Focal Aims

HOLDINGS BERHAD

Annual Report 2008

Contents

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Thirty-Fifth Annual General Meeting of Focal Aims Holdings Berhad will be held at the **Meranti Hall, Tropical Inn Johor Bahru, 4th Floor, Johor Tower, Jalan Gereja, 80100 Johor Bahru, Johor Darul Ta'zim** on **Thursday, 26 February 2009** at **11.00 a.m.** for the following purposes:-

AGENDA

1. To receive the Directors' Report and Audited Financial Statements for the financial year ended 30 September 2008 together with the Auditors' Report thereon. *(Resolution 1)*

2. To approve the Directors' Fees for the financial year ended 30 September 2008. *(Resolution 2)*

3. To re-elect the following Directors who are retiring in accordance with Article 80 of the Articles of Association of the Company:-

   (a) Tan Sri Datuk Mohd Razali bin Abdul Rahman *(Resolution 3)*
   (b) Datuk Che Mokhtar bin Che Ali *(Resolution 4)*
   (c) Tee Boon Hin *(Resolution 5)*

4. To re-appoint Messrs. Ernst & Young as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. *(Resolution 6)*

5. <u>As Special Business</u>

   To consider and, if thought fit, to pass the following resolution:-

   ORDINARY RESOLUTION
   <u>- Authority to issue and allot shares</u>

   "That subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, the directors be and are hereby authorised, pursuant to Section 132D of the Companies Act, 1965 to issue and allot shares in the Company at any time until the conclusion of the next Annual General Meeting to such persons and upon such terms and conditions and for such purposes as the directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10 per centum of the issued share capital of the Company for the time being." *(Resolution 7)*

6. To transact any other ordinary business for which due notice has been given.

By Order of the Board

Chua Siew Chuan *(MAICSA No: 0777689)*
Mak Chooi Peng *(MAICSA No: 7017931)*
Company Secretaries

Kuala Lumpur
3 February, 2009

<u>Explanatory Note to Special Business:</u>

The proposed adoption of the Ordinary Resolution is primarily to give flexibility to the Board of Directors to issue and allot shares to such persons at any time in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed 10% of the issued share capital of the Company for the time being.

Notes:-

1. *A member entitled to attend and vote at the Meeting is entitled to appoint more than one proxy to attend and vote in his stead. A proxy may but does not need to be a member of the Company and the provisions of Section 149 (1)(b) of the Companies Act, 1965 need not be complied with. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.*

2. *In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.*

3. *The instrument appointing a proxy must be deposited at the Company's Registered Office, Suite 338, 3rd Floor, Johor Tower, Jalan Gereja, 80100 Johor Bahru not less than 48 hours before the time for holding the Meeting or any adjournment thereof.*

<u>Statement accompanying the Notice of Annual General Meeting</u>

Directors standing for re-election at the Thirty-Fifth Annual General Meeting of the Company are as follows:-

1. Tan Sri Datuk Mohd Razali bin Abdul Rahman

2. Datuk Che Mokhtar bin Che Ali

3. Tee Boon Hin

The profiles of the above Directors are set out on page 4 - 5 of the Annual Report. Their shareholdings in the Company and its subsidiaries are set out on page 72 of the Annual Report.

Corporate Information & Board of Directors

BOARD OF DIRECTORS

Chairman
Tan Sri Datuk Mohd Razali bin Abdul Rahman

Group Managing Director
E. Seng Kiw @ Yee Oy Chong

Group Executive Director
Yee Yok Sen

Members
Datuk Che Mokhtar bin Che Ali
Wan Mustapha bin Wan Ismail
Phang Piow @ Pang Choo Ing
Pang Tin @ Pang Yon Tin
Woon See Chin
Tee Boon Hin

REGISTERED OFFICE

Suite 338, 3rd Floor
Johor Tower
Jalan Gereja
80100 Johor Bahru
Johor Darul Ta'zim
Tel No: 07-2211833
Fax No: 07-2246066

AUDIT COMMITTEE

Datuk Che Mokhtar bin Che Ali
Chairman (Independent Non-Executive Director)

Woon See Chin
Independent Non-Executive Director

Tee Boon Hin
Independent Non-Executive Director

COMPANY SECRETARIES

Chua Siew Chuan *(MAICSA No: 0777689)*
Mak Chooi Peng *(MAICSA No: 7017931)*

REGISTRAR

Securities Services (Holdings) Sdn Bhd
(Co. No. 36869-T)
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Tel No: 03-20849000
Fax No: 03-20949940

AUDITORS

Ernst & Young
Chartered Accountants
Suite 11.2A, Level 11
Menara Pelangi
2, Jalan Kuning
Taman Pelangi
80400 Johor Bahru

PRINCIPAL BANKERS

AmBank (M) Berhad
Public Bank Berhad

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
(Main Board)

Profile of Directors

TAN SRI DATUK MOHD RAZALI BIN ABDUL RAHMAN

Tan Sri Datuk Mohd Razali bin Abdul Rahman, aged 62, a Malaysian, is a Non-Independent Non-Executive Director and the Chairman of Focal Board of Directors'. Tan Sri was appointed to the Board on 18 February 2003. He holds a Bachelor's Degree in Commerce from the University of New Castle, Australia in 1972 and Masters Degree in Financial Management from the University of Queensland, Australia in 1980. He is a Fellow of the Australian Society of Certified Public Accountant. He has been the Chairman of Company's subsidiaries, Focal Aims Sdn Bhd ("FASB") and Focal Aims Properties Sdn Bhd ("FAPSB") since 1994 and 1998 respectively. He is currently Chairman of Peremba (Malaysia) Sdn Bhd. He also serves on the board of Saujana Resort (M) Berhad and Pembangunan Mas Melayu Berhad. He is the major shareholder of Peremba (Malaysia) Sdn Bhd. He has attended three (3) out of five (5) Board Meetings held to-date in the financial year ended 30 September 2008. He is the Chairman of the Remuneration Committee of the Company.

E. SENG KIW @ YEE OY CHONG

Mr. E. Seng Kiw @ Yee Oy Chong, aged 68, a Malaysian, is a Non-Independent Executive Director and the Group Managing Director of Focal. He was appointed to the Board of Focal on 9 November 1999. He holds a Masters Degree in Business Administration from Honolulu University in the United States of America ("USA"). He is also the Managing Director of the subsidiary companies, Focal Aims Properties Sdn Bhd ("FAPSB") and Focal Aims Sdn Bhd ("FASB"). He held the position of Managing Director of Menang Corporation Berhad, a company listed on the Main Board of Bursa Malaysia Securities Berhad from 1985 to 1989. He has over thirty (30) years working experience in property development, logging and saw milling and is the driving force behind the Focal Group's growth. He is also responsible for the overall management and formulation of the Focal Group's strategic plans and policies. He holds directorships in several private limited companies. He has attended all of the five (5) Board Meetings held to-date in the financial year ended 30 September 2008. He is the brother of Mr. Yee Yok Sen, the Group Executive Director. Mr. E. Seng Kiw @ Mr. Yee Oy Chong also sits in the Executive Committee of the Company.

YEE YOK SEN

Mr. Yee Yok Sen, aged 52, a Malaysian, is a Non-Independent Group Executive Director of Focal. He was appointed to the Board of Focal on 9 November 1999. He has over twenty (20) years experience in the property development sector. He also holds directorships in several private limited companies. He has attended all of the five (5) Board Meetings held to-date in the financial year ended 30 September 2008. He is the brother of Mr. E. Seng Kiw @ Yee Oy Chong, the Group Managing Director. Mr. Yee Yok Sen is also a member of Budget Committee of the Company.

DATUK CHE MOKHTAR BIN CHE ALI

Datuk Che Mokhtar bin Che Ali, aged 55, a Malaysian, is an Independent Non-Executive Director and the Chairman of the Audit Committee of Focal. He has been on the Board of Focal since 31 January 1997. He obtained his Bachelor of Arts (B.A) and Bachelor of Law (LLB) degrees from Victoria University of Wellington, New Zealand. He was a former Magistrate and Deputy Public Prosecutor. He has been an Advocate and Solicitor of the High Court of Malaya since 1983. He has attended all the five (5) Board Meetings held to-date in the financial year ended 30 September 2008. Datuk also sits on the Executive Committee and Remuneration Committee of the Company.

WAN MUSTAPHA BIN WAN ISMAIL

Encik Wan Mustapha bin Wan Ismail, aged 60, a Malaysian, is a Non-Independent Non-Executive Director and he was appointed to the Board of Focal on 9 November 1999. He graduated with a Bachelor of Commerce from the University of Newcastle, New South Wales, Australia in 1973. He is an Associate Member of the Institute of Chartered Accountant of Australia and also a Chartered Accountant with the Malaysian Institute of Accountants. He was attached to General Lumber Fabricators and Builders Berhad ("GLFB"), a company listed on the Second Board of Bursa Malaysia Securities Berhad as the Group Managing Director for seven (7) years until he resigned in July 2000. He was re-appointed to the Board of GLFB in November 2000 and was subsequently appointed as the Executive Director in February 2001 until 21 August 2003. He also holds directorships in several private limited companies. He has attended all of the five (5) Board Meetings held to-date in the financial year ended 30 September 2008. He is the Chairman of the Nomination Committee and Budget Committee of the Company.

PHANG PIOW @ PANG CHOO ING

Mr. Phang Piow @ Pang Choo Ing, aged 67, a Malaysian, is a Non-Independent Non-Executive Director and he was appointed to the Board of Focal on 9 November 1999. He holds a Bachelor of Business Administration from Honolulu University, USA and a Masters of Business Administration from Greenwich University, Australia. Mr. Phang Piow is also an Executive Director of FAPSB and has been an Executive Director of FASB since 1994. He has over thirty (30) years experience in property development, property investment, quarrying, construction, manufacturing and hotel management. He also holds directorships in several private limited companies. He has attended all five (5) Board Meetings held to-date in the financial year ended 30 September 2008. He is the brother of Mr. Pang Tin @ Pang Yon Tin. Mr. Phang Piow also sits in the Remuneration Committee of the Company.

PANG TIN @ PANG YON TIN

Mr. Pang Tin @ Pang Yon Tin, aged 62, a Malaysian, is a Non-Independent Non-Executive Director and he was appointed to the Board of Focal on 9 November 1999. He has been a director of FASB since 1996. He has over twenty-eight (28) years experience in various sectors, encompassing property development, property investment, construction, quarrying, manufacturing and hotel management. He also holds directorships in several private limited companies. He has attended all five (5) Board Meetings held to-date in the financial year ended 30 September 2008. He is the brother of Mr. Phang Piow @ Pang Choo Ing.

WOON SEE CHIN

Mr. Woon See Chin, aged 65, a Malaysian, is an Independent Non-Executive Director and he was appointed as a Director of Focal on 9 November 1999. He graduated from the law school of University of Singapore and is an advocate and solicitor by profession and has been in legal practice in Johor Bahru for more than twenty-eight (28) years. He was also a Johor State Assembly member in 1982 and was elected as a Member of Parliament of Malaysia from 1986 to 1995. He served as a Deputy Minister of Education of Malaysia for four (4) years from 1986 to 1990. He has attended all five (5) Board Meetings held to-date in the financial year ended 30 September 2008. He is also a Chairman of the Executive Committee and a member of Audit Committee and Nomination Committee of the Company.

TEE BOON HIN

Mr. Tee Boon Hin, aged 47, a Malaysian, is an Independent Non-Executive Director and he was appointed as a Director of Focal on 9 November 1999. He is an Accountant by profession and has been in public practice in Johor Bahru since 1993. He graduated with a Bachelor of Commerce Degree from the University of Canterbury, New Zealand, in 1985. He is a member of the Institute of Chartered Accountants of New Zealand, an associate member of the Chartered Secretaries New Zealand Incorporated, a Chartered Accountant with the Malaysian Institute of Accountants and a Fellow member of the Malaysian Institute of Taxation. He has been attached to a number of public accounting firms, both overseas and in Malaysia, for over twenty (20) years. He has attended all five (5) Board Meetings held to-date in the financial year ended 30 September 2008. He is a member of the Executive Committee, Audit Committee, Nomination Committee and Budget Committee of the Company.

Other Information

All the directors have no conviction for any offences and they all have no conflict of interests with the Company.


saujana
ZERO-lot
.....luxurious hilltop villas

Chairman's Statement

"On behalf of the Board of Directors of Focal Aims Holdings Berhad, I am pleased to present to you the Annual Report and the Financial Statements of the Group and the Company for the financial year ended 30 September 2008."

Chairman's Statement
(cont'd)

OVERVIEW

During the financial year under review, the economic crisis in the US has reverberated its negative effects to the rest of the world. The already challenging environment has become even more challenging. The worry of an imminent inflation has instead turned into a worry of deflation. While deflation is possible, recession is affirmed. The US, Europe, Japan, and our neighbour Singapore have all dipped into recession. The consumer's sentiments are bad and it has clearly reflected in the stock market around the world. Nevertheless, the Group managed to register positive results amid such challenging conditions for the financial year ended 30 September 2008.

FINANCIAL HIGHLIGHTS

For the financial year under review, the Group recorded a profit before tax of RM870,000 on revenue of RM81.41 million as compared to profit before tax of RM3.62 million on revenue of RM52.97 million in 2007. The profit after tax for the financial year under review is RM333,000 as compared to last year's RM9.96 million. The profit before and after tax have declined despite the increase in revenue mainly due to high construction cost and intense market conditions. The significant reduction in the profit after tax is partly due to the adjustment of deferred taxation relating to the reduction in tax rates for the years of 2007, 2008 and 2009 in prior year. The Group's pre-tax earning per share was RM0.34 sen per share, and the net assets as at 30 September 2008 stood at RM309 million. The gearing is reduced to 0.32 from 0.39 due to continual repayment.

OPERATIONAL REVIEW

JOHOR BAHRU

Kota Masai is the Group's flagship development situated at the eastern part of the Iskandar Malaysia ("IM"). The development is undertaken by the Group since 1994 and it covers an area of 2,500 acres with total development units of slightly over 27,000. As at to-date, 14,717 units of residential, industrial and commercial properties have been sold with population in excess of 70,000 people.

Kota Masai forms an integral part of the eastern region of the IM with close proximity to the Pasir Gudang Port, Pasir Gudang Industrial Park, and Tanjung Langsat Technology Park. In addition to the Senai-Desaru Highway which is currently under construction, there is also a bridge connecting Permas Jaya and Kota Putri being built at the moment. The completion of these will improve the travelling time significantly between **Kota Masai** and downtown Johor Bahru, Senai Airport as well as the Tebrau area.

During the financial year under review, the Group had sold 270 units of properties encompass of residential, commercial and industrial nature. Similar to last year, approximately 10% of the sales were contributed by both commercial and industrial properties partly due to the IM effect. The balance sales was made up of residential properties comprising double storey low medium houses, single and double storey terrace houses and double storey semi-detached houses. The Group will continue to launch similar mixture of properties, although in smaller numbers, to replenish the low supply of houses in **Kota Masai**.


Kota
MASAI


Kota
MASAI

KLANG VALLEY

The Phase 1 of **Saujana 0-Lot** has attracted overwhelming response and is completed with Vacant Possession ("VP") issued in the fourth (4th) quarter of the financial year ended 30 September 2008. It has been two (2) years from the soft launch of Phase 1 and the Group is in the midst of launching Phase 2 in the first (1st) quarter of financial year ending 30 September 2009. There will be 38 units of SD Villa and 10 units of D Villa in Phase 2. The theme of the design remains contemporary and trendy. All units have larger built-up area with additional feature such as sky balcony on the third floor.

The 0-lot concept essentially means pushing one side of the building to the boundary line, leaving spacious area in the garden for leisure activities. The SD Villa is the 0-lot version of conventional semi-detached houses. The SD Villa will let you own a bungalow unit at semi-detached prices but with all bungalow luxury. The D Villa is the 0-lot concept of bungalows whereby the ten-foot setback for one side of the house is not required. Similarly, this leaves plenty more room for better usage and design for a 0-Lot bungalow. The completion of Phase 1 has made the visualization of the concept a lot easier. The prospective buyers will understand and appreciate the concept once they have seen our Phase 1.

The entire **Saujana 0-Lot** covers an area of 25 acres to be developed in three (3) phases over a period of five (5) years.

PROSPECT

This time last year, inflation is the main concern for many countries including Malaysia. This time around, however, the total opposite-deflation, that all nations are worried about. In fact, the US, Europe, Japan, and Singapore have entered into recession with little or no growth projected of their respective economy for next year.

The speed and magnitude of the damages caused by the US financial crisis has caught many people by surprise. Many huge corporations with hundreds of years of history are collapsed within months of the crisis and has dented consumer confidence tremendously. A lot of uncertainties still remain in the market and it will continue to haunt consumer sentiments as bad news is unearthed as day goes by. The situation is not likely to improve in the short term until US found a proven way to tackle and revive the current situation.

Malaysia, being an export driven economy, will not be spared in this crisis. The economy is expected to slow down as evidenced by the revision of GDP growth downwards for 2009. With this in mind, the Malaysian government has taken several measures including allocation of additional funding into the national budget in an effort to keep the economy going. There are also ways to encourage domestic spending such as the reduction in EPF contribution. Fortunately, oil prices has fallen sharply in tandem with slower global growth, which translates into reduction of petrol prices and energy costs for basically everything. But the slower growth, reduced prices, and bad consumer sentiments are recipe of an even more catastrophic event-deflation, where it essentially means there are no buyers of cheaper products and banks are reluctant to lend. This may seem possible but it has not happened and hopefully it will not. Looking at this, it is expected that the government will continue to lower the interest rate as well as announcing more business friendly policies in order to go through such difficult period.

The economic outlook is definitely gloomy and the property industry is surely not spared. It is expected that the property market will remain challenging and competitive in the coming year. Going forward, the Group will strive to maintain our track record of positive results for the coming financial year ending 30 September 2009.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I extend my appreciation to the management and staff for their diligence, commitment and dedication to the Group. I wish to put on record my gratitude to my fellow directors for their contribution and guidance. I also like to express my sincere gratitude and appreciation to our bankers, business associates, customers, various government agencies and local authorities for their continuing support. To our valued shareholders, I would like to offer my deepest appreciation for your trust and confidence in the Group.


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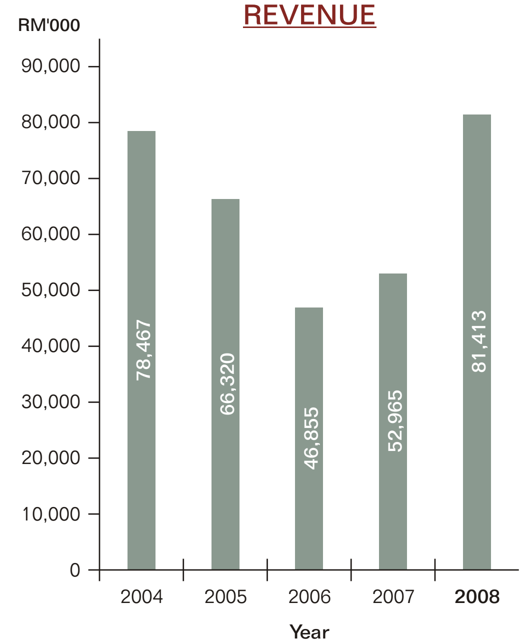
ZERO-lot
.....luxurious hilltop villas

Financial Highlights

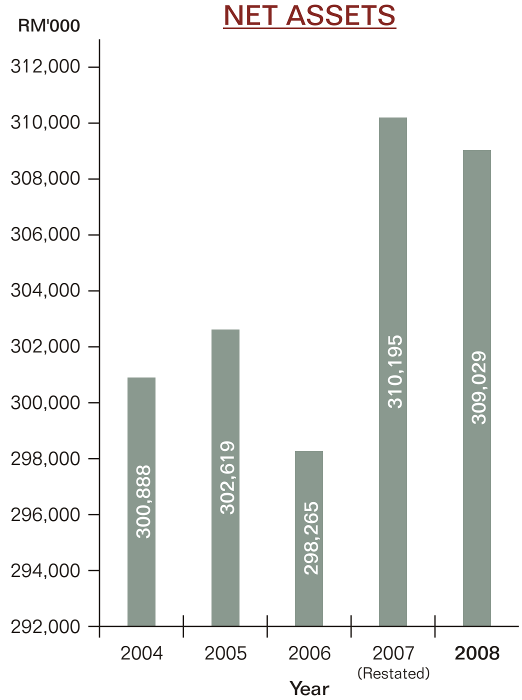
	2008	2007 (Restated)	2006	2005	2004
Paid-up capital (RM'000)	**253,317**	253,317	253,317	253,317	253,317
Net Assets (RM'000)	**309,029**	310,195	298,265	302,619	300,888
Net Assets per share (sen)	**122**	122	118	119	119
Revenue (RM'000)	**81,413**	52,965	46,855	66,320	78,467
Profit before taxation (RM'000)	**870**	3,619	1,994	6,989	8,720
Profit for the year attributable to equity holders of the Company (RM'000)	**333**	9,961	565	4,467	5,404
Net earnings per share (sen)	**0.13**	3.93	0.22	1.76	2.13
Pretax profit margin (%)	**1.07**	6.83	4.3	10.5	11.1
Current ratio	**2.51**	2.82	3.56	3.21	3.26
Return on capital employed (%)	**0.3**	1.2	0.7	2.3	2.9
Total borrowings (RM'000)	**99,390**	120,796	105,288	46,148	50,602
Gearing (times)	**0.32**	0.39	0.35	0.15	0.17

Financial Highlights (cont'd)

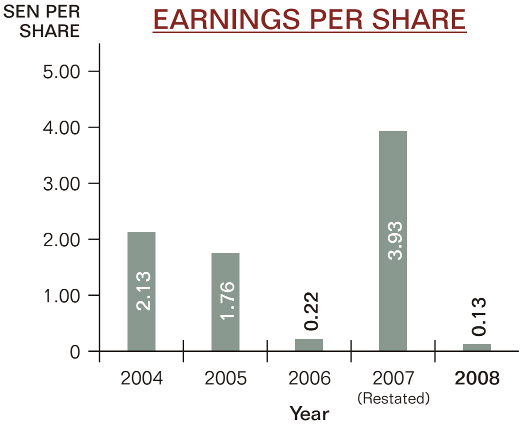
REVENUE



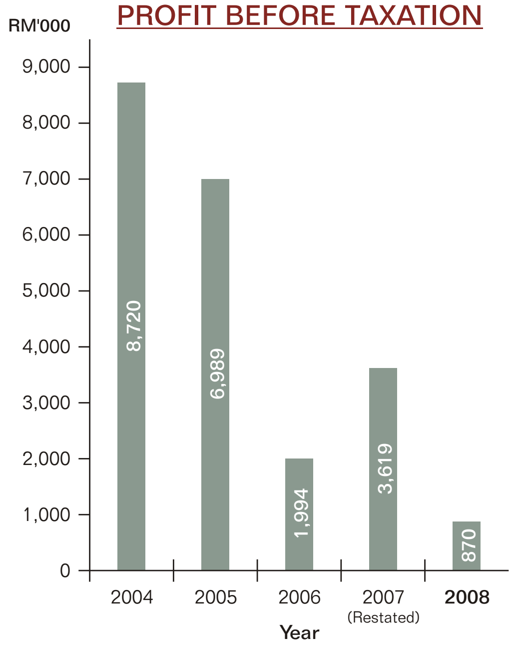
NET ASSETS



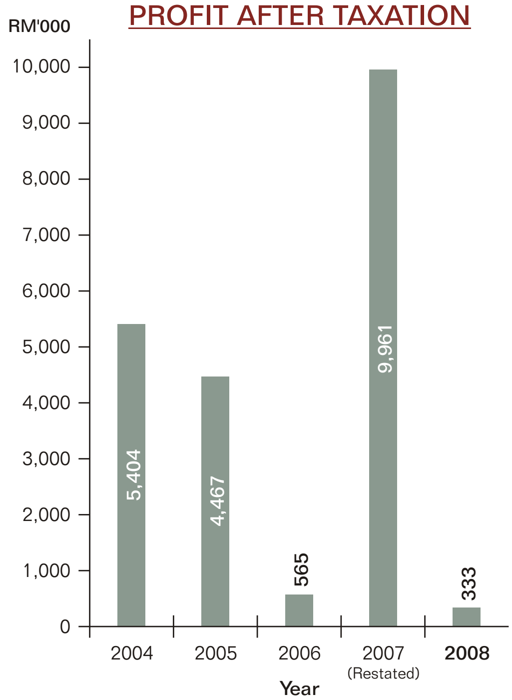
EARNINGS PER SHARE



PROFIT BEFORE TAXATION



PROFIT AFTER TAXATION



Group Corporate Structure

FOCAL AIMS HOLDINGS BERHAD (17777-V)
(Principal activities: Investment holdings)

100%
FOCAL AIMS PROPERTIES SDN BHD (471101-H)
(Principal activities: Investment holdings)

100%
FOCAL AIMS LAND SDN BHD (319435-X)
(Principal activities: Property development)

100%
FOCAL AIMS SDN BHD (316524-U)
(Principal activities: Property investment and development)

100%
FOCAL AIMS REALTY SDN BHD (203016-P)
(Principal activities: Dormant)

100%
FOCAL AIMS DEVELOPMENT SDN BHD (417670-H)
(Principal activities: Dormant)

100%
FOCAL AIMS RESORT (M) SDN BHD (473536-V)
(Principal activities: Dormant)

Size and Composition

The Audit Committee currently comprises three (3) independent non-executive directors.

During the financial year ended 30 September 2008, the Committee held a total of five (5) meetings and the meetings were held on 27 November 2007, 7 January 2008, 27 February 2008, 26 May 2008 and 27 August 2008.

Members

The present members of the Audit Committee of the Company are:-

	Name	Designation	Attendance of meetings
(a)	Datuk Che Mokhtar Bin Che Ali *(Chairman)*	Independent Non-Executive Director	Attended all 5 meetings
(b)	Woon See Chin	Independent Non-Executive Director	Attended all 5 meetings
(c)	Tee Boon Hin	Independent Non-Executive Director	Attended all 5 meetings

TERMS OF REFERENCE OF AUDIT COMMITTEE

Composition of members

The Board shall appoint the Audit Committee members from amongst themselves, comprising no fewer than three (3) non-executive directors. The majority of the Audit Committee members shall be independent directors.

In this respect, the Board adopts the definition of "independent director" as defined under the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any practice notes issued thereto.

All members of the Audit Committee shall be financially literate and at least one (1) member of the Audit Committee must be:-

(a) a member of the Malaysian Institute of Accountant ("MIA"); or

(b) if he is not a member of MIA, he must have at least three (3) years of working experience and:

- i. he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
- ii. he must be a member of one of the associations of the accountants specified in Part II of the First Schedule of the Accountants Act 1967; or

(c) fulfils such other requirements as prescribed by Bursa Securities.

No alternate director of the Board shall be appointed as a member 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 at least once every three (3) years to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference.

Retirement and resignation

If a member of the Audit Committee resigns, dies, or for any reason ceases to be a member resulting in non-compliance to the composition criteria as stated above in Clause 2, the Board shall within three (3) months of the event appoint such number of the new members as may be required to fill the vacancy.

Chairman

The members of the Audit Committee shall elect a Chairman from amongst their number who shall be an independent director.

In the absence of the Chairman of the Audit Committee, the other members of the Audit Committee shall amongst themselves elect a Chairman who must be independent director to chair the meeting.

Secretary

The Company Secretary shall be the Secretary of the Audit Committee and as a reporting procedure, the Minutes shall be circulated to all members of the Board.

Meetings

The Audit Committee shall meet regularly, with due notice of issues to be discussed, and shall record its conclusions in discharging its duties and responsibilities. In addition, the Chairman may call for additional meetings at any time at the Chairman's discretion.

Upon the request of the external auditors, the Chairman of the Audit Committee shall convene a meeting of the Audit Committee to consider any matter the external auditors believes should be brought to the attention of the directors or shareholders.

Notice of Audit Committee meetings shall be given to all the Audit Committee members unless the Audit Committee waives such requirement.

The Chairman of the Audit Committee shall engage on a continuous basis with senior management, such as the Chairman, the Chief Executive Officer, the Finance Director, the head of internal audit and the external auditors in order to be kept informed of matters affecting the Company.

The Finance Director, the head of internal audit and a representative of the external auditors should normally attend meetings. Other Board members and employees may attend meetings upon the invitation of the Audit Committee. However, the Audit Committee shall meet with the external auditors without executive Board members present at least twice a year and whenever necessary.

Questions arising at any meeting of the Audit Committee shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the Audit Committee shall have a second or casting vote.

Minutes

Minutes of each meeting shall be kept at the registered office and distributed to each member of the Audit Committee and also to the other members of the Board. The Audit Committee Chairman shall report on each meeting to the Board. The minutes of the Audit Committee meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

Quorum

The quorum for the Audit Committee meeting shall be the majority of members present whom must be independent directors.

Objectives

The principal objectives of the Audit Committee are to assist the Board in discharging its statutory duties and responsibilities relating to accounting and reporting practices of the holding company and each of its subsidiaries. In addition, the Audit Committee shall:-

- evaluate the quality of the audits performed by the internal and external auditors;
- provide assurance that the financial information presented by management is relevant, reliable and timely;
- oversee compliance with laws and regulations and observance of a proper code of conduct; and
- determine the quality, adequacy and effectiveness of the Group's control environment.

Authority

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

(a) have explicit authority to investigate any matter within its terms of reference, the resources to do so, and full access to information. All employees shall be directed to co-operate as requested by members of the Audit Committee.

(b) have full and unlimited/unrestricted access to all information and documents/resources which are required to perform its duties as well as to the internal and external auditors and senior management of the Company and Group.

(c) obtain independent professional or other advice and to invite outsiders with relevant experience to attend, if necessary.

(d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any).

(e) where the Audit Committee is of the view that the matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the Audit Committee shall promptly report such matter to Bursa Securities.

(f) convene meetings with the external auditors, without the attendance of the executive member of the Audit Committee, whenever deemed necessary.

Duties and Responsibilities

The duties and responsibilities of the Audit Committee are as follows:-

(a) To consider the appointment of the external auditors, the audit fee and any question of resignation or dismissal;

(b) To discuss with the external auditors before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;

(c) To review with the external auditors his evaluation of the system of internal controls and his audit report;

(d) To review the quarterly and year-end financial statements of the Board, focusing particularly on –

- any change in accounting policies and practices;
- significant adjustments arising from the audit;
- the going concern assumption; and
- compliance with accounting standards and other legal requirements.

(e) To discuss problems and reservations arising from the interim and final audits, and any matter the auditors may wish to discuss (in the absence of management, where necessary);

(f) To review the external auditors' management letter and management’s response;

(g) To do the following, in relation to the internal audit function:-

- review the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work;
- review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
- review any appraisal or assessment of the performance of members of the internal audit function;
- approve any appointment or termination of senior staff members of the internal audit function; and
- take cognizance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.

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

(i) To report its findings on the financial and management performance, and other material matters to the Board;

(j) To consider the major findings of internal investigations and management's response;

(k) To verify the allocation of employees' share option scheme ("ESOS") in compliance with the criteria as stipulated in the by-laws of ESOS of the Company, if any;

(l) To determine the remit of the internal audit function;

(m) The assistance given by the employees of the listed issuer to the external auditors.

(n) To consider other topics as defined by the Board;

(o) To advise the Board of Directors and make recommendations in respect of risk management as to the following matters:

- To monitor risk management processes are integrated into all core business processes and that the culture of the organization reflects the risk consciousness of the Board;

- Review the Risk Register and ensure that all risks are well managed;
- Review the enterprise risk scorecard and determine the risks to be escalated to the Board once a year; and
- Provide a consolidated risk and assurance report to the Board to support the statement relating to internal control in the Company's annual report; and

(p) To consider and examine such other matters as the Audit Committee considers appropriate.

Activities of the Committee during the year

During the year under review, the Committee carried out the following activities during the financial year ended 30 September 2008 in the discharge of its functions and duties.

1. Review of financial statements:

   (a) Reviewed the quarterly report and annual reports of the Company and Group prior to submission to the Board of Directors for consideration and approval.

   (b) Reviewed the financial statements and ensure that the financial reporting and disclosure requirements of the relevant authorities are duly complied with.

2. Matters relating to External Audit:

   (a) Reviewed the external auditors' audit planning memorandum for the Company and Group covering the audit objectives and approach, key audit areas and relevant accounting standards issued by MASB and other relevant technical pronouncement.

   (b) Reviewed the results of the audit, audit report and findings on the financial and management performance of the Company and Group and reported to the Board of Directors.

   (c) Reviewed the external auditors' evaluation of system of internal controls, management letter on internal control recommendations and management's response (if any).

   (d) Evaluated the performance of external auditors and made recommendations to the Board on their appointment, scope of work and audit fee.

3. Matters relating to Internal Audit:

   (a) Reviewed the annual audit plan to ensure adequate scope and coverage on the activities of the Group based on the identified and assessed key risk areas.

   (b) Reviewed the internal audit report in respect of the audit recommendation, management response as well as actions taken to improve the system of internal control and procedures. Report to the Board on major findings from the internal audit report and made recommendations to the Board for consideration and approval of the internal audit report.

   (c) Assessed the performance of the internal auditors and made recommendations to the Board on their appointment, scope of work and fees.

4. Risk Management

   (a) Reviewed the risk register and enterprise risk scorecard as prepared by the management to ensure that all risks are well managed and reported to the Board.

   (b) Provided a consolidated risk and assurance report to the Board for support to the statement relating to internal control in the Company's annual report.

5. Other activities

   (a) Reviewed the disclosure of any related party transactions that arose within the Group and reported the relevant related party transactions.

<u>Internal Audit Functions</u>

The Company has re-appointed Messrs KPMG Malaysia as the Internal Auditors for another two (2) years term expiring on 30 September 2010. The Internal Auditors' scope of work is based on the 5-phase approach as follows:

- Project initiation
- Internal audit plan
- Internal audit project
- Reporting and follow-up
- Engagement management and continuous improvement

The Internal Auditors is using a risk-based methodology approach based on the global best practices and industry standards.

The internal plan is being reviewed and approved by the Committee at the beginning of the financial year prior to the execution.

The principal responsibilities of the Internal Audit function is to provide assurance that the system of internal controls of the Group is operating satisfactorily and effectively by complying with the policies and procedures, law and regulations and assessment of risk and adequacy of risk management as to provide assurance to the stakeholders and add value to the Group's operations.

The areas of audit conducted by the Internal Auditors during the year were as follows:

1. Audit work on strategic management focusing on
   - land bank acquisition;
   - accuracy, completeness and timeliness of report to management and/or Board for decision-making; and;
   - effectiveness of development and product design planning.
2. Audit work on project management focusing on delay in project completion and delay in issuance of certificate of fitness.
3. Audit work on financial management with regard to
   - liquidity risk;
   - additional tax exposure from tax audits;
   - adequacy of insurance coverage for unsold inventories; and
   - impairment of assets.
4. Audit work on human resource management in relation to shortage of manpower and competency and experience of employee.
5. Audit work on information technology system with regard to information technology system failure and loss and/or leakage of critical information.
6. Audit work on sales and marketing focusing on
   - response on sales launches; slow in response of customer complaint;
   - delay in product launches;
   - effectiveness of sales and marketing strategies;
   - high level of completed inventories;
   - effectiveness of management of prospect activities; and
   - effectiveness of sales presentation
7. Follow-up and update of previous cycle of audit on project management and sales and marketing section.

The Internal Audit reports incorporated findings, recommendations for improvements, management action and implementation of the recommendations. Follow-up actions on the implementations were tabled at the Audit Committee and Board Meetings for approval.

Statement of Corporate Governance

The Board of Directors of Focal is committed to ensure that the highest standard of Corporate Governance is practiced throughout the Group with the objective of strengthening the Groups growth, corporate accountability and safeguarding the interests of the shareholders.

The Board of Directors is pleased to report a statement to the shareholders on how the Group has applied the principles of good corporate governance and compliance of the best practices set out in the Malaysian Code of Corporate Governance.

The Board of Directors

The Board's principal responsibilities for corporate governance are by setting out the strategic direction of the Group, establishing the objectives and achievement of the objectives or goals.

The current Board comprises two (2) executive directors and seven (7) non-executive directors. Three of the non-executive directors are independent directors, which complied with paragraph 15.02 of the Listing Requirements (Paragraph 15.02: A listed issuer must ensure that at least 2 directors or 1/3rd of the board of directors of a listed issuer, whichever is higher, are independent directors). The Directors collectively have wide range of experience and expertise drawn from the area of legal, business, accounting and financial. Their expertise, experience and background are vital for the strategic direction of the Group. The profiles of the Directors are set out on pages 4 to 5.

The division of responsibilities is clearly defined between the Chairman and Group Managing Director. The Chairman is responsible for ensuring the effectiveness of the Board and conduct while the Group Managing Director has the overall responsibilities of managing the operation and performance of the Group, implementation policies and executive decision-making. The independent non-executive directors play an important role to ensure the views provided are professional and independent and that the advice and judgement made to issues and decisions are to the best interest of the stakeholders and the Group.

The Board is satisfied that investment of the minority shareholders in the Company is fairly reflected through Board representation.

Mr. Woon See Chin is the senior independent non-executive director of the Board to whom concerns maybe conveyed.

The Board meets at least four times a year, with additional meetings for particular matters convened as and when necessary. Five (5) Board meetings were held during the financial year ended 30 September 2008. The record of their meeting attendance is as follows:

Directors		Number of Board Meetings Attended / Held (during the Directors' tenure for the current financial year)
Tan Sri Datuk Mohd. Razali bin Abdul Rahman	Chairman	3 / 5
E. Seng Kiw @ Yee Oy Chong	Group Managing Director	5 / 5
Yee Yok Sen	Group Executive Director	5 / 5
Datuk Che Mokhtar bin Che Ali	Independent Non-Executive Director	5 / 5
Wan Mustapha bin Wan Ismail	Non-Independent Non-Executive Director	5 / 5
Phang Piow @ Pang Choo Ing	Non-Independent Non-Executive Director	5 / 5
Pang Tin @ Pang Yon Tin	Non-Independent Non-Executive Director	5 / 5
Woon See Chin	Independent Non-Executive Director	5 / 5
Tee Boon Hin	Independent Non-Executive Director	5 / 5

Supply of Information

All the Directors are notified of the Board meetings within stipulated time prior to the meeting dates. Board papers together with the agenda are circulated to all the Directors prior to Board Meetings. This is to ensure that the Directors are given sufficient time to read the Board papers before the Board Meetings and enable all Directors to discuss the issues to be raised at the meetings as well as discharge their duties appropriately.

The Executive Directors lead the presentation and provides explanation on the papers.

All the Directors have direct access to the Senior Management and the services of the Company Secretary. In addition, the Directors may seek independent professional advice as and when necessary in discharging their responsibilities.

The Board has also established the following Committees to assist the Board in execution of its responsibilities. The Board has approved the terms of reference of each of the Committee.

1. Audit Committee

   The Audit Committee's principal objectives is to assist the Board in discharging its statutory duties and responsibilities pertaining to the compliance with the law and regulations, accounting standards and review of the effectiveness of the internal control system and provide assurance concerning the Group's risk profile and assist in the implementation of the risk management structure.

   The Audit Committee meets periodically to carry out its functions and duties as in accordance with their terms of reference. The Audit Committee meets with the external auditors twice a year without the management presence.

   The details of composition, terms of reference and activities of the Audit Committee are set out in the Audit Committee Report on pages 17 to 21.

2. Executive Committee

   The principal objective of the Executive Committee is to assist the Board in discharging its responsibilities in respect of various matters or aspects that the Board mandates. The existing issue dealt with by the Executive Committee is pertaining to the award of contracts where certain authority limit has been set for the Committee to approve the contract to be awarded. During the financial year ended 30 September 2008 three (3) meetings were held.

   Composition of Executive Committee:

Members	Designation	No. of meetings attended
Woon See Chin *(Independent Non-Executive Director)*	Chairman	3
E. Seng Kiw @ Yee Oy Chong *(Group Managing Director)*	Member	2
Datuk Che Mokhtar bin Che Ali *(Independent Non-Executive Director)*	Member	3
Tee Boon Hin *(Independent Non-Executive Director)*	Member	3

3. Remuneration Committee

The Remuneration Committee's principal objective is to assist the Board of Directors in their responsibilities in assessing the remuneration packages of the executive directors of the Company and Group. However, the Board makes the decisions on the level of remuneration packages after considering the recommendations of the Committee. The Remuneration Committee meeting was held on 7 January 2008 and all the members attended the meeting.

The members of the Remuneration Committee are as follows:

Tan Sri Datuk Mohd. Razali bin Abdul Rahman *(Non-Independent Non-Executive Director)*	Chairman
Datuk Che Mokhtar bin Che Ali *(Independent Non-Executive Director)*	
Phang Piow @ Pang Choo Ing *(Non-Independent Non-Executive Director)*	

4. Nomination Committee

The principal objectives of the Nomination Committee is to assist the Board in nominating new nominees to the Board of Directors as well as assessing the Directors of the Company on an on-going basis as to their skills and experience and other qualities.

The Nomination Committee meeting was held on 27 November 2008 and all the members attended the meeting. The Committee has reviewed and assessed the Board as a whole and contribution of each individual director including independent non-executive directors. The Committee concurred that the performance of all the Directors had been satisfactory and the composition of the Board members is satisfactory comprising Directors of good caliber and with professional skills in all fields. All Directors projected good attendance and good participation / contribution with their own respective skills at Board Meetings.

The members of the Nomination Committee are as follows:

Wan Mustapha bin Wan Ismail *(Non-Independent Non-Executive Director)*	Chairman
Woon See Chin *(Independent Non-Executive Director)*	
Tee Boon Hin *(Independent Non-Executive Director)*	

5. Corporate Planning Committee

The objective of the Corporate Planning Committee is to assist the Board in their responsibilities to expand business activities and seek new opportunities and proposals.

The composition of the Committee are as follows:

Wan Mustapha Bin Wan Ismail *(Non-Independent Non-Executive Director)*	Chairman
E. Seng Kiw @ Yee Oy Chong *(Group Managing Director)*	
Phang Piow @ Pang Choo Ing *(Non-Independent Non-Executive Director)*	
Yee Yok Sen *(Group Executive Director)*	

6. Budget Committee

The objective of the Budget Committee is to assist the Board in their responsibilities to review and analyse the budget and business plan of the Group.

The members of the Budget Committee are as follows:

Wan Mustapha Bin Wan Ismail *(Non-Independent Non-Executive Director)*	Chairman
Yee Yok Sen *(Group Executive Director)*	
Tee Boon Hin *(Independent Non-Executive Director)*	

Appointments to the Board and Re-election of the Directors

In accordance with the Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements and Articles of Association, at least one-third of the Directors shall retire from office and at least once in every three years and shall be eligible for re-election at the Annual General Meeting. The Group Managing Director is appointed for a period of not exceeding three years and shall be subject to retirement by rotation.

Directors' Remuneration

The objective of the Company is to ensure the level of remuneration is sufficient to attract and retain the directors to run the Company successfully. The remuneration packages of the executive directors are structured to link to the corporate and individual performance. Currently, the Remuneration Committee determines the director's remuneration packages for recommendation to the Board for approval. The executive directors abstain themselves from participation in the discussion/decision-making in respect of their own remuneration packages. The remuneration of the Executive Directors comprises salaries, allowance, bonuses and other customary benefits made available by the Group.

The annual fees payable to the Non-Executive Directors as recommended by the Board are to be approved by the shareholders at the Annual General Meeting. The level of remuneration for non-executive directors reflects the experience and level of responsibilities undertaken by them. Company reimburses expenses incurred by the directors in the course of their duties as Directors.

The details of the Directors' remuneration of the Company and Group comprising remuneration received or receivable for the financial year ended 30 September 2008 are as following:

1. Aggregate remuneration of Directors categorized into appropriate components:

Category	**Executive Directors (RM'000)**	**Non-Executive Directors (RM'000)**
Fees	-	255
Salaries	951	234*1
Bonus	328	20*1
Benefits-in-kind	102	5*1
Others	424	99*1
Total	**1,805**	**613**

2. Number of Directors whose remuneration falls into the following bands:

Range of remuneration	Number of Directors	
	Executive	Non-Executive
Below RM50,000	-	5
RM50,001 to RM100,000	-	-
RM100,001 to RM150,000	-	-
RM150,001 to RM200,000	-	2*1
RM200,001 to RM600,000	-	-
RM600,001 to RM650,000	-	-
RM650,001 to RM700,000	-	-
RM700,001 to RM750,000	1	-
RM750,001 to RM800,000	-	-
RM800,001 to RM850,000	-	-
RM850,001 to RM900,000	-	-
RM900,001 to RM950,000	-	-
RM950,001 to RM1,000,000	-	-
RM1,000,001 to RM1,050,000	-	-
RM1,050,001 to RM1,100,000	1	-

Note:
*1 - *The salary, bonus and other emoluments received or receivable relates to Non-Executive Directors of the Company but who are Executive Director of its subsidiary company.*

Directors Training

All the Directors have attended and successfully completed the Mandatory Accreditation Programme ("MAP") as specified by Bursa Securities.

During the financial year, the Company has arranged a workshop for the directors, which was held on 27 August 2008, to keep them abreast of the recent changes in the Malaysian Code of Corporate Governance. The topic of the workshop is entitled "Impact of the Revised Malaysian Code of Corporate Governance and Related Changes in the Listing Requirements of Bursa Malaysia Securities Bhd.". All the Directors have attended the Directors' training for the financial year 2008 in pursuant to paragraph 15.09 of the Listing Requirements of Bursa Securities.

The Company will continuously arrange for further training of the directors as part of the directors obligation to update and enhance their skills and knowledge which are important for them in carrying out an effective role as directors.

Non-audit fees

During the financial year ended 30 September 2008, non-audit fees paid to the external auditor amounted to RM63,200.00 (2007: RM69,540).

Dialogue with Shareholders

The Group recognizes the need to inform the shareholders of all major developments concerning the Group on a timely basis. In accordance with the Listing Requirements of Bursa Securities, various announcements were made during the financial year. In addition, the Company has been using the Annual General Meeting to communicate with the shareholders and opportunities are given to them to raise questions or seek clarifications pertaining to the operation and financial performance of the Group.

Accountability and Audit

Financial reporting

The Board has undertaken the responsibilities to report a balanced and understandable assessment of the Group's financial performance and prospect through the release of the quarterly report and annual financial statements to shareholders. The Audit Committee assists the Board by scrutinizing the information disclosed in the financial statements as to its accuracy and adequacy.

The Board has also empowered the Audit Committee to ensure that the Group's financial reports are in compliance with applicable Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia before being recommended to the Board for approval and release to the public.

The Audit Committee's report is set out on pages 17 to 21 of this Annual Report.

Internal Control

The Board acknowledges the overall responsibilities in maintaining a sound and effective system of internal control as to safeguard the shareholders' investment and the Group's assets.

The system of internal control is already in operations and this will provide the assurance of effective and efficient operations of the Group.

The Board also undertakes on-going review of the financial and non-financial risk faced by the Group's business and ensuring compliance of the law and regulations.

The Statement of Internal Control is set out on pages 28 to 29 of this Annual Report.

Relationship with external auditors

The Board has established a formal and transparent arrangement for maintaining an appropriate relationship with the external auditors through the Audit Committee. The external auditors attended all the meetings of the Audit Committee as well as the Board of Directors' meeting upon invitation.

The Group's external auditors report to the Audit Committee on any weaknesses in the Group's internal control system, any non-compliance of the financial reporting standards and communication of fraud that have come to their attention in the course of their audit.

Best Practices on Corporate Governance

The Board is committed to achieve highest level of integrity and ethical standard in all business dealings and has to the best of their ability complied with the Best Practices on Corporate Governance as set out in Part 2 of the Malaysian Code of Corporate Governance.

Material Contracts

There were no material contracts involving the Directors and/or major shareholders of the Company during the financial year ended 30 September 2008.

Corporate Social Responsibility

During the financial year, no activities were conducted by the Group in relation to Corporate Social Responsibility. However, the Group has, from time to time, contributed to humanitarian causes through donations and sponsorships.

Statement of Internal Control

(Pursuant to paragraph 15.27(b) of the Listing Requirements of Bursa Securities)

INTRODUCTION

The Malaysian Code on Corporate Governance requires the Board of Directors of listed companies to maintain a sound system of internal control to safeguard shareholders' investments and the Group's assets. Set out below is the Board of Director's Statement on Internal Control ("Statement") as a Group for the financial year ended 30 September 2008 in compliance with paragraph 15.27(b) of the Listing Requirements of Bursa Securities and Statement on Internal Control: Guidance for Directors of Public Listed Companies.

THE BOARD'S RESPONSIBILITY

The Board of Directors ("the Board") recognises the importance of maintaining a sound system of internal control and risk management practices to ensure good corporate governance. Being committed in its responsibility to establish an appropriate control environment and framework for the Group, the Board regularly reviews the adequacy, effectiveness and integrity of the Group's internal control system. However, such system is designed to manage rather than eliminate the risk of failure to achieve business objectives. As such, the system can only provide reasonable but not absolute assurance against material misstatement or loss to the Group.

Monitoring Mechanisms and Management Style

The Board acknowledges that good business management practice requires effective risk management. A sound system of internal control should be capable of managing principal risks of the Group and be embedded into the operations of the Group.

In striving to operate a system of internal control that will drive the Group towards achieving its goals, the Board has set in place an appropriate formal oversight structure that has an appropriate balance of both the Board and Management's involvement in managing the Group. This is seen from the formal organisation structure which comprises of the Group Managing Director ('GMD'), Group Executive Director ('GED') and management. The GMD and GED actively communicate the Board's expectations to management personnel at management meetings. At these meetings, operational and financial risks are discussed and dealt with.

The Board relies on the experienced GMD, GED and qualified Group General Manager and General Managers with relevant industry experience to run and manage the operations and business of the Group in an effective and efficient manner. The GMD, GED and Management of the Group practise a 'hands on' style in managing the businesses of the Group. This close-to-operations management style enables timely identification and reporting of any significant matters. Further, there is a staff handbook, which outlines policies and guidelines in relation to human resource matters.

Throughout the financial year, the Board has evaluated and managed the significant risks faced by the Group through the monitoring of the Group's operations, performance and profitability at its Board meetings. The Board has also delegated its fiduciary responsibility for overseeing the conduct of the Group's operations through its various Board Committees. All Board Committees have formal terms of references outlining the committee's functions and duties.

Risk Management

Notwithstanding the process and matters described above, the Board is committed towards the risk management framework that has been established to enable the systematic identification, assessment, treatment and monitoring of the principal risks of the Group that affect the achievement of the Group's business objectives within defined risk parameters and standards in a timely and effective manner.

The Enterprise Risk Management ('ERM') framework for the Group allows for a structured and focused approach in managing the Group's existing and emerging principal business risks and enables the adoption of a risk-based internal control system that is embedded within the Group.

The Group has an on-going risk management process undertaken by the Risk Manager (Group General Manager) to identify, review and update the business risk on a yearly basis. The review and assessment of the business risk is being assisted by the Group's Internal Auditor. New risks are identified and some of the existing risks are removed when they are no longer applicable. Risks are also re-rated depending on the risk impact on the Group and Company. The Risk Manager will then present the risk management report to the Audit Committee to highlight the areas of risks that is inherent in the business and the system of internal controls that is in place to manage these risks.

Other Key Elements of the Group's Internal Control System

Other key elements of Group's internal control system are described as below:

- The Group's business objectives are transpired through mission statement and budgets;
- Scheduled meetings at Board, where the Board meets at least quarterly and other scheduled intervals when necessary to maintain full and effective supervision of the Group activities and operations. The Board will go through the board papers and pertinent issues will be deliberated before arriving at a decisions which has a bearing on the Group;
- Scheduled meetings at both the management and operational levels, which are attended by the GED to deliberate and resolve business, financial and operational matters;
- Formal authority limits disseminated to employees within the Group;
- Job description that defines the reporting lines and responsibilities are stipulated in the Company's Operating Manual;
- Policies and procedures manual, which acts as a comprehensive guide in carrying out daily tasks;
- Close monitoring of development progress through regular visits to sites by GMD, GED and management;
- Financial information and operational reports generated on a timely basis and deliberated at appropriate management meetings;
- Formal appraisal system for all levels of staff, which is performed annually;
- Tender Committee consisting of the GED and key management with the purpose of evaluating tenders and contracts; and
- An independent outsourced Internal Audit Function to assess the adequacy and effectiveness of the Group's system of internal control.

ASSURANCE MECHANISMS

The Audit Committee ("AC') performs periodic review and monitoring on the effectiveness of the Group's system of internal control. The Group has outsourced its internal audit function, which provides the AC with periodic reports, based on the audits conducted, highlighting observations, recommendations and management action plans to improve the Group's system of internal control. The internal audit function adopts a risk-based approach, which focuses on the principal risks affecting the key business processes of the Group identified during the ERM process.

In addition, AC also reviews and deliberates on any matters relating to internal control highlighted by the external auditors in the course of their statutory audit of the Financial Statements of the Group through management letters, or are articulated at AC meeting.

The Board also reviews the minutes of the Audit Committee's meetings. The Report of the AC is set out on pages 17 to 21, of this Annual Report.

THE BOARD'S COMMITMENT

The Board recognises that the Group operates in a dynamic business environment in which the internal control system must be responsive in order to be able to continuously support its business objective. To achieve this end, the Board remains committed towards maintaining a sound system of internal control and therefore recognises that the system must continuously evolve to support the growth and dynamics of the Group. As such, the Board, in striving for continuous improvement, will put in place appropriate action plans, when necessary to further enhance the Group's system of internal control and to keep abreast with the ever-changing business environment.

The Board of Directors
Focal Aims Holdings Berhad
Date : 2 December 2008

Statement of Directors' Responsibilities

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE AUDITED FINANCIAL STATEMENT

The Directors are required by the Companies Act, 1965 ("the Act") to prepare financial statements for each financial year as to give a true and fair view of the financial position of the Group and of the Company and the results and cash flows of the Group and of the Company for the financial year then ended.

During the preparation of the financial statements, the Directors have ensured that:

- the financial statements have been prepared in accordance with applicable approved accounting standards in Malaysia;
- the accounting and other records and the registers required by the Act are properly kept and disclosed with reasonable accuracy the financial position of the Group and of the Company which enable them to ensure the financial statements comply with the Act;
- appropriate accounting policies are adopted and applied consistently; and
- reasonable judgements and estimates that are prudent and reasonable have been made.

The Directors have general responsibility for taking such steps as are reasonable open to them to safeguard the assets of the Group and of the Company and to prevent and detect fraud and other irregularities.

STATEMENT OF REVALUATION POLICY

The Group does not adopt any revaluation policy on the landed properties.

Financial Statements

Directors' Report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 September 2008.

PRINCIPAL ACTIVITIES

The principal activities of the Group are property investment and development and investment holding. The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are as disclosed in Note 15 to the financial statements.

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

RESULTS

	Group RM	Company RM
Net profit for the year attributable to the equity holders of the company	333,309	1,869,485

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

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

DIVIDENDS

The amount of dividends paid by the Company since 30 September 2007 were as follows:

	RM
Final dividend of 0.8% less 26% taxation on 253,317,000 ordinary shares in respect of the financial year ended 30 September 2007, paid on 25 April 2008	1,499,637

DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are :

Tan Sri Datuk Mohd Razali Bin Abdul Rahman
E. Seng Kiw @ Yee Oy Chong
Yee Yok Sen
Datuk Che Mokhtar bin Che Ali
Wan Mustapha bin Wan Ismail
Phang Piow @ Pang Choo Ing
Pang Tin @ Pang Yon Tin
Woon See Chin
Tee Boon Hin

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive any benefits (other than benefit included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employees of the Company as shown in Notes 5, 6 and 7 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 28 to the financial statements.

DIRECTORS' INTERESTS

According to the register of directors' shareholding, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows :

	Number of Ordinary Shares of RM1 each			
	1 October			30 September
Holding in the name of director, spouse or child	**2007**	**Bought**	**Sold**	**2008**
Tan Sri Datuk Mohd Razali Bin Abdul Rahman	14,721,216	2,675,000	-	17,396,216
E. Seng Kiw @ Yee Oy Chong	41,696,331	962,500	43,000*	42,615,831
Yee Yok Sen	9,214,280	243,496*	-	9,457,776
Wan Mustapha Bin Wan Ismail	12,888,833	10,009*	3,500,000	9,398,842
Phang Piow @ Pang Choo Ing	27,506,172	656,250	-	28,162,422
Pang Tin @ Pang Yon Tin	29,488,172	656,250	-	30,144,422
Woon See Chin	55,000	-	-	55,000
Tee Boon Hin	35,000	-	-	35,000
Deemed Interest				
Tan Sri Datuk Mohd Razali Bin Abdul Rahman	6,672	-	-	6,672
Wan Mustapha Bin Wan Ismail	53,381	-	-	53,381

Subsidiary - Focal Aims Sdn. Bhd.

	Number of Preference Shares of RM1 each			
	1 October			30 September
Holding in the name of director, spouse or child	**2007**	**Bought**	**Sold**	**2008**
Tan Sri Datuk Mohd Razali Bin Abdul Rahman	250,000	-	-	250,000
E. Seng Kiw @ Yee Oy Chong	550,000	-	-	550,000
Yee Yok Sen	125,000	-	-	125,000
Wan Mustapha Bin Wan Ismail	250,000	-	-	250,000
Phang Piow @ Pang Choo Ing	375,000	-	-	375,000
Pang Tin @ Pang Yon Tin	375,000	-	-	375,000

* It represents the interest of spouse and child of the director of the Company in the shares or debentures of the Company under Section 134(12)(c) of the Companies (Amendment) Act 2007.

E. Seng Kiw @ Yee Oy Chong by virtue of his interest in shares in the Company, is also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

The other director in office at the end of the financial year had no interest in shares in the Company or its related corporations during the financial year.

OTHER STATUTORY INFORMATION

(a) Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps :

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render :

(i) it necessary to write off any bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; and

(ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.

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

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

(e) As at the date of this report, there does not exist :

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

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

(f) In the opinion of the directors :

(i) 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 will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

(ii) 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 the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 2 December 2008.

E. Seng Kiw @ Yee Oy Chong

Wan Mustapha Bin Wan Ismail

Statement by Directors
Pursuant to Section 169(15) of the Companies Act, 1965

We, E. Seng Kiw @ Yee Oy Chong and Wan Mustapha Bin Wan Ismail, being two of the directors of Focal Aims Holdings Berhad, do hereby state that, in the opinion of the directors, the financial statements set out on pages 38 to 67 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2008 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 2 December 2008.

E. Seng Kiw @ Yee Oy Chong

Wan Mustapha Bin Wan Ismail

Statutory Declaration
Pursuant to Section 169(16) of the Companies Act, 1965

I, Wan Mustapha Bin Wan Ismail, being the director primarily responsible for the financial management of Focal Aims Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 38 to 67 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the	)	
abovenamed Wan Mustapha Bin Wan	)	
Ismail at Johor Bahru in the State of Johor	)	
Darul Ta'zim on 2 December 2008	)	Wan Mustapha Bin Wan Ismail

Before me,

Independent Auditors' Report

REPORT OF THE FINANCIAL STATEMENTS

We have audited the financial statements of Focal Aims Holdings Berhad, which comprise the balance sheets as at 30 September 2008 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 38 to 67.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the 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 the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

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 at 30 September 2008 and of their financial performance and cash flows for the year then ended.

Report on other legal and regulatory requirements

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

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the accounts of the subsidiary that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(c) The auditors' reports on the accounts of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

Other matters

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

Ernst & Young
AF : 0039
Chartered Accountants

Wun Mow Sang
1821/12/08 (J)
Chartered Accountant

Johor Bahru, Malaysia
Date : 2 December 2008

Income Statements

INCOME STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008

	Note	Group 2008 RM	Group 2007 RM (Restated)	Company 2008 RM	Company 2007 RM
Revenue	3	81,412,804	52,965,036	3,012,500	2,054,794
Cost of sales	4	(70,666,459)	(42,036,261)	-	-
Gross profit		10,746,345	10,928,775	3,012,500	2,054,794
Other operating income		1,513,229	3,674,917	162,467	-
Administrative expenses		(11,254,948)	(10,815,859)	(608,512)	(625,905)
Profit from operations	5	1.004,626	3,787,833	2,566,455	1,428,889
Finance costs	8	(135,110)	(169,164)	-	-
Profit before taxation		869,516	3,618,669	2,566,455	1,428,889
Taxation	9	(536,207)	6,342,339	(696,970)	(464,754)
Profit for the year attributable to equity holders of the Company		333,309	9,961,008	1,869,485	964,135
Earnings per share attributable to equity holders of the Company :					
- Basic (sen)	10	0.13	3.93		
- Diluted (sen)	10	0.13	3.93		

The accompanying notes form an integral part of the financial statements.

BALANCE SHEETS AS AT 30 SEPTEMBER 2008

	Note	Group 2008 RM	Group 2007 RM (Restated)	Company 2008 RM	Company 2007 RM
ASSETS					
Non-current Assets					
Property, plant and equipment	12	1,965,569	2,293,640	-	-
Land held for property development	13	317,995,038	338,786,604	-	-
Investment in subsidiaries	15	-	-	166,817,000	166,817,000
Deferred tax assets	26	743,000	854,318	-	-
		320,703,607	341,934,562	166,817,000	166,817,000
Current Assets					
Property development costs	13	99,396,984	114,950,397	-	-
Inventories	16	38,247,983	22,980,332	-	-
Trade and other receivables	17	26,046,768	18,596,272	6,109	6,109
Tax recoverable		1,022,749	308,533	248,117	161,836
Amount due from subsidiaries	18	-	-	54,918,613	55,384,947
Cash and bank balances	19	6,289,330	7,676,432	222,629	339,756
		171,003,814	164,511,966	55,395,468	55,892,648
TOTAL ASSETS		491,707,421	506,446,528	222,212,468	222,709,648
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the company					
Share capital	23	253,317,000	253,317,000	253,317,000	253,317,000
Share premium	24	22,343	22,343	22,343	22,343
Retained earnings/(Accumulated losses)	24	55,689,549	56,855,877	(35,186,631)	(35,556,479)
		309,028,892	310,195,220	218,152,712	217,782,864
Minority interests	25	2,500,000	2,500,000	-	-
Total equity		311,528,892	312,695,220	218,152,712	217,782,864
Non-current liabilities					
Borrowings	20	51,188,846	74,335,853	-	-
Amount due to a subsidiary		-	-	3,751,300	4,459,850
Deferred taxation	26	60,988,600	61,111,745	-	-
Non-current liabilities		112,177,446	135,447,598	3,751,300	4,459,850
Current liabilities					
Borrowings	20	48,200,963	46,460,115	-	-
Trade and other payables	22	19,800,120	11,843,595	308,456	466,934
		68,001,083	58,303,710	308,456	466,934
Total Liabilities		180,178,529	193,751,308	4,059,756	4,926,784
TOTAL EQUITY AND LIABILITIES		491,707,421	506,446,528	222,212,468	222,709,648

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Changes In Equity

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2008

		<- Attributable to Equity Holders of the Company ->				Minority	Total
		<- Non-Distributable ->		Distributable		Interest	Equity
	Note	Share capital RM	Share premium RM	Retained Earnings RM (Restated)	Total RM	RM	RM
At 1 October 2006							
As previously stated		253,317,000	22,343	48,568,044	301,907,387	2,500,000	304,407,387
Prior year adjustment	2.6	-	-	(841,011)	(841,011)	-	(841,011)
At 1 October 2006 (restated)		253,317,000	22,343	47,727,033	301,066,376	2,500,000	303,566,376
Profit for the year, representing total recognised income and expense for the year		-	-	9,961,008	9,961,008	-	9,961,008
Dividends paid	11	-	-	(832,164)	(832,164)	-	(832,164)
At 30 September 2007		253,317,000	22,343	56,855,877	310,195,220	2,500,000	312,695,220
At 1 October 2007							
As previously stated		253,317,000	22,343	58,009,315	311,348,658	2,500,000	313,848,658
Prior year adjustment	2.6	-	-	(1,153,438)	(1,153,438)	-	(1,153,438)
At 1 October 2007 (restated)		253,317,000	22,343	56,855,877	310,195,220	2,500,000	312,695,220
Profit for the year, representing total recognised income and expense for the year		-	-	333,309	333,309	-	333,309
Dividends paid	11	-	-	(1,499,637)	(1,499,637)	-	(1,499,637)
At 30 September 2008		253,317,000	22,343	55,689,549	309,028,892	2,500,000	311,528,892

The accompanying notes form an integral part of the financial statements.

Company Statement of Changes In Equity

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2008

	Note	<- Attributable to Equity Holders of the Company -> <- Non-Distributable -> Share capital RM	Share premium RM	Accumulated losses RM	Total RM	Minority Interest RM	Total Equity RM
At 1 October 2006		253,317,000	22,343	(35,688,450)	217,650,893	-	217,650,893
Profit for the year, representing total recognised income and expense for the year		-	-	964,135	964,135	-	964,135
Dividends paid	11	-	-	(832,164)	(832,164)	-	(832,164)
At 30 September 2007		253,317,000	22,343	(35,556,479)	217,782,864	-	217,782,864
Profit for the year, representing total recognised income and expense for the year		-	-	1,869,485	1,869,485	-	1,869,485
Dividends paid	11	-	-	(1,499,637)	(1,499,637)	-	(1,499,637)
At 30 September 2008		253,317,000	22,343	(35,186,631)	218,152,712	-	218,152,712

The accompanying notes form an integral part of the financial statements.

Cash Flow Statements

CASH FLOW STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008

	Group		Company	
	2008 RM	2007 RM (Restated)	2008 RM	2007 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	869,516	3,618,669	2,566,455	1,428,889
Adjustments for :				
Depreciation	407,852	494,965	-	-
Dividend income	-	-	(3,012,500)	(2,054,794)
Interest expense	135,110	169,164	-	-
Interest income	(515,497)	(309,803)	-	-
Property, plant and equipment written off	271	25,410	-	-
Gain on disposal of investment properties	-	(2,303,435)	-	-
Gain on disposal of property plant and equipment	(1,111)	(27,948)	-	-
Operating profit/(loss) before working capital changes	896,141	1,667,022	(446,045)	(625,905)
Decrease/(Increase) in development expenditure	36,344,979	(2,863,772)	-	-
(Increase)/Decrease in inventories	(15,267,651)	764,188	-	-
Increase in trade and other receivables	(7,450,496)	(11,567,715)	-	1,415
Increase/(Decrease) in trade and other payables	7,956,525	(5,537,269)	(158,478)	51,169
Cash generated from/(used in) operations	22,479,498	(17,537,546)	(604,523)	(573,321)
Dividends paid	(1,499,637)	(832,164)	(1,499,637)	(832,164)
Dividends received	-	-	3,012,500	2,054,794
Interest received	515,497	309,803	-	-
Interest paid	(135,110)	(169,164)	-	-
Tax paid	(1,302,801)	(1,346,138)	(783,251)	(554,794)
Tax refund	40,551	39,244	-	39,244
Net cash generated from/(used in) operating activities	20,097,998	(19,535,965)	125,089	133,759

CASH FLOW STATEMENTS(CONT'D) FOR THE YEAR ENDED 30 SEPTEMBER 2008

	Group		Company	
	2008 RM	2007 RM (Restated)	2008 RM	2007 RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(81,866)	(138,796)	-	-
Proceeds from disposal of investment properties	-	3,500,000	-	-
Proceeds from disposal of property, plant and equipment	2,925	30,500	-	-
Repayment to subsidiary companies	-	-	(242,216)	(123,327)
Net cash (used in)/generated from investing activities	(78,941)	3,391,704	(242,216)	(123,327)
CASH FLOWS FROM FINANCING ACTIVITIES				
Drawdown of term loans	12,300,000	20,700,000	-	-
Repayment of hire purchase payables	(181,689)	(147,935)	-	-
Repayment of term loans	(33,659,204)	(11,389,742)	-	-
Net cash (used in)/generated from financing activities	(21,540,893)	9,162,323	-	-
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,521,836)	(6,981,938)	(117,127)	10,432
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	(2,171,398)	4,810,540	339,756	329,324
CASH AND CASH EQUIVALENTS AT END OF THE YEAR (NOTE 19)	(3,693,234)	(2,171,398)	222,629	339,756

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2008

1. CORPORATE INFORMATION

The principal activities of the Group are property investment and development and investment holding. The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are as disclosed in Note 15 to the financial statements. There have been no significant changes in the nature of the principal activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of Bursa Malaysia Securities Berhad. The registered office and principal place of business of the Company is located at Suite 338, 3rd Floor, Johor Tower, Jalan Gereja, 80100 Johor Bahru, Johor Darul Ta'zim.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 2 December 2008.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia. At the beginning of the current financial year, the Group and the Company had adopted new and revised FRSs which are mandatory for the current financial year as described fully in Note 2.3.

The financial statements of the Group and of the Company have also been prepared on a historical basis.

The financial statements are presented in Ringgit Malaysia (RM).

2.2 Summary of significant accounting policies

(a) Subsidiaries and basis of consolidation

(i) Subsidiaries

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exerciseable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit and loss.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in the income statement.

(ii) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

All the subsidiaries are consolidated using the acquisition method of accounting except for Focal Aims Properties Sdn. Bhd. group which is consolidated using the merger method under the MASB Standard No. 21 - Business Combinations. Under the merger method, the results of the subsidiary being merged are included as if the merger had been effected throughout the current and previous financial years. The difference between the cost of investment and the nominal value of the shares acquired is treated as merger reserve or merger deficit.

Other acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill.

Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since then.

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

(b) Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. 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 statement during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates :

Buildings	2%
Motor vehicles	20%
Office equipment and fittings	10% - 33%
Other assets	10% - 20%

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds and the net carrying amount is recognised in profit or loss.

(c) Land held for property development and property development costs

(i) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle . Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.2(l).

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(ii) Property development cost

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

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

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

(d) Inventories

Inventories consist of unsold properties and are stated at lower of cost and net realisable value.

Cost is determined on the specific identification basis and comprises cost associated with the acquisition of land, direct costs and appropriate proportions of common costs.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(e) Financial instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(i) Cash and cash equivalents

For the purpose of the cash flow statements, cash and cash equivalents include cash on hand and at bank and deposits at call, which have insignificant risk of changes in value, net of outstanding bank overdrafts.

(ii) Trade receivables

Trade receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(iii) Trade payables

Trade payables are stated at the fair value of the consideration to be paid in the future for goods and services received.

(iv) Interest-bearing borrowings

Interest-bearing bank loans and overdrafts are recorded at the amount of proceeds received, net of transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

(iv) Equity instruments

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

(f) Hire purchase and finance lease

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Company's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

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

The depreciation policy for leased assets is consistent with that for depreciable property, plant and equipment as described in Note 2.2(b).

(g) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(h) Income tax

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

Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as income or an expense and included in the profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

(i) 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 ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. For development costs, these costs are recognised in the income statement based on the percentage of completion of the project.

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

(j) Employee benefits

(i) Short term benefits

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

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the income statement as incurred.

(k) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of properties

Revenue from sale of properties is accounted for by the stage of completion method as described in Note 2.2(c)(ii).

(ii) Interest income

Interest is recognised on the accrual basis that reflects the effective yield on the asset, except for interest receivable from house buyers where the collectibility may be doubtful, and is thus recognised on receipt basis.

(iii) Rental income

Rental received and receivable is recognised on the accrual basis.

(iv) Dividend income

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

(l) Impairment of non-financial assets

The carrying amounts of assets, other than construction contract assets, property development costs, inventories, deferred tax assets and non-current assets (or disposal groups) held for sale, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs to.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in profit or loss in the period in which it arises.

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

2.3 Changes in acounting policies and effect arising from adoption of new and revised FRSs

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 September 2007 except for the adoption of the following new and revised Financial Reporting Standards ("FRS") effective for financial period beginning 1 October 2007:

FRS 6	: Exploration for and Evaluation of Mineral Resources
FRS 107	: Cash Flow Statements
FRS 111	: Construction Contracts
FRS 112	: Income Taxes
FRS 118	: Revenue
FRS 120	: Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	: Interim Financial Reporting
FRS 137	: Provisions, Contingent Liabilities and Contingent Assets
Amendment to FRS 119_{2004}	: Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosure
Amendment to FRS 121	: The Effects of Changes in Foreign Exchange Rates Net Investment In a Foreign Operation
IC Interpretation 1	: Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	: Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	: Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	: Liabilities arising from Participating in a Specific Market Waste Electrical and Electronic Equipment
IC Interpretation 7	: Applying the Restatement Approach under FRS 129_{2004} - Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	: Scope of FRS 2 Share Based Payment

2.4 Standards and interpretations issued but not yet effective

At the date of authorisation of these financial statements, the following FRS, amendments to FRS and Interpretations were in issue but not yet effective and have not been applied by the Group.

FRS and interpretations		**Effective for financial periods beginning on or after**
FRS 4	: Insurance Contracts	1 January 2010
FRS 7	: Financial Instruments : Disclosure	1 January 2010
FRS 8	: Operating Segments	1 July 2009
FRS 139	: Financial Instruments : Recognition and Measurement	1 January 2010
IC Interpretation 9	: Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	: Interim Financial Reporting and Impairment	1 January 2010

The above FRS and Interpretations are expected to have no significant impact on the financial statements of the Group upon their initial application.

The Group is exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 139.

2.5 Changes in accounting estimates and judgement

(i) Property development

The Company recognises property development revenue and expenses in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that property development cost incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development cost incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

(ii) Deferred tax assets

Deferred tax assets are recognised for unutilised tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying value of recognised tax losses and capital allowances of the Group was RM3,066,000 (2007 : RM3,385,000) and the unrecognised tax losses and capital allowances of the Group was RM3,580,000 (2007 : RM2,971,000).

2.6. Correction of error

During the year, a correction is made to rectify error in accounting for the calculation of revaluation surplus for properties in Kota Masai Project between Package 10 Phase 6 and Package 9 in prior years. The cumulative development expenditures as at 30 September 2007 for Package 10 Phase 6 was understated by RM2,855,441 and correspondingly for Package 9, which has yet to be developed and classified under land held for property development, was overstated by the same amount. Accordingly, based on the percentage of completion in the recognition of income and expenditure for Package 10 Phase 6, the amount charged to cost of sales for the financial year ended 30 September 2007 has understated by RM427,981 and as at 30 September 2007, retained earnings have overstated by RM1,153,438.

The following restatements have been made to the comparatives to correct the misstatements. There were no effects on the Group and the Company's financial statements for the year ended 30 September 2008. Package 10 Phase 6 was completed during the year.

Restatement of income statement for the year ended 30 September 2007

	Previously stated RM	Adjustment RM	Restated RM
Group			
Cost of sales	(41,608,280)	(427,981)	(42,036,261)
Taxation	6,226,785	115,554	6,342,339
Profit for the year	10,273,435	(312,427)	9,961,008

Restatement of balance sheet as at 30 September 2007

	Previously stated RM	Adjustment RM	Restated RM
Group			
Land held for property development	341,642,045	(2,855,441)	338,786,604
Property development costs	113,691,008	1,259,389	114,950,397
Retained earnings	58,009,315	(1,153,438)	56,855,877
Deferred taxation liabilities	61,554,359	(442,614)	61,111,745

3. REVENUE

Revenue of the Group and of the Company consists of the following:

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Gross dividend received from subsidiary company	-	-	3,012,500	2,054,794
Sale of properties	81,412,804	52.825.036	-	-
Rental income from investment property	-	140,000	-	-
	81,412,804	52,965,036	3,012,500	2,054,794

4. COST OF SALES

	Group	
	2008 RM	2007 RM (Restated)
Property development costs (Note 13(b))	64,612,345	36,206,730
Cost of inventories sold	6,054,114	5,829,531
	70,666,459	42,036,261

5. PROFIT FROM OPERATIONS

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
The following amounts have been included in arriving at profit before taxation :				
Auditors' remuneration				
- statutory audits	70,500	69,800	20,000	20,000
- other services	63,200	69,540	19,200	48,200
Depreciation	407,852	494,965	-	-
Non-executive directors' fees	255,000	255,000	255,000	255,000
Property, plant and equipment written off	271	25,410	-	-
Rental of office and apartment	246,499	257,736	-	-
Rental of machinery	29,340	14,595	-	-
Employee benefits expense (Note 6)	5,638,357	4,553,614	31,800	30,000
And crediting :				
Dividend income	-	-	3,012,500	2,054,794
Doubtful debts recovered	-	19,006	-	-
Gain on disposal of investment properties	-	2,303,435	-	-
Gain on disposal of property, plant and equipment	1,111	27,948	-	-
Interest income	515,497	309,803	-	-
Rental income from investment property	-	140,000	-	-
Rental income from completed houses	14,300	-	-	-

6. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Salaries and allowances	5,003,035	4,065,228	31,800	30,000
EPF	608,008	463,738	-	-
SOCSO	27,314	24,648	-	-
	5,638,357	4,553,614	31,800	30,000

Included in staff cost of the Group are executive and non-executive directors' remuneration (comprising salaries, bonus and other emoluments, excluding fees and benefits-in-kind) amounting to RM2,024,586 (2007 : RM1,522,102) as further disclosed in Note 7.

7. DIRECTORS' REMUNERATION

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Directors of the Company				
Executive :				
Salaries and other emoluments	1,375,016	1,172,588	-	-
Bonus	327,907	104,735	-	-
Benefits-in-kind	102,059	346,956	-	-
	1,804,982	1,624,279	-	-
Directors of the Company				
Non-executive :				
Salaries and other emoluments	333,954	257,085	31,800	30,000
Bonus	19,510	17,694	-	-
Benefits-in-kinds	4,652	44,037	-	-
Fees	255,000	255,000	255,000	255,000
	613,116	573,816	286,800	285,000
Total	2,418,098	2,198,095	286,800	285,000

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below :

	Number of Directors	
	2008	2007
Executive directors :		
RM700,001 - RM750,000	1	1
RM750,001 - RM800,000	-	-
RM800,001 - RM850,000	-	-
RM850,001 - RM900,000	-	1
RM950,001 - RM1,000,000	-	-
RM1,000,001 - RM1,050,000	-	-
RM1,050,001 - RM1,100,000	1	-
Non- executive directors :		
RM50,000 below	5	5
RM50,001 - RM100,000	-	-
RM100,001 - RM150,000	-	-
RM150,001 - RM200,000	2	2

8. FINANCE COST

	Group 2008 RM	Group 2007 RM
Interest expense on borrowings	8,828,310	8,942,688
Less : Interest expense capitalised in property development costs (Note 13)	(8,693,200)	(8,773,524)
	135,110	169,164

9. TAXATION

	Group 2008 RM	Group 2007 RM (Restated)	Company 2008 RM	Company 2007 RM
Malaysian income tax:				
Income tax expense for the year	413,342	1,760,611	696,970	464,754
Under/(over)provision in prior year	134,692	(69,192)	-	-
	548,034	1,691,419	696,970	464,754
Deferred tax (Note 26):				
Relating to origination and reversal of temporary differences	77,958	(924,096)	-	-
Relating to changes in tax rates	32,404	(7,109,662)	-	-
Overprovision in prior year	(122,189)	-	-	-
	(11,827)	(8,033,758)	-	-
	536,207	(6,342,339)	696,970	464,754

Domestic current income tax is calculated at the statutory tax rate of 26% (2007 : 27%) of the estimated assessable profit for the year. The domestic statutory rate will be reduced to 25% from the current year's rate of 26%, effective year of assessment 2009. The computation of deferred tax as at 30 September 2008 has reflected these changes.

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

Group	2008 RM	2007 RM (Restated)
Profit before taxation	869,516	3,618,669
Taxation at Malaysian statutory tax rate of 26% (2007 : 27%)	226,074	977,042
Effect of tax rate of 20% (2007 : 20%) on first RM500,000 (2007 : RM500,000) of chargeable income for qualified small and medium enterprise	(60,000)	(40,254)
Effect of expenses not deductible for tax purposes	147,408	456,667
Deferred tax assets not recognised in respect of current year tax losses and unabsorbed capital allowances	177,818	323,060
Deferred tax assets recognised on unused tax losses and capital allowances	-	(880,000)
Deferred tax relating to changes in tax rates	32,404	(7,109,662)
Overprovision of deferred tax expense in prior years	(122,189)	-
Under/(over)provision of tax expense in prior years	134,692	(69,192)
Tax expense for the year	536,207	(6,342,339)

Company	2008 RM	2007 RM
Profit before taxation	2,566,455	1,428,889
Taxation at Malaysian statutory tax rate of 26% (2007 : 27%)	667,278	385,800
Expenses not deductible for tax purposes	29,692	78,954
Tax expense for the year	696,970	464,754

10. EARNINGS PER SHARE

Earnings per ordinary share is calculated based on the Group's profit for the year distributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	Group	
	2008 RM	2007 RM (Restated)
Profit attributable to ordinary equity holders of the Company (RM)	333,309	9,961,008
Weighted average number of ordinary shares in issue	253,317,000	253,317,000
Basic earnings per share (sen)	0.13	3.93
Diluted earnings per share (sen)	0.13	3.93

11. DIVIDENDS

	Net Dividend per Share in respect of Year		Dividend recognised during the year	
	2008 Sen	2007 Sen	2008 RM	2007 RM
Recognised during the year:				
Final dividend of 0.45% less 27% taxation in respect of financial year ended 30 September 2006 paid on 26 April 2007 (0.33 sen per ordinary share)	-	-	-	832,164
Final dividend of 0.8% less 26% taxation in respect of financial year ended 30 September 2007 paid on 25 April 2008 (0.59 sen per ordinary share)	-	0.59	1,499,637	-
	-	0.59	1,499,637	832,164

12. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM	Buildings RM	Motor vehicles RM	Office equipment and fittings RM	Other assets RM	Total RM
Cost						
At 1 October 2007	24,689	156,384	3,859,295	1,826,728	536,479	6,403,575
Additions	-	-	4,136	77,730	-	81,866
Written off	-	-	(4,084)	(177,145)	-	(181,229)
At 30 September 2008	24,689	156,384	3,859,347	1,727,313	536,479	6,304,212
Accumulated depreciation and impairment losses						
At 1 October 2007	-	24,501	2,120,668	1,535,539	429,227	4,109,935
Charge for the year	-	-	264,661	110,676	32,515	407,852
Written off	-	-	(2,270)	(176,874)	-	(179,144)
At 30 September 2008	-	24,501	2,383,059	1,469,341	461,742	4,338,643
Net book value						
At 30 September 2008	24,689	131,883	1,476,288	257,972	74,737	1,965,569

Group	Freehold land RM	Buildings RM	Motor vehicles RM	Office equipment and fittings RM	Other assets RM	Total RM
Cost						
At 1 October 2006	24,689	156,384	3,784,717	1,869,542	536,479	6,371,811
Additions	-	-	321,977	36,819	-	358,796
Written off	-	-	-	(74,909)	-	(74,909)
Disposals	-	-	(247,399)	(4,724)	-	(252,123)
At 30 September 2007	24,689	156,384	3,859,295	1,826,728	536,479	6,403,575
Accumulated depreciation and impairment losses						
At 1 October 2006	-	24,501	2,021,904	1,473,891	393,744	3,914,040
Charge for the year	-	-	346,160	113,322	35,483	494,965
Written off	-	-	-	(49,499)	-	(49,499)
Disposals	-	-	(247,396)	(2,175)	-	(249,571)
At 30 September 2007	-	24,501	2,120,668	1,535,539	429,227	4,109,935
Net book value						
At 30 September 2007	24,689	131,883	1,738,627	291,189	107,252	2,293,640

During the year, the Group acquired property, plant and equipment with an aggregate cost of RM81,866 (2007 : RM358,796) of which RMNil (2007 : RM220,000) were acquired by means of hire purchase arrangements.

The net book values of motor vehicles held under hire purchase arrangements was RM312,742 (2007 : RM584,665).

13. Land held for property development and property development costs

(a) Land held for property development

	Group	
	2008 RM	2007 RM (Restated)
At 1 October		
Freehold land	325,323,779	325,323,779
Development expenditure, at cost	13,462,825	4,771,008
	338,786,604	330,094,787
Addition	8,699,841	8,691,817
Transfer to property development costs	(29,491,407)	-
At 30 September	317,995,038	338,786,604

The land is pledged as security for borrowings as referred to in Note 20.

(b) Property development costs

	Group	
	2008 RM	2007 RM (Restated)
Property Development Costs at 1 October :		
Freehold land	53,815,746	57,098,926
Development costs	90,460,461	69,066,675
	144,276,207	126,165,601
Costs incurred during the year:		
Development costs	34,740,153	35,538,184
Costs recognised in income statement :		
At 1 October	(40,937,865)	(55,886,903)
Recognised during the year (Note 4)	(64,612,345)	(36,206,730)
Reversal of completed projects	67,971,915	51,155,768
At 30 September	(37,578,295)	(40,937,865)
Transfers:		
Reversal of completed projects	(50,895,070)	-
From land held for property development	29,491,407	-
To inventories	(20,637,418)	(5,815,523)
	(42,041,081)	(5,815,523)
Property development costs at 30 September	99,396,984	114,950,397
Included in property development costs and land held for property development incurred during the financial year is:		
Interest expense (Note 8)	8,693,200	8,773,524

14. INVESTMENT PROPERTIES

	Group 2008 RM	Group 2007 RM
Freehold land and building, at cost		
At 1 October	-	2,873,856
Disposal	-	(2,873,856)
At 30 September	-	-
Less: Accumulated depreciation		
At 1 October	-	1,700,339
Disposal	-	(1,700,339)
At 30 September	-	-
Net carrying amount	-	-

The sale of the investment properties was completed on 28 August 2007. The gain on disposal of the investment properties is disclosed in Note 5.

15. INVESTMENT IN SUBSIDIARIES

	Company 2008 RM	Company 2007 RM
Unquoted shares, at cost	170,017,000	170,017,000
Provision for impairment losses	(3,200,000)	(3,200,000)
	166,817,000	166,817,000

The subsidiaries, all of which were incorporated in Malaysia, are as follows :

Name of Subsidiaries	Equity Interest Held 2008	Equity Interest Held 2007	Principal Activities
Focal Aims Land Sdn. Bhd.	100%	100%	Property development
Focal Aims Properties Sdn. Bhd.("FAPSB")	100%	100%	Investment holding
Subsidiaries of FAPSB :			
Focal Aims Sdn. Bhd. ("FASB")	100%	100%	Property investment and development
Subsidiaries of FASB :			
Focal Aims Realty Sdn. Bhd.	100%	100%	Dormant
Focal Aims Development Sdn Bhd	100%	100%	Dormant
Focal Aims Resort (M) Sdn. Bhd.	100%	100%	Dormant

16. INVENTORIES

These comprise completed properties held for sale stated at cost.

17. TRADE AND OTHER RECEIVABLES

	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
Trade receivables				
Third parties	24,999,877	12,735,482	-	-
Accrued billings in respect of property development costs	-	4,001,588	-	-
	24,999,877	16,737,070	-	-
Less : Provision for doubtful debts	(2,721)	(2,721)	-	-
Trade receivables, net	24,997,156	16,734,349	-	-
Other receivables				
Other deposits	587,423	518,475	-	-
Prepayments	234,059	229,256	6,109	6,109
Other receivables	228,130	1,114,192	-	-
	26,046,768	18,596,272	6,109	6,109

The Group's normal trade credit term ranges from 21 to 90 days. Other credit terms are assessed and approved on a case-by-case basis.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to a group of debtors.

18. Amount due from subsidiaries

	Company 2008 RM	Company 2007 RM
Amount due from subsidiaries	59,209,601	59,675,935
Less : Provision for doubtful debts	(4,290,988)	(4,290,988)
	54,918,613	55,384,947

The amount due from subsidiaries which arose from advances, are unsecured, interest-free and have no fixed terms of repayment.

19. Cash and cash equivalents

	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
Cash on hand and at banks	5,363,466	4,590,460	222,629	339,756
Deposits with licensed banks	925,864	3,085,972	-	-
	6,289,330	7,676,432	222,629	339,756
Bank overdrafts (Note 20)	(9,982,564)	(9,847,830)	-	-
Cash and cash equivalents	(3,693,234)	(2,171,398)	222,629	339,756

Included in cash and bank balances of the Group are restricted bank balances amounting to RM3,500,184 (2007 : RM3,273,074) being monies held pursuant to Section 7A of the Housing Developers (Control and Licensing) Act 1966 and therefore restricted from use in other operations.

The effective interest rate and maturity days for deposits with licensed banks of the Group at the balance sheet date were 3.0% (2007 : 2.7%) and 12 days (2007 : 10 days).

20. BORROWINGS

	Group 2008 RM	Group 2007 RM
Short term borrowings		
Secured :		
Term loans	18,141,360	16,430,596
Revolving credit	20,000,000	20,000,000
Bank overdraft (Note 19)	9,982,564	9,847,830
Hire purchase payables (Note 21)	77,039	181,689
	48,200,963	46,460,115
Long term borrowings		
Secured :		
Term loans	51,188,846	74,258,814
Hire purchase payables (Note 21)	-	77,039
	51,188,846	74,335,853
Total borrowings		
Term loans	69,330,206	90,689,410
Revolving credit	20,000,000	20,000,000
Bank overdraft (Note 19)	9,982,564	9,847,830
Hire purchase payables (Note 21)	77,039	258,728
	99,389,809	120,795,968

The bank borrowings are secured by :

i) Legal charge over all the land held for development of certain subsidiary companies;

ii) Debenture by way of fixed and floating charges over all present and future assets of certain subsidiary companies; and

iii) Corporate guarantee by the Company.

The term loans are repayable by quarterly installments over a period not exceeding 5 years from the date of first drawdown or upon receipt of redemption sums, whichever is earlier. The revolving credit is repayable on demand.

A subsidiary has obtained approval from the bankers on 16 October 2008 to reschedule the repayment terms of the remaining outstanding of term loan totaling RM52,872,092 as at 29 September 2008 by deferring all the remaining installments by twenty four months, or by way of redemption sums, whichever is earlier.

The weighted average effective interest rates for borrowings, excluding hire purchase at the balance sheet date were as follows :

	2008 %	2007 %
Bank overdrafts	8.75	8.75
Revolving credit	7.67	7.65
Term loans	7.67	7.65

21. HIRE PURCHASE PAYABLES

	Group	
	2008 RM	2007 RM
Minimum hire purchase payments:-		
Not later than one year	81,441	191,968
Later than 1 year and not later than 2 years	-	81,442
	81,441	273,410
Less: Future finance charges	(4,402)	(14,682)
Present value of hire purchase liabilities	77,039	258,728
Present value of hire purchase liabilities:		
Not later than 1 year	77,039	181,689
Later than 1 year and not later than 2 years	-	77,039
	77,039	258,728
Analysed as :		
Due within 12 months (Note 20)	77,039	181,689
Due after 12 months (Note 20)	-	77,039
	77,039	258,728

The hire purchase liabilities bore interest of 2.85% to 2.88% (2007 : 2.75% to 2.90%) per annum at the balance sheet date.

22. PAYABLES

	Group		Company	
Current	2008 RM	2007 RM	2008 RM	2007 RM
Trade payables				
Trade payables	10,766,185	7,961,561	-	-
Related party	23,773	180,667	-	-
Accruals	7,279,506	1,025,313		
Progress billings in respect of property development costs	-	634,091	-	-
	18,069,464	9,801,632	-	-
Other payables				
Accruals	422,949	910,436	304,993	297,188
Deposit received	140,670	30,910	-	-
Payroll liability	904,440	519,040	-	-
Other payables	262,597	581,577	3,463	169,746
	19,800,120	11,843,595	308,456	466,934

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from one month to three months.

The related party is a company of which certain directors of the Company, Mr Phang Piow @ Pang Choo Ing and Mr Pang Tin @ Pang Yon Tin, are deemed interested in this company.

Further details on related party transactions are disclosed in Note 28.

23. SHARE CAPITAL

	Number of Shares of RM1 Each		Amount	
	2008	2007	2008 RM	2007 RM
Authorised :				
At beginning/end of the year	300,000,000	300,000,000	300,000,000	300,000,000
Issued and fully paid:				
Ordinary shares				
At beginning/end of the year	253,317,000	253,317,000	253,317,000	253,317,000

24. RESERVES

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Non-distributable				
Share premium	22,343	22,343	22,343	22,343
Distributable				
Retained earnings/(Accumulated losses)	55,689,549	56,855,877	(35,186,631)	(35,556,479)

The movements in the reserves are shown in the statements of changes in equity.

Share premium of the Group and of the Company represents the premium arising from the issue of shares.

25. MINORITY INTERESTS

Minority interests of RM2,500,000 represent preference shares of a subsidiary not held by the Group.

26. DEFERRED TAXATION

	Group	
	2008 RM	2007 RM (Restated)
At 1 October	60,257,427	68,291,185
Recognised in the income statement (Note 9)	(11,827)	(8,033,758)
At 30 September	60,245,600	60,257,427
Presented after appropriate offsetting as follows:		
Deferred tax assets	(743,000)	(854,318)
Deferred tax liabilities	60,988,600	61,111,745
	60,245,600	60,257,427

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

Deferred tax (assets)/liabilities of the Group :

	Land and development expenditure at group cost RM	Accelerated capital allowances RM	Unused tax losses and unabsorbed capital allowances RM	Total RM
At 1 October 2007	60,966,287	171,140	(880,000)	60,257,427
Recognised in the income statement	(89,145)	(34,000)	111,318	(11,827)
At 30 September 2008	60,877,142	137,140	(768,682)	60,245,600
At 1 October 2006	68,191,503	99,682	-	68,291,185
Recognised in the income statement	(7,225,216)	71,458	(880,000)	(8,033,758)
At 30 September 2007	60,966,287	171,140	(880,000)	60,257,427

Deferred tax assets of the Group have not been recognised on unutilised tax losses amounting to RM3,580,000 (2007 : RM2,971,000).

Deferred tax assets have not been recognised in respect of these items as the Group is not able to forecast the future taxable profits beyond financial year ending 30 September 2009.

27. CAPITAL COMMITMENTS

	Group 2008 RM	2007 RM
Approved but not contracted for :		
Acquisition of property, plant and equipment	1,393,000	1,275,000

28. RELATED PARTY DISCLOSURES

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

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Gross dividend received from subsidiary company	-	-	3,012,500	2,054,795
Rental paid to Kumpulan Citra Emas Sdn. Bhd.*	-	87,264	-	-
Progress claims paid to Kimlun Sdn. Bhd.**	-	644,502	-	-

The above transactions have been entered into in the normal course of business and have been established under mutually agreed terms.

Related parties are those enterprises whereby significant influence can be exercised over the parties through common directors and shareholders.

* A director of the Company, Tan Sri Datuk Mohd Razali Bin Abdul Rahman, is deemed interested in this company. The director's interest ceased effective from 1 July 2007 where the rented premises were disposed to third party.

** Certain directors of the Company, Mr Phang Piow @ Pang Choo Ing and Mr Pang Tin @ Pang Yon Tin, are deemed interested in this company.

(b) **Compensation of key management personnel**

The remuneration of directors and other members of key management during the year was as follows:

	Group	
	2008 RM	2007 RM
Short term employee benefits	2,862,190	2,610,458
Post-employment benefits:		
Defined contribution plan	330,289	225,407
	3,192,479	2,835,865
Included in the total key management personnel are:		
Directors' remuneration	2,418,098	2,198,095

29. CONTINGENT LIABILITIES

	Company 2008 RM	Company 2007 RM
Unsecured :		
Corporate guarantees given to financial institutions for banking facilities granted to subsidiary companies	99,312,770	120,537,240

30. COMPARATIVE FIGURES

Certain comparative figures have been restated arising from the correction as disclosed in Note 2.6 to the financial statements.

31. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

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

(b) Interest rate risk

The Group's exposure to interest rate risk relates primarily to interest bearing debts. The Group monitors the interest rate on borrowings closely to ensure that the borrowings are maintained at favourable rates. The Group does not use derivative financial instruments to hedge interest rate risk.

(c) Liquidity risk

The Group actively manages its operating cash flows and the availability of funding to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements.

(d) Credit risk

The credit risk in the property development activity is negligible as sales are mainly to purchasers who obtain financing from financial institutions. As such, the credit risk has been effectively transferred to the financial institutions as provided for in the sale and purchase agreements. For those sales on cash basis which only forms an insignificant portion of sales, credit risk is also negligible as titles will only be surrendered after full payments is received. This is currently the normal industry practice.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

(e) **Fair values**

It is not practical to estimate the fair value of amounts due from subsidiaries principally due to a lack of fixed repayment terms entered by the parties involved and without incurring excessive costs. However, the Group and the Company do not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the values that would eventually be received or settled.

It is not practicable to estimate the fair value of contingent liabilities reliably due to the uncertainties of timing, costs and eventual outcome.

For cash and cash equivalents, trade and other receivables/payables and short term borrowings, the carrying amounts approximate fair values due to the relatively short term maturity of these financial instruments.

The carrying value of long term borrowings also approximate their fair values since interest charged on these borrowings vary with the prevailing market interest rates.

32. SEGMENT INFORMATION

Business Segments:

Segmental reporting by geographic location has not been presented as the Group's operations are within the same economic environment.

The Group is organised into two major business segments:

(i) Property development - the development of residential and commercial properties;

(ii) Investment holding - management and operations of buildings;

The directors are of the opinion that all inter-segment transactions have been entered in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

2008	Property Development RM	Investment Holding RM	Elimination RM	Consolidated RM
Revenue				
External sales	81,412,804	-	-	81,412,804
Inter-segment sales	-	3,012,500	(3,012,500)	-
Total revenue	81,412,804	3,012,500	(3,012,500)	81,412,804
Results				
Segment results	1,450,670	2,566,456	(3,012,500)	1,004,626
Finance cost				(135,110)
Taxation				(536,207)
Net profit for the year				333,309
Assets				
Segment assets	493,677,930	221,964,351	(225,700,609)	489,941,672
Unallocated corporate assets				1,765,749
Consolidated total assets				491,707,421
Liabilities				
Segment liabilities	178,413,373	4,059,756	(63,283,200)	119,189,929
Unallocated corporate liabilities				60,988,600
Consolidated total liabilities				180,178,529
Other Information				
Capital expenditures	81,866	-	-	81,866
Depreciation	407,852	-	-	407,852

2007	Property Development RM	Investment Holding RM	Elimination RM	Consolidated RM (Restated)
Revenue				
External sales	52,965,036	-	-	52,965,036
Inter-segment sales	-	2,054,794	(2,054,794)	-
Total revenue	52,965,036	2,054,794	(2,054,794)	52,965,036
Results				
Segment results	4,413,738	1,428,889	(2,054,794)	3,787,833
Finance cost				(169,164)
Taxation				6,342,339
Net profit for the year				9,961,008
Assets				
Segment assets	509,509,871	222,547,812	(226,774,006)	505,283,677
Unallocated corporate assets				1,162,851
Consolidated total assets				506,446,528
Liabilities				
Segment liabilities	192,069,415	4,926,784	(64,356,636)	132,639,563
Unallocated corporate liabilities				61,111,745
Consolidated total liabilities				193,751,308
Other Information				
Capital expenditures	358,796	-	-	358,796
Depreciation	494,965	-	-	494,965

Particulars of Properties

Location	Land Area/ Build Area	Tenure	Existing Use	Net Book Value as at 30 September 2008 (RM)
Lots 1041, 1832, 1833, 1834, 2516, 2517, 2934, 6006, 6007, 6018, 6872 and 6873, Mukim Plentong, Daerah Johor Bahru	1,053.80 acres	Freehold	Vacant land Proposed golf resort, residential, commercial and industrial development	294,092,428
PT16853, HS (D) 103030, Mukim Damansara, Daerah Petaling, Selangor	7.44 acres	Freehold	Vacant land Proposed residential and commercial development	23,902,610
Total				317,995,038

The freehold land held under Lots 1041, 1832, 1833, 1834, 2516, 2517, 2934, 6006, 6007, 6872 and 6873 at Mukim Plentong, Daerah Johor Bahru was acquired in the year 1994.

The freehold land held under HS (D) 103030 No. PT16853 at Mukim Damansara, Daerah Petaling Selangor was acquired in the 2006.

Statistics on Shareholdings

SHARE CAPITAL AS AT 31 DECEMBER 2008

Authorised	-RM300,000,000-00
Issued and fully paid up	-RM253,317,000-00
Class of Share	-Ordinary shares of RM1.00 each
Voting Rights	-One vote per share

DISTRIBUTION OF SHAREHOLDERS AS AT 31 DECEMBER 2008

Size of Shareholdings	*No. of Shares*	*%*	*No. of Holders*
Less than 100	496	0.00	10
100 - 1,000	1,566,859	0.62	1,584
1,001 - 10,000	13,597,299	5.37	3,269
10,001 - 100,000	18,567,987	7.33	637
100,001 - less than 5% of issued shares	113,420,913	44.77	82
5% and above of issued shares	106,163,446	41.91	5
Grand Total	253,317,000	100.00	5,587

Statistics on Shareholdings
(cont'd)

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS AT 31 DECEMBER 2008

No.	Name	No. of Shares	%
1.	AMMB Nominees (Tempatan) Sdn Bhd		
	AmBank (M) Berhad for E. Seng Kiw @ Yee Oy Chong	26,000,000	10.26
2.	Pang Tin @ Pang Yon Tin	25,754,088	10.17
3.	Hassan Bin Che Abas	19,721,216	7.79
4.	Phang Piow @ Pang Choo Ing	17,388,142	6.86
5.	Mohd Razali Bin Abdul Rahman	17,300,000	6.83
6.	Rosman Bin Abdullah	10,064,000	3.97
7.	AMMB Nominees (Tempatan) Sdn Bhd		
	AmBank (M) Berhad for Yee Yok Sen	9,100,000	3.59
8.	Nik Mahmood Bin Nik Hassan	8,084,253	3.19
9.	Lee Ban Hin @ Michael Lee Ban Hin	7,416,000	2.93
10.	Rewardwize Sdn. Bhd.	7,000,000	2.76
11.	E. Seng Kiw @ Yee Oy Chong	6,770,444	2.67
12.	Pang Khong Nam	6,166,946	2.43
13.	Cimscc Nominees (Tempatan) Sdn Bhd		
	CIMB Bank for Abu Bakar Bin Mohd Nor (Banking)	5,000,000	1.97
14.	Yee Gee Min	3,960,448	1.56
15.	ABB Nominee (Tempatan) Sdn Bhd		
	Pledged Securities Account for Yee Chun Voon	3,500,000	1.38
16.	BIMSEC Nominees (Asing) Sdn Bhd		
	Bank Islam (L) Ltd. for Nik Mahmood Nik Hassan	2,800,000	1.11
17.	BIMSEC Nominees (Asing) Sdn Bhd		
	Bank Islam (L) Ltd. for Wan Mustapha Bin Wan Ismail	2,800,000	1.11
18.	Yee Chun Syan	2,623,043	1.04
19.	ABB Nominee (Tempatan) Sdn Bhd		
	Pledged Securities Account for Yee Chun Syan	2,500,000	0.99
20.	EB Nominees (Tempatan) Sendirian Berhad		
	Pledged Securities Account for Pang Khong Nam	2,500,000	0.99
21.	William Pang	2,106,667	0.83
22.	Yuningsih Binti Abdul Wahid	2,000,000	0.79
23.	Wan Farah Alifa Binti Wan Mustapha	1,750,000	0.69
24.	Yee Chang Lin	1,668,170	0.66
25.	Othman Bin Hashim	1,550,000	0.61
26.	Wang Ah Yu	1,540,667	0.61
27.	Wan Adleena Binti Wan Mustapha	1,500,000	0.59
28.	Mohd Razali Bin Abdul Rahman	1,296,216	0.51
29.	Wan Asnita Binti Wan Mustapha	1,000,000	0.39
30.	Sunny Pang Yi Lin	949,000	0.37
		201,809,300	79.67

SUBSTANTIAL SHAREHOLDERS AS AT 31 DECEMBER 2008

	No. of Shares Held			
Substantial Shareholders	*Direct*	*%*	*Indirect*	*%*
Tan Sri Datuk Mohd Razali bin Abdul Rahman	18,596,216	7.34	6,672*1	- *1
Datuk Hassan bin Che Abas	19,721,216	7.79	6,672*1	- *1
E. Seng Kiw @ Yee Oy Chong	32,770,444	12.94	9,845,387*2	3.89
Pang Tin @ Pang Yon Tin	25,754,088	10.17	4,390,334*2	1.73
Phang Piow @ Pang Choo Ing	17,388,142	6.86	10,774,280*2	4.25

*1 *Deemed interested by virtue of his interests in Sri Hanasia Sdn Bhd and Eranas Construction Sdn Bhd pursuant to Section 6A of the Companies Act, 1965, of which the percentage is less than 0.01.*

*2 *Deemed interested by virtue of the shareholdings held by his spouse and children.*

Statistics on Shareholdings
(cont'd)

DIRECTORS' SHAREHOLDINGS AS AT 31 DECEMBER 2008

	No. of Shares Held			
Name of Directors	*Direct*	*%*	*Indirect*	*%*
Tan Sri Datuk Mohd. Razali bin Abdul Rahman	18,596,216	7.34	6,672 *1	- *1
E. Seng Kiw @ Yee Oy Chong	32,770,444	12.94	9,845,387 *2	3.89
Yee Yok Sen	9,188,888	3.63	268,888 *4	0.11
Pang Tin @ Pang Yon Tin	25,754,088	10.17	4,390,334 *2	1.73
Phang Piow @ Pang Choo Ing	17,388,142	6.86	10,774,280 *2	4.25
Wan Mustapha bin Wan Ismail	2,955,833	1.71	6,313,390 *2&3	2.49
Woon See Chin	20,000	-	35,000 *4	0.01
Tee Boon Hin	35,000	0.01	-	-
Datuk Che Mokhtar bin Che Ali	-	-	-	-

*1 *Deemed interested by virtue of his interests in Sri Hanasia Sdn Bhd and Eranas Construction Sdn Bhd pursuant to Section 6A of the Companies Act, 1965, of which the percentage is less than 0.01.*

*2 *Deemed interested by virtue of the shareholdings held by his spouse and children.*

*3 *Deemed interested by virtue of his interest in Watan Makmur Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.*

*4 *Deemed interested by virtue of the shareholdings held by his spouse.*

FORMS OF PROXY

I/We,____ NRIC No.____________________

of (full address)____

being a Member/Members of FOCAL AIMS HOLDINGS BERHAD, hereby appoint ________________________

____

of ____

or failing him/her, ____

of ____

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Thirty-Fifth Annual General Meeting of the Company, to be held at the **Meranti Hall, Tropical Inn Johor Bahru, 4th Floor, Johor Tower, Jalan Gereja, 80100 Johor Bahru, Johor Darul Ta'zim** on **Thursday, 26 February 2009** at **11.00 a.m.** and at any adjournment thereof for/against the resolution(s) to be proposed thereat.

No.	Resolutions	For	Against
1.	**Ordinary Business:-** To receive the Directors' Report and Audited Financial Statements for the financial year ended 30 September 2008 together with the Auditors' Report thereon.		
2.	To approve the Directors' Fees for the financial year ended 30 September 2008.		
3.	To re-elect Tan Sri Datuk Mohd Razali bin Abdul Rahman who is retiring in accordance with Article 80 of the Articles of Association of the Company.		
4.	To re-elect Datuk Che Mokhtar bin Che Ali who is retiring in accordance with Article 80 of the Articles of Association of the Company.		
5.	To re-elect Mr. Tee Boon Hin who is retiring in accordance with Article 80 of the Articles of Association of the Company.		
6.	To re-appoint Messrs. Ernst & Young as Auditors of the company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.		
No.	**Resolutions**	**For**	**Against**
7.	**Special Business:-** Ordinary Resolution - Authority to issue and allot shares.		

Please indicate your vote by a (X) in the respective box of each resolution. Unless voting instructions are indicated in the space above, the proxy will vote or abstain from voting as he/she thinks fit.

As witness my/our hand(s) this __________ day of ______________ , 2009

No. of Shares held

Signature ________________________

Notes:-

1. *A member entitled to attend and vote at the Meeting is entitled to appoint more than one proxy to attend and vote in his stead. A proxy may but does not need to be a member of the Company and the provisions of Section 149 (1)(b) of the Companies Act, 1965 need not be complied with. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.*
2. *In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.*
3. *The instrument appointing a proxy must be deposited at the Company's Registered Office, Suite 338, 3rd Floor, Johor Tower, Jalan Gereja, 80100 Johor Bahru not less than 48 hours before the time for holding the Meeting or any adjournment thereof.*

STAMP

The Company Secretary

FOCAL AIMS HOLDINGS BERHAD
(Co. No. 17777-V)

Suite 338, 3rd. Floor,
Johor Tower, Jalan Gereja
80100 Johor Bahru
Johor Darul Ta'zim

FOCAL AIMS HOLDINGS BERHAD (Co. No. 17777-V)

Suite 338, 3rd. Floor, Johor Tower, Jalan Gereja, 80100 Johor Bahru, Johor Darul Ta'zim.

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