trainings and workshops, when necessary to equip themselves with the necessary knowledge to discharge their responsibilities and duties more effectively.

During the financial year ended 31 December 2009, the Directors have attended the following training programs and seminars:

- World Chinese Economic Forum 2009
- On the Brink of a New Bull Market
- High Performance Leadership in Turbulent Times
- 8th FIABCI Asia Pacific Regional Secretariat Summit 2009 - Global Financial Crisis: Opportunities and the Way Forward for Real Estate Industry

# Corporate Governance Statement (Cont'd)

- Bursa Malaysia Evening Talk on Corporate Governance: CR Overview and Identifying CR Risks and Opportunity for Companies
- Forum on FRS 139 Financial Instruments: Recognition and Measurement
- Achieving New Heights in Corporate Enforcement: The SSM's Balanced Enforcement Approach
- National Tax Conference 2009
- 2010 Budget Talk

## 6. BOARD COMMITTEES

The Board has delegated specific responsibilities to four (4) board committees which include the Audit Committee, Nomination Committee, Remuneration Committee and Option Committee. These Committees have the authorities to examine particular issues within their terms of reference and report back to the Board with their recommendations. The ultimate responsibility for the final decision on all matters, however, lies with the entire Board.

### Audit Committee

The composition, terms of reference and summary of activities of the Audit Committee are set out separately in the Audit Committee Report on pages 54 to 58 of this Annual Report.

### Nomination Committee

#### Composition

The Nomination Committee comprises Non-Executive Directors, the majority of whom are Independent.

#### Members

##### JEN. TAN SRI YAACOB BIN MAT ZAIN (R)

Chairman (Independent Non-Executive)

##### LEONG YUET MEI

Director (Non-Independent Non-Executive)

##### CAPTAIN IZAHAM BIN ABD. RANI (R)

Director (Independent Non-Executive)

#### Terms of Reference of Nomination Committee:

- to consider, in making its recommendation to the Board, candidates for all directorships/ board committees including the position of Independent Non-Executive Director, in respect of their skills, knowledge, expertise, experience, professionalism and integrity; and in the case of Independent Non-Executive Directors, their abilities to discharge such responsibilities/ functions as expected from an Independent Non-Executive Director;
- to assist the Board in reviewing on an annual basis the required mix of skills and experience of the Directors of the Board/Board Committees;
- to recommend the appropriate Board balance and size of non-executive participation; and
- to establish procedures and processes towards an annual assessment of the effectiveness of the Board as a whole and contribution



# Corporate Governance Statement (Cont'd)

of each individual Director and Board Committee member including Independent Non-Executive Directors as well as the Group Chief Executive.

## Remuneration Committee

### Composition

The majority of the Remuneration Committee consists of Non-Executive Directors.

### Members

The members of the Remuneration Committee are:

**JEN. TAN SRI YAACOB BIN MAT ZAIN (R)**  
Chairman (Independent Non-Executive)

**TAN SRI DATO' SRI LEONG HOY KUM**  
Group Managing Director / Group Chief Executive

**LEONG YUET MEI**  
Director (Non-Independent Non-Executive)

### Terms of Reference of Remuneration Committee:

- to study and periodically review remuneration packages of all Executive Directors; and
- to make recommendations to the Board on all elements of remuneration and terms of employment for Executive Directors.

In the case of Non-Executive Directors, the determination of their remuneration is a matter for the Board as a whole and the level of remuneration reflects the experience and level of responsibilities undertaken by each Non-Executive Director.

Individual Directors do not participate in the decisions regarding their individual remuneration.

### The Level and Make-up of Remuneration

The remuneration of Executive Directors are so determined to ensure that the Group attracts and retains the Directors needed to run the Group successfully. In the case of Executive Directors, the remuneration is structured so as to link rewards to corporate and individual performance. Survey data on the remuneration practices of comparable companies are taken into consideration in determining the remuneration package.

# Corporate Governance Statement (Cont'd)

## Disclosure on Directors' Remuneration

For the financial year ended 31 December 2009, the number of Directors whose total remuneration falls into the bands as stated below:

Remuneration Band (RM)	Number of Executive Directors	Number of Non-Executive Directors
Up to 50,000	-	3
50,001 to 100,000	-	1
100,001 to 950,000	-	-
950,001 to 1,000,000	1	-
1,000,001 to 1,350,000	-	-
1,350,001 to 1,400,000	1	-
1,400,001 to 3,850,000	-	-
3,850,001 to 3,900,000	1	-
Total	3	4

The aggregate remuneration of the Directors categorized into appropriate components:

	Fees (RM)	Salaries (RM)	Bonus (RM)	EPF (RM)	Benefits-in-kind (RM)	Total 2009 Remuneration (RM)	Total 2008 Remuneration (RM)
Executive Directors	-	2,066,000	3,433,600	659,952	90,356	6,249,908	3,878,960
Non-Executive Directors	150,000	-	-	-	18,300	168,300	168,300
Total	150,000	2,066,000	3,433,600	659,952	108,656	6,418,208	4,047,260

## Option Committee

The Option Committee was established to administer the implementation of the Employees' Share Option Scheme ("ESOS") and is vested with such powers and duties as are conferred upon it by the Board and the By-Laws of the ESOS. In addition, the Option Committee may, for the purpose of administering the ESOS, make rules and regulations or impose terms and conditions which the Option Committee may in its discretion consider to be necessary or desirable for giving full effects to the ESOS.

## Members

The members of the Option Committee are:

### JEN. TAN SRI YAACOB BIN MAT ZAIN (R)

Chairman (Independent Non-Executive)

### TAN SRI DATO' SRI LEONG HOY KUM

Group Managing Director / Group Chief Executive

### LOH KOK LEONG

Director (Independent Non-Executive)

# Corporate Governance Statement (Cont'd)

## B. RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS

### Dialogue between the Company and Investors

The Group recognizes the importance of effective communication that enables both the Board and management to disseminate information effectively to its shareholders and investors.

In this respect, the Company has an established Corporate Communications and Investor Relations Department. The department continuously develops and maintains its investor relations programme, organizes briefings and site visits as well as participates in investment road shows with research analysts, fund managers and financiers. Key spokesperson(s) for the Group include the Group Managing Director/ Group Chief Executive and/ or Executive Directors to explain the Group's strategies, performance and major developments. The department arranges one on one interviews and press conferences with key media to inform the wider public about the Group's corporate actions, strategies and products. During the financial year, the Company held thirty-eight (38) meetings with investment research analysts and fund managers.

The Company places great importance in ensuring the highest standards of transparency and accountability in the disclosure of pertinent information to its shareholders as well as to potential investors and the public. This is achieved through making timely releases of quarterly interim and full year audited financial results, Annual Report and announcements to Bursa Securities, providing valuable insight on the latest developments of the Group to the shareholders and the financial community in an effective, clear and timely manner such as commentaries on business, financial and operational aspects of the Group's performance, a brief description of the Group's products and the financial statements of the Group.

For the latest information on the Group, shareholders, investors and members of the public may access the Group's website at [www.mahsing.com.my](http://www.mahsing.com.my) and Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com).

### Annual General Meeting

The Annual General Meeting is the principal forum for dialogue with shareholders. It provides shareholders with an opportunity to seek clarification on the Group's business strategy, performance and major developments.

## C. ACCOUNTABILITY AND AUDIT

### Financial Reporting

In presenting the annual audited financial statements and quarterly announcements of unaudited consolidated results to shareholders, the Board has taken reasonable steps to ensure a balanced and understandable assessment of the Group's financial position and prospects. The Board is assisted by the Audit Committee in overseeing the Group's financial reporting processes and the quality of its financial reporting.

The Statement of Responsibility by Directors in respect of the preparation of the annual audited financial statements of the Group and of the Company is set out on page 139 of the financial statements.

### Internal Control

The Directors' Statement on the Group's Internal Control, which provides an overview of the state of internal controls within the Group, is set out on page 59 of this Annual Report.

### Relationship with Auditors

The Group maintains a transparent relationship with the External Auditors in seeking the professional advice and towards ensuring compliance with accounting standards. The Group Internal Auditor was present at the Audit Committee meetings while the External Auditors were invited to participate and brief the Audit Committee on specific issues at the Audit Committee meetings.

# Corporate Governance Statement (Cont'd)

## D. DIRECTORS' RESPONSIBILITY STATEMENT

The Board is responsible for ensuring the financial statements of the Group and of the Company are drawn up in accordance with the provisions of the Companies Act, 1965, the applicable approved Financial Reporting Standards in Malaysia and the Main Market Listing Requirements of Bursa Securities to give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flows of the Group and of the Company for the financial year.

The Board of Directors is satisfied that in preparing the financial statements of the Group and of the Company for the financial year ended 31 December 2009, the Group has adopted the appropriate accounting policies and applied them consistently; and that all applicable approved accounting standards have been followed.

## E. ADDITIONAL COMPLIANCE INFORMATION

### Options, Warrants or Convertible Securities

The Company did not issue any convertible securities during the financial year.

The details of movement of warrants and ESOS during the financial year are as disclosed in Note 25 on pages 116 to 119 of the financial statements.

### Non-audit Fees Paid/Payable

For the financial year ended 31 December 2009, the amount of non-audit fees paid/ payable to the External Auditors and their affiliates amounted to RM105,170.

### Material Contracts Involving Directors' and Major Shareholders' Interests

There were no material contracts entered into by the Group involving Directors' and major shareholders' interests which were still subsisting as at the end of the financial year under review or which were entered into since the end of the previous financial year.

### Recurrent Related Party Transactions

The existing shareholders' mandate for the Group to enter into recurrent related party transactions of revenue or trading nature ("Shareholders' Mandate") which is necessary for its day-to-day operations shall expire at the conclusion of the forthcoming Annual General Meeting and is subject to renewal by the shareholders at the said Annual General Meeting.

The aggregate value of transactions conducted pursuant to the Shareholders' Mandate during the financial year is as disclosed in Note 39 on page 134 of the financial statements.

### Share Buybacks

The existing authority for Mah Sing to purchase up to 10% of its issued and paid-up share capital shall expire at the conclusion of the forthcoming Annual General Meeting and is subject to renewal by the shareholders at the said Annual General Meeting.

During the financial year, there were no share buybacks by the Company.

### Revaluation of Landed Properties

The Company does not have a revaluation policy on landed properties.

Details on valuation of landed properties are as disclosed in Note 15 on page 98 of the financial statements.



# Corporate Governance Statement (Cont'd)

## Status of Utilization of Proceeds Raised from Corporate Exercises

On 28 October 2009, the Company completed a private placement exercise with the listing of 62,997,000 new Mah Sing shares on the Main Market of Bursa Securities on 10 December 2009. Total gross proceed raised by the Company amounted to RM97,645,350 has been fully utilised as follows:

	Proceeds Raised RM'000	Utilised as at 20 May 2010 RM'000	Balance RM'000
Working capital	15,399	15,399	-
Subscription of new shares in Mah Sing Property Consulting (Changzhou) Pte. Ltd. in China for the acquisition of land use rights	81,946	81,946	-
Incidental expenses	300	300	-
	97,645	97,645	-

# Audit Committee Report

## COMPOSITION

The Audit Committee comprises three (3) members, all of whom are Independent Non-Executive Directors. One (1) of the Audit Committee members is a member of an accounting association or body as disclosed in Directors' Profile on pages 18 to 19 of this Annual Report.

The Audit Committee convened four (4) meetings during the financial year which were attended by the members as tabulated below:

Name of Members	Attendance at Meetings
<b>JEN. TAN SRI YAACOB BIN MAT ZAIN (R)</b> (Chairman, Independent Non-Executive Director)	4/4
<b>CAPTAIN IZAHAM BIN ABD. RANI (R)</b> (Independent Non-Executive Director)	4/4
<b>LOH KOK LEONG</b> (Independent Non-Executive Director)	4/4

The Group Internal Auditor and External Auditors have attended all the meetings.

## TERMS OF REFERENCE OF AUDIT COMMITTEE

### MEMBERSHIP

The Audit Committee shall be appointed by the Board from amongst the Directors and shall consist of not less than three (3) members, all of whom shall be Non-Executive Directors, with a majority being Independent Directors. At least one (1) member of the Audit Committee must be a member of the Malaysian Institute of Accountants or possesses the experience and such other qualifications as specified in the Accountants Act 1967 or as approved by Bursa Securities.

The Chairman of the Audit Committee shall be an Independent Director appointed by the Board.

### RETIREMENT AND RESIGNATION

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

### REVIEW OF THE AUDIT COMMITTEE

The term of office and performance of the Audit Committee and each of its members shall be reviewed by the Board of Directors at least once every three (3) years to determine whether the Audit Committee and members have carried out their duties in accordance to their terms of reference.

### MEETINGS AND MINUTES

In assisting the Board to effectively discharge its fiduciary responsibilities for corporate governance, timely & accurate financial reporting and development of sound internal control, Audit Committee meetings which shall be held preferably not less than four (4) times a year will normally be attended by the Department Head charged with the responsibility of the Group's financial reporting and the Group Internal Auditor. The presence of External Auditors for a meeting will be requested if required.

The Chairman of the Audit Committee would engage on a continuous basis with senior management such as the Group Managing Director/ Group Chief Executive and the Executive Directors in order to be kept informed of matters affecting the Group. Attendance of other Directors and employees at any particular Audit Committee meeting will be at the invitation of the Audit Committee.

# Audit Committee Report (Cont'd)

A quorum shall consist of two (2) members and the majority of the members present must be Independent Directors.

The Company Secretary shall be the Secretary of the Audit Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to the Audit Committee members prior to each meeting.

The Secretary shall also be responsible for keeping the minutes of meetings of the Audit Committee and circulating them to the Audit Committee members and to the other members of the Board. The Chairman of the Audit Committee shall report on key issues discussed at each meeting to the Board.

## AUTHORITY

The Audit Committee is authorized by the Board to investigate any activity within its terms of reference and shall have unrestricted access to both the Internal and External Auditors and to all employees of the Group. The Audit Committee is also authorized by the Board to obtain external legal or other independent professional advice as necessary.

The Audit Committee is also authorized to convene meeting with the External Auditors, Internal Auditors or both, without the presence of the executive members of the Board of Directors and other employees, at least two (2) times a year.

## DUTIES

The duties of the Audit Committee shall be:

### Oversee all matters relating to external audit:

- discuss with the External Auditors where necessary, the nature and scope of the audit and ensure co-ordination of audit where more than one audit firm is involved;
- discuss problems and reservations arising from the interim and final audits and any matter the auditors may wish to discuss;
- review with the External Auditors, their evaluation of the system of internal controls, their management letter and management's response;
- consider the nomination & appointment of the External Auditors as well as their audit fee;
- consider any letter of resignation of External Auditors and any questions of resignation and dismissal; and
- review the assistance given by the employees of the Group to the External Auditors.

### Review of reports by the Chairmen of the Risk Management Teams in relation to the adequacy and integrity of the Group's internal control systems

### Oversee all matters relating to internal audit:

- to review the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
- to review the internal audit plan;
- to ensure co-ordination of external audit with internal audit;
- to consider major findings of internal audit reviews and management's response and ensure that appropriate actions are taken on the recommendations of the internal audit function;
- to review any assessment of the performance of the staff of the internal audit function;

# Audit Committee Report (Cont'd)

- to approve any appointment or termination of senior staff members of the internal audit function; and
- to keep itself informed of resignations of internal audit staff members and provide resigning staff member an opportunity to submit his/ her reasons for resigning.

## **Review of financial statements:**

To review the quarterly and year-end financial statements of the Group before submission to the Board, focusing particularly on:

- any changes in accounting policies and practices;
- significant adjustments arising from the audit;
- going concern assumption;
- compliance with the applicable approved accounting standards and regulatory requirements; and
- compliance with the Listing Requirements of Bursa Securities and other legal requirements.

## **Additional duties and responsibilities:**

- to consider any related party transactions and conflict of interest situation that may arise within the Group or the Company including any transaction, procedure or course of conduct that raises questions of management integrity. They are also required to ensure that the Directors report related party transactions annually to shareholders via the Annual Report;
- where the Audit Committee is of the view that a matter reported by it to the Board 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 Bursa Securities; and
- to carry out such other responsibilities, functions or assignments as may be defined jointly by the Audit Committee and the Board from time to time.

## **SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE FOR THE FINANCIAL YEAR**

During the financial year, the Audit Committee carried out its duties as set out in the terms of reference and discussed the following issues:

- reviewed the extent of the Group's compliance with the provisions set out under the Malaysian Code on Corporate Governance for the purpose of preparing the Corporate Governance Statement and Statement of Internal Control pursuant to the Listing Requirements of Bursa Securities;
- reviewed the Risk Management Teams' reports on the risk profile of the Group and the adequacy and integrity of internal control systems to manage these risks;
- reviewed with the External Auditors the audit plan and to ensure co-ordination of audit of the various companies within the Group with different External Auditors;
- reviewed with the External Auditors any significant findings in relation to audits;
- considered and recommended to the Board for approval of the audit fees payable to the External Auditors;
- reviewed the internal audit plan and internal audit reports and considered the major findings of internal audit reviews and management's response;
- reviewed and discussed the internal audit function, its authorities, resources and scope of work;



# Audit Committee Report (Cont'd)

- reviewed related party transactions entered into by the Group and the draft proposal to seek shareholders' mandate pursuant to Paragraph 10.09 of the Listing Requirements of Bursa Securities to authorize the Group to enter into recurrent related party transaction of a revenue or trading nature;
- reviewed quarterly financial results and year end financial statements of the Group before recommending them to the Board for their approval for announcement to Bursa Securities; and
- had two (2) sessions of discussions with the Group Internal Auditor together with External Auditors without the presence of the executive members of the Board and other employees.

## STATEMENT ON EMPLOYEES' SHARE OPTION SCHEME ("ESOS") BY THE COMMITTEE

During the financial year under review, there was no allocation of options under the ESOS of the Company.

During the financial year, the ESOS was extended for another 5 years until 10 July 2014 in accordance with the terms of the ESOS By-Laws.

## STATEMENT ON INTERNAL AUDIT FUNCTION

### INTERNAL AUDIT FUNCTION

The Internal Audit ("IA") function is considered an integral part of the assurance framework within the Group. IA function plays an intermediary role in that it assists in the discharge of the oversight function which is delegated by the Board to the Audit Committee. It serves as a means of obtaining sufficient assurance of regular review and/ or appraisal of the adequacy and effectiveness of the risk, control and governance framework of the Group.

The Group's IA function is undertaken by the Group Internal Audit Department ("IAD").

The Group IAD which reports to the Audit Committee undertakes independent, regular and systematic reviews of the systems of internal controls so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively. The annual internal audit plans which were designed to cover projects and entities across all levels of operations within the Group are approved by the Audit Committee. The Group IAD adopts a risk-based approach in planning the audit assignments taking into consideration industry specific requirements.

The Group IAD also performs independent evaluation on the operation of Enterprise Risk Management Framework focusing primarily on the adequacy and effectiveness of the said framework.

## SUMMARY OF INTERNAL AUDIT ACTIVITIES FOR THE FINANCIAL YEAR

During the financial year, various independent audit reviews on the appropriateness of the instituted controls and evaluation of the acceptable level of principal risk exposures were conducted in relation to the Group's operations and information systems as follows:

- reliability of financial and operational information;
- effectiveness and efficiency of operations;
- safeguarding of assets; and

# Audit Committee Report (Cont'd)

- compliance with policies, procedures, laws & regulations and contracts.

At the conclusion of the various audits, weaknesses together with the recommended corrective actions were highlighted to the management. There were no material losses incurred during the current financial year as a result of the weaknesses in the internal control and management is proactive in strengthening the internal control environment. Follow-up audit reviews were conducted to ensure that corrective actions are being implemented accordingly.

The Audit Committee then deliberates on the internal audit reports to ensure recommendations from the reports are duly acted upon by management.

All the internal audit activities were performed in-house and the total cost incurred in managing the Group IAD in 2009 was RM99,500.

Further details of the activities of Group IAD are set out in the Statement of Internal Control.

# Statement of Internal Control

## THE BOARD'S RESPONSIBILITY

The Board of Directors ("the Board") of Mah Sing Group Berhad ("the Group") affirms its overall responsibility for the Group's system of internal controls which covers, inter alia, risk management and financial, organizational, operational and compliance controls, in order to safeguard shareholders' investment and the Group's assets. The Board ensures the adequacy, effectiveness and integrity of the internal control systems through regular reviews.

It should be noted that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives. As such, a system of internal controls can provide only reasonable and not absolute assurance against material misstatement or loss.

## THE RISK MANAGEMENT PROCESS

The Board of Directors confirms that the Group has in place an Enterprise Risk Management Framework for the on-going process of identifying, evaluating, monitoring and managing the significant risks affecting the achievement of its business objectives throughout the financial year under review. This process is regularly reviewed by the Board of Directors and is in accordance with the Statement on Internal Control: Guidance for Directors of Public Listed Companies ("the Internal Control Guidance").

The key aspects of the risk management process are:

- The Risk Management Teams comprising management staff of the Property and Plastics Divisions as well as the Corporate Office are charged with the responsibilities of continuous monitoring and management of the risks of the Group;
- Risk Management reviews are performed to identify, assess and manage the risks faced by the Group based on the likelihood of occurrence and magnitude of impact and also to assist management in identifying procedures or steps to be taken to manage or control these risks;
- The key risks identified in the Risk Management reviews together with the controls for managing them and the management action plans to be implemented are summarized in the Key Risk Profiles and Risk Registers, serving as the means for assuring the Audit Committee that the processes are effective. Independent compliance reviews are carried out by the Group Internal Audit function on a continuous basis to ensure the controls for managing risks are functioning effectively; and
- The Audit Committee upon receiving reports from Group Internal Auditors shall review and monitor the effectiveness of the Group's systems of internal controls before onward submission to the Board of Directors for endorsement.

## THE INTERNAL CONTROL PROCESS

The key elements of the Group's internal control system are:

- Operational structure with defined lines of responsibility and delegation of authority. A process of hierarchical reporting has been established which provides for a documented and auditable trail of accountability;
- Standard operating policies and procedures are in place and are regularly updated to reflect changing risks or to resolve operational deficiencies. Instances of non-compliance with such policies and procedures are reported thereon by Group Internal Audit function to the Board of Directors via the Audit Committee;
- Key functions such as business development, human resources, finance, tax, treasury, insurance, secretarial and legal matters are centralized at the head office;
- Detailed budgeting process is established requiring all business units to prepare budget and business plan on an annual basis. The Board of Directors reviews and approves the annual budget and business plan;
- Effective reporting systems which expose significant variances against budget and plan are in place to monitor performance. Key variances are followed up by the management and management action is taken, where necessary and reported to senior management on a regular basis. The Group Managing Director / Group Chief Executive meets on a regular basis with all divisional heads to consider the Group's financial performance, business developments, management and corporate issues;
- Regular visits to the operating units by the members of the Board and senior management;
- An on-going training and educational program for Directors and relevant staff in assessing the adequacy and integrity of the Group's risks and control process;
- The professionalism and competency of staff are being emphasized through continuous training and regular performance evaluation; and
- Group Internal Audit independently reviews the internal controls to provide the Audit Committee with sufficient assurance that the systems of internal controls are effective in addressing the risks identified. On a quarterly basis, Group Internal Audit submits reports and plans for review and approval by the Audit Committee.

# Directors' Reports

The Directors are pleased to submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2009.

## PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services to subsidiary companies in the Group. The principal activities of the subsidiary companies are set out in Note 18 to the Financial Statements. There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

## RESULTS

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

	The Group RM'000	The Company RM'000
Profit attributable to equity holders of the Company	94,282	1,229

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

## DIVIDENDS

On 18 September 2009, the Company paid a first and final gross dividend of 16% on ordinary shares, less income tax of 25%, amounting to RM37,798,622 in respect of the financial year ended 31 December 2008 as approved by the shareholders at the last Annual General Meeting.

The Directors have proposed a first and final gross dividend of 13% on ordinary shares, less income tax of 25%, amounting to RM33,782,484, in respect of the current financial year. The proposed first and final dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the financial statements for the current financial year. Such dividend when approved by shareholders will be accounted for in equity as an appropriation of retained earnings during the financial year ending 31 December 2010.

## RESERVES AND PROVISIONS

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



# Directors' Reports (Cont'd)

## SHARE CAPITAL

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM313,422,791 to RM346,487,017 by way of:

- (a) issuance of 2,925,212 new ordinary shares of RM0.50 each at an exercise price of RM0.50 per ordinary share pursuant to the exercise of Warrants 2004/2009 ("Warrants");
- (b) issuance of 206,239 new ordinary shares of RM0.50 each at an exercise price of RM0.77 per ordinary share pursuant to the exercise of share options under the Company's Employees' Share Option Scheme; and
- (c) issuance of 62,997,000 new ordinary shares of RM0.50 each at a price of RM1.55 per ordinary share pursuant to a private placement.

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

The related share premium arising from the aforementioned share issues amounting to RM66,202,535 has been credited to the share premium account during the financial year.

## WARRANTS 2004/2009

The Warrants 2004/2009 ("Warrants") are constituted by a Deed Poll dated 2 April 2004 ("Deed Poll").

The salient features of the Warrants are as follows:

- (a) The issue date of the Warrants is 7 June 2004 and the expiry date is 6 June 2009. Any Warrants not exercised at the expiry date will lapse and cease to be valid for any purpose;
- (b) Each Warrant entitles the registered holder to subscribe for one (1) new ordinary share of RM0.50 in the Company at an exercise price of RM0.50 per ordinary share;
- (c) The exercise price and the number of Warrants are subject to adjustments in the event of alteration to the share capital of the Company in accordance with the provisions in the Deed Poll. However, no adjustment shall be made in any event whereby the exercise price would be reduced to below the par value of ordinary share in the Company;
- (d) The Warrant holders are not entitled to participate in any distribution and/or offer of further securities in the Company (except for the issue of new warrants pursuant to adjustment as mentioned in item (c) above), until and unless such holders exercise the rights under the Warrants to subscribe for new ordinary shares; and
- (e) The new ordinary shares to be issued upon exercise of the Warrants shall, upon allotment and issue, rank pari passu with the then existing ordinary shares, including the entitlement to dividends, rights, allotments or other distributions, except that they will not be entitled to the rights, allotments or other distributions, declared by the Company which entitlement thereof precedes the allotment date of the new ordinary shares allotted pursuant to the exercise of the Warrants.

The movements in the Company's Warrants during the financial year are as follows:

(Unit '000)	Entitlement for ordinary shares of RM0.50 each				
	Balance at 1.1.2009	Issued	Exercised	Expired	Balance at 31.12.2009
Number of unexercised Warrants	3,374	-	(2,925)	(449)	-

# Directors' Reports (Cont'd)

## EMPLOYEES' SHARE OPTION SCHEME

The Company implemented an Employees' Share Option Scheme ("ESOS") which is governed by the ESOS By-Laws ("By-Laws") and was approved by the shareholders at the Extraordinary General Meeting held on 8 March 2004.

The salient features of the ESOS are as follows:

- (a) The ESOS was implemented on 12 July 2004 and was in force for a period of 5 years ("Initial Period"). During the financial year, the ESOS was extended for another 5 years until 10 July 2014 in accordance with the terms of the ESOS By-Laws;
- (b) The total number of new shares to be offered pursuant to the exercise of options granted under the ESOS ("Option") shall be subject to a maximum of 10% of the Company's issued and paid-up share capital at the time of the offer;
- (c) Employees (including Executive Directors) of the Company or its subsidiary companies shall be eligible to participate in the ESOS, if as at the date of offer, the employee:
  - (i) has attained the age of eighteen (18) years;
  - (ii) is employed full-time by and on the payroll of the Company or its subsidiary companies; and
  - (iii) is a confirmed employee of the Company or its subsidiary companies.

The allocation criteria of new ordinary shares comprised in the options to eligible employees shall be determined at the discretion of the Option Committee. The participation of an Executive Director of the Company in the ESOS shall be approved by the shareholders of the Company in the general meeting;

- (d) The price payable upon exercise of an Option shall be based on the weighted average market price of the Company's shares as shown in the Daily Official List of the Bursa Malaysia Securities Berhad for the five (5) market days immediately preceding the date of offer with an allowance of a discount of not more than 10%, or at the par value of the Company's share, whichever is higher;
- (e) In the event that a share buy-back exercise of the Company results in the number of options that have been offered under the ESOS exceeding 10% of the issued capital of the Company, there shall be no granting of additional options at any point in time after the share buy-back, unless the number of options that have been granted under the ESOS falls below 10% of the issued capital of the Company;
- (f) The new ordinary shares to be issued upon exercise of the Options shall, upon allotment and issue, rank pari passu with the then existing ordinary shares, including the entitlement to dividends, rights, allotments or other distributions, except that they will not be entitled to the rights, allotments or other distributions, declared by the Company which entitlement thereof precedes the allotment date of the new ordinary shares allotted pursuant to the exercise of the Options; and
- (g) The exercise price and the number of new ordinary shares comprised in the Options are subject to adjustment in the event of alteration to the share capital of the Company in accordance with the provisions in the By-Laws. However, no adjustment shall be made in any event whereby the exercise price would be reduced to below the par value of ordinary share in the Company.

The movements in the Company's Options are as follows:

(Unit '000)		Number of options over ordinary shares of RM0.50 each			
Offer Date	Exercise price per ordinary shares	Balance at 1.1.2009	Exercised	Cancelled	Balance at 31.12.2009
9 June 2006	0.77	379	(206)	(63)	110

# Directors' Reports (Cont'd)

## OTHER STATUTORY INFORMATION

Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:

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

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

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

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

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

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

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

# Directors' Reports (Cont'd)

## DIRECTORS

The Directors who have held office during the financial year since the date of the last report are as follows:

Jen. Tan Sri Yaacob bin Mat Zain (R)  
Tan Sri Dato' Sri Leong Hoy Kum  
Ng Poh Seng  
Lim Kiu Hock  
Leong Yuet Mei  
Captain Izaham bin Abd. Rani (R)  
Loh Kok Leong

Jen. Tan Sri Yaacob bin Mat Zain (R) who is over the age of 70 years retires pursuant to Section 129(2) of the Companies Act, 1965, and a resolution will be proposed for his re-appointment as a Director under the provision of Section 129(6) of the said Act to hold office until the next Annual General Meeting of the Company.

In accordance with Article 102 of the Company's Articles of Association, Tan Sri Dato' Sri Leong Hoy Kum and Captain Izaham bin Abd. Rani (R) retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

## DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, the interests of the Directors who held office at the end of the financial year in the ordinary shares of the Company is as follows:

Shares in the Company

(Unit '000)	Number of ordinary shares of RM0.50 each			
	Balance at 1.1.2009	Acquired	Sold	Balance at 31.12.2009
<b>Indirect interest</b>				
Jen. Tan Sri Yaacob bin Mat Zain (R)	21	-	-	21
Tan Sri Dato' Sri Leong Hoy Kum	224,985	12,500	-	237,485
Leong Yuet Mei	131	-	-	131

By virtue of Tan Sri Dato' Sri Leong Hoy Kum having an indirect interest of more than 15% of the shares in the Company, he is deemed interested in the shares of all the Company's subsidiaries to the extent the Company has an interest.

None of the other Directors in office at the end of the financial year held any interest in the shares of the Company and its related corporations during the financial year.

# Directors' Reports (Cont'd)

## DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than the fees, other emoluments and benefits-in-kind as shown in Note 39 to the Financial Statements) by reason of a contract made by the Company or by a related corporation with the Director or with a firm of which he is a member or with a company in which he has a substantial financial interest except for those benefits which may be deemed to have arisen by virtue of those transactions entered into in the ordinary course of business by the Company and its subsidiary companies with the companies in which the Directors are deemed to have substantial financial interests as disclosed in Note 39 to the Financial Statements.

Neither during nor at the end of the financial year was the Company or any of its related corporations was a party to any arrangement whose object was to enable the Directors to acquire benefits through the acquisition of shares in, or debentures of, the Company or any other body corporate.

## AUDITORS

The auditors, Messrs Deloitte KassimChan, have expressed their willingness to continue in office.

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

**JEN. TAN SRI YAACOB BIN MAT ZAIN (R)**  
Chairman

**TAN SRI DATO' SRI LEONG HOY KUM**  
Managing Director

Kuala Lumpur  
22 February 2010



# Independent Auditors' Report

## To The Members Of Mah Sing Group Berhad (Incorporated In Malaysia)

### Report on the Financial Statements

We have audited the financial statements of MAH SING GROUP BERHAD, which comprise the balance sheets of the Group and of the Company as of 31 December 2009, and the income statements, statements of changes in equity and cash flow statements 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 68 to 138.

#### *Directors' Responsibility for the Financial Statements*

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

#### *Opinion*

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2009 and of their financial performance and cash flows for the financial year then ended.

# Independent Auditors' Report

To The Members Of Mah Sing Group Berhad (Incorporated In Malaysia) (Cont'd)

## Report on Other Legal and Regulatory Requirements

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

- (a) in our opinion the accounting and other records and the registers required by the Act to be kept by the Company and the subsidiary companies of which we have acted as auditors, have been properly kept in accordance with the provisions of the Act;
- (b) we have considered the accounts and auditors' reports of the subsidiary companies, of which we have not acted as auditors, as disclosed in Note 18 to the financial statements, being accounts that have been included in the financial statements of the Group;
- (c) we are satisfied that the accounts of the subsidiary companies that have been consolidated in the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group, and we have received satisfactory information and explanations as required by us for these purposes; and
- (d) the auditors' reports on the accounts of the subsidiary companies were not subject to any qualification and did not include any comment made under sub-section (3) of Section 174 of the Act.

**DELOITTE KASSIMCHAN**  
**AF 0080**  
**Chartered Accountants**

**YEE YOON CHONG**  
**Partner - 1829/07/11 (J)**  
**Chartered Accountant**

Petaling Jaya  
22 February 2010

# Income Statements

For The Financial Year Ended 31 December 2009

	Note	The Group		The Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Revenue	6	701,562	651,639	15,159	17,774
Cost of sales	7	(514,384)	(435,127)	-	-
Gross profit		187,178	216,512	15,159	17,774
Other operating income		48,017	2,860	-	-
Selling and marketing expenses		(30,418)	(31,844)	-	-
Administrative expenses		(58,379)	(48,930)	(11,954)	(10,380)
Interest income	10	461	1,718	-	-
Finance costs	11	(2,616)	(4,310)	(1,234)	(2,309)
Profit before tax	8	144,243	136,006	1,971	5,085
Income tax expense	12	(48,402)	(43,058)	(742)	(1,401)
Profit for the financial year		95,841	92,948	1,229	3,684

<b>Attributable to:</b>					
Equity holders of the Company		94,282	93,168		
Minority interests		1,559	(220)		
		95,841	92,948		
Earnings per ordinary share (sen):					
- Basic	13(a)	14.89	14.94		
- Diluted	13(b)	14.87	14.83		
Gross dividend on ordinary share (%)					
- Proposed	14	13	16	13	16

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

# Balance Sheets

As Of 31 December 2009

		The Group		The Company	
	Note	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
ASSET					
Non-current Assets					
Property, plant and equipment	15	60,982	59,458	941	725
Prepaid lease payments	16	3,701	5,330	-	-
Land held for property development	21	47,099	47,099	-	-
Intangible assets	17	4	12	-	-
Investment in subsidiaries	18	-	-	66,655	66,608
Investment in associates	19	-	-	-	-
Other investment	20	-	1	-	-
Deferred tax assets	30	-	700	-	-
Total Non-current Assets		111,786	112,600	67,596	67,333
Current Assets					
Property development costs	21	821,447	624,626	-	-
Inventories	22	29,947	31,769	-	-
Trade and other receivables	23	180,843	249,562	541,631	496,701
Current tax assets		5,899	8,720	3,378	1,459
Deposits, cash and bank balances	24	396,626	172,236	224,668	121,023
Total Current Assets		1,434,762	1,086,913	769,677	619,183
TOTAL ASSETS		1,546,548	1,199,513	837,273	686,516

# Balance Sheets

As Of 31 December 2009 (Cont'd)

		The Group		The Company	
	Note	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	25	346,487	313,423	346,487	313,423
Reserves	26	205,153	139,329	200,391	134,237
Retained earnings	27	294,054	237,523	98,293	134,815
Equity attributable to equity holders of the Company		845,694	690,275	645,171	582,475
Minority interests		7,774	6,335	-	-
Total Equity		853,468	696,610	645,171	582,475
Non-current Liabilities					
Term loans - non-current portion	28	141,466	181,929	-	24,850
Long-term and deferred payables	29	19,227	2,776	-	-
Deferred tax liabilities	30	1,807	618	194	110
Total Non-current Liabilities		162,500	185,323	194	24,960
Current Liabilities					
Trade and other payables	31	438,549	265,188	172,782	75,384
Term loans - current portion	28	66,358	35,012	19,126	3,697
Short-term borrowings	32	7,350	2,117	-	-
Bank overdrafts	33	705	29	-	-
Current tax liabilities		17,618	15,234	-	-
Total Current Liabilities		530,580	317,580	191,908	79,081
Total Liabilities		693,080	502,903	192,102	104,041
TOTAL EQUITY AND LIABILITIES		1,546,548	1,199,513	837,273	686,516

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



# Consolidated Statement Of Changes In Equity

For The Financial Year Ended 31 December 2009

Non-distributable reserves								
Note	Share capital RM'000	Share premium RM'000	Equity-settled employees benefit reserve RM'000	Exchange fluctuation reserve RM'000	Distributable reserves - Retained earnings RM'000	Attributable to equity holders of the Company RM'000	Minority interests RM'000	Total RM'000
<b>At 1 January 2009</b>	<b>313,423</b>	<b>134,167</b>	<b>70</b>	<b>5,092</b>	<b>237,523</b>	<b>690,275</b>	<b>6,335</b>	<b>696,610</b>
Currency translation differences - recognised directly in equity	-	-	-	(330)	-	(330)	(120)	(450)
Profit for the financial year	-	-	-	-	94,282	94,282	1,559	95,841
Total recognised income and expense for the financial year	-	-	-	(330)	94,282	93,952	1,439	95,391
Dividends 14	-	-	-	-	(37,799)	(37,799)	-	(37,799)
Issuance of shares of the Company pursuant to: 25								
- Warrants exercised	1,463	-	-	-	-	1,463	-	1,463
- ESOS exercised	103	55	-	-	-	158	-	158
- Private placement	31,498	66,147	-	-	-	97,645	-	97,645
Reclassification of reserves arising from ESOS exercised	-	-	(48)	-	48	-	-	-
<b>At 31 December 2009</b>	<b>346,487</b>	<b>200,369</b>	<b>22</b>	<b>4,762</b>	<b>294,054</b>	<b>845,694</b>	<b>7,774</b>	<b>853,468</b>

# Consolidated Statement Of Changes In Equity

For The Financial Year Ended 31 December 2009 (Cont'd)

Non-distributable reserves									
	Note	Share capital RM'000	Share premium RM'000	Equity-settled employees benefit reserve RM'000	Exchange fluctuation reserve RM'000	Distributable reserves - Retained earnings RM'000	Attributable to equity holders of the Company RM'000	Minority interests RM'000	Total RM'000
<b>At 1 January 2008</b>		310,671	133,908	259	4,256	181,223	630,317	5,455	635,772
Currency translation differences - recognised directly in equity		-	-	-	836	-	836	290	1,126
Profit for the financial year		-	-	-	-	93,168	93,168	(220)	92,948
Total recognised income and expense for the financial year		-	-	-	836	93,168	94,004	70	94,074
Dividends	14	-	-	-	-	(37,057)	(37,057)	-	(37,057)
Issuance of shares by subsidiaries to minority interests		-	-	-	-	-	-	810	810
Issuance of shares of the Company pursuant to:	25								
- Warrants exercised		2,273	-	-	-	-	2,273	-	2,273
- ESOS exercised		479	259	-	-	-	738	-	738
Reclassification of reserves arising from ESOS exercised		-	-	(189)	-	189	-	-	-
<b>At 31 December 2008</b>		313,423	134,167	70	5,092	237,523	690,275	6,335	696,610

# Company Statement Of Changes In Equity

For The Financial Year Ended 31 December 2009

	Note	Non-distributable reserves		Equity-settled employees benefit reserve RM'000	Distributable reserve - Retained earnings RM'000	Total RM'000
		Share capital RM'000	Share premium RM'000			
<b>At 1 January 2009</b>		<b>313,423</b>	<b>134,167</b>	<b>70</b>	<b>134,815</b>	<b>582,475</b>
Total recognised income and expense for the financial year:						
Profit for the financial year		-	-	-	1,229	1,229
Dividends	14	-	-	-	(37,799)	(37,799)
Issuance of shares of the Company pursuant to:	25					
- Warrants exercised		1,463	-	-	-	1,463
- ESOS exercised		103	55	-	-	158
- Private placement		31,498	66,147	-	-	97,645
Reclassification of reserves arising from ESOS exercised		-	-	(48)	48	-
<b>At 31 December 2009</b>		<b>346,487</b>	<b>200,369</b>	<b>22</b>	<b>98,293</b>	<b>645,171</b>

# Company Statement Of Changes In Equity

For The Financial Year Ended 31 December 2009 (Cont'd)

	Note	Non-distributable reserves		Equity-settled employees benefit reserve RM'000	Distributable reserve - Retained earnings RM'000	Total RM'000
		Share capital RM'000	Share premium RM'000			
<b>At 1 January 2008</b>		310,671	133,908	259	167,999	612,837
Total recognised income and expense for the financial year:						
Profit for the financial year		-	-	-	3,684	3,684
Dividends	14	-	-	-	(37,057)	(37,057)
Issuance of shares of the Company pursuant to:	25					
- Warrants exercised		2,273	-	-	-	2,273
- ESOS exercised		479	259	-	-	738
Reclassification of reserves arising from ESOS exercised		-	-	(189)	189	-
<b>At 31 December 2008</b>		313,423	134,167	70	134,815	582,475

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

# Cash Flow Statements

For The Financial Year Ended 31 December 2009

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before tax	144,243	136,006	1,971	5,085
Adjustments for:				
Finance costs	10,996	12,569	1,234	2,309
Depreciation of property, plant and equipment	9,871	8,661	91	34
Allowance for doubtful debts/ (Allowance for doubtful debts no longer required) - net	789	(37)	-	-
Unrealised foreign exchange loss/(gain)	570	(542)	295	-
Provision for defined retirement benefit obligations	445	288	-	-
Amortisation of prepaid lease payments	349	342	-	-
Property, plant and equipment written off	66	84	-	-
Allowance for slow-moving inventories no longer required	-	(89)	-	-
Amortisation of intangible assets	8	8	-	-
Interest income	(2,822)	(5,527)	(5,147)	(7,762)
Gain on disposal of property, plant and equipment	(728)	(6)	-	-
Gain on disposal of prepaid lease payments	(172)	-	-	-
Gain on disposal of other investments	(1)	-	-	-
Property development costs written off	-	513	-	-
Allowance for inventories	16	500	-	-
Impairment loss on investment in associates	-	26	-	26
Net reversal of impairment loss on property, plant and equipment	-	(62)	-	-
Bad debts written off	-	-	4	5
Gross dividend income from subsidiary	-	-	(10,000)	(10,000)
Impairment loss on subsidiary	-	-	3	-
Operating Profit/(Loss) Before Working Capital Changes	163,630	152,734	(11,549)	(10,303)



# Cash Flow Statements

For The Financial Year Ended 31 December 2009 (Cont'd)

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<b>Changes in Working Capital</b>				
Decrease/(Increase) in property development costs	56,331	(113,263)	-	-
Decrease in inventories	1,721	11,088	-	-
(Increase)/Decrease in receivables	(35,412)	22,308	156	245
Increase/(Decrease) in payables	39,137	(38,317)	2,622	1,465
Net Changes in Working Capital	61,777	(118,184)	2,778	1,710
Cash Generated From/(Used In) Operations	225,407	34,550	(8,771)	(8,593)
Interest received	2,337	3,678	2,337	3,678
Interest paid	(11,679)	(12,791)	(1,218)	(2,050)
Tax refund	1,513	2,075	-	2,075
Income tax paid	(42,751)	(34,930)	(42)	-
Net Cash From/(Used In) Operating Activities	174,827	(7,418)	(7,694)	(4,890)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from disposal of property plant and equipment	2,692	78	-	-
Proceeds from disposal of prepaid lease payments	1,413	-	-	-
Interest received from deposits with licensed banks	293	476	-	-
Proceeds from disposal of other investment	2	-	-	-
Payment for property, plant and equipment *	(11,028)	(8,423)	(355)	(433)
Subscription of shares in subsidiaries	-	-	(1,000)	(4,890)
Dividends received	-	-	7,500	7,400
Net advances to subsidiaries	-	-	53,148	10,794
Payment for land held for property development	-	(47,099)	-	-
Net Cash (Used In)/Generated From Investing Activities	(6,628)	(54,968)	59,293	12,871

# Cash Flow Statements

For The Financial Year Ended 31 December 2009 (Cont'd)

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from term loans	117,936	135,377	-	-
Proceeds from Private Placement	97,645	-	97,645	-
Proceeds from short-term borrowings	38,094	43,345	-	-
Repayment of term loans	(127,266)	(66,755)	(9,421)	(7,224)
Dividend paid	(37,799)	(37,057)	(37,799)	(37,057)
Repayment of short-term borrowings	(32,837)	(49,158)	-	-
Placement of deposits with licensed bank Escrow Accounts	(18,578)	(8,912)	-	-
Deposits (pledged with)/ withdrawn from licensed bank	(8,924)	41	-	-
Repayment of hire purchase and finance lease liabilities	(1,848)	(2,505)	-	-
Proceeds from Warrants exercised	1,463	2,273	1,463	2,273
Proceeds from ESOS exercised	158	738	158	738
Proceeds from issuance of shares by subsidiaries to minority interests	-	810	-	-
Advances from minority shareholders of subsidiaries	-	4,174	-	-
Net Cash Generated From/ (Used In) Financing Activities	28,044	22,371	52,046	(41,270)

# Cash Flow Statements

For The Financial Year Ended 31 December 2009 (Cont'd)

	Note	The Group		The Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>196,243</b>	<b>(40,015)</b>	<b>103,645</b>	<b>(33,289)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>		<b>160,352</b>	<b>200,358</b>	<b>121,023</b>	<b>154,312</b>
<b>CURRENCY TRANSLATION DIFFERENCES</b>		<b>(31)</b>	<b>9</b>	<b>-</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<b>34</b>	<b>356,564</b>	<b>160,352</b>	<b>224,668</b>	<b>121,023</b>

Note:

\* Net cash outlay for the acquisition of property, plant and equipment during the financial year is as follows:

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Total acquisition (Note 15)	13,700	13,395	307	565
Less: Amount payable for acquisition of property, plant and equipment	(3,243)	(3,258)	(84)	(132)
Less: Amount financed by hire purchase and finance lease	(2,660)	(1,261)	-	-
Less: Deposit paid in previous year	(1,140)	(4,136)	-	-
Add: Cash paid in respect of previous year's acquisition	4,371	3,683	132	-
Net cash outlay for the financial year	11,028	8,423	355	433

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

# Notes To The Financial Statements

## 1. GENERAL INFORMATION

The principal activities of the Company are investment holding and provision of management services to subsidiary companies in the Group. The principal activities of the subsidiary companies are set out in Note 18. There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

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

The registered office and principal place of business of the Company is located at Penthouse Suite 1, Wisma Mah Sing, 163, Jalan Sungai Besi, 57100 Kuala Lumpur.

The financial statements of the Group and of the Company were authorised for issuance by the Board of Directors in accordance with a resolution of Directors on 22 February 2010.

## 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards ("FRSs"), the applicable approved accounting standards in Malaysia issued by the Malaysian Accounting Standards Board ("MASB").

The financial statements are presented in Ringgit Malaysia ("RM") which represents the functional currency of the Group and of the Company and all financial information presented in RM are rounded to the nearest thousand ("RM'000"), unless otherwise stated.

### FRSs and IC Interpretations ("IC Int") Issued but Not Effective

At the date of authorisation for issue of these financial statements, the FRSs, IC Int. and amendments to FRSs and IC Int. which were in issue but not yet effective are as listed below:

FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate) <sup>2</sup>
FRS 1	First-time Adoption of Financial Reporting Standards (Revised in 2010) <sup>3</sup>
FRS 2	Share-based Payment (Amendments relating to vesting conditions and cancellations) <sup>2</sup>
FRS 2	Share-based Payment (Amendments relating to scope of FRS 2 and revised FRS 3) <sup>3</sup>
FRS 3	Business Combinations (Revised in 2010) <sup>3</sup>
FRS 4	Insurance Contracts <sup>2</sup>
FRS 5	Non-current Assets Held for Sale and Discontinued Operations (Amendments relating to plan to sell the controlling interest in a subsidiary) <sup>3</sup>
FRS 7	Financial Instruments: Disclosures <sup>2</sup>
FRS 7	Financial Instruments: Disclosures (Amendments relating to reclassification of financial assets and reclassification of financial assets - effective date and transition) <sup>2</sup>
FRS 8	Operating Segments <sup>1</sup>
FRS 101	Presentation of Financial Statements (Revised in 2009) <sup>2</sup>
FRS 123	Borrowing Costs (Revised) <sup>2</sup>
FRS 127	Consolidated and Separate Financial Statements (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate) <sup>2</sup>
FRS 127	Consolidated and Separate Financial Statements (Revised in 2010) <sup>3</sup>

# Notes To The Financial Statements (Cont'd)

FRS 132	Financial Instruments: Presentation (Amendments relating to Puttable Financial Instruments and Obligations Arising on Liquidation) <sup>2</sup>
FRS 138	Intangible Assets (Amendments relating to additional consequential amendments arising from revised FRS 3) <sup>3</sup>
FRS 139	Financial Instruments: Recognition and Measurement <sup>2</sup>
FRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to eligible hedged items, reclassification of financial assets, reclassification of financial assets - effective date and transition, embedded derivatives and revised FRS 3 and revised FRS 127) <sup>2</sup> Improvements to FRSs (2009) <sup>2</sup>
IC Int. 9	Reassessment of Embedded Derivatives <sup>2</sup>
IC Int. 9	Reassessment of Embedded Derivatives (Amendments relating to embedded derivatives) <sup>2</sup>
IC Int. 9	Reassessment of Embedded Derivatives (Amendments relating to scope of IC Interpretation 9 and revised FRS 3) <sup>3</sup>
IC Int. 10	Interim Financial Reporting and Impairment <sup>2</sup>
IC Int. 11	FRS 2 - Group and Treasury Share Transactions <sup>2</sup>
IC Int. 12	Service Concession Arrangements <sup>3</sup>
IC Int. 13	Customer Loyalty Programmes <sup>2</sup>
IC Int. 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction <sup>2</sup>
IC Int. 15	Agreements for the Construction of Real Estate <sup>3</sup>
IC Int. 16	Hedges of a Net Investment in a Foreign Operation <sup>3</sup>
IC Int. 17	Distributions of Non-cash Assets to Owners <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 July 2009

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2010

<sup>3</sup> Effective for annual periods beginning on or after 1 July 2010

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

FRS 1, FRS 4, IC Int.12 and IC Int. 13 are not expected to be relevant to the operations of the Group and the Company. The directors anticipate that abovementioned Standards and Interpretations will be adopted in the annual financial statements of the Group and of the Company when they become effective and that the adoption of these Standards and Interpretations will have no material impact on the financial statements of the Group and of the Company in the period of initial application except for IC Int.15.

## **FRS 7 - Financial Instruments : Disclosures**

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

## **FRS 139 - Financial Instruments : Recognition and Measurement**

FRS 139 requires the recognition, measurement and disclosure of financial assets and financial liabilities. The new accounting standards moves measurement from a cost base to fair value base for certain categories of financial assets and financial liabilities. The change in accounting policy is to be accounted for prospectively in accordance with the transitional provision of FRS 139.



# Notes To The Financial Statements (Cont'd)

## **FRS 101 - Presentation of Financial Statements (Revised in 2009)**

FRS 101 introduces terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, the revised Standard requires the presentation of third statement of financial position in the event that the entity has applied new accounting policies retrospectively. There is no impact on the Group's and Company's financial statements as this change in accounting policy affects only the presentation of the Group's and Company's financial statements.

## **IC Int. 15 - Agreements for the Construction of Real Estate**

IC Int. 15 addresses how entities should determine whether an agreement for the construction of real estate is within the scope of FRS 111 Construction Contracts or FRS 118 Revenue and when revenue from the construction of real estate should be recognised. Under IC Int. 15, an agreement for the construction of real estate is a construction contract within the scope of FRS 111 only when the buyer is able to specify the major structural elements of the design of real estate before construction begins and/or specify major structural changes once construction is in progress (whether it exercises that ability or not). If the buyer has that ability, FRS 111 applies. If the buyer does not have that ability, FRS 118 applies.

Presently, the agreements for the construction of real estate of the Group are accounted for in accordance with FRS 201<sup>2004</sup> Property Development activities whereby revenue is recognised using the percentage of completion as construction of real estate progresses. Upon the adoption of IC Int. 15, the Group will review the nature of its agreements for the construction of real estate and will generally account for these agreements in accordance with FRS 118 as FRS 201 would then have been withdrawn. If the agreements are for sale of goods within the scope of FRS 118, revenue and costs will be recognised at a single time – at completion upon or after delivery of the real estate. The agreements affected will be mainly those that do not meet the definition of a construction contract as interpreted by IC Int. 15 and do not transfer to the buyer control and the significant risks and rewards of ownership of the work in progress in its current state as construction progresses.

The directors are of the view that the impact of the eventual application of IC Int. 15 is not known or reasonably estimable presently.

By virtue of the exemption provided in paragraph 103AB of FRS 139 and paragraph 44AB of FRS 7, the impact of applying FRS 139 and FRS 7 on the financial statements of the Company upon initial application of these standards as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed.

## **3. SIGNIFICANT ACCOUNTING POLICIES**

### **Basis of Accounting**

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

### **Economic Entities in The Group**

#### **(a) Subsidiaries**

Subsidiaries are those corporations, partnerships or other entities (including special purpose entities) in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are consolidated using the purchase method of accounting except for certain subsidiaries acquired prior to 1 January 2002 which have been consolidated using the merger method (as disclosed in Note 18) in accordance with Malaysian Accounting Standard 2 "Accounting for Acquisitions and Merger", the generally accepted accounting principles prevailing at that time.

The Group has taken advantage of the exemption provided by FRS 122<sup>2004</sup> and FRS 3 to apply these Standards prospectively. Accordingly, business combinations entered into prior to the respective effective dates have not been restated to comply with these Standards.

# Notes To The Financial Statements (Cont'd)

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies made up to the end of the financial year.

Under the purchase method, the difference between the fair value of the cost of acquisition of subsidiary companies and the Group's share of the fair value of the identifiable net assets of subsidiaries acquired is included in the consolidated financial statements as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiaries acquired, the difference is recognised directly in the income statements.

Subsidiary companies are consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases. The cost of an acquisition is measured as fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

The gain or loss on disposal of a subsidiary of the Group is the difference between net disposal proceeds and the Group's share of its net assets with any unamortised balance of goodwill on consolidation.

Minority interest represents that portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the parent. Minority interest is measured at the minorities' share of the fair values of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since that date.

Acquisition of subsidiary companies that meets the criteria for merger accounting is accounted for using merger accounting principles. When the merger method is used, the cost of investment in the Company's books is recorded at the nominal value of the shares issued and the difference between the carrying value of the investment and the nominal value of shares transferred, if any, is treated as merger reserve. The results of these subsidiary companies are presented as if the merger had been effected throughout the current and previous financial years.

Intragroup transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

## **(b) Associated companies**

An associated company is a non-subsidiary company in which the Group holds not less than 20% of the equity voting rights as long-term investment and in which the Group is in a position to exercise significant influence in its management.

Investment in associated company is stated at cost in the Company's financial statements. The Group's investment in associated company is accounted for under the equity method of accounting based on the latest audited and/or the management financial statements of the associated company made up to 31 December 2009. Under this method of accounting, the Group's interest in the post-acquisition profit and reserves of the associated company is included in the consolidated results while dividend received is reflected as a reduction of the investment in the consolidated balance sheet. The carrying amount of such investment is reduced to recognise any decline, other than a temporary decline, in the value of the investment.

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

## **Foreign Currencies**

### **(a) Functional and presentation currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

# Notes To The Financial Statements (Cont'd)

## (b) 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 income statements.

## (c) Group companies

Assets and liabilities of foreign subsidiary companies are translated to Ringgit Malaysia at rates of exchange ruling at the balance sheet date and the results of foreign subsidiaries are translated at the average rate of exchange for the financial year. Exchange differences arising from the translation are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statements as part of the gain or loss on sale.

## Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the sales of goods or services in the ordinary course of business.

Revenue from property development projects is accounted for using the percentage of completion method where the outcome of the development can be reliably estimated and is in respect of sales where agreements have been finalised by the end of the financial year. The percentage/stage of completion is measured by reference to the cost incurred to date compared to the estimated total cost of the development.

Revenue from sale of completed properties is recognised upon the finalisation of sale and purchase agreements by the end of the financial year and when the risks and rewards of ownership have passed to the customers.

Sales of goods are recognised upon delivery of products and where the risks and rewards of ownership have passed to the customers, or performance of services, net of sales taxes and discounts.

Other revenue earned by the Group is recognised on the following bases:

Interest income	accrual basis unless collectibility is in doubt
Dividend income	when the Group's right to receive payment is established
Maintenance charges and management fee	upon performance of services
Rental income	accrued on a time basis, by reference to the agreements entered

## Income Tax

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 balance sheet date.

Deferred tax is accounted for using the "liability" method in respect of temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally 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 deferred tax assets can be utilised.

# Notes To The Financial Statements (Cont'd)

Deferred tax is measured at tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statements, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity.

## Property, Plant and Equipment and Depreciation

Buildings are stated at cost or valuation less accumulated amortisation/depreciation and accumulated impairment losses. Other property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The costs of property, plant and equipment comprise their purchase costs and any expenditure that is directly attributable to the acquisition of the assets.

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

Certain leasehold buildings were revalued by the Directors based on valuations carried out by independent professional valuers. The Directors have applied the transitional provisions when MASB first adopted IAS 16 - Property, Plant and Equipment. By virtue of this transitional provision, upon implementation in 1998 of MASB Approved Accounting Standard IAS 16 for the first time, an enterprise is allowed to continue carrying those assets at their previous valuations subject to continuity in depreciation policy on the requirement to write an asset down to its recoverable amount. Accordingly, these valuations have not been updated.

Surpluses arising on revaluation are credited to the revaluation reserve. Any deficit arising from revaluation is charged against the revaluation reserve to the extent of a previous surplus held in the revaluation reserve for the same asset. In all other cases, a decrease in carrying amount is charged to income statements. On disposal of revalued assets, amounts in the revaluation reserve relating to those assets are transferred to retained earnings.

Depreciation of other assets is calculated so as to write off the costs or valuations of the assets to their estimated residual values on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates are as follows:

Buildings	3.33% - 10%
Renovations	3.33% - 10%
Plant, machinery and factory equipment	10% - 25%
Motor vehicles	12.5% - 15%
Furniture, fittings and office equipment	8% - 25%

Depreciation for certain moulds by a foreign subsidiary for specific projects is determined using the units of production method with expected year ranging between 2 to 10 years.

The residual value and the useful life of an asset is reviewed at each financial year-end and, if expectations differ from previous estimates, the changes will be accounted for as a change in an accounting estimate.

At each balance sheet date, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write-down is made if the carrying amount exceeds the recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in profit/(loss) from operations. On disposal of revalued assets, amounts in revaluation reserve relating to those assets are transferred to retained earnings.

# Notes To The Financial Statements (Cont'd)

## Finance Leases - For Lessee

Leases of property, plant and equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases.

Property, plant and equipment under finance leases are capitalised and the capital element of the lease commitments is reflected as lease payables. The capital element of the lease installments is applied to reduce the outstanding obligations whereas the interest element is charged against the income statements so as to give a constant periodic rate of charge on the remaining balance outstanding at the end of each accounting period.

Property, plant and equipment acquired under finance lease are capitalised and depreciated over the same useful economic lives as similar equivalent owned property, plant and equipment.

## Operating Leases - For Lessee

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

## Prepaid Lease Payments

Leasehold land that has an indefinite economic life and title that is not expected to pass to the Group by the end of the lease period is classified as operating lease. The up front payments for right to use the leasehold land over a predetermined period are accounted for as prepaid lease payments and are stated at cost less amount amortised.

Where the leasehold land had been previously revalued, the Group retained the unamortised revalued amount as the surrogate carrying amount of prepaid lease payments as allowed under the transitional provisions of FRS 117. Certain leasehold land of a subsidiary company was last revalued in 1992. As allowed by the transitional provision of FRS 117, the prepaid lease payments at valuation are stated on the basis of its 1992 valuation and the said valuation has not been updated.

Short term and long term leasehold land recognised as prepaid lease payments are amortised in equal instalments over the respective lease periods as follows:

Short term leasehold land	26 to 30 years
Long term leasehold land	95 years

## Intangible Assets

### License fee

All costs incurred in the acquisition of license for assembly of certain plastic products are capitalised and amortised on a straight line basis over a period of 10 years and they will be written off when, in the opinion of the Directors, the future economic benefits are uncertain.

Where an indication of impairment exists, the carrying amount of the intangible assets are assessed and written down immediately to its recoverable amount.



# Notes To The Financial Statements (Cont'd)

## Investments

Investments in subsidiary and associated companies are shown at cost in the Company's financial statements. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down to its recoverable amount.

Other investments are shown at cost and an allowance for diminution in value is made where, in the opinion of the Directors, there is a decline other than a temporary decline in the value of an investment. Such a decline is recognised as an expense in the financial year in which the decline is identified.

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

## Property Development Activities

### (a) Land held for property development

Land held for property development consists of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at cost less accumulated impairment losses.

Costs associated with the acquisition of land include the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Where the Group had previously recorded the land at a revalued amount it continues to retain this amount as its surrogate cost as allowed by FRS 201<sub>2004</sub>. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

Land held for property development is transferred to property development costs (under current assets) when development activities have commenced and where the development activities can be completed within the Group's normal operating cycle.

### (b) Property development costs

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

When the outcome of the development activity can be estimated reliably, property development revenue and expenses are recognised by using the stage of completion method. The stage of completion is measured by reference to the proportion that property development costs incurred bear to the estimated total costs for the property development.

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

Irrespective of whether the outcome of a property development activity can be estimated reliably, when it is probable that total property development costs (including expected defect liability expenditure) will exceed total property development revenue, the expected loss is recognised as an expense immediately.

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

Where revenue recognised in the income statements exceeds billings to purchasers, the balance is shown as accrued billings under trade and other receivables (within current assets). Where billings to purchasers exceed revenue recognised in the income statements, the balance is shown as progress billings under payables (within current liabilities).

# Notes To The Financial Statements (Cont'd)

## Impairment of Non-Financial Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset or Cash-Generating Unit ("CGU") exceeds its recoverable amount. The recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and value in use. For the purpose of assessing impairment, the Group estimates the recoverable amount of the CGU to which the assets belongs.

Non-financial assets other than goodwill that suffer an impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to the income statements unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Impairment losses on goodwill are not reversed.

An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal is recognised in the income statements, unless it reverses an impairment loss on revalued assets, in which case, the reversal is treated as a revaluation increase.

## Inventories

Inventories of completed properties are stated at the lower of cost and net realisable value. Cost includes the relevant cost of land and development expenditure.

Inventories of raw materials, work-in-progress and finished goods are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of raw materials comprises the original purchase price plus cost incurred in bringing the inventories to their present location and condition. The costs of finished goods and work-in-progress comprise raw materials, direct labour, other direct costs and an appropriate proportion of production overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

## Receivables

Receivables are reduced by the appropriate allowances for estimated irrecoverable amounts. Allowance for doubtful debts is made based on estimates of possible losses which may arise from non-collection of certain receivable accounts.

## Borrowing 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 them 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.

The amount of borrowing costs eligible for capitalisation is determined based on actual interest incurred on borrowings made specifically for the purpose of obtaining a qualifying asset and less any investment income on the temporary investment of that borrowing.

All other borrowing costs are recognised as finance costs in the income statements in the financial year in which they are incurred.

# Notes To The Financial Statements (Cont'd)

## Provisions

Provisions for liabilities are recognised when the Group has a present or constructive 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 balance sheet 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.

## Contingent Liabilities and Contingent Assets

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

## Employee Benefits

### (i) Short-term 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 the Company. Short term accumulating compensated absences for paid annual leave when services are rendered by employees that increase their entitlement to future compensated absences are recognised based on the experience that absences will occur.

### (ii) Defined contribution plan

The Group and the Company are required by law to make monthly contributions to the Employees Provident Fund (EPF), a statutory defined contribution plan for all their eligible employees based on certain prescribed rates of the employees' salaries. The Group's and the Company's contributions to EPF are disclosed separately. The employees' contributions to EPF are included in salaries and wages.

### (iii) Defined benefit plan

A foreign subsidiary operates an unfunded defined Retirement Benefit Scheme ("RBS") for its eligible employees. The foreign subsidiary's obligations under RBS are determined based on external actuarial valuation in accordance with the labour law requirements in that country where the amount of benefits that employees have earned in return for their service in the current and prior years is estimated. That benefit is discounted using the Projected Unit Credit Method in order to determine its present value. Actuarial gains and losses are recognised as income or expense over the expected average remaining working lives of the participating employees when the cumulative unrecognised actuarial gains or losses for RBS exceed 10% of the higher of the present value of the defined benefit obligation and the fair value of plan assets. Past service cost is recognised immediately to the extent that the benefits are already vested; otherwise, it is amortised on a straight-line basis over the average period until the benefits become vested.

The amount recognised in the balance sheet represents the present value of the defined benefit obligations adjusted for unrecognised actuarial gains and losses and unrecognised past service cost, and reduced by the fair value of plan assets. Plan assets resulting from this calculation are to be used only to settle the employee benefit obligations and only can be returned to the enterprise if the remaining assets of the fund are sufficient to meet the plan's obligation to pay the related employee benefits directly.

# Notes To The Financial Statements (Cont'd)

## (iv) Employees' share option scheme ("ESOS")

The Group operates an ESOS plan for the employees of the Group as set out in Note 25. The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense in the income statements over the vesting periods of the grant with a corresponding increase in equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the Group revises its estimates of the number of share options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the income statements, with a corresponding adjustment to equity.

When the options are exercised, the proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

## Share Capital

### (a) Classification

Ordinary shares with discretionary dividends are classified as equity. Other shares are classified as equity and/or liabilities according to the economic substance of the particular instrument.

### (b) Share issue costs

Transaction costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### (c) Dividends to shareholders of the Company

Dividends are recognised as a liability in the period in which they are declared.

## Cash and Cash Equivalents

The Group and the Company adopt the indirect method in the preparation of the cash flow statements. Cash and cash equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risk of changes in value.

## Fair Value Estimation for Disclosure Purposes

In assessing the fair value of financial instruments, the Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. The fair value of quoted investments is based on its quoted market price at the balance sheet date. For current financial assets and liabilities, the carrying amounts are assumed to approximate their fair values because of the short maturity of these instruments. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

# Notes To The Financial Statements (Cont'd)

## Segment Reporting

Segment reporting is presented for enhanced assessment of the Group's risks and returns. A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component of an entity that is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those components operating in other economic environment.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and segment liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group enterprises within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

## 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The management is of the opinion that there are no instances of application of critical judgements in applying the Group's accounting policies which are expected to have a significant effect on the amounts recognised in the financial statements.

### (b) Key sources of estimation uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:

- (i) The Group recognised property development revenue based on percentage of completion method. The percentage of completion is measured by reference to the property development costs incurred to date to the estimated total costs for the property development. The percentage of completion method requires the Group to make reasonably dependable estimates of progress towards completion of property development projects and costs in determining the percentage of completion, and the recoverability of development projects. In making the estimate, management relied on opinion/ service of experts, past experience and a continuous monitoring mechanism.
- (ii) Deferred tax assets are recognised for unutilised tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the tax losses, capital allowances and other deductible temporary differences can be utilised. Management judgement is required in determining the amount of deferred tax assets that can be recognised, based on the assessment of the probability of the future taxable profits.

## 5. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

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

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

The Group focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Financial risk management is carried out through risk reviews, internal control systems and adherence to Group financial risk management policies. The Board regularly reviews these risks and approves the treasury policies, which cover the management of these risks.

# Notes To The Financial Statements (Cont'd)

## Foreign currency risk

The Group is exposed to foreign exchange rate risk as certain transactions are entered into by subsidiaries in currencies other than their functional currency. The Company's foreign subsidiary enters into a cross currency swap contract to protect the Group from movements in exchange rates and interest rates by establishing the rates at which a foreign currency liability will be settled.

The loan balance in foreign currency, the contractual foreign exchange rate, the contractual interest rate and the termination dates are as follows:

			Contractual rate		
Hedged item	Currency to be paid	RM'000 equivalent	Forex rates	Interest rates	Termination date
2009					
Borrowing:					
USD217,859	Indonesian Rupiah	745	1 USD = Rp9,295	13.30%	June 2010
2008					
USD 206,725	Indonesian Rupiah	719	1 USD = Rp9,070	10.85%	October 2009
USD 653,577	Indonesian Rupiah	2,275	1 USD = Rp9,295	13.30%	June 2010

## Interest rate risk

The Group enters into various interest rate risk management transactions, including using a combination of fixed and floating rate loans to manage net interest rates within a predictable and desired range.

The cross currency swap contract of the foreign subsidiary entitles it to pay interest at fixed rate on notional principal amount. The foreign subsidiary agreed to receive interest rate equal to SIBOR plus certain margin on the USD amount and pay interest at a rate of 13.30% (2008: 10.85% and 13.30%) on Rupiah amount.

## Market risk

The Group has in place policies to manage the Group's exposure to fluctuation in the prices of the key raw materials used in the operations through close monitoring and buying ahead in anticipation of significant price increase, where necessary.

For sales to key Original Equipment Manufacturing customers, the Group establishes a floating raw material pricing mechanism in determining the selling price where changes in raw material component prices beyond a certain range are passed on to customers.

For property development, the Group is actively sourcing for new development land in prime locations to increase its development landbank. Properties developed by the Group range from affordable homes to high-end products depending on the location of the development project and the profile of its target market.

## Credit risk

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

## Liquidity risk

The Group and the Company practise prudent liquidity risk management to minimize the mismatch of financial assets and liabilities and to maintain sufficient credit facilities for contingent funding requirement of working capital.



# Notes To The Financial Statements (Cont'd)

## Cash flow risk

The Group and the Company review their cash flow position regularly to manage their exposure to fluctuations in future cash flows associated with their monetary financial instruments.

## 6. REVENUE

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Property development revenue	558,037	489,386	-	-
Sales of goods	135,210	145,723	-	-
Sales of completed properties	5,905	12,553	-	-
Gross dividend income from subsidiary company	-	-	10,000	10,000
Interest income on:				
- bank deposits	2,361	3,809	2,361	3,809
- advances to subsidiaries	-	-	2,786	3,953
Rental income	49	168	-	-
Management fees from a subsidiary company	-	-	12	12
	701,562	651,639	15,159	17,774

## 7. COST OF SALES

	The Group	
	2009 RM'000	2008 RM'000
Property development costs	394,216	296,875
Cost of goods sold	116,763	128,030
Cost of completed properties sold	3,405	10,222
	514,384	435,127

Included in cost of goods sold are the following:

	The Group	
	2009 RM'000	2008 RM'000
Raw materials and consumables used	87,047	94,956
Changes in inventories of finished goods and work in progress	(1,153)	1,795
	85,894	96,751

# Notes To The Financial Statements (Cont'd)

## 8. PROFIT BEFORE TAX

		The Group		The Company	
	Note	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<b>Profit before tax is arrived at after charging:</b>					
Auditors' remuneration:					
- current financial year		234	230	25	25
- (over)/underprovision in prior years		(3)	8	-	8
- non-audit fee		5	7	5	5
Property, plant and equipment:					
- depreciation	15	9,871	8,661	91	34
- written-off		66	84	-	-
Allowance for doubtful debts - trade receivables	23	795	-	-	-
Lease rental expense	37	2,690	-	-	-
Interest expenses in development costs		8,380	8,259	-	-
Bad debts written off		-	-	4	5
Impairment loss on subsidiary		-	-	3	-
Amortisation of license fee	17	8	8	-	-
Amortisation of prepaid lease payments	16	349	342	-	-
Impairment loss on investment in associates	19	-	26	-	26
Rental of buildings		909	704	41	20
Allowance for inventories	22	16	500	-	-
Property development costs written off	21	-	513	-	-
Net loss on foreign exchange:					
- realised		645	2,334	-	-
- unrealised		570	-	295	-
<b>Profit before tax is arrived at after crediting:</b>					
Gain on disposal of property plant and equipment		728	6	-	-
Gain on disposal of prepaid lease payments		172	-	-	-
Gain on disposal of other investment		1	-	-	-

## Notes To The Financial Statements (Cont'd)

	Note	The Group		The Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Allowance for doubtful debts no longer required - trade receivables		6	37	-	-
Allowance for slow-moving inventories no longer required		-	89	-	-
Gain on foreign exchange:					
- Realised		1,195	139	-	-
- Unrealised		-	542	-	-
Reversal of impairment losses on property, plant and equipment	15	-	62	-	-
Rental income from letting of premises*		47	26	-	-
Forfeiture income:					
Termination of sales of commercial building	21	42,676	-	-	-
Others		1,956	348	-	-

\* Excluding those classified as revenue in Note 6.

### 9. STAFF COSTS

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Wages, salaries and bonus	39,176	32,935	8,307	6,976
Employees Provident Fund contributions and social security costs	4,147	4,053	992	927
Short term accumulating compensated absences	221	220	8	37
Pension costs - defined benefit plan (Note 41)	445	288	-	-
Other staff related expenses	3,745	3,619	34	30
	47,734	41,115	9,341	7,970

Included in staff costs are directors' remuneration of the Group and of the Company respectively as further disclosed in Note 39.

# Notes To The Financial Statements (Cont'd)

## 10. INTEREST INCOME

	The Group	
	2009 RM'000	2008 RM'000
Interest on bank deposits	115	91
Interest on Project Accounts	178	385
Interest on late payment from property buyers	168	1,242
	<b>461</b>	<b>1,718</b>

## 11. FINANCE COSTS

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Interest expenses on:				
- term loans	11,396	12,524	1,234	2,309
- bank overdrafts	35	31	-	-
- hire purchase	284	441	-	-
- other borrowings	289	371	-	-
	<b>12,004</b>	<b>13,367</b>	<b>1,234</b>	<b>2,309</b>
Less: Interest capitalised in development properties (Note 21)	(9,388)	(9,057)	-	-
	<b>2,616</b>	<b>4,310</b>	<b>1,234</b>	<b>2,309</b>

## 12. INCOME TAX EXPENSE

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Estimated tax payable:				
- Local	46,389	40,126	826	1,650
- Foreign	596	442	-	-
- (Over)/Underprovision in prior years	(472)	2,579	(168)	(359)
	<b>46,513</b>	<b>43,147</b>	<b>658</b>	<b>1,291</b>
Deferred tax (Note 30)	1,889	(89)	84	110
	<b>48,402</b>	<b>43,058</b>	<b>742</b>	<b>1,401</b>

# Notes To The Financial Statements (Cont'd)

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

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Profit before tax	144,243	136,006	1,969	5,085
Tax at Malaysian statutory tax rate of 25% (2008 : 26%)	36,061	35,361	492	1,322
Tax effects of:				
Expenses not deductible for tax purposes	3,072	2,581	418	438
Lower tax rate for small and medium scale companies	-	(148)	-	-
Effect of different tax rates in other jurisdictions	61	62	-	-
Utilisation of deferred tax assets not previously recognised	(1,374)	(222)	-	-
Deferred tax assets not recognised	11,910	3,553	-	-
Reinvestment allowance utilised	(856)	(708)	-	-
(Over)/Underprovision in prior years	(472)	2,579	(168)	(359)
Tax expense for the financial year	48,402	43,058	742	1,401

## 13. EARNINGS PER ORDINARY SHARE

### (a) Basic

The basic earnings per ordinary share for the financial year has been calculated based on the profit attributable to ordinary equity holders of the Company for the financial year divided by the weighted average number of ordinary shares in issue during the financial year as follows:

	The Group	
	2009 RM'000	2008 RM'000
Profit attributable to equity holders of the Company (RM'000)	94,282	93,168
Weighted average number of ordinary shares in issue (Unit'000)	633,050	623,730
Basic earnings per ordinary share (sen)	14.89	14.94

# Notes To The Financial Statements (Cont'd)

## (b) Diluted

The diluted earnings per share has been calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of shares that would have been in issue upon full exercise of the remaining options under the ESOS and Warrants adjusted for the number of such shares that would have been issued at fair value as follows:

	The Group	
	2009 RM'000	2008 RM'000
Profit attributable to equity holders of the Company (RM'000)	94,282	93,168
Weighted average number of ordinary shares in issue (Unit'000)	633,050	623,730
Weighted average number of ordinary shares deemed issued at no consideration (Unit'000):		
- Warrants	746	4,085
- ESOS	76	410
Adjusted weighted average number of ordinary shares (Unit'000)	633,872	628,225
Diluted earnings per ordinary share (sen)	14.87	14.83

## 14. DIVIDEND PAID/PROPOSED

	The Group	
	2009 RM'000	2008 RM'000
In respect of financial year ended 31 December 2007		
- first and final dividend of 16% on ordinary shares less 26% income tax paid on 18 August 2008	-	37,057
In respect of financial year ended 31 December 2008		
- first and final dividend of 16% on ordinary shares less 25% income tax paid on 18 September 2009	37,799	-
	37,799	37,057

The Directors have proposed a first and final gross dividend of 13% on ordinary shares, less income tax of 25%, amounting to RM33,782,484 in respect of the current financial year. The proposed first and final dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the financial statements for the current financial year. Such dividend when approved by shareholders will be accounted for in equity as an appropriation of retained earnings during the financial year ending 31 December 2010.



# Notes To The Financial Statements (Cont'd)

## 15. PROPERTY, PLANT AND EQUIPMENT

2009	At Cost/ Valuation		At Cost			Total RM'000
	Buildings RM'000	Renovations RM'000	Plant, machinery and factory equipment RM'000	Motor vehicles RM'000	Furniture, fittings and office equipment RM'000	
<b>The Group</b>						
<b>Cost/valuation</b>						
At 1 January	36,106	1,080	102,919	8,106	8,621	156,832
Currency translation differences	(176)	-	(817)	(15)	(16)	(1,024)
Additions	311	152	8,623	3,506	1,108	13,700
Disposals	(2,493)	-	(27)	(262)	(14)	(2,796)
Written off	-	(78)	-	-	-	(78)
At 31 December	33,748	1,154	110,698	11,335	9,699	166,634
<b>Accumulated depreciation</b>						
At 1 January	16,034	258	71,737	4,196	5,081	97,306
Currency translation differences	(80)	-	(645)	(11)	(13)	(749)
Charge for the financial year	1,442	108	6,483	1,168	670	9,871
Disposals	(644)	-	(18)	(158)	(12)	(832)
Written off	-	(12)	-	-	-	(12)
At 31 December	16,752	354	77,557	5,195	5,726	105,584
<b>Accumulated impairment loss</b>						
At 1 January	-	-	68	-	-	68
At 31 December	-	-	68	-	-	68
<b>Net book value</b>						
At 31 December 2009	16,996	800	33,073	6,140	3,973	60,982

# Notes To The Financial Statements (Cont'd)

2008	At Cost/ Valuation		At Cost			Total RM'000
	Buildings RM'000	Renovations RM'000	Plant, machinery and factory equipment RM'000	Motor vehicles RM'000	Furniture, fittings and office equipment RM'000	
<b>The Group</b>						
<b>Cost/valuation</b>						
At 1 January	35,027	983	90,103	7,323	7,739	141,175
Currency translation differences	490	-	2,123	34	41	2,688
Additions	589	165	10,701	945	995	13,395
Disposals	-	-	-	(196)	(92)	(288)
Written off	-	(68)	(8)	-	(62)	(138)
At 31 December	36,106	1,080	102,919	8,106	8,621	156,832
<b>Accumulated depreciation</b>						
At 1 January	14,419	172	64,627	3,333	4,587	87,138
Currency translation differences	178	-	1,543	27	29	1,777
Charge for the financial year	1,437	94	5,574	982	574	8,661
Disposals	-	-	-	(146)	(70)	(216)
Written off	-	(8)	(7)	-	(39)	(54)
At 31 December	16,034	258	71,737	4,196	5,081	97,306
<b>Accumulated impairment loss</b>						
At 1 January	-	-	130	-	-	130
Reversal for the financial year	-	-	(62)	-	-	(62)
At 31 December	-	-	68	-	-	68
<b>Net book value</b>						
At 31 December 2008	20,072	822	31,114	3,910	3,540	59,458

# Notes To The Financial Statements (Cont'd)

## Analysis of buildings

2009	At Valuation	At Cost		
	Leasehold buildings RM'000	Leasehold buildings RM'000	Freehold buildings RM'000	Total buildings RM'000
<b>The Group</b>				
<b>Cost/valuation</b>				
At 1 January	6,297	20,134	9,675	36,106
Currency translation differences	-	(176)	-	(176)
Additions	-	110	201	311
Disposals	-	(2,493)	-	(2,493)
At 31 December	6,297	17,575	9,876	33,748
<b>Accumulated depreciation</b>				
At 1 January	3,828	8,169	4,037	16,034
Currency translation differences	-	(80)	-	(80)
Charge for the financial year	239	934	269	1,442
Disposals	-	(644)	-	(644)
At 31 December	4,067	8,379	4,306	16,752
<b>Net book value</b>				
At 31 December 2009	2,230	9,196	5,570	16,996

2008	At Valuation	At Cost		
	Leasehold buildings RM'000	Leasehold buildings RM'000	Freehold buildings RM'000	Total buildings RM'000
<b>The Group</b>				
<b>Cost/valuation</b>				
At 1 January	6,297	19,479	9,251	35,027
Currency translation differences	-	490	-	490
Additions	-	165	424	589
At 31 December	6,297	20,134	9,675	36,106
<b>Accumulated depreciation</b>				
At 1 January	3,589	7,070	3,760	14,419
Currency translation differences	-	178	-	178
Charge for the financial year	239	921	277	1,437
At 31 December	3,828	8,169	4,037	16,034
<b>Net book value</b>				
At 31 December 2008	2,469	11,965	5,638	20,072

# Notes To The Financial Statements (Cont'd)

2009			
The Company	Furniture and fittings RM'000	Office equipment RM'000	Total RM'000
<b>Cost</b>			
At 1 January	43	874	917
Additions	5	302	307
At 31 December	48	1,176	1,224
<b>Accumulated depreciation</b>			
At 1 January	8	184	192
Charge for the financial year	4	87	91
At 31 December	12	271	283
<b>Net book value</b>			
At 31 December 2009	36	905	941

2008			
The Company	Furniture and fittings RM'000	Office equipment RM'000	Total RM'000
<b>Cost</b>			
At 1 January	40	312	352
Additions	3	562	565
At 31 December	43	874	917
<b>Accumulated depreciation</b>			
At 1 January	4	154	158
Charge for the financial year	4	30	34
At 31 December	8	184	192
<b>Net book value</b>			
At 31 December 2008	35	690	725

# Notes To The Financial Statements (Cont'd)

## Valuation

The leasehold buildings of a subsidiary company were valued by the Directors in 1992 based on a valuation carried out by independent professional valuers on the open market value basis. The surplus arising from the revaluation amounting to RM2,040,529 has been credited to the revaluation reserve account and eliminated upon consolidation.

The net book values of revalued leasehold buildings of the subsidiary company that would have been included in the financial statements had these assets been carried at cost less accumulated depreciation, are as follows:

	The Group	
	2009 RM'000	2008 RM'000
<b>Net book value</b>		
Leasehold buildings	1,226	1,358

## Assets with restricted title

At the balance sheet date, the net book values of property, plant and equipment of the Group pledged to financial institutions to secure term loans, short-term borrowings and bank overdrafts as shown in Notes 28, 32 and 33 respectively are as follows:

	The Group	
	2009 RM'000	2008 RM'000
<b>Net book value</b>		
Freehold buildings	5,570	5,638
Leasehold buildings	5,991	6,500
Plant, machinery and factory equipment	13,483	15,505
	25,044	27,643

## Assets held under hire purchase and finance lease agreements

At the balance sheet date, the net book values of property, plant and equipment of the Group held under hire purchase and finance leases are as follows:

	The Group	
	2009 RM'000	2008 RM'000
<b>Net book value</b>		
Plant, machinery and factory equipment	897	3,507
Motor vehicles	5,155	3,467
	6,052	6,974

# Notes To The Financial Statements (Cont'd)

## 16. PREPAID LEASE PAYMENTS

	The Group	
	2009 RM'000	2008 RM'000
<b>Leasehold land</b>		
<b>Cost/valuation</b>		
At 1 January	10,135	9,887
Currency translation differences	(88)	248
Disposals	(1,351)	-
At 31 December	8,696	10,135
<b>Accumulated amortisation</b>		
At 1 January	4,805	4,345
Currency translation differences	(49)	118
Amortisation for the financial year	349	342
Disposals	(110)	-
At 31 December	4,995	4,805
Net book value at 31 December	3,701	5,330

The unexpired portion of the leasehold land as of 31 December 2009 are within the range of 10 years to 13 years (2008: 11 years to 88 years).

Certain parcels of leasehold land of the Group with a carrying value of RM2,410,428 (2008: RM2,648,931) are pledged to financial institutions to secure term loans, short-term borrowings and bank overdrafts as shown in Notes 28, 32 and 33.

## 17. INTANGIBLE ASSETS

	The Group	
	2009 RM'000	2008 RM'000
<b>Cost</b>		
At 1 January and 31 December	82	82
<b>Accumulated amortisation</b>		
At 1 January	70	62
Amortisation for the financial year	8	8
At 31 December	78	70
Net book value at 31 December	4	12



# Notes To The Financial Statements (Cont'd)

## 18. INVESTMENT IN SUBSIDIARY COMPANIES

	The Group	
	2009 RM'000	2008 RM'000
Unquoted shares, at cost	76,135	77,375
Less: Accumulated impairment losses	(9,480)	(10,767)
	<b>66,655</b>	<b>66,608</b>

During the financial year, the Company subscribed for an additional 999,998 ordinary shares of RM1.00 each in Sierra Peninsular Development Sdn Bhd for a total cash consideration of RM999,998.

The following subsidiaries were acquired/incorporated/disposed of during the financial year:

- (a) On 28 April 2009, the Company acquired 2 ordinary shares of RM1.00 each representing 100% of the issued and paid-up share capital of Myvilla Development Sdn Bhd for a cash consideration of RM2.00;
- (b) On 3 September 2009, the Company acquired 2 ordinary shares of RM1.00 each representing 100% of the issued and paid-up share capital of Grand Pavilion Development Sdn Bhd for a cash consideration of RM2.00;
- (c) On 3 September 2009, the Company acquired 2 ordinary shares of RM1.00 each representing 100% of the issued and paid-up share capital of Klassik Tropika Development Sdn Bhd for a cash consideration of RM2.00;
- (d) On 2 December 2009, the Company incorporated a wholly-owned subsidiary, Mah Sing International (HK) Limited, with paid-up share capital of HK1.00. On 23 December 2009, Mah Sing International (HK) Limited incorporated a wholly-owned subsidiary, Mah Sing Property Consulting (Changzhou) Pte Ltd, with an issued and paid-up share capital of USD29,800,000.00; and
- (e) On 30 December 2009, the Company disposed of 2 ordinary shares of RM1.00 each representing 100% of the issued and paid-up share capital of Ideal Sierra Development Sdn Bhd for total consideration of RM2.00.

# Notes To The Financial Statements (Cont'd)

The subsidiary companies are as follows:

Name of company	Country of incorporation	Group's effective equity interest		Principal activities
		2009 %	2008 %	
Subsidiary companies of Mah Sing Group Berhad				
Mah Sing Properties Sdn Bhd	Malaysia	100	100	Property investment and development
Mah Sing Plastics Industries Sdn Bhd + @	Malaysia	100	100	Manufacture of plastic moulded products and property development
Mah Sing Enterprise Sdn Bhd + @	Malaysia	100	100	Trading of plastic and other related products
Mah Sing Components Manufacturing Sdn Bhd	Malaysia	100	100	Inactive
Jastamax Sdn Bhd	Malaysia	100	100	Property development
Multi Synergy Group Sdn Bhd	Malaysia	100	100	Property investment and development
Vital Routes Sdn Bhd @	Malaysia	100	100	Investment holding
Champion Computers Sdn Bhd ***	Malaysia	-	100	Inactive
Peninsular Connection Sdn Bhd	Malaysia	100	100	Inactive
Pleasant Network Sdn Bhd	Malaysia	100	100	Inactive
Insan Johan Sdn Bhd ***	Malaysia	-	100	Inactive
Vital Roles Sdn Bhd	Malaysia	90	90	Inactive
Mah Sing Precision Engineering Sdn Bhd ***	Malaysia	-	100	Inactive
Konsortium Lingkaran Lembah Kinta Sdn Bhd	Malaysia	51	51	Dormant
Gentali Motor Corpn. Sdn Bhd	Malaysia	60.5	60.5	Inactive
Superior Focus Sdn Bhd	Malaysia	80	80	Inactive
Intramewah Development Sdn Bhd	Malaysia	100	100	Property development
Legend Grand Development Sdn Bhd	Malaysia	100	100	Property development
Nova Legend Development Sdn Bhd	Malaysia	100	100	Property development
Nova Century Development Sdn Bhd	Malaysia	100	100	Property development
Venice View Development Sdn Bhd	Malaysia	100	100	Property development
Golden Venice Development (MM2H) Sdn Bhd	Malaysia	100	100	Inactive
Loyal Sierra Development Sdn Bhd	Malaysia	100	100	Property development
Star Residence Sdn Bhd	Malaysia	100	100	Property development
Sierra Peninsular Development Sdn Bhd	Malaysia	100	100	Property development
Maxim Heights Sdn Bhd	Malaysia	100	100	Property development

# Notes To The Financial Statements (Cont'd)

Name of company	Country of incorporation	Group's effective equity interest		Principal activities
		2009 %	2008 %	
Vienna View Development Sdn Bhd	Malaysia	70	70	Property development
Enrich Property Development Sdn Bhd	Malaysia	70	70	Property development
Vienna Home Sdn Bhd	Malaysia	70	70	Property development
Suria Lagenda Development Sdn Bhd	Malaysia	100	100	Dormant
Ideal Sierra Development Sdn Bhd	Malaysia	-	100	Dormant
Supreme Springs Sdn Bhd	Malaysia	100	100	Property development
Oasis Garden Development Sdn Bhd	Malaysia	100	100	Dormant
Mah Sing Investment Singapore Pte Ltd*	Singapore	100	100	Dormant
Mah Sing International Ltd	British Virgin Islands	100	100	Dormant
Myvilla Development Sdn Bhd	Malaysia	100	-	Property development
Grand Pavilion Development Sdn Bhd	Malaysia	100	-	Dormant
Klassik Tropika Development Sdn Bhd	Malaysia	100	-	Property development
Mah Sing International (HK) Limited ^	Hong Kong	100	-	Investment holding
<b>Subsidiary company of Mah Sing International (HK) Limited</b>				
Mah Sing Property Consulting (Changzhou) Pte Ltd ^	People's Republic of China	100	-	Property consulting
<b>Subsidiary companies of Mah Sing International Ltd</b>				
Mah Sing Vietnam Ltd	British Virgin Islands	100	100	Dormant
Mah Sing Vina Ltd	British Virgin Islands	100	100	Dormant
<b>Subsidiary company of Mah Sing Plastics Industries Sdn Bhd</b>				
Kenwira Sdn Bhd	Malaysia	100	100	Assembly of helmets
<b>Subsidiary companies of Mah Sing Properties Sdn Bhd</b>				
Mestika Bistari Sdn Bhd	Malaysia	100	100	Property development
Acacia Springs Management Sdn Bhd	Malaysia	100	100	Property management
Mestika Kenangan Sdn Bhd	Malaysia	100	100	Property management
Vienna Grand Development Sdn Bhd	Malaysia	100	100	Property management
Quantum Noble Development Sdn Bhd	Malaysia	100	100	Property management
Prima Peninsular Development Sdn Bhd	Malaysia	100	100	Property management
<b>Subsidiary company of Pleasant Network Sdn Bhd</b>				
Vican Technology Sdn Bhd **	Malaysia	68	68	Inactive

# Notes To The Financial Statements (Cont'd)

Name of company	Country of incorporation	Group's effective equity interest		Principal activities
		2009 %	2008 %	
Subsidiary company of Vican Technology Sdn Bhd				
Vican Electronics Sdn Bhd #	Malaysia	68	68	Inactive
Subsidiary company of Vital Routes Sdn Bhd				
P.T. Mah Sing Indonesia * @	Indonesia	65	65	Manufacture of plastic moulded products

\* Audited by other firms of auditors.

\*\* This subsidiary company is under a court winding-up order and was deconsolidated from the Group results in 2000. The cost of investment in this subsidiary company had been fully provided for.

\*\*\* These subsidiary companies were dissolved on 29 October 2009.

# This company has not been consolidated as its immediate holding company was deconsolidated from the Group.

+ Consolidated using merger method.

@ Shares of these subsidiaries are pledged to a bank for loan facilities granted to the Company as disclosed in Note 28.

^ Mah Sing International (HK) Limited and Mah Sing Property Consulting (Changzhou) Pte Ltd were incorporated on 2 December 2009 and 23 December 2009 respectively. As the first set of financial statements is not due as of 31 December 2009, the subsidiary companies have yet to appoint auditors as of the report date.

# Notes To The Financial Statements (Cont'd)

## 19. INVESTMENT IN ASSOCIATED COMPANIES

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Unquoted shares, at cost	1,035	1,161	99	225
Less: Accumulated impairment losses	(125)	(251)	(99)	(225)
Group's share of post-acquisition accumulated losses	(910)	(910)	-	-
	-	-	-	-

The Group's share in the accumulated losses of associated companies as shown below has not been recognised in the Group's income statement as equity accounting ceased when the Group's share of losses of associated companies exceeded the carrying amount of its investment in the associates.

	The Group	
	2009 RM'000	2008 RM'000
<b>Accumulated losses</b>		
As at 1 January	(3,788)	(3,785)
Share of loss from ordinary activities after taxation	(3)	(3)
As at 31 December	(3,791)	(3,788)

Details relating to the associated companies are as follows:

Name of company	Country of incorporation	Effective equity interest		Principal activities
		2009 %	2008 %	
Associated companies of Mah Sing Group Berhad				
Perstorp Sdn Bhd *#	Malaysia	-	42	Inactive
Prestige Greenery Sdn Bhd *	Malaysia	39.5	39.5	Dormant
Associated company of Peninsular Connection Sdn Bhd				
True Mineral Water Sdn Bhd	Malaysia	50	50	Inactive

\* Audited by other firms of auditors

# The associated company was disposed of by the Group during the financial year for total consideration of RM1.00

# Notes To The Financial Statements (Cont'd)

## 20. OTHER INVESTMENT

	The Group	
	2009 RM'000	2008 RM'000
Quoted shares in Malaysia, at cost	-	4
Less: Allowance for diminution in value	-	(3)
	-	1
Market value of quoted shares in Malaysia	-	2

## 21. PROPERTY DEVELOPMENT ACTIVITIES

### (a) Land held for property development

	The Group	
	2009 RM'000	2008 RM'000
Freehold land at cost	47,099	47,099
At 1 January	47,099	-
Land costs incurred during the year	-	47,099
At 31 December	47,099	47,099

Land held for property development is charged to a financial institution as a security for term loans as shown in Note 28.



# Notes To The Financial Statements (Cont'd)

## (b) Property development costs

The Group		
	2009 RM'000	2008 RM'000
<b>At 1 January</b>		
Land costs	382,010	298,020
Development costs	242,616	271,305
	624,626	569,325
<b>Cost incurred during the financial year:</b>		
Land costs	313,470	128,100
Development costs	277,211	226,101
	590,681	354,201
<b>Cost recognised as an expense in the income statements during the financial year:</b>		
Land costs	(57,961)	(43,559)
Development costs	(335,899)	(253,316)
	(393,860)	(296,875)
<b>Reversal of completed projects:</b>		
Land costs	(29,492)	(1,166)
Development costs	(222,808)	(2,958)
Cumulative costs recognised as an expense:		
Land costs	29,492	1,166
Development costs	222,080	2,958
	-	-
<b>Cost written off during the financial year:</b>		
Development costs	-	(513)
<b>Cost transferred to inventories:</b>		
Land costs	-	(551)
Development costs	-	(961)
	-	(1,512)
<b>At 31 December</b>		
Land costs	637,519	382,010
Development costs	183,928	242,616
	821,447	624,626

# Notes To The Financial Statements (Cont'd)

The titles to parcels of freehold land with a cost of RM262,377,540 (2008: RM3,650,000) which were acquired during the financial year have not been transferred to the Group as at 31 December 2009, pending registration process by local authorities, while all other conditions precedent have been met.

The title deeds in respect of certain land cost amounting to RM31,000,000 (2008: RM31,000,000) under joint development arrangements with the land owner are not registered under the subsidiary companies' names as the title deeds will be transferred directly to house buyers upon sale of the properties.

Included in development costs is interest on borrowings capitalised during the financial year amounting to RM9,388,269 (2008: RM9,056,602).

Certain freehold land and leasehold land under property development of RM 246,199,415 (2008: RM250,387,840) and RM3,649,155 (2008: RM14,532,193) respectively are pledged to certain financial institutions as securities for term loans and bank overdrafts of the Group as shown in Notes 28 and 33 respectively.

During the financial year, a wholly-owned subsidiary company of the Group has terminated a sale of a commercial building due to a default on the part of purchaser to pay the balance of the sale consideration. Consequently, in accordance with the terms of the sale and purchase agreement and consultation with legal advisors, an amount of RM42,676,470 being part payment of the sale consideration has been forfeited and recognised as an income as disclosed in Note 8. Following the aforementioned termination, the wholly-owned subsidiary company has entered into a new sale and purchase agreement for the sale of the same commercial building to another third party for RM226,514,800 during the financial year. The new sale and purchase agreement was completed upon settlement of the purchase consideration during the financial year.

# Notes To The Financial Statements (Cont'd)

## 22. INVENTORIES

	The Group	
	2009 RM'000	2008 RM'000
At cost:		
Completed properties	16,768	20,173
Raw materials	7,342	6,898
Work-in-progress	1,353	848
Finished goods	5,683	5,035
	31,146	32,954
Allowance for slow-moving inventories:		
Raw materials	(432)	(440)
Finished goods	(267)	(245)
	(699)	(685)
Allowance for inventories - completed properties	(500)	(500)
	29,947	31,769

Inventories amounting to RM2,558 (2008: Nil) have been written off against allowance for slow-moving inventories during the financial year.

Inventories of a subsidiary company amounting to RM4,954,464 (2008: RM4,983,476) are pledged to financial institutions to secure foreign term loans, short-term borrowings and bank overdrafts as shown in Notes 28, 32 and 33.

Completed properties of a subsidiary company amounting to RM5,696,872 (2008: RM5,696,872) are pledged to financial institutions to secure term loans and short-term borrowings of the Company as shown in Notes 28 and 32 respectively.

# Notes To The Financial Statements (Cont'd)

## 23. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Trade receivables	114,916	91,266	-	-
Less: Allowance for doubtful debts	(1,527)	(803)	-	-
	113,389	90,463	-	-
Other receivables	17,928	12,464	8,077	8,219
Less: Allowance for doubtful debts	(10,480)	(10,480)	(8,053)	(8,053)
	7,448	1,984	24	166
Accrued billings in respect of property development	48,707	148,987	-	-
Amounts due from subsidiary companies	-	-	541,568	496,470
Deposits for land acquisitions	5,085	492	-	-
Deposits for property, plant and equipment	470	1,160	-	-
Other deposits	4,655	5,243	30	34
Prepayments	1,087	1,233	7	31
Amount due from associated company	2	-	2	-
	180,843	249,562	541,631	496,701

The currency exposure profile of trade receivables is as follows:

	The Group	
	2009 RM'000	2008 RM'000
Ringgit Malaysia	102,432	78,996
United States Dollar	1,461	1,028
Indonesian Rupiah	10,569	10,592
Singapore Dollar	454	650
	114,916	91,266

Trade receivables amounting to RM65,233 (2008: Nil) have been written off against allowance for doubtful debts during the financial year.

Trade receivables of the Group amounting to RM11,240,910 (2008: RM11,403,252) are charged and assigned to financial institutions to secure foreign term loans, short-term borrowings and bank overdrafts as shown in Notes 28, 32 and 33.

Trade receivables comprise amounts receivable for the sale of goods of RM23,094,989 (2008: RM23,586,160) and amounts receivable from customers for property development projects of RM90,294,716 (2008: RM66,877,300).

# Notes To The Financial Statements (Cont'd)

The terms for sale of goods range from payment in advance to 90 days (2008: payment in advance to 90 days) credit whilst the credit term for receivables from property development is 21 days (2008: 21 days).

Amounts due from subsidiary companies, which arose mainly from intercompany advances and payments on behalf, are unsecured and interest free except for advances amounting to RM83,176,567 (2008: RM162,300,750) and RM5,136,577 (2008: RM4,730,000) which bear interest at 2% (2008: 2%) and 10% (2008: 10%) per annum respectively.

Included in other receivables of the Group and of the Company is an amount of RM8,053,077 (2008: RM8,053,077) owing by indirect subsidiary companies, Vican Technology Sdn Bhd and Vican Electronics Sdn Bhd, which had been excluded from consolidation as explained in Note 18. The amount owing by the said subsidiary companies has been fully provided for.

Amount due from associate company which arose mainly from payment on behalf is unsecured and interest free.

Concentration of credit risk with respect to trade receivables are limited due to the Group's large number of customers, which are widely distributed and covers a broad range of end markets. The Group's historical experience in collection of accounts receivable falls within the recorded allowances. Due to these factors, the management believes there is no additional credit risk beyond amounts provided for doubtful debts for the Group's trade receivables.

## 24. DEPOSITS, CASH AND BANK BALANCES

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Cash and bank balances	115,920	27,665	246	1,326
Project Accounts	11,925	13,019	-	-
Deposits with licensed banks	268,781	131,552	224,422	119,697
	396,626	172,236	224,668	121,023

The interest rates per annum for deposits and project accounts during the financial year are as follows:

	The Group		The Company	
	2009 %	2008 %	2009 %	2008 %
Project Accounts	1.00	2.00	-	-
Deposits with licensed banks	1.75 - 3.40	2.10 - 3.70	1.95 - 3.40	2.30 - 3.55

# Notes To The Financial Statements (Cont'd)

Bank balances are deposits held on call with licensed banks. Deposits with licensed banks have an average maturity of 30 days (2008: 30 days).

Deposits with licensed banks of the Group amounting to RM688,371 (2008: RM663,875) and RM8,900,000 (2008 : Nil) have been pledged as collateral for financing facilities granted to a subsidiary company and for purchase of development land respectively.

Deposits with licensed banks of the Group amounting to RM29,768,818 (2008: RM11,190,707) have been deposited in Escrow Accounts for the purpose of securing the bank guarantee facility or towards repayment of the banking facilities of a subsidiary company.

Project accounts are bank accounts maintained in accordance with Section 7A of the Housing Developers Act, 1966. These accounts, which consist of monies received from purchasers, are for the payment of property development expenditure incurred. The surplus monies, if any, will be released to the respective subsidiary companies upon the completion of the property development projects and after all property development expenditure have been fully settled.

The currency exposure profile of cash and bank balances is as follows:

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Ringgit Malaysia	292,865	170,435	224,668	121,023
United States Dollar	102,375	524	-	-
Indonesian Rupiah	1,386	1,277	-	-
	396,626	172,236	224,668	121,023



# Notes To The Financial Statements (Cont'd)

## 25. SHARE CAPITAL

The Group and The Company			
	Number of shares Unit '000	Par Value RM	RM'000
<b>Ordinary shares</b>			
<b>Authorised:</b>			
<b>2009</b>			
At beginning and end of financial year	1,000,000	0.50	500,000
<b>2008</b>			
At beginning and end of financial year	1,000,000	0.50	500,000
<b>Issued and fully paid:</b>			
<b>2009</b>			
At 1 January	626,845	0.50	313,423
Exercise of Warrants	2,925	0.50	1,463
Exercise of ESOS	206	0.50	103
Private placement	62,997	0.50	31,498
At 31 December	692,973	0.50	346,487
<b>2008</b>			
At 1 January	621,340	0.50	310,671
Exercise of Warrants	4,547	0.50	2,273
Exercise of ESOS	958	0.50	479
At 31 December	626,845	0.50	313,423

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM313,422,791 to RM346,487,017 by way of:

- issuance of 2,925,212 new ordinary shares of RM0.50 each at an exercise price of RM0.50 per ordinary share pursuant to the exercise of Warrants;
- issuance of 206,239 new ordinary shares of RM0.50 each at an exercise price of RM0.77 per ordinary share pursuant to the exercise of share options under the Company's Employees' Share Option Scheme; and
- issuance of 62,997,000 new ordinary shares of RM0.50 each at a price of RM1.55 per ordinary share pursuant to a private placement.

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

The related share premium arising from the aforementioned share issues amounting to RM66,202,535 has been credited to the share premium account during the financial year.

# Notes To The Financial Statements (Cont'd)

## Warrants 2004/2009

The Warrants 2004/2009 ("Warrants") are constituted by a Deed Poll dated 2 April 2004 ("Deed Poll"). The salient features of the Warrants are as follows:

- (a) The issue date of the Warrants is 7 June 2004 and the expiry date is 6 June 2009. Any Warrants not exercised at the expiry date will lapse and cease to be valid for any purpose;
- (b) Each Warrant entitles the registered holder to subscribe for one (1) new ordinary share of RM0.50 in the Company at an exercise price of RM0.50 per ordinary share;
- (c) The exercise price and the number of Warrants are subject to adjustments in the event of alteration to the share capital of the Company in accordance with the provisions in the Deed Poll. However, no adjustment shall be made in any event whereby the exercise price would be reduced to below the par value of ordinary share in the Company;
- (d) The Warrant holders are not entitled to participate in any distribution and/or offer of further securities in the Company (except for the issue of new warrants pursuant to adjustment as mentioned in item (c) above), until and unless such holders exercise the rights under the Warrants to subscribe for new ordinary shares; and
- (e) The new ordinary shares to be issued upon exercise of the Warrants shall, upon allotment and issue, rank pari passu with the then existing ordinary shares, including the entitlement to dividends, rights, allotments or other distributions, except that they will not be entitled to the rights, allotments or other distributions declared by the Company which entitlement thereof precedes the allotment date of the new ordinary shares allotted pursuant to the exercise of the Warrants.

The number and movements in the Company's Warrants are as follows:

Warrants 2004/2009	Number of warrants Unit '000	Par Value of ordinary shares RM
<b>2009</b>		
At 1 January	3,374	0.50
Exercised	(2,925)	0.50
Expired	(449)	0.50
At 31 December	-	
<b>2008</b>		
At 1 January	7,921	0.50
Exercised	(4,547)	0.50
At 31 December	3,374	0.50

# Notes To The Financial Statements (Cont'd)

## Employees' Share Option Scheme

The Company implemented an Employees' Share Option Scheme ("ESOS") which is governed by the ESOS By-Laws ("By-Laws") and was approved by the shareholders at the Extraordinary General Meeting held on 8 March 2004.

The salient features of the ESOS are as follows:

- (a) The ESOS was implemented on 12 July 2004, was in force for a period of 5 years ("Initial Period"). During the financial year, the ESOS was extended for another 5 years until 10 July 2014 in accordance with the terms of the ESOS By-Laws;
- (b) The total number of new shares to be offered pursuant to the exercise of options granted under the ESOS ("Option") shall be subject to a maximum of 10% of the Company's issued and paid-up share capital at the time of the offer;
- (c) Employees (including Executive Directors) of the Company or its subsidiary companies shall be eligible to participate in the ESOS, if as at the date of offer, the employee:
  - (i) has attained the age of eighteen (18) years;
  - (ii) is employed full-time by and on the payroll of the Company or its subsidiary companies; and
  - (iii) is a confirmed employee of the Company or its subsidiary companies.

The allocation criteria of new ordinary shares comprised in the options to eligible employees shall be determined at the discretion of the Option Committee. The participation of an Executive Director of the Company in the ESOS shall be approved by the shareholders of the Company in the general meeting;

- (d) The price payable upon exercise of an Option shall be based on the weighted average market price of the Company's shares as shown in the Daily Official List of the Bursa Malaysia Securities Berhad for the five (5) market days immediately preceding the date of offer with an allowance of a discount of not more than 10%, or at the par value of the Company's share, whichever is higher;
- (e) In the event that a share buy-back exercise of the Company results in the number of options that have been offered under the ESOS exceeding 10% of the issued capital of the Company, there shall be no granting of additional options at any point in time after the share buy-back, unless the number of options that have been granted under the ESOS falls below 10% of the issued capital of the Company;
- (f) The new ordinary shares to be issued upon exercise of the Options shall, upon allotment and issue, rank pari passu with the then existing ordinary shares, including the entitlement to dividends, rights, allotments or other distributions, except that they will not be entitled to the rights, allotments or other distributions, declared by the Company which entitlement thereof precedes the allotment date of the new ordinary shares allotted pursuant to the exercise of the Options; and
- (g) The exercise price and the number of new ordinary shares comprised in the Options are subject to adjustment in the event of alteration to the share capital of the Company in accordance with the provisions in the By-Laws. However, no adjustment shall be made in any event whereby the exercise price would be reduced to below the par value of ordinary share in the Company.

# Notes To The Financial Statements (Cont'd)

The number and movements in the Company's Options are as follows:

Options over ordinary shares	Number of ESOS Unit '000	Par Value of ordinary shares RM
<b>2009</b>		
At 1 January	379	0.50
Exercised	(206)	0.50
Cancelled	(63)	0.50
At 31 December	110	0.50
<b>2008</b>		
At 1 January	1,337	0.50
Exercised	(958)	0.50
At 31 December	379	0.50

## 26. RESERVES

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Non-distributable reserves:				
Share premium	200,369	134,167	200,369	134,167
Equity-settled employees benefit reserve	22	70	22	70
Exchange fluctuation reserve	4,762	5,092	-	-
	<b>205,153</b>	<b>139,329</b>	<b>200,391</b>	<b>134,237</b>

### Share premium

Share premium arose from exercise of ESOS, private placement and other issuance of shares in current and prior financial years.

### Exchange fluctuation reserve

Exchange difference arising from translation of foreign controlled entities is taken to the foreign exchange reserve account as disclosed in the accounting policies.

### Equity settled employees benefit reserve

Equity settled employees benefit reserve represent the fair value of the employee services received in exchange for the grant of the options which is recognised in equity with a corresponding charge to income statements when vested.

# Notes To The Financial Statements (Cont'd)

## 27. RETAINED EARNINGS

### The Company

As of the balance sheet date, the Company has not elected for the irrevocable option in accordance with the Finance Act 2007 to disregard the Section 108 tax credits. Accordingly, subject to the agreement of the Inland Revenue Board and based on the prevailing tax rate applicable to dividend, the Company has sufficient Section 108 tax credit and tax exempt income to frank dividends out of its entire retained earnings as of 31 December 2009.

## 28. TERM LOANS

		The Group		The Company	
	Note	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<b>Secured</b>					
Term loans	(a)	200,364	197,870	19,126	28,547
Bridging loans	(b)	4,000	12,000	-	-
Foreign term loans	(c)	3,460	7,071	-	-
		<b>207,824</b>	<b>216,941</b>	<b>19,126</b>	<b>28,547</b>

The terms loans are repayable as follows:

		The Group		The Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<b>Current portion:</b>					
Repayable not later than 1 year (under current liabilities)		66,358	35,012	19,126	3,697
<b>Non-current portion:</b>					
Repayable later than 1 year and not later than 2 years		71,207	82,586	-	24,850
Repayable later than 2 years and not later than 5 years		70,259	93,869	-	-
Repayable later than 5 years		-	5,474	-	-
Non-current portion		<b>141,466</b>	<b>181,929</b>	<b>-</b>	<b>24,850</b>
		<b>207,824</b>	<b>216,941</b>	<b>19,126</b>	<b>28,547</b>

# Notes To The Financial Statements (Cont'd)

## (a) Term Loans

### The Group

As of 31 December 2009, the Group has term loans facilities obtained from certain local licensed banks totaling RM342,860,107 (2008: RM378,766,392).

The term loans are secured by way of legal charges, deed of assignment, deposits pledged, specific debenture and assignment of rights over the development land and completed properties of the Group and are guaranteed by the Company.

### The Company

As of 31 December 2009, the Company has term loans facilities obtained from certain local licensed banks totaling RM47,426,373 (2008: RM56,847,410).

The term loans are secured by way of legal charges and assignment of rights over certain development land and completed properties of a subsidiary company and pledge of shares of certain subsidiary companies as disclosed in Note 18.

## (b) Bridging Loans

As of 31 December 2009, the Group has bridging loans facilities obtained from local licensed banks totaling RM40,200,001 (2008: RM62,300,000).

The bridging loans are secured by way of legal charges, specific debenture over the development land of its subsidiary companies, deposits pledged, negative pledge over the present and future assets of the Group and are guaranteed by the Company.

## (c) Foreign Term Loans

As of 31 December 2009, a foreign subsidiary has foreign term loan facilities obtained from certain foreign licensed banks totaling RM6,981,728 (2008: RM7,070,535).

The foreign term loans are secured by way of a fixed charge over certain property, plant and equipment, leasehold land and negative pledges over the present and future assets of the said foreign subsidiary.

The currency exposure profile of the term loans is as follows:

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Ringgit Malaysia	204,364	209,870	19,126	28,547
Indonesian Rupiah	2,359	3,497	-	-
United States Dollar	1,101	3,574	-	-
	207,824	216,941	19,126	28,547



# Notes To The Financial Statements (Cont'd)

During the financial year, the interest rates were in the following range:

	The Group		The Company	
	2009 %	2008 %	2009 %	2008 %
Facilities:				
Foreign currency				
United States Dollar	2.05 - 7.50	2.05 - 8.50	-	-
Indonesian Rupiah	12.50 - 15.50	11.50 - 15.50	-	-
Local currency	3.11 - 7.75	4.45 - 8.00	4.25 - 5.62	5.55 - 8.00

## 29. LONG-TERM AND DEFERRED PAYABLES

	The Group	
	2009 RM'000	2008 RM'000
Payable for acquisition of development land	15,000	-
Finance lease and hire purchase liabilities	2,672	1,788
Retirement benefit obligations (Note 41)	1,555	988
	19,227	2,776

### Payable for acquisition of development land

	The Group	
	2009 RM'000	2008 RM'000
Payable according to the terms in the sales and purchase agreements:		
- not later than 1 year (shown under current liabilities (Note 31))	235,569	93,655
- later than 1 year and not later than 5 years	15,000	-
	250,569	93,655

The amount payable for acquisition of development land by subsidiary companies is interest free.

The amount payable for acquisition of development land by a wholly-owned subsidiary company of RM80,100,000 (2008: RM49,420,342) is secured by a bank guarantee.

# Notes To The Financial Statements (Cont'd)

## Finance lease and hire purchase liabilities

	The Group	
	2009 RM'000	2008 RM'000
Minimum finance lease and hire purchase payments:		
- not later than 1 year	1,752	1,838
- later than 1 year and not later than 5 years	3,013	2,000
	4,765	3,838
Future finance charges on finance lease and hire purchase liabilities	(552)	(448)
Principal of finance lease and hire purchase liabilities	4,213	3,390
Principal of finance lease and hire purchase liabilities:		
- not later than 1 year (shown under current liabilities - Note 31)	1,541	1,602
- later than 1 year and not later than 5 years	2,672	1,788
	4,213	3,390

It is the Group's policy to acquire certain property, plant and equipment under finance lease and hire-purchase arrangements. The average term for finance lease and hire-purchase is between 3 to 5 years. For the financial year ended 31 December 2009, the average effective borrowing rate was 5.58% (2008: 5.82%) per annum. Interest rates are fixed at the inception of the hire-purchase arrangements.

The Group's finance lease and hire-purchase payables are secured by assets acquired under finance lease and hire-purchase agreements as disclosed under Note 15.

## 30. DEFERRED TAX ASSETS/LIABILITIES

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
At 1 January	(82)	7	110	-
Recognised in income statements	1,889	(89)	84	110
At 31 December	1,807	(82)	194	110

Deferred tax assets and liabilities are offset when there is legally enforceable right to set-off current tax assets and current tax liabilities and when the deferred taxes relate to the same tax authority.

The following amounts, presented after appropriate offsetting, are shown in the balance sheets:

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Deferred tax assets, net	-	(700)	-	-
Deferred tax liabilities, net	1,807	618	194	110
	1,807	(82)	194	110

# Notes To The Financial Statements (Cont'd)

The components and movements of deferred tax liabilities and assets during the financial year are as follows:

## Deferred tax liabilities of the Group

	Property, plant and equipment RM'000	Property development costs RM'000	Offsetting RM'000	Total RM'000
At 1 January 2008	(745)	(1,343)	2,081	(7)
Recognised in income statements	(2,131)	1,343	177	(611)
At 31 December 2008	(2,876)	-	2,258	(618)
Recognised in income statements	(131)	-	(1,058)	(1,189)
<b>At 31 December 2009</b>	<b>(3,007)</b>	<b>-</b>	<b>1,200</b>	<b>(1,807)</b>

## Deferred tax assets of the Group

	Property development costs RM'000	Other deductible temporary differences RM'000	Unutilised tax losses RM'000	Reinvestment allowances RM'000	Offsetting RM'000	Total RM'000
At 1 January 2008	1,085	996	-	-	(2,081)	-
Recognised in income statements	(1,085)	(996)	2,250	708	(177)	700
At 31 December 2008	-	-	2,250	708	(2,258)	700
Recognised in income statements	-	-	(1,050)	(708)	1,058	(700)
<b>At 31 December 2009</b>	<b>-</b>	<b>-</b>	<b>1,200</b>	<b>-</b>	<b>(1,200)</b>	<b>-</b>

## Deferred tax liabilities of the Company

	Property, plant and equipment RM'000	Offsetting RM'000	Total RM'000
At 1 January 2008	-	-	-
Recognised in income statements	110	-	110
At 31 December 2008	110	-	110
Recognised in income statements	84	-	84
<b>At 31 December 2009</b>	<b>194</b>	<b>-</b>	<b>194</b>

# Notes To The Financial Statements (Cont'd)

Details of deductible temporary differences, unused tax losses and unused tax credits pertaining to certain subsidiary companies which have not been recognised in the financial statements due to uncertainty of realisation are as follows:

	2009 RM'000	2008 RM'000
Deductible temporary differences	68,416	29,676
Unused tax losses	27,384	24,876
Unabsorbed capital allowances	2,096	1,200
	<b>97,896</b>	<b>55,752</b>

The unused tax losses and unabsorbed capital allowances are available for offset against future taxable profits of the subsidiary companies, subject to the agreement by the tax authorities.

## 31. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Trade payables	100,279	75,631	-	-
Payable for acquisition of development land (Note 29)	235,569	93,655	-	-
Retention sum	36,784	41,437	-	-
Other payables	7,202	7,342	740	-
	<b>379,834</b>	<b>218,065</b>	<b>740</b>	<b>-</b>
Progress billings in respect of property development	13,122	18,244	-	-
Finance lease and hire purchase liabilities (Note 29)	1,541	1,602	-	-
Amounts due to subsidiary companies	-	-	166,860	72,053
Amounts due to associated companies	110	110	-	-
Amounts due to minority shareholders of subsidiary companies	6,408	6,437	-	-
Payable for acquisition of property, plant and equipment	6,044	7,306	84	132
Deposits received from customers	11,584	2,866	-	-
Accrued operating expenses	19,906	10,558	5,098	3,199
	<b>438,549</b>	<b>265,188</b>	<b>172,782</b>	<b>75,384</b>

The terms of payment for trade payables and other payables granted to the Group range from cash basis to 90 days (2008: 90 days) credit.

Included in amounts payable for acquisition of property, plant and equipment is an amount of RM2,801,087 (2008: RM4,049,097) denominated in Japanese Yen is interest-free.

Amounts due to subsidiary companies, which are unsecured and interest free, arose mainly from inter-company advances and payments on behalf and have no fixed terms of repayment.

Amounts due to associated companies are unsecured, interest free and have no fixed terms of repayment.

# Notes To The Financial Statements (Cont'd)

Amounts due to minority shareholders of subsidiary companies are unsecured, interest free and have no fixed terms of repayment except for an amount of RM1,795,000 (2008: RM1,827,000) which bears interest at rates varying between 0.22% - 0.90% (2008: 0.55% to 4.38%) per annum. During the financial year, interest expense amounting to RM10,497 (2008: RM46,914) has been recognised in the income statement of the Group.

The currency exposure profile of trade payables, including retention sum and other payables, are as follows:

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
- Ringgit Malaysia	372,004	210,470	740	-
- United States Dollar	4,559	5,058	-	-
- Indonesia Rupiah	2,569	2,537	-	-
- Singapore Dollar	702	-	-	-
	379,834	218,065	740	-

## 32. SHORT-TERM BORROWINGS

	The Group	
	2009 RM'000	2008 RM'000
<b>Secured:</b>		
Foreign revolving credits	-	1,397
Local revolving credits	6,500	-
Local bankers acceptances	850	720
	7,350	2,117

# Notes To The Financial Statements (Cont'd)

## The Group

As of 31 December 2009, the Group has secured local revolving credit facilities obtained from local licensed banks totaling RM38,300,000 (2008: RM38,300,000).

The secured local revolving credit facilities are granted on negative pledges over the present and future assets of the respective subsidiary companies, secured by legal charges over certain buildings and a piece of commercial land owned by a wholly-owned subsidiary company and are guaranteed by the Company.

The bankers acceptances are granted on negative pledges over the present and future assets of the respective subsidiary companies and are guaranteed by the Company.

The secured foreign revolving credit facilities obtained from foreign licensed banks totaling RM9,903,448 (2008: RM7,479,728) by a subsidiary company are secured by legal charges over leasehold land and buildings, plant, machinery and equipment, inventories and trade receivables of the said subsidiary company. As of 31 December 2009, the secured foreign revolving credits have not been utilised.

The borrowings bear interest at floating rates and their fair values approximate their carrying values at balance sheet date.

## The Company

As of 31 December 2009, the Company has a revolving credit facility of RM6,000,000 (2008: RM6,000,000) obtained from a local licensed bank. The said facility is secured by a legal charge over a piece of commercial land owned by a wholly-owned subsidiary company.

The Company has not utilised the revolving credit facility as at 31 December 2009.

The currency exposure profile of the short term borrowings is as follows:

	The Group	
	2009 RM'000	2008 RM'000
Ringgit Malaysia	7,350	720
United States Dollar	-	1,079
Indonesian Rupiah	-	318
	<b>7,350</b>	<b>2,117</b>

During the financial year, the interest rates were in the following range:

	The Group	
	2009 %	2008 %
Foreign revolving credits:		
United States Dollar	7.50	7.50 - 8.50
Indonesian Rupiah	12.50 - 15.50	11.50 - 15.50
Local revolving credits	3.80 - 4.70	5.10 - 5.28
Local bankers acceptances	2.55 - 4.00	3.97 - 4.20



# Notes To The Financial Statements (Cont'd)

## 33. BANK OVERDRAFTS

The currency exposure profile of bank overdrafts is as follows:

	The Group	
	2009 RM'000	2008 RM'000
<b>Secured:</b>		
Local - Ringgit Malaysia	705	-
Foreign - Indonesian Rupiah	-	29
	<b>750</b>	<b>29</b>

The above bank overdrafts bear interest at floating rates in the following range:

	The Group	
	2009 RM'000	2008 RM'000
Local and foreign bank overdrafts		
- Ringgit Malaysia	6.50 - 7.30	-
- Indonesian Rupiah	-	11.50 - 15.50

### The Group

As of 31 December 2009, the Group has secured overdraft facilities obtained from local and foreign licensed banks totaling RM10,450,000 (2008: RM12,450,000) and RM727,660 (2008: RM635,615) respectively.

The secured local bank overdrafts of the Group are secured by legal charges over a building and certain pieces of mixed development land, specific debenture over the said development land and are guaranteed by the Company.

The secured foreign bank overdrafts are secured by legal charges over certain property, plant and equipment and inventories and assignment over trade receivables of a subsidiary company.

# Notes To The Financial Statements (Cont'd)

## 34. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the end of the financial year comprise the following balance sheet items:

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Cash and bank balances	115,920	27,665	246	1,326
Project accounts	11,925	13,019	-	-
Deposits with licensed banks	268,781	131,552	224,442	119,697
Bank overdrafts (Note 33)	(705)	(29)	-	-
	395,921	172,207	224,668	121,023
Less: Deposits pledged as collateral (Note 24)	(9,588)	(664)	-	-
Deposits deposited in Escrow Account (Note 24)	(29,769)	(11,191)	-	-
	356,564	160,352	224,668	121,023

## 35. CONTINGENT LIABILITIES

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Corporate guarantees issued to financial institutions in respect of credit facilities granted to subsidiary companies	-	-	192,443	181,323
Corporate guarantees issued to third parties in respect of acquisition of development land	-	-	8,161	22,745
Bank guarantees issued to third parties	6,181	3,806	-	-
	6,181	3,806	200,604	204,068

In the ordinary course of business, certain companies within the Group are defendants in various legal actions for breach of contracts and claims for services rendered which have no material impact. In the opinion of the Directors, after taking appropriate legal advice, the outcome of such actions are remote and therefore, no provisions have been made in the financial statements.

# Notes To The Financial Statements (Cont'd)

## 36. SEGMENTAL INFORMATION

The Group is organised into two main business segments:

- (i) Properties - investment, construction, management and development of residential, commercial and industrial properties
- (ii) Plastics - manufacture, assembly and sale of a range of plastic moulded products

Other operations of the Group include investment holding operations which are not of a sufficient size to be reported separately.

Inter-segment revenue comprise dividend income, interest charges and management fees which are undertaken on an arms length basis.

### (a) Primary reporting format - business segments

2009	Properties RM'000	Plastics RM'000	Others RM'000	Group RM'000
<b>Revenue</b>				
Segment revenue	563,991	135,210	15,169	714,370
Inter-segment revenue	-	-	(12,808)	(12,808)
	563,991	135,210	2,361	701,562
<b>Results</b>				
Segment results	146,518	9,250	3,559	159,327
Inter-segment results	-	-	(12,929)	(12,929)
	146,518	9,250	(9,370)	146,398
Interest income				461
Finance costs				(2,616)
Profit before tax				144,243
Income tax expense				(48,402)
Profit for the financial year				95,841
<b>Other information</b>				
Capital expenditure	4,253	9,140	307	13,700
Depreciation and amortisation	1,866	8,271	91	10,228
<b>Consolidated Balance Sheet</b>				
Segment assets	1,117,190	95,470	327,989	1,540,649
Unallocated assets				5,899
Total assets				1,546,548
Segment liabilities	606,818	32,949	7,089	646,856
Unallocated liabilities				46,224
Total liabilities				693,080

# Notes To The Financial Statements (Cont'd)

2008	Properties RM'000	Plastics RM'000	Others RM'000	Group RM'000
<b>Revenue</b>				
Segment revenue	502,107	145,723	17,857	665,687
Inter-segment revenue	-	-	(14,048)	(14,048)
	502,107	145,723	3,809	651,639
<b>Results</b>				
Segment results	137,476	7,886	7,736	153,098
Inter-segment results	-	-	(14,500)	(14,500)
	137,476	7,886	(6,764)	138,598
Interest income				1,718
Finance costs				(4,310)
Profit before tax				136,006
Income tax expense				(43,058)
Profit for the financial year				92,948
<b>Other information</b>				
Capital expenditure	1,185	11,645	565	13,395
Depreciation and amortisation	1,700	7,277	34	9,011
Reversal of impairment loss - Property, plant and equipment	-	(62)	-	(62)
<b>Consolidated Balance Sheet</b>				
Segment assets	975,297	92,432	122,364	1,190,093
Unallocated assets				9,420
Total assets				1,199,513
Segment liabilities	410,618	31,277	4,724	446,619
Unallocated liabilities				56,284
Total liabilities				502,903

Segment assets consist of property, plant and equipment, intangible assets, land held for property development, inventories, property development cost, investments, current assets that are used in the operating activities of the segment and excluding current tax assets. Segment liabilities include trade payables, other payables and accrued liabilities and exclude items such as taxation and borrowings not related to operating activities. Capital expenditure comprise additions to property, plant and equipment.

# Notes To The Financial Statements (Cont'd)

## (b) Secondary reporting format – geographical segments

With the exception of a manufacturing set up for plastic moulded products in Indonesia, the entire Group's operations are located in Malaysia.

The following is an analysis of the Group's external sales by location of customers, irrespective of the origin of the goods/ services:

### Sales revenue by geographical market

	The Group	
	2009 RM'000	2008 RM'000
Malaysia	638,189	578,706
Indonesia	55,452	64,028
Other countries	7,921	8,905
	<b>701,562</b>	<b>651,639</b>

The following is an analysis of the carrying amount of segment assets and capital expenditure by geographical areas in which the assets are located:

	Carrying amount of segment assets		Carrying amount of capital expenditure	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Malaysia	1,498,450	1,143,874	12,332	8,919
Indonesia	42,199	46,219	1,368	4,476
	<b>1,540,649</b>	<b>1,190,093</b>	<b>13,700</b>	<b>13,395</b>

# Notes To The Financial Statements (Cont'd)

## 37. OPERATING LEASE COMMITMENTS

Non-cancellable operating lease commitments for rental of commercial buildings are as follows:

	Future minimum lease payments	
	2009 RM'000	2008 RM'000
<b>The Group</b>		
- not later than 1 year	28,671	2,342
- later than 1 year and not later than 5 years	84,374	36,103
	<b>113,045</b>	<b>38,445</b>

The operating lease commitments are in respect of lease of commercial buildings from the purchasers of the properties for the purpose of subletting the said commercial buildings. The lease payments are at 7% and 8% per annum of the sale considerations of the respective commercial buildings. The lease is for a period of 2 and 3 years from the commencement date as set out in the respective lease agreements.

During the financial year, an amount of RM2,690,082 (2008: Nil) has been recognised as an expense in the income statements of the Group as disclosed in Note 8.

## 38. CAPITAL COMMITMENTS

	The Group	
	2009 RM'000	2008 RM'000
Approved and contracted for:		
Contractual commitments to purchase development land:		
- Pykett Avenue, Georgetown, Lot No 951, Seksyen 13, Daerah Timor Laut, Pulau Pinang	34,786	-
Contractual commitments for acquisition of property plant and equipment	712	98
	<b>35,498</b>	<b>98</b>



# Notes To The Financial Statements (Cont'd)

## 39. RELATED PARTY DISCLOSURES

(a) Significant related party disclosures during the financial year are as follows:

	The Group	
	2009 RM'000	2008 RM'000
<b>Transactions with directors of the Company and of the subsidiary companies</b>		
(i) Rental expenses paid to Principal View Sdn Bhd	617	585
(ii) Maintenance charges paid to Harian Madu Sdn Bhd	156	156
(iii) Sales of development property to a director of a subsidiary company	703	-

### Related party and relationship

Name of related party	Relationship
(i) Principal View Sdn Bhd	Company in which Tan Sri Dato' Sri Leong Hoy Kum has substantial financial interest
(ii) Harian Madu Sdn Bhd	Company in which two directors are brothers-in-law to Tan Sri Dato' Sri Leong Hoy Kum

# Notes To The Financial Statements (Cont'd)

## (b) Key management personnel compensation

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<b>Directors of the Company</b>				
Directors' fees	150	150	150	150
Other emoluments	5,500	3,376	5,500	3,376
Benefits-in-kind	108	116	108	116
Total short-term employment benefits	5,758	3,642	5,758	3,642
Post employment benefits:				
- EPF	660	405	660	405
	6,418	4,047	6,418	4,047
<b>Other key management personnel (including Directors of the subsidiary companies)</b>				
Remuneration	6,307	4,687	1,282	1,129
Benefits-in-kind	192	187	51	58
Total short-term employment benefits	6,499	4,874	1,333	1,187
Post employment benefits:				
- EPF	739	562	154	135
	7,238	5,436	1,487	1,322
<b>Total Compensation</b>	<b>13,656</b>	<b>9,483</b>	<b>7,905</b>	<b>5,369</b>

Movements in share options granted under the ESOS to key management personnel during the financial year are as follows:

	2009 Unit '000	2008 Unit '000
<b>Directors</b>		
At 1 January	-	515
Exercised	-	(515)
At 31 December	-	-
<b>Other key management personnel</b>		
At 1 January	102	539
Exercised	(65)	(437)
Lapsed	(31)	-
At 31 December	6	102

# Notes To The Financial Statements (Cont'd)

## 40. FINANCIAL INSTRUMENTS

### Estimated fair values

The carrying amounts of the financial assets and liabilities of the Group and Company at the balance sheet date approximate their fair values except as set out below:

The Group			
	Note	Carrying amount RM'000	Fair value RM'000
<b>At 31 December 2009</b>			
Finance lease and hire purchase liabilities	29	4,213	3,936
Payable for acquisition of development land	29	15,000	13,736
Term loan with cross currency swap	5	745	742
<b>At 31 December 2008</b>			
Finance lease and hire purchase liabilities	29	3,390	3,190
Term loan with cross currency swap	5	2,994	2,520

The method by which fair value information was determined and the significant assumptions made in its application are as follows:

#### (i) Finance lease and hire purchase liabilities

Financial liabilities - future contractual cash flows discounted at current market interest rates ranging from 4.8% - 6.3% available for similar financial instruments.

#### (ii) Payable for acquisition of development land

Payable for acquisition of development land - future contractual cash flows discounted at current market interest rates of 4.5% available for similar financial instruments.

#### (iii) Term loan with cross currency swap

Estimated based on the carrying amount of the loans adjusted for the fair value of the cross currency swap contract which is based on market price at the balance sheet date.

Save for the term loan with cross currency swap as mentioned under item (iii) above, the Group's long-term loans bear interest at floating rate and hence their carrying amount approximates fair value.

# Notes To The Financial Statements (Cont'd)

## 41. RETIREMENT BENEFIT OBLIGATIONS

A foreign subsidiary operates an unfunded defined retirement benefit scheme ("the Scheme") for its eligible employees.

The amounts recognised in the balance sheet are determined as follows:

	The Group	
	2009 Unit '000	2008 Unit '000
<b>Present value of benefit obligations</b>	<b>2,210</b>	<b>1,311</b>
Unrecognised actuarial losses	(515)	(194)
Unrecognised past service cost - non vested	(140)	(129)
	<b>1,555</b>	<b>988</b>

The amounts recognised in the balance sheet are determined as follows:

	The Group	
	2009 Unit '000	2008 Unit '000
Current service cost	245	155
Interest on obligation	186	107
Net actuarial losses recognised in financial year	7	20
Amortisation of past service cost - non vested	7	6
Total included in staff cost (Note 9)	445	288
Unrealised foreign exchange loss/(gain)	167	(107)
Net amounts recognised in the income statements	612	181

The charge for the financial year of RM611,549 (2008: RM181,551) has been included in the administrative expenses.

Movements in the net liability in the current financial year are as follows:

	The Group	
	2009 Unit '000	2008 Unit '000
<b>At 1 January</b>	<b>988</b>	<b>760</b>
Currency translation differences	(45)	47
Net amounts recognised in the income statements	612	181
At 31 December	<b>1,555</b>	<b>988</b>

# Notes To The Financial Statements (Cont'd)

Principal actuarial assumptions used:

	<b>The Group</b>	
	<b>2009</b>	2008
	<b>%</b>	%
Discount rate	<b>10.50</b>	12.00
Expected rate of salary increase	<b>10.00</b>	10.00

## 42. SUBSEQUENT EVENTS

- (i) On 28 October 2009, the Company announced to undertake a proposed bonus issue of up to 151,286,435 bonus shares, to be credited as fully paid up, on the basis of one (1) Bonus Share for every five (5) Mah Sing shares held by shareholders of the Company whose names appear in the record of Depositors of the Company on an entitlement date to be determined and announced by the Board.

The proposed bonus issue is not completed as of financial year end, pending approval being obtained from shareholders of the Company at an EGM to be held on a date to be announced by the Company.

- (ii) On 8 February 2010, the Company announced that its wholly-owned subsidiary, Multi Synergy Group Sdn Bhd, had entered into a sale and purchase agreement with a third party for acquisition of a piece of freehold industrial land in Hicom Industrial Estate, Shah Alam, for a total cash consideration of RM45,490,073.
- (iii) On 22 February 2010, the Company announced that its wholly-owned subsidiary, Myvilla Development Sdn Bhd, had entered into a tripartite sale and purchase agreement with third parties for acquisition of a piece of freehold commercial land located in Mukim Dengkil, Daerah Sepang, for a total cash consideration of RM21,743,422.

# Statements By Directors And Statutory Declaration

## MAH SING GROUP BERHAD

(Incorporated in Malaysia)

### STATEMENT BY DIRECTORS

We, Jen. Tan Sri Yaacob bin Mat Zain (R) and Tan Sri Dato' Sri Leong Hoy Kum, being two of the Directors of Mah Sing Group Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 68 to 138 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as of 31 December 2009 and of the results and cash flows of the Group and of the Company for the financial year ended on that date in accordance with Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965.

Signed on behalf of the Board

In accordance with a resolution of the Board of Directors dated 22 February 2010.

**JEN. TAN SRI YAACOB BIN MAT ZAIN (R)**

Director

**TAN SRI DATO' SRI LEONG HOY KUM**

Director

### STATUTORY DECLARATION

I, Ng Poh Seng, being the officer primarily responsible for the financial management of Mah Sing Group Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 68 to 138 are 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.

### NG POH SENG

Subscribed and solemnly declared at Kuala Lumpur this 22 February 2010.

Before me:

**SAROJA A/P PONNUDURAI, PPN  
NO. W402  
COMMISSIONER FOR OATHS**



# Properties Owned

By The Group as at 31.12.2009

Location	Description	Date of Acquisition / Date of Valuation	Tenure	Land Area (Acre)	Net Book Value (RM)
Lot 9, Lingkaran Sultan Mohamed 1 Kawasan Perindustrian Bandar Sultan Suleiman 42000 Port Klang Selangor Darul Ehsan	Industrial Building (Age: 18 years)	8-Aug-1992	Leasehold (expiring on 2-Mar-2019)	7.0	6,726,856
Wisma Mah Sing 163 Jalan Sungai Besi 57100 Kuala Lumpur	31 units office lots (Age: 14 years)	1995	Freehold	-	5,569,842
Kawasan Industri Jababeka J1 Jababeka XIIB, Blok W17-20 Cikarang Industrial Estate Bekasi, Indonesia	Industrial Building (Age: 12 years)	25-Jun-1997	Leasehold (expiring on 29-Jun-2022)	5.2	8,401,532
Sri Pulai Perdana Mukim Pulai Daerah Johor Bahru Johor Darul Takzim	Mixed Development Land	23-Feb-2000	Freehold	53.0	16,592,484
Austin Perdana Mukim Tebrau Daerah Johor Bahru Johor Darul Takzim	Mixed Development Land	30-Jun-2003	Freehold	33.0	8,799,827
Aman Perdana Mukim Kapar Daerah Klang Selangor Darul Ehsan	Mixed Development Land	2-Apr-2004	Freehold	63.3	19,342,529
Sierra Perdana Mukim Plentong Daerah Johor Bahru Johor Darul Takzim	Mixed Development Land	21-Dec-2005	Freehold	193.1	47,380,799
One Legenda Mukim Pekan Cheras Daerah Hulu Langat Selangor Darul Ehsan	Residential Development Land	20-Mar-2006	Freehold	9.9	10,571,881
Kemuning Residence Mukim dan Daerah Klang Selangor Darul Ehsan	Residential Development Land	18-Jul-2006	Leasehold (expiring on 3-Sep-2105)	-	-
Hijauan Residence Mukim dan Daerah Ulu Langat Selangor Darul Ehsan	Residential Development Land	30-Oct-2006	Freehold	25.0	16,344,867
Southbay Penang Mukim 12, Daerah Barat Daya Negeri Pulau Pinang	Mixed Development Land	13-Jun-2007	Freehold	63.8	85,209,777

# Properties Owned (Cont'd)

By The Group as at 31.12.2009

Location	Description	Date of Acquisition / Date of Valuation	Tenure	Land Area (Acre)	Net Book Value (RM)
Southgate Commercial Centre Seksyen 92 Bandar Kuala Lumpur	Commercial Development Land	27-Jul-2007	Freehold	-	-
Sri Pulai Perdana 2 (SPP2) Mukim Senai, Tempat Kangkar Pulai Daerah Kulaijaya Johor Darul Takzim	Mixed Development Land	13-Jun-2008	Freehold	68.0	23,559,300
Bayu Sekamat, Cheras Lot 670 and Lot 671, Mukim Cheras Daerah Hulu Langat Negeri Selangor	Residential Development Land	29-Sep-2008	Freehold	6.4	3,650,000
Icon Residence, Mont' Kiara Lot 55331, Mukim Batu Daerah Kuala Lumpur Wilayah Persekutuan	Residential Development Land	28-Feb-2007	Freehold	2.6	18,000,000
Garden Residence, Cyberjaya Mukim Dengkil Daerah Sepang Selangor Darul Ehsan	Residential Development Land	12-Aug-2009	Freehold	115.3	130,527,540
iParc Bukit Jelutong Lot 64237 & Lot 64238 Mukim Damansara, District of Petaling Selangor Darul Ehsan	Commercial Development Land	16-Sep-2009	Freehold	12.9	21,250,000
Perdana Residence 2, Selayang Mukim Batu, Bandar Selayang Daerah Gombak Selangor Darul Ehsan	Residential Development Land	28-Oct-2009	Freehold	26.1	41,650,000
Petaling Jaya Commercial Hub Lot No.P.T.245 Mukim Damansara Daerah Petaling Selangor Darul Ehsan	Mixed Development Land	28-Oct-2009	Leasehold (expiring on 29-Sep-2074)	19.6	89,000,000
Icon Residence, Georgetown, Penang Lot No.951, Seksyen 13 Bandar Georgetown Daerah Timur Laut Pulau Pinang	Residential Development Land	2-Dec-2009	Freehold	3.4	38,651,118

# Statistics of Shareholdings

As at 3.5.2010

Authorised Share Capital : RM500,000,000  
 Issued and Fully Paid Share Capital : RM415,784,419.50  
 Class of Shares : Ordinary shares of RM0.50 each  
 Voting Rights : One vote per ordinary share on a poll

## Analysis Of Shareholdings

Size of Holdings	No. of Holders	No. of Shares	%
1 - 99	267	7,822	0.001
100 - 1,000	332	189,761	0.023
1,001 - 10,000	4,794	18,507,087	2.225
10,001 - 100,000	1,641	39,181,350	4.712
100,001 - 41,578,440*	120	154,268,818	18.552
41,578,441 and above **	7	619,414,001	74.487
Total	7,161	831,568,839	100.000

Remark: \* Less than 5% of issued shares  
 \*\* 5% and above of issued shares

## Substantial Shareholders

Name	No. of Ordinary Shares Held			
	Direct	%	Indirect	%
Mayang Teratai Sdn Bhd	284,116,676	34.166	-	-
Employees Provident Fund Board	69,997,320	8.418	-	-
Koperasi Permodalan Felda Berhad	64,452,326	7.751	-	-
AmanahRaya Trustees Berhad - Skim Amanah Saham Bumiputera	57,486,061	6.913	-	-
Permodalan Nasional Berhad	53,955,001	6.488	-	-
Tan Sri Dato' Sri Leong Hoy Kum	-	-	<sup>a</sup> 284,116,676	34.166
Yayasan Pelaburan Bumiputra	-	-	<sup>b</sup> 53,955,001	6.488

Notes:

<sup>a</sup> Deemed interested by virtue of shareholdings of Mayang Teratai Sdn Bhd

<sup>b</sup> Deemed interested by virtue of shareholdings of Permodalan Nasional Berhad

# Statistics of Shareholdings (Cont'd)

As at 3.5.2010

## Directors' Shareholdings

Name	No. of Ordinary Shares Held			
	Direct	%	Indirect	%
Jen Tan Sri Yaacob Bin Mat Zain (R)	-	-	<sup>b</sup> 25,348	0.003
Tan Sri Dato' Sri Leong Hoy Kum	-	-	<sup>a</sup> 284,981,384	34.270
Leong Yuet Mei	-	-	<sup>b</sup> 156,976	0.019

Notes:

<sup>a</sup> Deemed interested by virtue of shareholdings of Mayang Teratai Sdn Bhd and his family member(s)

<sup>b</sup> Deemed interested by virtue of shareholdings of family member(s)

# Statistics of Shareholdings (Cont'd)

As at 3.5.2010

## List Of Top Thirty Holders

No.	Name	No. of Shares	%
1	Mayang Teratai Sdn Bhd	131,716,676	15.840
2	HSBC Nominees (Asing) Sdn Bhd Exempt AN For Credit Suisse (SG BR-TST-Asing)	125,028,617	15.035
3	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Mayang Teratai Sdn Bhd (49643 JPLE)	120,000,000	14.431
4	Employees Provident Fund Board	67,225,320	8.084
5	Koperasi Permodalan Felda Berhad	64,002,326	7.696
6	AmanahRaya Trustees Berhad Skim Amanah Saham Bumiputera	57,486,061	6.913
7	Permodalan Nasional Berhad	53,955,001	6.488
8	EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account For Mayang Teratai Sdn Bhd (CSC)	32,400,000	3.896
9	AmanahRaya Trustees Berhad Amanah Saham Wawasan 2020	28,993,580	3.487
10	AmanahRaya Trustees Berhad AS 1Malaysia	18,180,000	2.186
11	AmanahRaya Trustees Berhad Amanah Saham Didik	15,000,000	1.804
12	AmanahRaya Trustees Berhad Amanah Saham Malaysia	12,575,280	1.512
13	AmanahRaya Trustees Berhad Sekim Amanah Saham Nasional	6,000,000	0.721
14	HSBC Nominees (Asing) Sdn Bhd RBS Coutts HK For Neranti Investments Limited	4,131,720	0.497
15	Amanah Raya Berhad Kumpulan Wang Bersama	2,600,000	0.313
16	Kumpulan Wang Simpanan Pekerja	1,800,000	0.216
17	Malaysian Assurance Alliance Berhad	1,703,280	0.205
18	Ng Thiam Peng	1,212,000	0.146
19	Kumpulan Wang Simpanan Guru-Guru	1,200,000	0.144
20	Citigroup Nominees (Asing) Sdn Bhd CBLDN For Pohjola Bank Plc (client a/c)	1,040,880	0.125
21	Mayban Nominees (Tempatan) Sdn Bhd AmanahRaya Investment Management Sdn Bhd for Kumpulan Wang Simpanan Pekerja (C423-Ekuiti)	972,000	0.117
22	Lee Hiok Kui @ Jimmy Lingam	953,880	0.115
23	Puan Sri Datin Sri Lim Suat Kiew	864,708	0.104
24	Er Hock Lai	800,000	0.096
25	Public Nominees (Tempatan) Sdn Bhd Pledged securities account for Teoh Hin Heng (E-BMM)	799,200	0.096

# Statistics of Shareholdings (Cont'd)

As at 3.5.2010

No.	Name	No. of Shares	%
26	HSBC Nominees (Asing) Sdn Bhd Exempt AN For Erste Group Bank AG	789,600	0.095
27	Goh Phaik Lynn	780,000	0.094
28	Lim Yuk Wai @ Lam Yuk Wai	770,000	0.093
29	Mayban Nominees (Tempatan) Sdn Bhd HwangDBS Investment Management Bhd for Pertubuhan Keselamatan Sosial (240234)	720,000	0.087
30	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank Berhad (ETP)	715,500	0.086
	Total	754,415,629	90.722



# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** the Eighteenth Annual General Meeting of Mah Sing Group Berhad (“Mah Sing” or “the Company”) will be held at Penthouse Suite 1, Wisma Mah Sing, No. 163, Jalan Sungai Besi, 57100 Kuala Lumpur on Friday, 25 June 2010 at 10.00 a.m., for the following purposes:

## AGENDA

### As Ordinary Businesses:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2009 together with the Directors’ and Auditors’ Reports thereon. **(Resolution 1)**
2. To approve the declaration of a first and final dividend of 13% per ordinary share less Malaysian Income Tax at 25% in respect of the financial year ended 31 December 2009. **(Resolution 2)**
3. To approve the Directors’ fees for the financial year ended 31 December 2009. **(Resolution 3)**
4. To re-elect the following Directors who retire pursuant to Article 102 of the Company’s Articles of Association:
  - (i) Tan Sri Dato’ Sri Leong Hoy Kum **(Resolution 4)**
  - (ii) Captain Izaham Bin Abd. Rani (R) **(Resolution 5)**
5. To re-appoint Messrs Deloitte KassimChan as Auditors of the Company for the financial year ending 31 December 2010 and to authorise the Directors to fix their remuneration. **(Resolution 6)**

### As Special Businesses:

6. To consider and if thought fit, to pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965:
 

“THAT Jen. Tan Sri Yaacob Bin Mat Zain (R) who is over the age of seventy years and retiring in accordance with Section 129(2) of the Companies Act, 1965 be and is hereby re-appointed as a Director of the Company and to hold office until the next Annual General Meeting of the Company.” **(Resolution 7)**

To consider and if thought fit, to pass the following resolutions, with or without any modification, as Ordinary Resolutions of the Company:

### 7. AUTHORITY TO ISSUE SHARES

“THAT subject always to the Companies Act, 1965, and the approval of the regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from the Bursa Malaysia Securities Berhad for listing of and quotation for the additional shares so issued AND FURTHER THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.” **(Resolution 8)**

### 8. PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AS SPECIFIED IN SECTION 2.3.1 (a) AND (b) OF THE CIRCULAR TO SHAREHOLDERS DATED 3 JUNE 2010 (“CIRCULAR”)

“THAT subject always to the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries (“Mah Sing Group”) to enter into and give effect to specified recurrent related party transactions of a revenue or trading nature of Mah Sing Group with specified classes of Related Parties (as defined in the Listing Requirements of Bursa Malaysia Securities Berhad) as specified in Section 2.3.1 (a) and (b) of the Circular, which are necessary for the day-to-day operations of Mah Sing Group provided that:

# Notice of Annual General Meeting (Cont'd)

- (a) the transactions are in the ordinary course of business and are carried out at arms' length basis on normal commercial terms of Mah Sing Group and on terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders of the Company; and
- (b) disclosure is made in the Annual Report of the aggregate value of transactions conducted pursuant to the shareholders' mandate together with a breakdown of the aggregate value of the transactions during the financial year based on the type of transactions, names of the related parties and their relationship.

AND THAT such approval, shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless the authority is renewed by a resolution passed at a general meeting; or
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting;

whichever is earlier.

AND FURTHER THAT authority be and is hereby given to the Directors of the Company to complete and do all such acts, deeds and things as they may consider expedient or necessary in the best interest of the Company (including executing all such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

**(Resolution 9)**

## 9. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AS SPECIFIED IN SECTION 2.3.1 (c) OF THE CIRCULAR**

"THAT subject always to the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries ("Mah Sing Group") to enter into and give effect to specified recurrent related party transactions of a revenue or trading nature of Mah Sing Group with specified classes of Related Parties (as defined in the Listing Requirements of Bursa Malaysia Securities Berhad) as specified in Section 2.3.1 (c) of the Circular, which are necessary for the day-to-day operations of Mah Sing Group provided that:

- (a) the transactions are in the ordinary course of business and are carried out at arms' length basis on normal commercial terms of Mah Sing Group and on terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders of the Company; and
- (b) disclosure is made in the Annual Report of the aggregate value of transactions conducted pursuant to the shareholders' mandate together with a breakdown of the aggregate value of the transactions during the financial year based on the type of transactions, names of the related parties and their relationship.

AND THAT such approval, shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless the authority is renewed by a resolution passed at a general meeting; or
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

# Notice of Annual General Meeting (Cont'd)

- (c) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting;

whichever is earlier;

AND FURTHER THAT authority be and is hereby given to the Directors of the Company to complete and do all such acts, deeds and things as they may consider expedient or necessary in the best interest of the Company (including executing all such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

(Resolution 10)

## 10. PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

"THAT subject to the Companies Act, 1965, provisions of the Company's Memorandum and Articles of Association and the Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities") and any applicable laws, regulations and guidelines issued by other regulatory authorities, and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised to purchase and/or hold such amount of its ordinary shares on the market of Bursa Securities at any time upon such terms and conditions as the Directors in their absolute discretion deem fit and expedient in the interest of the Company ("Proposed Share Buy-Back") provided that:

- (a) the aggregate number of shares which may be purchased and/or held by the Company shall not exceed ten percent (10%) of the total issued and paid-up ordinary share capital of the Company;
- (b) the maximum amount of funds to be allocated by the Company for the purpose of purchasing its shares shall not exceed the retained profits and/or share premium account of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available up to the transaction date of the Proposed Share Buy-Back;
- (c) upon completion of the purchase(s) of the shares by the Company, the shares shall be dealt with in the following manner:
  - (i) to cancel the shares so purchased; or
  - (ii) to retain the shares so purchased in treasury, either to be distributed as dividends to the shareholders of the Company and/or to be resold on the market of Bursa Securities; or
  - (iii) to retain part of the shares so purchased as treasury shares and cancel the remainder; or
  - (iv) any combination of the three.

AND THAT the authority conferred by this resolution will be effective upon the passing of this resolution and will continue to be in force until:

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless the authority is renewed by a resolution passed at a general meeting, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first, but not as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date, and in any event, in accordance with the provisions of the guidelines issued by the Bursa Securities or any other relevant authorities, relevant requirements and guidelines.

# Notice of Annual General Meeting (Cont'd)

AND FURTHER THAT authority be and is hereby given to the Directors of the Company to do all such acts, deeds and things as they may consider expedient or necessary in the best interest of the Company (including executing all such documents as may be required) to give full effect to the Proposed Share Buy-Back with full power to assent to any condition, variation, modification and/or amendment as may be required by any relevant authorities and to deal with all matters relating thereto and take all steps and do all acts and things in any manner as they may deem necessary in connection with the Proposed Share Buy-Back in the interest of the Company.”

**(Resolution 11)**

- 11 To consider and if thought fit, to pass the following Special Resolution, with or without modifications:

## PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION

“THAT the proposed deletions, alterations, modifications, variations and additions to the Articles of Association of the Company in the manner as set out in Appendix I (“Proposed Amendment”), be and are hereby approved.

AND THAT the Directors and/or Secretary of the Company be and are/is hereby authorised to do all acts and things which may be necessary or expedient in order to implement, finalise and give effect to the Proposed Amendment.”

**(Resolution 12)**

- 12 To transact any other business of which due notice shall have been given.

## BY ORDER OF THE BOARD

YANG BAO LING (MAICSA 7041240)  
KUAN HUI FANG (MIA 16876)  
Secretaries

Kuala Lumpur  
3 June 2010

## NOTES:

- i A member entitled to attend and vote at this meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend and vote in his/her place. A proxy may but need not be a member of the Company and provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- ii The power of attorney or a notarially certified copy thereof or the Form of Proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing. If the appointor is a corporation, it must be executed under its seal or under the hand of its officer or its attorney duly authorised on its behalf.
- iii Where a member appoints more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting), the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- iv The Form of Proxy together with the power of attorney (if any) under which it is signed or a duly notarially certified copy thereof must be deposited at the registered office of the Company at Penthouse Suite 1, Wisma Mah Sing, No. 163, Jalan Sungai Besi, 57100 Kuala Lumpur not less than forty-eight (48) hours before the time for holding this meeting or any adjournment thereof.

# Notice of Annual General Meeting (Cont'd)

## EXPLANATORY NOTES ON SPECIAL BUSINESSES

### 1. Resolution 7

The re-appointment of Jen. Tan Sri Yaacob Bin Mat Zain (R), a person over the age of 70 years as Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company shall take effect if the proposed Resolution 7 has been passed by a majority of not less than three-fourths (¾) of such members as being entitled to vote in person or, where proxies are allowed, by proxy, at a general meeting of which not less than 21 days' notice specifying the intention to propose the resolution has been duly given.

### 2. Resolution 8

The proposed Resolution 8 will give powers to the Directors to issue up to a maximum ten per centum (10%) of the issued share capital of the Company for the time being for such purposes as the Directors would consider in the best interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting of the Company.

The general mandate sought for issue of securities is a renewal of the mandate that was approved by the shareholders at the Seventeenth Annual General Meeting held on 26 June 2009. Pursuant to the general mandate granted in the previous Annual General Meeting, the Company placed out 62,997,000 new ordinary shares of RM0.50 each in the Company which was completed on 10 December 2009. The proceeds raised of RM97.645 million has been fully utilised for (i) subscription of new shares in a wholly-owned subsidiary company in China for the acquisition of land use rights (ii) working capital and (iii) incidental expenses.

The renewed mandate will enable the Directors to take swift action in case of a need for corporate exercises or in the event business opportunities arise which involve the issue/placing of shares and to avoid delay and cost in convening general meetings to approve such issue of shares.

### 3. Resolution 9 and 10

The proposed Resolutions 9 and 10, if passed, will enable the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with related parties which are necessary for the Group's day-to-day operations and are in the ordinary course of business carried out on an arm's length basis on normal commercial terms and on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company. The details of the proposals are set out in the Circular to Shareholders dated 3 June 2010 accompanying the Company's Annual Report for the financial year ended 31 December 2009.

### 4. Resolution 11

The proposed Resolution 11, if passed, will empower the Directors of the Company to exercise the power of the Company to purchase the Company's shares up to ten percent (10%) of the total issued and paid-up share capital of the Company by utilising the funds allocated which shall not exceed the retained profits and/or share premium account of the Company. This authority will, unless revoked or varied at a general meeting, expire at the conclusion of the next Annual General Meeting of the Company. The details of the proposal are set out in the Share Buy-Back Statement dated 3 June 2010, accompanying the Company's Annual Report for the financial year ended 31 December 2009.

### 5. Resolution 12

The proposed Resolution 12 is to amend the Company's Articles of Association in line with the amendments in the Listing Requirements of Bursa Malaysia Securities Berhad in relation to e-dividend.

The details of the Appendix I in the Resolution 12 are set out in the Circular to Shareholders dated 3 June 2010, accompanying the Company's Annual Report for the financial year ended 31 December 2009.

# Notice of Dividend Entitlement and Payment

## NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT the first and final dividend of 13% per ordinary share less Malaysian Income Tax at 25% in respect of the financial year ended 31 December 2009, if approved at the Eighteenth Annual General Meeting, will be paid on 17 September 2010 to Depositors of ordinary shares registered in the Record of Depositors on 13 September 2010.

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

- (a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 13 September 2010 in respect of transfers; and
- (b) Shares bought on the Bursa Malaysia Securities Berhad up to 5.00 p.m. on 7 September 2010 i.e. on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

YANG BAO LING (MAICSA 7041240)

KUAN HUI FANG (MIA 16876)

Company Secretaries

Kuala Lumpur

3 June 2010

# Statement Accompanying

## Notice Of Annual General Meeting

The name of Directors who are standing for re-election and re-appointment at the Eighteenth Annual General Meeting:

- a. Tan Sri Dato' Sri Leong Hoy Kum**  
(retiring pursuant to Article 102 of the Company's Articles of Association)
- b. Captain Izaham Bin Abd. Rani (R)**  
(retiring pursuant to Article 102 of the Company's Articles of Association)
- c. Jen. Tan Sri Yaacob Bin Mat Zain (R)**  
(re-appointment pursuant to Section 129(6) of the Companies Act, 1965)

The details of the three Directors seeking for re-election and re-appointment are set out in their respective profiles which appear on pages 18 to 19 of the Annual Report. The shareholdings of the Directors in the Company are disclosed under Statistics of Shareholdings on page 142 of this Annual Report.





MAH SING GROUP BERHAD (230149-P)

**FORM OF PROXY**

No. of ordinary shares held

(Before completing the form please refer to notes below)

I/We ..... Telephone No.....  
(FULL NAME IN CAPITAL LETTERS)I.C. or Company No. .... CDS Account No.....  
(NEW I.C. NO. OR COMPANY NO.)of.....  
(FULL ADDRESS)

being a member/members of MAH SING GROUP BERHAD hereby appoint\* the Chairman of the Meeting or failing him

.....I.C. No. ....  
(FULL NAME IN CAPITAL LETTERS)of.....  
(FULL ADDRESS)or failing him, .....I.C. No. ....  
(FULL NAME IN CAPITAL LETTERS)of.....  
(FULL ADDRESS)

as my/our proxy to vote for me/us and on my/our behalf, at the Eighteenth Annual General Meeting of the Company ("AGM"), to be held at Penthouse Suite 1, Wisma Mah Sing, No. 163, Jalan Sungai Besi, 57100 Kuala Lumpur on Friday, 25 June 2010 at 10.00 a.m., or any adjournment thereof, on the following resolutions referred to in the notice of the AGM:

My/our proxy is to vote as indicated below:

No.	Resolution	For	Against
1	Receiving of the Audited Financial Statements and Reports		
2	Declaration of first and final dividend		
3	Payment of Directors' fees		
4	Re-election of Tan Sri Dato' Sri Leong Hoy Kum as Director		
5	Re-election of Captain Izaham Bin Abd. Rani (R) as Director		
6	Re-appointment of Deloitte KassimChan as Auditors		
7	Re-appointment of Jen. Tan Sri Yaacob Bin Mat Zain (R) as Director		
8	Authority to issue and allot shares pursuant to Section 132D of the Companies Act, 1965		
9	Proposed renewal of Shareholders' Mandate as specified in Sections 2.3.1 (a) and (b) of the Circular to Shareholders dated 3 June 2010		
10	Proposed renewal of Shareholders' Mandate as specified in Section 2.3.1 (c) of the Circular to Shareholders dated 3 June 2010		
11	Proposed renewal of share buy-back authority		
12	Proposed amendment to the Articles of Association		

(Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he/she thinks fit).

Dated this ..... day of ..... 2010

.....  
Signature: Shareholder or  
Common Seal of Appointor

\* Delete the words "the Chairman of the Meeting or" if you wish to appoint some other person to be your proxy.

**Notes:**

- A member entitled to attend and vote at this meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend and vote in his/her place. A proxy may but need not be a member of the Company and provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- The power of attorney or a notarially certified copy thereof or the Form of Proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing. If the appointor is a corporation, it must be executed under its seal or under the hand of its officer or its attorney duly authorised on its behalf.
- Where a member appoints more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting), the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- The Form of Proxy together with the power of attorney (if any) under which it is signed or a duly notarially certified copy thereof must be deposited at the registered office of the Company at Penthouse Suite 1, Wisma Mah Sing, No. 163, Jalan Sungai Besi, 57100 Kuala Lumpur not less than forty-eight (48) hours before the time for holding this meeting or any adjournment thereof.

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AFFIX  
STAMP

THE COMPANY SECRETARY  
MAH SING GROUP BERHAD  
Penthouse Suite 1  
Wisma Mah Sing  
No. 163 Jalan Sungai Besi  
57100 Kuala Lumpur

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*Then fold here*



**MAH SING GROUP BERHAD**

(230149-P)

(Incorporated In Malaysia)

**Premier Lifestyle Developer**



**MAH SING GROUP BERHAD**

(230149-P)  
(Incorporated In Malaysia)

**[www.mahsing.com.my](http://www.mahsing.com.my)**