ANNUAL REPORT 2011

Focal Aims

Focal Aims Holdings Berhad (Co. No. 17777-V)

Focal Aims Holdings Berhad

(Co. No. 17777-V)

Contents

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Thirty-Eighth 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 **Tuesday, 28 February 2012** 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 2011 together with the Auditors' Report thereon. *(Resolution 1)*

2. To approve the Directors' Fees for the financial year ended 30 September 2011. *(Resolution 2)*

3. To consider and, if thought fit, to pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965:-

   "That pursuant to Section 129(6) of the Companies Act, 1965, E. Seng Kiw @ Yee Oy Chong, who has attained the age of seventy (70) years, be re-appointed as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting." *(Resolution 3)*

4. 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 4)*
   (b) Datuk Che Mokhtar bin Che Ali *(Resolution 5)*
   (c) Tee Boon Hin *(Resolution 6)*

5. 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 7)*

6. <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 8)*

7. To transact any other ordinary business of 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
Dated: 31 January 2012

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

<u>Authority to issue shares pursuant to Section 132D of the Companies Act, 1965</u>

The above Ordinary Resolution, if passed, will empower the Directors of the Company to issue and allot shares at any time to such persons 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 (hereinafter referred to as the 'General Mandate').

The General Mandate will provide flexibility to the Company for allotment of shares for any possible fund raising activities, including but not limited to further placing of shares for the purpose of funding future investment project(s), working capital and/or acquisition(s).

The General Mandate is a renewal. As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the Thirty-Seventh Annual General Meeting held on 25 February 2011 and which will lapse at the conclusion of the Thirty-Eighth Annual General Meeting.

Notes:-

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 20 February 2012 ("General Meeting Record of Depositors") shall be eligible to attend the Meeting.*
2. *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. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.*
3. *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.*
4. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
5. *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, Johor Darul Ta'zim not less than 48 hours before the time for holding the Meeting or any adjournment thereof.*

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 11.2, Level 11
Menara Pelangi
2, Jalan Kuning
Taman Pelangi
80400 Johor Bahru

PRINCIPAL BANKERS

AmBank (M) Berhad

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
(Main Market)

Profile of Directors

TAN SRI DATUK MOHD RAZALI BIN ABDUL RAHMAN

Tan Sri Datuk Mohd Razali bin Abdul Rahman, aged 64, 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 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 subsidiary, 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 and a major shareholder of the said company. He also serves on the board of Pembangunan Mas Melayu Berhad. He has attended two (2) out of four (4) Board Meetings held in the financial year ended 30 September 2011. Tan Sri does not have any family relationship with any Director and/or major shareholder of the Company. He is a substantial shareholder of the Company. 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 70, 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, FAPSB and FASB. He held the position of Managing Director of Menang Corporation Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad from 1985 to 1989. He has over forty (40) 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 three (3) out of four (4) Board Meetings held in the financial year ended 30 September 2011. He is the brother of Mr. Yee Yok Sen, the Group Executive Director. He is a substantial shareholder of the Company. Mr. E. Seng Kiw @ Yee Oy Chong also sits in the Executive Committee of the Company.

YEE YOK SEN

Mr. Yee Yok Sen, aged 54, 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 thirty (30) years experience in the property development sector. He also holds directorships in several private limited companies. He has attended all of the four (4) Board Meetings held in the financial year ended 30 September 2011. He is the brother of Mr. E. Seng Kiw @ Yee Oy Chong, the Group Managing Director. He is a shareholder of the Company. 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 57, 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 four (4) Board Meetings held in the financial year ended 30 September 2011. He does not have any family relationship with any Director and/or major shareholder of the Company. He does not hold any shares in the Company. 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 62, 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 four (4) Board Meetings held in the financial year ended 30 September 2011. He does not have any family relationship with any Director and/or major shareholder of the Company. He is a shareholder of the Company. 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 69, 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 forty (40) years experience in property development, property investment, quarrying, construction, manufacturing and hotel management. He is currently a Non-Independent Non-Executive Director of Kimlun Corporation Berhad. He also holds directorships in several private limited companies. He has attended all four (4) Board Meetings held in the financial year ended 30 September 2011. He is the brother of Mr. Pang Tin @ Pang Yon Tin. He is a substantial shareholder of the Company. Mr. Phang Piow also sits in the Remuneration Committee of the Company.

PANG TIN @ PANG YON TIN

Mr. Pang Tin @ Pang Yon Tin, aged 64, 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 thirty-eight (38) years experience in various sectors, encompassing property development, property investment, construction, quarrying, manufacturing and hotel management. He is currently an Executive Chairman of Kimlun Corporation Berhad. He also holds directorships in several private limited companies. He has attended all four (4) Board Meetings held in the financial year ended 30 September 2011. He is a substantial shareholder of the Company. He is the brother of Mr. Phang Piow @ Pang Choo Ing.

WOON SEE CHIN

Mr. Woon See Chin, aged 67, 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 thirty-eight (38) 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 four (4) Board Meetings held in the financial year ended 30 September 2011. He does not have any family relationship with any Director and/or major shareholder of the Company. He is a shareholder of the Company. 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 50, 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-five (25) years. He also sits on the board of Ge-Shen Corporation Berhad. He has attended all four (4) Board Meetings held in the financial year ended 30 September 2011. He does not have any family relationship with any Director and/or major shareholder of the Company. He is a shareholder of the Company. 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.

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 2011.”


Kota
MASAI
DURIAN 1
RUMAH BERBANDUNG

OVERVIEW

It was the sub-prime crisis of the United States ("US") in 2008 that prompted an economic downturn in the US similar to the great depression of the 1930s. The shockwave had affected the rest of the world with different extents of damages. Two years have passed and the situation has not been improved much. Instead more nations have been affected with greater degree of harm inflicted, in particular the European Union ("EU") nations.

During the financial year under review, this is the situation the world economy is facing. Greece is under immense pressure to serve the mountain load of debt. There are talks of sovereign bankruptcy as well as disintegration of the Euro Zone. To make the situation worse, Italy, Portugal and Spain are all lining up to drop bad news to the world economy. In a nutshell, there is financial chaos and no beacon could be found to lead the situation back to its feet.

In a closely connected world economy of today, the Asian economy is no exception. The trade volume across borders will be affected, so are the manufacturing plants and relevant logistical companies that produce and ship the goods from Asia. Basically, the reduction in demand in the advanced nations as a result of their bad economy will lead to reduction in orders of all exporting sectors. Under such circumstances, Malaysia Institute of Economic Research ("MIER") has forecasted a lower growth rate of 4.6% for 2011.


Kota MASAI
MANGGA 5
KOMERSIL
Kopitiam
digital.com
Kopitiam
OPEN
FLORIST


Kota MASAI
MANGGA 5

Chairman's Statement (Cont'd)

With this in mind, the Malaysian Budget 2012 has taken measures to buffer the probable economic impact by financially assisting the lower income households. The continued expansionary budget also serves well to protect the nation from external uncertainties. The minor change to the Real Property Gain Tax ("RPGT") of increasing to 10% (from 5%) for disposal within 2 years is a comforting sign to the existing as well as potential property investors in Malaysia property market. In all, the expansion measures taken by the Government are likely to steer the country through the current world economic turmoil.

FINANCIAL HIGHLIGHTS

For the financial year under review, the Group registered a pre-tax loss of RM2.25 million on revenue of RM55.71 million. This is a distinct improvement compared to pre-tax loss of RM4.49 million achieved in financial year 2010 even though the revenue is lower than last year's revenue of RM63.92 million. The loss after tax for the financial year under review is RM2.03 million, also a significant improvement from last year's loss after tax of RM3.96 million. The Group's loss per share stood at 0.80 sen and the net assets per share as at 30 September 2011 stood at RM1.16. The gearing ratio has also been reduced from 0.28 times to 0.22 times.

The financial result of 2011 is the third consecutive years of losses for the Group since financial year 2009. However, the losses have been on a reducing trend with marked improvement on a yearly basis. There is tremendous improvement for the pre- and after- tax loss from financial year 2009 to 2011, from pre-tax loss of RM7.89 million to RM2.25 million and after-tax loss of RM8.33 million to RM2.03 million. These improvements in losses are mainly attributed by improved sentiments and market conditions especially for high end properties in the Klang Valley and the development in Iskandar Malaysia ("IM").

OPERATIONAL REVIEW

ISKANDAR MALAYSIA

During the financial year under review, the Group has sold a total of 131 units of various types of properties at Kota Masai. The Group managed to sell 80 units of single storey terrace houses, 21 units of double storey terrace houses, 5 units of double storey semi-detached houses, and 25 units of double storey shop office. The higher margin property such as shop office continues to make up about 20% of the total sales.

As mentioned in the last annual report, the accessibility of Kota Masai has been vastly improved with the completion of the Senai-Desaru Highway (the Desaru Bridge is completed), 2nd Pasir Gudang Highway (partially completed), and Eastern Dispersal Link ("EDL") (partially completed). The accessibility will be further enhanced if the 2nd Permas Jaya Bridge is completed (under construction now). The commuting time between Kota Masai and the city center and other parts of Johor Bahru has already been tremendously reduced with partial completion of the various highways as mentioned. The travelling time will be further improved if all of them are completed in one to two years' time.

In addition, the Desaru Bridge also cuts the commuting time by more than half for people who travel from Desaru to Johor Bahru. With the Government's intention to develop Desaru into a world class travel destination, Kota Masai is bound to benefit due to the close proximity to Desaru. On top of that, the recent announcement of the Petronas RM60 billion investment at Penggerang is also within reach of the Desaru Bridge. The potential effects of these two incoming mega developments are auguring well for Kota Masai as it still has an undeveloped land bank of more than 1,000 acres for future development.

KLANG VALLEY

During the financial year under review, 6 units of D Villa's at Phase 2 and 10 units of SD Villa's at Phase 3 of Saujana 0-Lot have been sold. The development is now reaching its final phase of development with 37 units of SD Villa and 4 units of D Villa open for sales.

The convenient location at Glenmarie/Temasya area makes Saujana 0-Lot easily accessible to all the major highways and roads. With the opening of a new road to Tropicana, Kota Damansara, Bandar Utama via Ara Damansara, the accessibility to Saujana 0-Lot gets even better.

The whole development of Saujana 0-Lot is based on the concept of 0-Lot. This concept allows the house owners to enjoy bigger garden with better privacy.

Judging from the sales, it is very well received by the general public. The 0-Lot concept lets the purchaser owns a bungalow unit at the price of a semi-detached house. A contemporary three storey house with a spacious garden and a sky balcony with private green are just a few of many good features for our existing home owners.


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


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

PROSPECT

The world economy, in particular the economy of the advanced nations, is surely in a chaotic stage right now. The infectious disease of economic slump has been spread from the US to the EU. The austerity measures taken by the countries that are badly hit are slowly but surely taking a toll on their political and social stability. The high unemployment rates and lack of social net for the poor have caused various demonstrations around the globe. The most notable movement, "Occupy Wall Street", is just one of many manifestations of people sorrows and frustrations.

With the leading nations of the world economy catching a severe cold like this, it is indeed a tall order for the rest of the world not to be affected. The Asia economy, though not as severely hit, is also being affected due to the globalization of world economy. Malaysia is no exception to the onslaught of this economic turmoil. The economic growth rate of Malaysia is forecasted to be lower at 4.6% by Malaysia Institute of Economic Research ("MIER") for 2011 because of these external uncertainties. The good news is that there is still growth albeit lower, and this is what matters most to the people on the street at the moment.

The Government has taken measures as announced in the Malaysian Budget 2012 to support the lower income group. The key is to keep the expansionary policy going and keep the unemployment rate low. The Government is expected to keep pump-priming the economy with the continuation of several landmark projects especially Iskandar Malaysia ("IM"). It is also important to explore more domestic demand not only within Malaysia but also Intra-Asian/Asean in an effort to lessen the dependence and negative impact from the US and EU. Towards this end, Iskandar Malaysia could be the perfect platform to do just that.

Iskandar Malaysia is poised to lure foreign investors from Asian/Asean countries due to its strategic location, loads of incentives and natural disaster free. This goal can be achieved through its own marketing campaign and also through Singapore due to its nature of international trading hub. Further to that, Iskandar Malaysia can also serve the needs of the Singaporean simply due to their close proximity as well as stark disparity in prices. Singapore is having one of the most expensive property prices in the world and yet there is not enough of land area for the nation to do the balancing act for property prices. With vast land area and attractive incentives, Iskandar Malaysia can attract not only foreign investments but also acts to compliment Singapore's various needs including the housing industry. The proposed extension of Mass Rapid Transit ("MRT") into Johor Bahru by 2018 is another catalyst expected to propel the property market in Johor Bahru, or better known as Iskandar Malaysia, to a higher level. The Group's flagship project, **Kota Masai**, is situated at the Node D of Iskandar Malaysia and would be able to capitalize the potential growth of this special corridor.

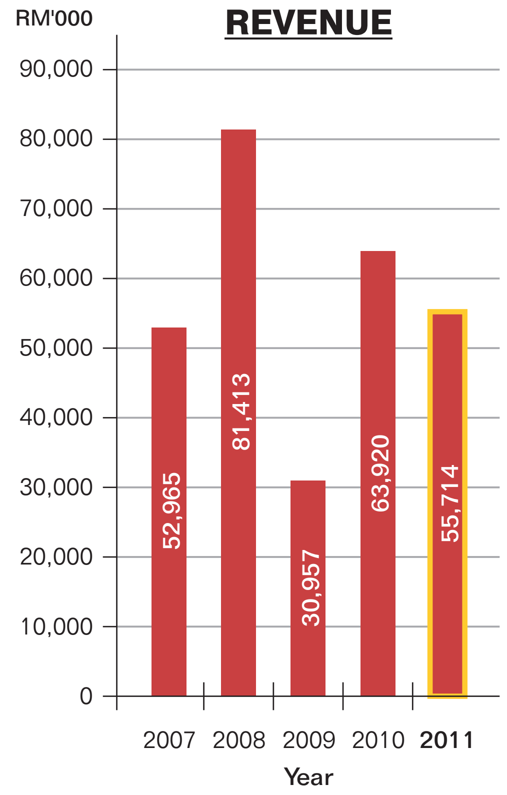
Nevertheless, going forward with the great uncertainties of the world economy nowadays, a lot of things could happen overnight. Hence it is never wrong to be cautious and it is only prudent to expect another challenging year ahead.

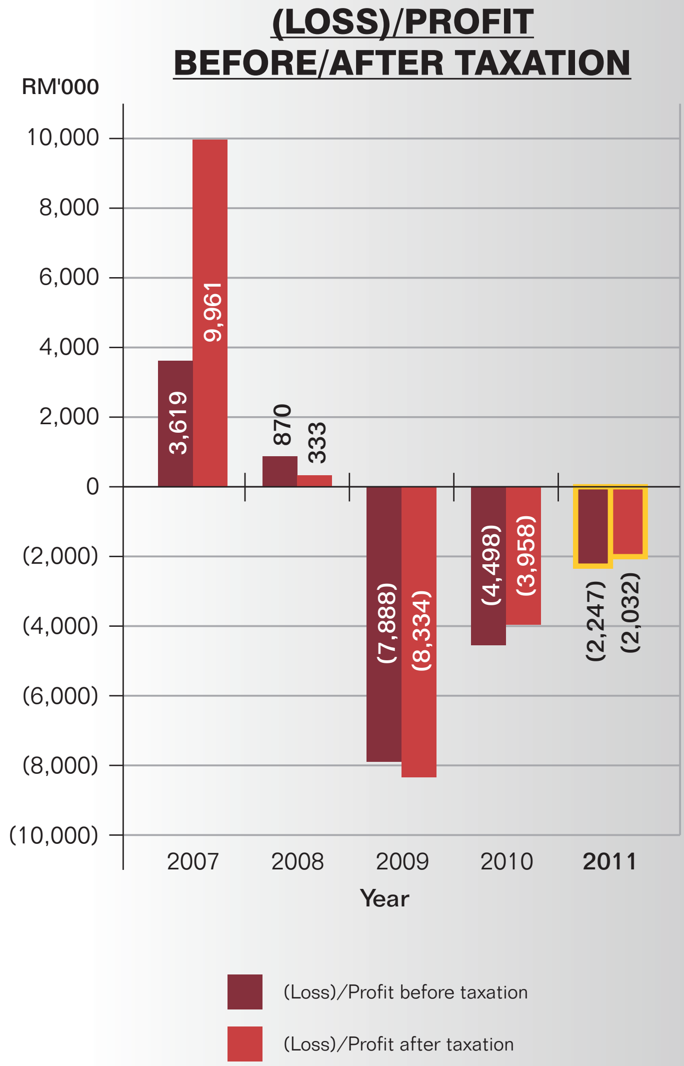
ACKNOWLEDGEMENT

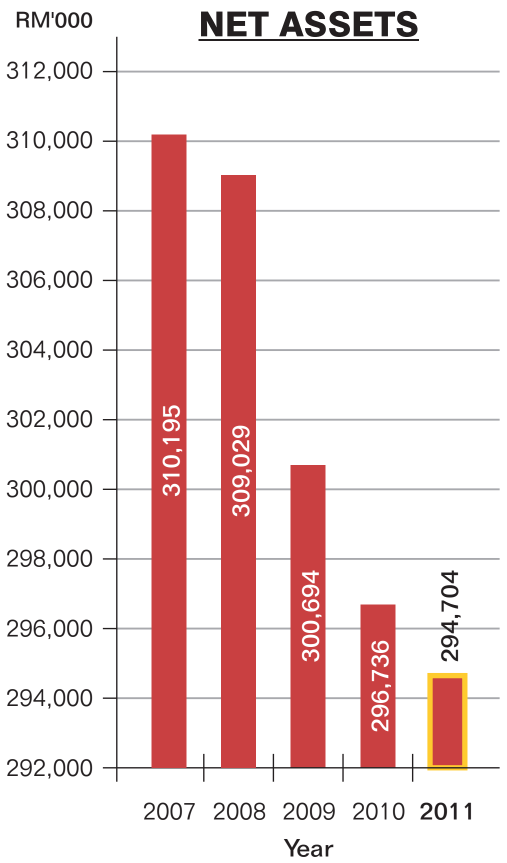
On behalf of the Board of Directors, I extend my appreciation to the management and staff for their valuable contribution to the Group. I wish to express my gratitude to my fellow directors for their dedication and guidance. I also like to put on record my sincere appreciation to our bankers, business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

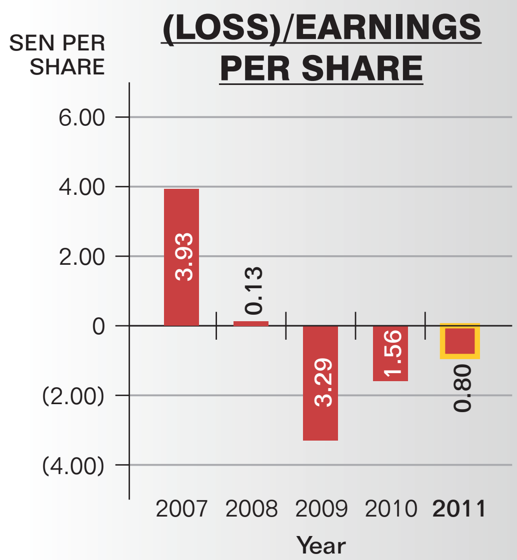
Financial Highlights

	2011	2010	2009	2008	2007
Paid-up capital (RM'000)	253,317	253,317	253,317	253,317	253,317
Net Assets (RM'000)	294,704	296,736	300,694	309,029	310,195
Net Assets per share (sen)	116	117	119	122	122
Revenue (RM'000)	55,714	63,920	30,957	81,413	52,965
(Loss)/profit before taxation (RM'000)	(2,247)	(4,498)	(7,888)	870	3,619
(Loss)/profit for the year attributable to equity holders of the Company (RM'000)	(2,032)	(3,958)	(8,334)	333	9,961
Net (loss)/earnings per share (sen)	(0.80)	(1.56)	(3.29)	0.13	3.93
Pre-tax (loss)/profit margin (%)	(4.03)	(7.04)	(25.5)	1.07	6.83
Current ratio	2.93	2.59	3.03	2.51	2.82
Return on capital employed (%)	(0.8)	(1.5)	(2.6)	0.3	1.2
Total borrowings (RM'000)	64,468	83,240	94,584	99,390	120,796
Gearing (times)	0.22	0.28	0.31	0.32	0.39


RM'000
REVENUE
90,000
80,000
70,000
60,000
50,000
40,000
30,000
20,000
10,000
0
52,965
81,413
30,957
63,920
55,714
2007
2008
2009
2010
2011
Year


(LOSS)/PROFIT BEFORE/AFTER TAXATION
RM'000
10,000
8,000
6,000
4,000
2,000
0
(2,000)
(4,000)
(6,000)
(8,000)
(10,000)
3,619
9,961
870
333
(7,888)
(8,334)
(4,498)
(3,958)
(2,247)
(2,032)
2007
2008
2009
2010
2011
Year
(Loss)/Profit before taxation
(Loss)/Profit after taxation


RM'000
NET ASSETS
312,000
310,000
308,000
306,000
304,000
302,000
300,000
298,000
296,000
294,000
292,000
310,195
309,029
300,694
296,736
294,704
2007
2008
2009
2010
2011
Year


SEN PER SHARE
(LOSS)/EARNINGS PER SHARE
6.00
4.00
2.00
0
(2.00)
(4.00)
3.93
0.13
3.29
1.56
0.80
2007
2008
2009
2010
2011
Year

Group Corporate Structure

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

100%

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

100%

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

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 members of the Audit Committee currently comprised of three (3) independent non-executive directors.

During the year ended 30 September 2011, the Committee held a total of four (4) meetings and the meetings were held on the 29 November 2010, 25 February 2011, 27 May 2011 and 25 August 2011.

The Audit Committee has been appointed for a term of three (3) years expiring on 8 November 2012.

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 4 meetings
(b)	Woon See Chin	Independent Non-Executive Director	Attended all 4 meetings
(c)	Tee Boon Hin	Independent Non-Executive Director	Attended all 4 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 Main Market 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.

Audit Committee Report (Cont'd)

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 auditor, the Chairman of the Audit Committee shall convene a meeting of the Audit Committee to consider any matter the external auditor 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 Main Market 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:

Audit Committee Report (Cont'd)

- 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.

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

<u>Activities of the Committee during the year</u>

During the year under review, the Committee carried out the following activities in the discharge of its functions and duties.

1. <u>Review of financial statements:</u>

   (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. <u>Matters relating to External Audit:</u>

   (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 re-appointment, scope of work and audit fee.

3. <u>Matters relating to Internal Audit:</u>

   (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. <u>Risk Management</u>

   (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. <u>Other activities</u>

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

Internal Audit Functions

The Company has appointed KPMG Business Advisory Sdn. Bhd. as the Internal Auditors for two (2) years term and shall be expiring on 30 September 2012. The Internal Auditors' scope of work is based on 4-phase approach as follows:

- Engagement project management
- Planning
- Execution
- Reporting

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

The internal audit 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, with 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
    - effectiveness of land development and product design planning; and
    - land bank acquisition strategy.
2. Audit work on sales and marketing focusing on
    - intense competition;
    - response on sales launches;
    - effectiveness of sales and marketing strategies;
    - delay in product launches;
    - response to customer complaints; and
    - effectiveness of sales presentation
3. Audit work on project management focusing on
    - timeliness of project completion;
    - structural failure;
    - quality of materials;
    - cost overrun;
    - adequacy of township maintenance; and
    - changes in material prices.
4. Audit work on safety, health and environment focusing on compliance with safety requirement.
5. Audit work on legal with regard to reporting on corporate announcement.
6. Other test of controls such as control over receipts, payments, procurement and review of bank reconciliation statements, nature of reconciling items and timeliness of the resolution.
7. Follow-up and update of previous cycle of audit on project management, sales and marketing, financial management and information technology.

The Internal Audit reports incorporated the 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 Malaysia 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 Main Market Listing Requirements of Bursa Securities (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 judgment 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. Four (4) Board meetings were held during the financial year ended 30 September 2011. 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	2 / 4
E. Seng Kiw @ Yee Oy Chong	Group Managing Director	3 / 4
Yee Yok Sen	Group Executive Director	4 / 4
Datuk Che Mokhtar bin Che Ali	Independent Non-Executive Director	4 / 4
Wan Mustapha bin Wan Ismail	Non-Independent Non-Executive Director	4 / 4
Phang Piow @ Pang Choo Ing	Non-Independent Non-Executive Director	4 / 4
Pang Tin @ Pang Yon Tin	Non-Independent Non-Executive Director	4 / 4
Woon See Chin	Independent Non-Executive Director	4 / 4
Tee Boon Hin	Independent Non-Executive Director	4 / 4

Supply of Information

All the Directors are notified of the Board meetings within stipulated time prior to the meetings date. 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 2011 two (2) meetings were held.

   Composition of Executive Committee:

Members	Designation	No. of meetings attended
Woon See Chin *(Independent Non-Executive Director)*	Chairman	2
E. Seng Kiw @ Yee Oy Chong *(Group Managing Director)*	Member	1
Datuk Che Mokhtar bin Che Ali *(Independent Non-Executive Director)*	Member	2
Tee Boon Hin *(Independent Non-Executive Director)*	Member	2

Statement of Corporate Governance (Cont'd)

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 the 25 November 2011 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-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 the 25 November 2011 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 Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB") 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 2011 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	967	240*1
Allowance	276	48*1
Bonus	60	-
Others	286	53*1
Total	**1,589**	**596**

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 RM150,000	-	-
RM150,001 to RM200,000	-	2*1
RM200,001 to RM650,000	-	-
RM650,001 to RM700,000	1	-
RM700,001 to RM750,000	-	-
RM750,001 to RM800,000	-	-
RM800,001 to RM850,000	-	-
RM850,001 to RM900,000	-	-
RM900,001 to RM950,000	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 the BMSB.

During the financial year, the Company has arranged a workshop for the directors which was held on the 10 August 2011 to keep them abreast of the recent changes on the Malaysian Code of Corporate Governance. The topic of the workshop entitled "Securities Commission's Corporate Governance Blueprint 2011: Towards Excellence in Corporate Governance". All the Directors have attended the Directors' training for the financial year 2011 in pursuant to paragraph 15.09 of the Main Market Listing Requirements of the Bursa Securities.

The Company will continuously arrange for further trainings for 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 2011, non-audit fees paid to the external auditor amounted to RM44,300.00 (2010: RM48,200.00).

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 Main Market Listing Requirements of Bursa Securities, various announcements are made during the 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.

The Annual General Meeting

The Annual Report, which contains the Notice of Annual General Meeting, is sent to the shareholders at least twenty-one (21) days prior to the date of the meeting. The Notice of Annual General Meeting, which sets-out the business to be transacted at the Annual General Meeting, is also published in a major local newspaper. Item of special business included in the Notice of Annual General Meeting will be accompanied by an explanation of the proposed resolution.

At each meeting, shareholders are able to participate in the question and answer session in respect of the matters listed in the Notice of Annual General Meeting. There is no time limitation for shareholders to raise questions and to solicit reply from the Board.

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 to release to the public.

The Audit Committee's report is set out on page 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 set out on page 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 2011.

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 15.26(b) of the Bursa Listing Requirements)

INTRODUCTION

The revised Malaysian Code on Corporate Governance (2007) 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 2011 in compliance with paragraph 15.26(b) of the Main Market 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 are also 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 are 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: -

- An annual budget is submitted to the Board for approval. Actual performance is reviewed against the budget;
- Several Board Committees have been set up to assist the Board in performing its oversight functions (please refer to pages 17 to 21 for further details). These Committees are delegated with specific responsibilities which are specified in their terms of reference. They have authority to examine all matters within their scope of work and report to the Board with their recommendations;
- Scheduled Board level meetings, where the Board meets at least quarterly and other scheduled intervals when necessary to maintain full and effective supervision of the Group's activities and operations. The Board will go through the board papers and pertinent issues will be deliberated before arriving at the decision to be adopted by 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;
- Proper procedures governing the authority limits are effectively employed 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;
- 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 by the external auditors at the 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 : 25 November 2011

Statement on Internal Audit Function

The Internal Audit ("IA") function is considered an integral part of the assurance framework and its primary mission is to provide assurance on the adequacy and effectiveness of the risk, control and governance framework of the company. The purpose, authority and responsibility of the internal audit function (IAF) as well as the nature of the assurance and consultancy activities provided by the function are articulated in the internal audit plan.

The Internal Auditors reports directly to the audit committee who reviews and approves the internal audit plan and the internal audit reports on the audit recommendations and management's responses to these recommendations.

During the year, the IAF conducted various internal audit engagements in accordance with the risk-based audit plans that are consistent with the organisation's goals. The IAF evaluated the adequacy and effectiveness of key controls in responding to risks within the organization's governance, operations and information systems regarding the:

- Reliability and integrity of financial and operational information;
- Effectiveness and efficiency of operations;
- Safeguarding of assets; and
- Compliance with laws, regulations and contractual obiligations.

All the internal audit activities were outsourced to a service provider, KPMG Business Advisory Sdn. Bhd.

The total cost incurred in managing the IAF in 2011 was RM45,908.76.

Statement of Directors' Reponsibilities

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 2011.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are as disclosed in Note 14 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
(Loss)/Profit net of tax	(2,031,938)	1,843,880
(Loss)/Profit attributable to equity holders of the Company	(2,031,938)	1,843,880

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

No dividend has been paid or declared by the Company since the end of the previous financial year.

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

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 benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Notes 7 and 8 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.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, 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			
Focal Aims Holdings Berhad	**1 October 2010**	**Acquired**	**Sold**	**30 September 2011**
Holding in the name of director, spouse or child				
Tan Sri Datuk Mohd Razali bin Abdul Rahman	18,596,216	-	-	18,596,216
E. Seng Kiw @ Yee Oy Chong	42,787,831	-	-	42,787,831
Yee Yok Sen	9,457,776	-	-	9,457,776
Wan Mustapha bin Wan Ismail	7,395,842	-	-	7,395,842
Phang Piow @ Pang Choo Ing	28,162,422	-	-	28,162,422
Pang Tin @ Pang Yon Tin	30,144,422	-	-	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	3,336	-	-	3,336
Wan Mustapha bin Wan Ismail	53,381	-	-	53,381

	Number of Preference Shares of RM1 each			
Subsidiary - Focal Aims Sdn. Bhd.	**1 October 2010**	**Acquired**	**Sold**	**30 September 2011**
Holding in the name of director, spouse or child				
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

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

(i) to ascertain that 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 no provision for doubtful debts was necessary; 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 to make any provision for doubtful debts in respect of the financial statements of the Group and of the Company; 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 its 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 25 November 2011.

E. Seng Kiw @ Yee Oy Chong

Wan Mustapha bin Wan Ismail

Statement of 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 accompanying financial statements set out on pages 41 to 71 are 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 2011 and of the results and the cash flows of the Group and of the Company for the year then ended.

The information set out in Note 33 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 25 November 2011.

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 41 to 71 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 25 November 2011)

Wan Mustapha bin Wan Ismail

Before me,
Mohdzar bin Khalid (J204)
Commissioner for Oaths
Johor Bahru

Independent Auditors' Report

To the members of Focal Aims Holdings Berhad (Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Focal Aims Holdings Berhad, which comprise the statements of financial position as at 30 September 2011 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 41 to 71.

Directors' responsibility for the financial statements

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

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of 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 2011 and of their financial performance and cash flows for the year then ended.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report 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 financial statements of the subsidiaries 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 financial statements 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.

Independent Auditors' Report (Cont'd)

Other matters

The supplementary information set out in Note 33 on page 71 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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
1821/12/12 (J)
Chartered Accountant

Johor Bahru, Malaysia
Date : 25 November 2011

STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2011

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Revenue	4	55,713,967	63,919,829	-	-
Cost of sales	5	(44,878,269)	(55,412,122)	-	-
Gross profit		10,835,698	8,507,707	-	-
Other items of income		732,970	793,172	2,370,123	-
Other items of expense					
Administrative expenses		(11,435,099)	(11,299,820)	(526,243)	(528,280)
Finance costs	9	(2,380,119)	(2,498,703)	-	-
(Loss)/Profit before tax	6	(2,246,550)	(4,497,644)	1,843,880	(528,280)
Income tax benefit	10	214,612	539,396	-	99,077
(Loss)/Profit net of tax, representing total comprehensive (loss)/income for the year		(2,031,938)	(3,958,248)	1,843,880	(429,203)
(Loss)/Profit attributable to:					
Equity holders of the Company		(2,031,938)	(3,958,248)	1,843,880	(429,203)
Total comprehensive (loss)/income attributable to:					
Equity holders of the Company		(2,031,938)	(3,958,248)	1,843,880	(429,203)
Loss per share attributable to equity holders of the Company :					
- Basic (sen)	11	0.80	1.56		
- Diluted (sen)	11	0.80	1.56		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Financial Position

STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2011

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Assets					
Non-current assets					
Property, plant and equipment	12	1,558,182	1,478,705	-	-
Land held for property development	13(a)	311,032,676	337,900,108	-	-
Investment in subsidiaries	14	-	-	166,817,000	166,817,000
		312,590,858	339,378,813	166,817,000	166,817,000
Current assets					
Property development costs	13(b)	79,503,994	67,290,451	-	-
Inventories	15	28,074,708	25,465,890	-	-
Trade and other receivables	16	11,259,997	7,766,527	56,841,888	54,947,726
Other current assets	17	2,880,024	13,077,387	1,809	47
Tax recoverable		625,570	508,481	259,202	259,202
Cash and bank balances	18	3,631,283	5,302,549	2,112	54,315
		125,975,576	119,411,285	57,105,011	55,261,290
Total assets		438,566,434	458,790,098	223,922,011	222,078,290
Equity and liabilities					
Current liabilities					
Trade and other payables	19	11,520,688	12,868,877	4,190,133	4,190,292
Borrowings	20	26,127,071	29,941,180	-	-
Other current liabilities	21	5,369,486	3,212,336	-	-
		43,017,245	46,022,393	4,190,133	4,190,292
Net current assets		82,958,331	73,388,892	52,914,878	51,070,998
Non-current liabilities					
Borrowings	20	38,340,993	53,298,559	-	-
Deferred taxation	25	60,003,988	60,233,000	-	-
		98,344,981	113,531,559	-	-
Total liabilities		141,362,226	159,553,952	4,190,133	4,190,292
Equity attributable to equity holders of the Company					
Share capital	22	253,317,000	253,317,000	253,317,000	253,317,000
Share premium	23	22,343	22,343	22,343	22,343
Retained earnings/(Accumulated losses)	23	41,364,865	43,396,803	(33,607,465)	(35,451,345)
		294,704,208	296,736,146	219,731,878	217,887,998
Non-controlling interests	24	2,500,000	2,500,000	-	-
Total equity		297,204,208	299,236,146	219,731,878	217,887,998
Total equity and liabilities		438,566,434	458,790,098	223,922,011	222,078,290

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2011

		<--Attributable to equity holders of the Company-->				
			<---Non-Distributable--->		Distributable	
	Equity, total RM	Total RM	Share capital RM	Share premium RM	Retained earnings RM	Non-controlling interests RM
At 1 October 2010	299,236,146	296,736,146	253,317,000	22,343	43,396,803	2,500,000
Total comprehensive loss	(2,031,938)	(2,031,938)	-	-	(2,031,938)	-
At 30 September 2011	297,204,208	294,704,208	253,317,000	22,343	41,364,865	2,500,000
At 1 October 2009	303,194,394	300,694,394	253,317,000	22,343	47,355,051	2,500,000
Total comprehensive loss	(3,958,248)	(3,958,248)	-	-	(3,958,248)	-
At 30 September 2010	299,236,146	296,736,146	253,317,000	22,343	43,396,803	2,500,000

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Company Statement of Changes In Equity

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2011

		<---Non-Distributable--->		
	Equity, total RM	Share capital RM	Share premium RM	Accumulated losses RM
At 1 October 2010	217,887,998	253,317,000	22,343	(35,451,345)
Total comprehensive income	1,843,880	-	-	1,843,880
At 30 September 2011	219,731,878	253,317,000	22,343	(33,607,465)
At 1 October 2009	218,317,201	253,317,000	22,343	(35,022,142)
Total comprehensive loss	(429,203)	-	-	(429,203)
At 30 September 2010	217,887,998	253,317,000	22,343	(35,451,345)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2011

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Operating activities				
(Loss)/Profit before tax	(2,246,550)	(4,497,644)	1,843,880	(528,280)
Adjustments for :				
Depreciation	250,504	298,970	-	-
Interest expense	2,380,119	2,498,703	-	-
Interest income	(237,555)	(241,712)	-	-
Property, plant and equipment written off	4,604	3,713	-	-
Reversal of allowance for impairment on receivables	-	-	(2,370,123)	-
Loss/(Gain) on disposal of property, plant and equipment	204	(425,472)	-	-
Write down of property development cost	-	952,293	-	-
Operating cash flows before changes in working capital	151,326	(1,411,149)	(526,243)	(528,280)
Property development expenditure	23,035,029	15,901,379	-	-
Inventories	(2,608,818)	8,376,121	-	-
Receivables	6,703,893	(6,665,094)	(1,762)	1,562
Payables	808,961	596,833	7,841	2,754
Cash flows generated from/(used in) operations	28,090,391	16,798,090	(520,164)	(523,964)
Interest received	237,555	241,712	-	-
Interest paid	(10,761,260)	(6,245,469)	-	-
Income taxes paid	(131,488)	(153,880)	-	-
Income taxes refunded	-	415,436	-	-
Net cash flows generated from/(used in) operating activities	17,435,198	11,055,889	(520,164)	(523,964)

Statements of Cash Flows (Cont'd)

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2011

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Investing activities				
Purchase of property, plant and equipment	(344,690)	(332,406)	-	-
Proceeds from disposal of property, plant and equipment	9,901	582,800	-	-
Dividend received from subsidiary	-	-	-	700,000
Advances from/(to) subsidiary companies	-	-	467,961	(256,664)
Net cash flows (used in)/generated from investing activities	(334,789)	250,394	467,961	443,336
Financing activities				
Drawdown of term loans	4,100,000	16,700,000	-	-
Repayment of term loans	(22,906,609)	(28,714,986)	-	-
Net cash flows used in financing activities	(18,806,609)	(12,014,986)	-	-
Net decrease in cash and cash equivalents	(1,706,200)	(708,703)	(52,203)	(80,628)
Cash and cash equivalents at 1 October 2010/2009	(4,638,631)	(3,929,928)	54,315	134,943
Cash and cash equivalents at 30 September (Note 18)	(6,344,831)	(4,638,631)	2,112	54,315

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2011

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market 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 principal activity of the Company is investment holding. The principal activities of the subsidiary companies are as disclosed in Note 14 to the financial statements. There have been no significant changes in the nature of the principal activities during the financial year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and revised FRS which are mandatory for financial periods beginning on or after 1 January 2010 as described fully in Note 2.2.

The financial statements of the Group and of the Company have been prepared on a historical cost basis and the financial statements are presented in Ringgit Malaysia (RM).

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except the following:

On 1 October 2010, the Group and the Company adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2010.

FRS 7: Financial Instruments: Disclosures
FRS 101: Presentation of Financial Statements (Revised)
FRS 123: Borrowing Costs
FRS 139: Financial Instruments: Recognition and Measurement
Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and FRS 127:
    Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary,
    Jointly Controlled Entity or Associate
Amendments to FRS 2: Share-based Payment – Vesting Conditions and Cancellations
Amendments to FRS 132: Financial Instruments: Presentation
Amendments to FRS 138: Intangible Assets
Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7:
    Financial Instruments: Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives
Improvements to FRSs issued in 2009
IC Interpretation 9: Reassessment of Embedded Derivatives
IC Interpretation 10: Interim Financial Reporting and Impairment
IC Interpretation 13: Customer Loyalty Programmes
IC Interpretation 14: FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding
    Requirements and their Interaction
Amendments to FRS 132: Classification of Rights Issues
FRS 1: First-time Adoption of Financial Reporting Standards
FRS 3: Business Combinations (revised)
Amendments to FRS 2: Share-based Payment

Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 127: Consolidated and Separate Financial Statements
Amendments to FRS 138: Intangible Assets
Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives
IC Interpretation 12: Service Concession Arrangements
IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17: Distributions of Non-cash Assets to Owners

FRS 4 Insurance Contracts and TR i-3 Presentation of Financial Statements of Islamic Financial Institutions will also be effective for annual financial periods beginning on or after 1 October 2010. These FRS are, however, not applicable to the Group or the Company.

The adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group and the Company except for those discussed below:

FRS 7 Financial Instruments: Disclosures

Prior to 1 October 2010, information on financial instruments was disclosed in accordance with the requirements of FRS 132 Financial Instruments: Disclosure and Presentation. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Group and the Company have applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Group's and the Company's financial statements for the year ended 30 September 2011.

FRS 101 Presentation of Financial Statements (Revised)

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

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

The revised FRS 101 also requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital (see Note 31).

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

2.3 Standards issued but not yet effective

The Group and the Company have not adopted the following standards and interpretations that have been issued but are not yet effective :

Description	Effective for annual period begining on or after
Amendments to FRS 1 : Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011
Improvements to FRSs (2010)	1 January 2011
Additional Exemptions for First-Time Adopters (Amendments to FRS 1)	1 January 2011
Group Cash-settled Share-based Payment Transactions (Amendments to FRS 2)	1 January 2011
IC Interpretation 4: Determining whether on Arrangement contains a Lease	1 January 2011
IC Interpretation 18: Transfers of Assets from Customers	1 January 2011
Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement	1 July 2011
IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
FRS 124: Related Party Disclosures	1 January 2012

Except for the new disclosures required under amendments to FRS 7, the directors do not expect any material impact on the financial statements in the period of initial application.

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013.

The Group falls within the scope definition of Transitioning Entities and has opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 30 September 2014. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group has not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 30 September 2011 could be different if prepared under the MFRS Framework.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Acquisitions of subsidiaries are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

In business combinations achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether the non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

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.

2.5 Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.6 Transactions with non-controlling interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owner's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, 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.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land has 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 carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.8 Land held for 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.

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.

2.9 Property development costs

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 and the excess of billings to purchasers over revenue recognised in the income statement is classified as progress billings.

2.10 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset 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 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.

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed 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. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss. Impairment loss on goodwill is not reversed in a subsequent period.

2.11 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 costs 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.

2.12 Financial assets

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

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition. The Group and the Company classify their financial assets as loans and receivables.

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

2.13 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

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

The carrying amount of the financial asset is reduced through the use of an allowance account. When a receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, and demand deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.15 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If 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. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.16 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as other financial liabilities.

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.17 Financial guarantee contracts

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

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

2.18 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.19 Employee benefits

(a) Defined contribution plans

The Group makes contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) 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. Employee entitlements to annual leave are recognised as liability when they accrue to the employees. The estimated liability for leave is recognised for services rendered by employees up to the reporting date.

2.20 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. Revenue is measured at the fair value of consideration received or receivable.

(a) Sale of properties

Revenue from sale of properties is accounted for by the stage of completion method as described in Note 2.9.

(b) Interest income

Interest income is recognised using the effective interest method.

(c) Dividend income

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

2.21 Income tax

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

2.22 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year relates to the Group's property development activities.

The Group recognises property development revenue and expenses in the statement of comprehensive income 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.

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

The carrying amounts of the assets arising from property development activities are disclosed in Note 13.

4. REVENUE

Revenue of the Group represents sales of development properties net of discounts recognised in accordance with the stage of completion method as further disclosed in Note 2.9.

5. COST OF SALES

	Group	
	2011	2010
	RM	RM
Property development costs (Note 13(b))	40,846,803	46,437,141
Cost of inventories sold	4,031,466	8,974,981
	44,878,269	55,412,122

6. LOSS BEFORE TAX

The following items have been included in arriving at loss before tax:

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Auditors' remuneration				
- statutory audits	71,500	66,500	25,000	20,000
- other services	44,300	48,200	11,300	-
Depreciation	250,504	298,970	-	-
Non-executive directors' fees	255,000	255,000	255,000	255,000
Interest income	(237,555)	(241,712)		
Property, plant and equipment written off	4,604	3,713	-	-
Reversal of allowance for impairment on receivables	-	-	(2,370,123)	-
Loss/(Gain) on disposal of property, plant and equipment	204	(425,472)	-	-
Rental expense	271,853	268,798	-	-
Write down of property development costs (Note 13)	-	952,293	-	-
Employee benefits expense (Note 7)	5,676,479	5,172,816	25,100	25,900

7. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Salaries and allowances	5,047,966	4,580,099	25,100	25,900
Defined contribution plan	600,005	566,272	-	-
Social security contributions	28,508	26,445	-	-
	5,676,479	5,172,816	25,100	25,900

Included in employee benefits expense of the Company are executive and non-executive directors' remuneration (comprising salaries, bonus and other emoluments) amounting to RM2,185,453 (2010 : RM2,218,894).

Notes to The Financial Statements (Cont'd)

8. DIRECTORS' REMUNERATION

The details of remuneration receivable by directors of the Company during the year are as follows :

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Directors of the Company				
Executive :				
Salaries and other emoluments	1,333,325	1,428,864	-	-
Bonus	60,480	-	-	-
Defined contribution plan	195,588	186,570	-	-
	1,589,393	1,615,434	-	-
Non-executive :				
Salaries and other emoluments	341,060	348,460	25,100	25,900
Fees	255,000	255,000	255,000	255,000
	596,060	603,460	280,100	280,900
Total	2,185,453	2,218,894	280,100	280,900

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	
	2011	2010
Executive directors :		
RM650,001 - RM700,000	1	-
RM700,001 - RM750,000	-	1
RM900,001 - RM950,000	1	-
RM950,001 - RM1,000,000	-	1
Non- executive directors :		
RM50,000 and below	5	5
RM150,001 - RM200,000	2	2

9. FINANCE COSTS

	Group	
	2011	2010
	RM	RM
Interest expense on borrowings	10,761,260	6,245,469
Less : Interest expense capitalised in property development costs (Note 13)	(8,381,141)	(3,746,766)
	2,380,119	2,498,703

10. INCOME TAX BENEFIT

Major components of income tax benefit

The major components of income tax benefit for the years ended 30 September 2011 and 2010 are :

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Statement of comprehensive income:				
Current year income tax	14,400	(88,269)	-	134,256
Deferred tax (Note 25):				
Relating to origination and reversal of temporary differences	(229,012)	(451,127)	-	(233,333)
Income tax benefit recognised in profit or loss	(214,612)	(539,396)	-	(99,077)

Reconciliation between income tax and accounting results

The reconciliation between tax benefit and the product of accounting results multiplied by the applicable corporate tax rate for the years ended 30 September 2011 and 2010 are as follows:

Group	2011 RM	2010 RM
Loss before tax	(2,246,550)	(4,497,644)
Taxation at Malaysian statutory tax rate of 25% (2010 : 25%)	(561,638)	(1,124,411)
Adjustments :		
Effect of expenses not deductible for tax purposes	430,384	128,232
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(794,083)	(343,430)
Deferred tax assets not recognised in respect of current year tax losses and unabsorbed capital allowances	710,725	800,213
Income tax recognised in profit or loss	(214,612)	(539,396)

Company	2011 RM	2010 RM
Profit/(Loss) before tax	1,843,880	(528,280)
Taxation at Malaysian statutory tax rate of 25% (2010 : 25%)	460,970	(132,070)
Adjustments :		
Expenses not deductible for tax purposes	54,783	32,993
Income not subject to tax	(592,531)	-
Deferred tax assets not recognised in respect of current year tax losses	76,778	-
Income tax recognised in profit or loss	-	(99,077)

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2010: 25%) of the estimated assessable profit for the year.

11. LOSS PER SHARE

Loss per ordinary share is calculated by dividing loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	Group	
	2011 RM	2010 RM
Loss attributable to ordinary equity holders of the Company (RM)	2,031,938	3,958,248
Weighted average number of ordinary shares in issue	253,317,000	253,317,000
Basic loss per share (sen)	0.80	1.56
Diluted loss per share (sen)	0.80	1.56

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 2009	24,689	156,384	3,765,369	1,722,220	538,229	6,206,891
Additions	-	-	-	73,143	259,263	332,406
Disposed	(24,689)	(156,384)	-	(63,603)	(162,932)	(407,608)
Written off	-	-	-	(63,284)	-	(63,284)
At 30 September 2010 and 1 October 2010	-	-	3,765,369	1,668,476	634,560	6,068,405
Additions	-	-	196,033	99,479	49,178	344,690
Disposal	-	-	(43,783)	(76,070)	-	(119,853)
Written off	-	-	(4,308)	(42,568)	-	(46,876)
At 30 September 2011	-	-	3,913,311	1,649,317	683,738	6,246,366
Group						
Accumulated depreciation						
At 1 October 2009	-	24,501	2,539,187	1,545,241	491,652	4,600,581
Charge for the year (Note 6)	-	-	160,849	78,263	59,858	298,970
Disposed	-	(24,501)	-	(63,459)	(162,321)	(250,281)
Written off	-	-	-	(59,570)	-	(59,570)
At 30 September 2010 and 1 October 2010	-	-	2,700,036	1,500,475	389,189	4,589,700
Charge for the year (Note 6)	-	-	99,314	80,986	70,204	250,504
Disposal	-	-	(33,700)	(76,048)	-	(109,748)
Written off	-	-	(127)	(42,145)	-	(42,272)
At 30 September 2011	-	-	2,765,523	1,463,268	459,393	4,688,184
Net carrying amount						
At 30 September 2010	-	-	1,065,333	168,001	245,371	1,478,705
At 30 September 2011	-	-	1,147,788	186,049	224,345	1,558,182

** Other assets comprise office renovation and site office equipment.*

13. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

(a) Land held for property development

	Group 2011 RM	Group 2010 RM
Cost		
At 1 October 2010/2009		
Freehold land	302,452,042	302,452,042
Development expenditure	35,448,066	34,289,840
	337,900,108	336,741,882
Addition	1,013,558	1,158,226
Transfer to property development costs	(27,880,990)	-
At 30 September	311,032,676	337,900,108

(b) Property development costs

	Group 2011 RM	Group 2010 RM
Cumulative property development costs		
At 1 October 2010/2009		
Freehold land	54,872,091	55,925,800
Development expenditure	68,820,335	39,877,704
	123,692,426	95,803,504
Development expenditure incurred during the year	30,389,636	33,124,301
Transfer from land held for property development	27,880,990	-
Reversal of completed projects	(81,666,134)	(5,235,379)
Transfers to inventories	(5,210,280)	-
	95,086,638	123,692,426
Cumulative costs recognised in profit or loss		
At 1 October 2010/2009	(56,401,975)	(14,247,920)
Recognised during the year (Note 5)	(40,846,803)	(46,437,141)
Write down to net realisable value (Note 6)	-	(952,293)
Reversal of completed projects	81,666,134	5,235,379
At 30 September	(15,582,644)	(56,401,975)
Property development costs at 30 September	79,503,994	67,290,451
Included in land held for property development and property development costs incurred during the financial year is:		
Interest expense (Note 9)	8,381,141	3,746,766

Land held for property development and property development costs are pledged as security for borrowings as referred to in Note 20.

14. INVESTMENT IN SUBSIDIARIES

	Company 2011 RM	Company 2010 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 2011	Equity Interest Held 2010	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

15. INVENTORIES

These comprise completed properties held for sale stated at cost.

16. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Current				
Trade receivables				
Third parties	10,565,783	7,029,984	-	-
Other receivables				
Amount due from subsidiaries	-	-	58,758,253	59,234,214
Less: Allowance for impairment	-	-	(1,920,865)	(4,290,988)
	-	-	56,837,388	54,943,226
Deposits	542,347	521,672	4,500	4,500
Other receivables	151,867	214,871	-	-
	694,214	736,543	56,841,888	54,947,726
Total trade and other receivables	11,259,997	7,766,527	56,841,888	54,947,726
Total trade and other receivables	11,259,997	7,766,527	56,841,888	54,947,726
Add: Cash and bank balances (Note: 18)	3,631,283	5,302,549	2,112	54,315
Total loans and receivables	14,891,280	13,069,076	56,844,000	55,002,041

(a) Trade receivables

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.

Ageing analysis of trade receivables

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

	Group	
	2011 RM	2010 RM
Neither past due nor impaired	1,277,068	1,784,354
1 to 14 days past due not impaired	623,441	494,590
15 to 28 days past due not impaired	773,694	1,049,862
29 to 46 days past due not impaired	2,516,641	544,498
47 to 76 days past due not impaired	2,494,327	1,931,163
77 to 106 days past due not impaired	517,222	944,428
More than 107 days past due not impaired	2,363,390	281,089
	9,288,715	5,245,630
	10,565,783	7,029,984

Receivables that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. None of these balances have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM9,288,715 (2010: RM5,245,630) that are past due at the reporting date but not impaired. These include amounts of RM4,222,880 (2010: Nil) placed with lawyers as stakeholder deposits and will be released upon transfer of land title. All the receivables are unsecured in nature.

(b) Amount due from subsidiaries

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

17. OTHER CURRENT ASSETS

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Prepaid operating expenses	415,342	314,823	1,809	47
Accrued billings in respect of property development costs	2,464,682	12,762,564	-	-
	2,880,024	13,077,387	1,809	47

18. CASH AND CASH EQUIVALENTS

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Cash on hand and at banks	3,631,283	3,725,409	2,112	54,315
Deposits with licensed banks	-	1,577,140	-	-
	3,631,283	5,302,549	2,112	54,315
Bank overdrafts (Note 20)	(9,976,114)	(9,941,180)	-	-
Cash and cash equivalents	(6,344,831)	(4,638,631)	2,112	54,315

Included in cash and bank balances of the Group are restricted bank balances amounting to RM2,861,343 (2010 : RM3,233,949) being monies held pursuant to Section 7A of the Housing Developers (Control and Licensing) Act 1966 and therefore restricted from use in other operations.

As at the end of the previous financial year, the weighted average effective interest rate and maturity of the Group's deposits with licensed banks were 2% and 79 days respectively.

19. TRADE AND OTHER PAYABLES

	Group		Company	
Current	**2011 RM**	**2010 RM**	**2011 RM**	**2010 RM**
Trade payables				
Trade payables	6,802,576	10,829,504	-	-
Accruals	2,828,101	392,007	-	-
	9,630,677	11,221,511	-	-
Other payables				
Accruals	828,083	886,430	299,925	295,706
Deposit received	413,130	270,073	-	-
Payroll liability	248,490	216,540	-	-
Other payables	400,308	274,323	16,908	13,286
Amount due to a subsidiary	-	-	3,873,300	3,881,300
	1,890,011	1,647,366	4,190,133	4,190,292
Total trade and other payables	11,520,688	12,868,877	4,190,133	4,190,292
Add: Loans and borrowings (Note 20)	64,468,064	83,239,739	-	-
Total financial liabilities carried at amortised cost	75,988,752	96,108,616	4,190,133	4,190,292

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days (2010 : 30 to 90 days).

The amount due to a subsidiary is unsecured, interest-free and has no fixed terms of repayment.

20. LOANS AND BORROWINGS

	Group	
	2011 RM	**2010 RM**
Current		
Secured :		
Revolving credit	16,150,957	20,000,000
Bank overdrafts	9,976,114	9,941,180
	26,127,071	29,941,180
Non-current		
Secured :		
Term loans	38,340,993	53,298,559
Total loans and borrowings	64,468,064	83,239,739

The remaining maturities of the loans and borrowings as at 30 September 2011 are as follows :

	Group	
	2011 RM	**2010 RM**
On demand or within one year	26,127,071	29,941,180
More than 1 year and less than 5 years	38,340,993	53,298,559
	64,468,064	83,239,739

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 instalments over a period not exceeding 5 years from the date of first drawdown or upon receipt of redemption sums, whichever is earlier. If no redemption sums are paid, the first instalment will commence in December 2012. The revolving credit is repayable on demand.

The weighted average effective interest rates for borrowings at the reporting date were as follows :

	2011	2010
	%	%
Bank overdrafts	8.85	8.55
Revolving credit	7.18	6.47
Term loans	7.18	6.44

21. OTHER CURRENT LIABILITIES

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Progress billings in respect of property development cost	5,369,486	3,212,336	-	-

22. SHARE CAPITAL

	Number of Shares of RM1 Each		Amount	
	2011	2010	2011	2010
			RM	RM
Authorised	300,000,000	300,000,000	300,000,000	300,000,000
Issued and fully paid	253,317,000	253,317,000	253,317,000	253,317,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

23. RESERVES

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Non-distributable				
Share premium	22,343	22,343	22,343	22,343
Distributable				
Retained earnings/(Accumulated losses)	41,364,865	43,396,803	(33,607,465)	(35,451,345)

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.

24. NON-CONTROLLING INTERESTS

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

The holders of preference shares are not entitled to a dividend. The repayment of capital on preference shares rank in priority to all classes of ordinary shares of the subsidiary but the premium will only be paid after the repayment of capital on all classes of ordinary shares of the subsidiary. Other than the above, holders of preference shares are not entitled to further participate in the surplus assets and profits of the subsidiary.

25. DEFERRED TAXATION

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
At 1 October 2010/2009	60,233,000	60,684,127	-	233,333
Recognised in profit or loss (Note 10)	(229,012)	(451,127)	-	(233,333)
At 30 September	60,003,988	60,233,000	-	-

The deferred tax liability of the Group relates to land and development expenditure whereas the deferred tax liability of the Company relates to dividends receivable from a subsidiary.

Deferred tax assets have not been recognised in respect of the following items as the Group is not able to forecast future taxable profits against which these unutilised tax losses and unabsorbed capital allowances can be utilised.

	Group	
	2011 RM	2010 RM
Unutilised tax losses	13,370,000	13,291,000
Unabsorbed capital allowances	544,000	354,000

26. CAPITAL COMMITMENTS

	Group	
	2011 RM	2010 RM
Approved but not contracted for :		
Acquisition of property, plant and equipment	1,156,000	2,078,000

27. RELATED PARTY DISCLOSURES

Compensation of key management personnel

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

	Group	
	2011 RM	2010 RM
Short term employee benefits	2,614,613	2,620,050
Post-employment benefits:		
Defined contribution plan	306,603	305,199
	2,921,216	2,925,249
Included in the total remuneration of key management personnel are:		
Directors' remuneration	2,185,453	2,218,894

28. FINANCIAL INSTRUMENTS

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management. The audit committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group does not have any significant exposure to any individual customer.

Exposure to credit risk

At the reporting date, the Group's and Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

At the reporting date, the Company provided corporate guarantees for subsidiaries in respect of credit facilities totalling RM64,468,064 (2010 : RM83,239,739) granted to the subsidiaries by licensed financial institutions.

The value of corporate guarantees provided by the Company to its subsidiaries are determined by reference to the interest rates differential had these guarantees not been available. The Directors have assessed that the fair values of these corporate guarantees are not material.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 16.

Financial assets that are past due but not impaired

Information regarding financial assets that are past due but not impaired is disclosed in Note 16.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain sufficient levels of cash or cash convertible investments to meet its working capital requirements and maintain available banking facilities at a reasonable level to its overall debt position.

Analysis of financial instruments by remaining contractual maturities

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

2011	On demand or within one year RM	One to five years RM	Total RM
Group			
Financial liabilities:			
Trade and other payables	11,520,688	-	11,520,688
Loans and borrowings	26,127,071	38,340,993	64,468,064
Total undiscounted financial liabilities	37,647,759	38,340,993	75,988,752
Company			
Financial liabilities:			
Trade and other payables	4,190,133	-	4,190,133
Corporate guarantee given to financial institutions for banking facilities granted to subsidiaries	64,468,064	-	64,468,064
Total undiscounted financial liabilities	68,658,197	-	68,658,197

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group’s financial instruments will fluctuate because of changes in market interest rates.

The Group’s exposure to interest rate risk arises primarily from floating rate borrowings.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 10 basis points lower/higher, with all other variables held constant, the Group’s loss net of tax would have been approximately RM48,000 lower/higher, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

29. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's and Company's financial assets and liabilities are reasonable approximations of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

30. SEGMENT INFORMATION

No segmental reporting is presented as the Group's operations primarily relate to property development activities and these are carried out entirely in Malaysia.

31. CAPITAL MANAGEMENT

The primary objective of the Group’s capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 30 September 2011 and 30 September 2010.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises loans and borrowings, trade and other payables, less cash and bank balances whereas total capital comprises the equity attributable to equity holders of the Company.

	Note	2011 RM	2010 RM
Group			
Borrowings	20	64,468,064	83,239,739
Trade payables	19	9,630,677	11,221,511
Other payables	19	1,890,011	1,647,366
Less: Cash and bank balances	18	(3,631,283)	(5,302,549)
Net debt		72,357,469	90,806,067
Equity attributable to the owners of the Company, representing total capital		294,704,208	296,736,146
Capital and net debt		367,061,677	387,542,213
Gearing ratio		20%	23%

The Company is mainly financed by shareholders' funds.

32. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 30 September 2011 were authorised for issue in accordance with a resolution of the directors on 25 November 2011.

33. SUPPLEMENTARY INFORMATION - BREAKDOWN OF RETAINED PROFITS INTO REALISED AND UNREALISED

The breakdown of the retained profits of the Group and of the Company as at 30 September 2011 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group 2011 RM	Company 2011 RM
Total retained earnings /(accumulated losses) of the Campany and its subsidiaries		
- Realised	22,890,312	(33,607,465)
- Unrealised	-	-
	22,890,312	(33,607,465)
Less: Consolidation adjustments	18,474,553	-
Retain earnings/(accumulated losses) as per financial statements	41,364,865	(33,607,465)

Particulars of Properties

Location	Land Area/ Build Area	Tenure	Existing Use	Net Book Value as at 30 September 2011 (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	311,032,676
Total				311,032,676

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.

SHARE CAPITAL AS AT 30 DECEMBER 2011

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 30 DECEMBER 2011

Size of Shareholdings	*No. of Shares*	*%*	*No. of Holders*
Less than 100	532	0.00	11
100 - 1,000	1,411,185	0.56	1,429
1,001 - 10,000	11,884,787	4.69	2,872
10,001 - 100,000	16,995,637	6.71	569
100,001 - less than 5% of issued shares	116,861,413	46.13	93
5% and above of issued shares	106,163,446	41.91	5
Grand Total	253,317,000	100.00	4,979

Statistics on Shareholdings (Cont'd)

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS AT 30 DECEMBER 2011

No.	Name	No. of Shares	%
1.	AMMB Nominees (Tempatan) Sdn Bhd *AmBank (M) Bhd 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.	E. Seng Kiw @ Yee Oy Chong	10,270,444	4.05
7.	Rosman bin Abdullah	10,064,000	3.97
8.	AMMB Nominees (Tempatan) Sdn Bhd *AmBank (M) Bhd for Yee Yok Sen*	9,100,000	3.59
9.	Pang Khong Nam	8,666,946	3.42
10.	Nik Mahmood bin Nik Hassan	8,084,253	3.19
11.	Lee Ban Hin @ Michael Lee Ban Hin	7,416,000	2.93
12.	Lim Li Li	7,000,000	2.76
13.	Abu Bakar bin Mohd Nor	5,000,000	1.97
14.	Yee Gee Min	3,960,448	1.56
15.	Yee Chun Syan	2,795,043	1.10
16.	ABB Nominee (Tempatan) Sdn Bhd *Pledged Securities Account for Yee Chun Syan*	2,500,000	0.99
17.	William Pang	2,106,667	0.83
18.	Yuningsih binti Abdul Wahid	2,000,000	0.79
19.	Yee Chang Lin	1,668,170	0.66
20.	Othman bin Hashim	1,550,000	0.61
21.	Wang Ah Yu	1,540,667	0.61
22.	Mohd Razali bin Abdul Rahman	1,296,216	0.51
23.	S'ng Hooi Seah	1,194,200	0.47
24.	Mayban Securities Nominees (Asing) Sdn Bhd *Kim Eng Securities Pte Ltd for Chumpon Chantharakulpongsa*	1,193,300	0.47
25.	Huan Chuan Sen @ Ah Loy	1,103,000	0.44
26.	Wan Adleena binti Wan Mustapha	1,100,000	0.43
27.	Wan Akmal bin Wan Mustapha	1,050,000	0.41
28.	Wan Asnita binti Wan Mustapha	1,050,000	0.41
29.	Wan Farah Alifa binti Wan Mustapha	1,050,000	0.41
30.	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Yeo Guik Hiang*	1,000,000	0.39

SUBSTANTIAL SHAREHOLDERS AS AT 30 DECEMBER 2011

	No. of Shares Held			
Substantial Shareholders	*Direct*	*%*	*Indirect*	*%*
Tan Sri Datuk Mohd Razali bin Abdul Rahman	18,596,216	7.34	3,336*1	- *1
Datuk Hassan bin Che Abas	19,721,216	7.79	3,336*1	- *1
E. Seng Kiw @ Yee Oy Chong	36,270,444	14.32	6,517,387*2	2.57
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 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 30 DECEMBER 2011

	No. of Shares Held			
Name of Directors	Direct	%	Indirect	%
Tan Sri Datuk Mohd. Razali bin Abdul Rahman	18,596,216	7.34	3,336 *1	- *1
E. Seng Kiw @ Yee Oy Chong	36,270,444	14.32	6,517,387 *2	2.57
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	1,135,833	0.45	6,313,390 *2&3	2.49
Woon See Chin	20,000	0.01	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 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-Eighth 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 **Tuesday, 28 February 2012** 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 2011 together with the Auditors' Report thereon.		
2.	To approve the Directors' Fees for the financial year ended 30 September 2011.		
3.	To re-elect E. Seng Kiw @ Yee Oy Chong, who shall retire pursuant to Section 129(6) of the Companies Act, 1965.		
4.	To re-elect Tan Sri Datuk Mohd Razali bin Abdul Rahman, who shall retire in accordance with Article 80 of the Company's Articles of Association.		
5.	To re-elect Datuk Che Mokhtar bin Che Ali, who shall retire in accordance with Article 80 of the Company's Articles of Association.		
6.	To re-elect Tee Boon Hin, who shall retire in accordance with Article 80 of the Company's Articles of Association.		
7.	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.		
8.	**Special Business:-** Ordinary Resolution - Authority to issue and allot shares.		

Please indicate your vote by marking (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 ______________ , 2012

No. of Shares held

Signature ______________________

Notes:-

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 20 February 2012 ("General Meeting Record of Depositors") shall be eligible to attend the Meeting.*
2. *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. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.*
3. *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.*
4. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
5. *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, Johor Darul Ta'zim 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