ANNUAL REPORT

2012

Focal
Aims

Focal Aims Holdings Berhad

(Co. No. 17777-V)

Focal Aims Holdings Berhad ▪ Annual Report 2012
(Co. No. 17777-V)

CONTENTS

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Thirty-Ninth 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 **Wednesday, 27 February 2013** at **11:00a.m.** for the following purposes:-

AGENDA

1. To receive the Directors' Report and Audited Financial Statements for the financial year ended 30 September 2012 together with the Auditors' Report thereon. *Please refer to Explanatory Note (1)*

2. To approve the declaration and payment of a first and final dividend of 1% less 25% income tax or 0.75 sen per ordinary share for the financial year ended 30 September 2012. *(Resolution 1)*

3. To approve the Directors' Fees for the financial year ended 30 September 2012. *(Resolution 2)*

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

   (a) "That pursuant to Section 129(6) of the Companies Act, 1965, E. Seng Kiw @ Yee Oy Chong, who has exceeded 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)*

   (b) "That pursuant to Section 129(6) of the Companies Act, 1965, Phang Piow @ Pang Choo Ing, who has exceeded 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 4)*

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

   (a) Yee Yok Sen *(Resolution 5)*
   (b) Pang Tin @ Pang Yon Tin *(Resolution 6)*

6. To re-appoint Messrs. Ernst & Young as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. *(Resolution 7)*

7. <u>**As Special Business**</u>

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

   Ordinary Resolution 1
   <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)*

   Ordinary Resolution 2
   <u>**- Retention of Independent Non-Executive Director**</u>

   To retain Datuk Che Mokhtar bin Che Ali as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2012. *(Resolution 9)*

   Ordinary Resolution 3
   <u>**- Retention of Independent Non-Executive Director**</u>

   To retain Woon See Chin as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2012. *(Resolution 10)*

   Ordinary Resolution 4
   <u>**- Retention of Independent Non-Executive Director**</u>

   To retain Tee Boon Hin as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2012. *(Resolution 11)*

   Special Resolution
   <u>**- Proposed Amendments to the Articles of Association**</u>

   That the proposed amendments, modifications, deletions and/or additions to the Articles of Association of the Company as set out in Appendix I of the Annual Report be and are hereby approved and adopted AND THAT, the Board of Directors be and is hereby authorised to give effect to the said amendments, modification, additions or deletions. *(Resolution 12)*

8. To transact any other business of which due notice has been given.

Notice of Annual General Meeting (Cont'd)

Notice of Dividend Entitlement and Payment

Notice is hereby given that a first and final dividend of 1% less 25% income tax or 0.75 sen per ordinary share for the financial year ended 30 September 2012, if so approved by the shareholders at the Thirty-Ninth Annual General Meeting, will be payable on 23 April 2013 to shareholders whose names appear in the Record of Depositors on 25 March 2013.

Further notice is given that a depositor shall qualify for entitlement only in respect of:

(1) Shares transferred into the depositor's securities account before 4:00 p.m. on 25 March 2013; and

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

By Order of the Board
Chua Siew Chuan *(MAICSA 0777689)*
Mak Chooi Peng *(MAICSA 7017931)*
Company Secretaries
Kuala Lumpur
Dated: 31 January 2013

Explanatory Note to Special Businesses:

1. Item 1 of the Agenda

   The agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. Authority to issue shares pursuant to Section 132D of the Companies Act, 1965

   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-Eighth Annual General Meeting held on 28 February 2012 and which will lapse at the conclusion of the Thirty-Ninth Annual General Meeting.

3. Retention as Independent Non-Executive Directors of the Company pursuant to the Malaysian Code on Corporate Governance 2012

   (a) Datuk Che Mokhtar bin Che Ali

   Datuk Che Mokhtar bin Che Ali was appointed as an Independent Non-Executive Director of the Company on 31 January 1997, and has, therefore served for more than nine (9) years. As at the date of the notice of the Annual General Meeting, he has served the Company for 16 years. However, he has met the independence guidelines as set out in Chapter 1 of the Main Market Listing Requirements of Bursa Securities. The Board, therefore, considers him to be independent and recommends that he should be retained as an Independent Non-Executive Director.

   (b) Woon See Chin

   Mr. Woon See Chin was appointed as an Independent Non-Executive Director of the Company on 9 November 1999, and has, therefore served for more than nine (9) years. As at the date of the notice of the Annual General Meeting, he has served the Company for 13 years. However, he has met the independence guidelines as set out in Chapter 1 of the Main Market Listing Requirements of Bursa Securities. The Board, therefore, considers him to be independent and recommends that he should be retained as an Independent Non-Executive Director.

   (c) Tee Boon Hin

   Mr. Tee Boon Hin was appointed as Independent Non-Executive Director of the Company on 9 November 1999, and has, therefore served for more than nine (9) years. As at the date of the notice of the Annual General Meeting, he has served the Company for 13 years. However, he has met the independence guidelines as set out in Chapter 1 of the Main Market Listing Requirements of Bursa Securities. The Board, therefore, considers him to be independent and recommends that he should be retained as an Independent Non-Executive Director.

4. Proposed Amendments to the Articles of Association

   The proposed adoption of the Special Resolution is for the purpose of seeking the shareholders' approval for amendments to the Articles of Association of the Company following the recent amendments made to the Main Market Listing Requirements of Bursa Securities, in relation to Disclosure and Other Obligations pursuant to Bursa Securities's letter dated 22 September 2011.

   The amendments are aimed at providing greater clarity to the market.

Notes:-

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 20 February 2013 ("General Meeting Record of Depositors") shall be eligible to attend, speak and vote at 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. Notwithstanding this, a member entitled to attend and vote at the Meeting is entitled to appoint any person as his proxy to attend and vote instead of the member at the Meeting. There shall be no restriction as to the qualifications of the proxy.
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.

APPENDIX 1

PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION

The existing Articles of Association of the Company are amended by the alteration, modifications, deletion and/or additions, wherever necessary, whereby the affected existing Articles are reproduced here with the proposed amendments to the Articles of Association of the Company, in bold, alongside it:-

Article No.	Existing Articles	Article No.	Proposed Articles
2	Interpretation In these Articles the words standing in the first column of the table next hereinafter contained shall bear the meanings set opposite to them respectively in the second column thereof, if not inconsistent with the subject or context:- Words — Meanings None — None	2	Interpretation In these Articles the words standing in the first column of the table next hereinafter contained shall bear the meanings set opposite to them respectively in the second column thereof, if not inconsistent with the subject or context:- **Words** — **Meanings** **"Exempt Authorised Nominee"** — means **an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.**
68	Subject to any rights or restrictions for the time being attached to any classes of shares, at meetings of members or classes of members, each member entitled to vote may vote in person or by proxy or by attorney and on a show of hands, every holder of ordinary shares or preference shares who is personally present, who is a member or a representative of a member or a proxy being entitled to vote shall be entitled to one (1) vote, and on a poll, every member present in person or by proxy or by attorney or other duly authorized representative shall have one (1) vote for each ordinary or preference share he holds.	68	Subject to any rights or restrictions for the time being attached to any classes of shares, at meetings of members or classes of members, each member entitled to vote may vote in person or by proxy or by attorney and on a show of hands, every holder of ordinary shares or preference shares who is personally present, who is a member or a representative of a member or a proxy being entitled to vote shall be entitled to one (1) vote, and on a poll, every member present in person or by proxy or by attorney or other duly authorized representative shall have one (1) vote for each ordinary or preference share he holds. **A proxy appointed to attend and vote shall have the same rights as the member to speak at the meeting.**
75	The instrument appointing a proxy shall be in the following form with such variations as circumstances may require or the Act permits or in such other form as the Stock Exchange authorities may approve:- FOCAL AIMS HOLDINGS BERHAD I of a member of the abovenamed Company, hereby appoint of as *my/our proxy to vote for *me/us and on *my/our behalf at the (Annual or Extraordinary as the case may be) General Meeting of the Company, to be held on the day of and, at every adjournment thereof for/against the resolution(s) to be proposed thereat. As witness my hand this day of 20 *Strike out whichever is not desired. (Unless otherwise instructed, the proxy may votes as he thinks fit.) A proxy may but does not need to be a member of the Company and the provisions of Section 149(1)(b) of the Act need not be complied with. To be valid this form duly completed must be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting. A member shall be entitled to appoint at least one proxy to attend and vote at the same meeting. Where a member appoints two or more proxies he shall specify the proportion of his shareholdings to be represented by each proxy. If the appointer is a corporation, this form must be executed under its common seal or under the hand of its attorney.	75	The instrument appointing a proxy shall be in the following form with such variations as circumstances may require or the Act permits or in such other form as the Stock Exchange authorities may approve:- FOCAL AIMS HOLDINGS BERHAD I of a member of the abovenamed Company, hereby appoint of as *my/our proxy to vote for *me/us and on *my/our behalf at the (Annual or Extraordinary as the case may be) General Meeting of the Company, to be held on the day of and, at every adjournment thereof for/against the resolution(s) to be proposed thereat. As witness my hand this day of 20 *Strike out whichever is not desired. (Unless otherwise instructed, the proxy may votes as he thinks fit.) A proxy may but does not need to be a member of the Company and the provisions of Section 149 (1) (b) of the Act need not be complied with. **Notwithstanding this, a member entitled to attend and vote at any general meeting of the Company, or at a meeting of any class of members of the Company, shall be entitled to appoint any person as his proxy to attend and vote instead of him. There shall be no restriction as to the qualification of the proxy.** To be valid this form duly completed must be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting. A member shall be entitled to appoint at least one proxy to attend and vote at the same meeting. Where a member appoints two or more proxies he shall specify the proportion of his shareholdings to be represented by each proxy. If the appointer is a corporation, this form must be executed under its common seal or under the hand of its attorney.
75A	Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.	75A	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 authorized nominee may appoint in respect of each omnibus account it holds.**

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
Website: www.focal.com.my

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 0777689)*
Mak Chooi Peng *(MAICSA 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 65, 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 three (3) out of five (5) Board Meetings held in the financial year ended 30 September 2012. 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 71, 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 strategic plans and policies. He holds directorships in several private limited companies. He has attended all of the five (5) Board Meetings held in the financial year ended 30 September 2012. 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 @ Mr. Yee Oy Chong also sits in the Executive Committee of the Company.

YEE YOK SEN

Mr. Yee Yok Sen, aged 55, 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 five (5) Board Meetings held in the financial year ended 30 September 2012. 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 58, 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 four (4) out of five (5) Board Meetings held in the financial year ended 30 September 2012. 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 63, 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 has vast working experience both in public and private sectors, spanning over period of 28 years. Prior to his retirement in 2004, he was at the helm of a public company, listed on the Second Board, Bursa Malaysia Securities Berhad. He also holds directorships in several private limited companies. He has attended all of the five (5) Board Meetings held in the financial year ended 30 September 2012. 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.

Profile of Directors (Cont'd)

PHANG PIOW @ PANG CHOO ING

Mr. Phang Piow @ Pang Choo Ing, aged 70, 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 of the five (5) Board Meetings held in the financial year ended 30 September 2012. 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 65, 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 of the five (5) Board Meetings held in the financial year ended 30 September 2012. 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 68, 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 of the five (5) Board Meetings held in the financial year ended 30 September 2012. 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 51, 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 of the five (5) Board Meetings held in the financial year ended 30 September 2012. 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 2012. "

Chairman's Statement (Cont'd)

OVERVIEW

During the financial year under review, the world economy continues to face unprecedented financial woes particularly in the United States ("US") and European Union ("EU"). The digestion process of the meltdown in 2008 continues and the road to recovery have been slow. While the unemployment rate in the US is high, it pales in comparison to some of its peers at the EU. With unbearably high unemployment, it is natural that people will take matters into their own hand and thereby created confusion and commotion on the streets. The social stability has been badly wounded as a result. The austerity measures taken by many of the highly indebted nations have made suffering worse. There is no light yet to be seen at the end of the tunnel. Contrary to the difficult plight faced by the Western countries, Asia in particular China has been keeping its economy in check. The growth may be slower than the previous years but any growth at present is a definite plus to help the neighbouring countries as well as the world economy.

Malaysia, being situated in Asia, is affected to a lesser extent by the dampening world economy. The engine of growth is kept alive externally by our large trading partners in Asia while internally is being strengthened by domestic investments by both the government and private sectors. The Malaysian government continues its pump priming measures focused at several National Key Economic Areas ("NKEA") located at different geographical locations. The most notable project is Iskandar Malaysia ("IM"), situated in Johor Bahru. On top of that, it is now known that there are another two (2) mega projects being undertaken at the eastern side of IM across the Sungai Johor. They are the RM6 billion redevelopment of Desaru by Khazanah into Bali of Malaysia and the RM170 billion oil and gas development at Pengerang called Pengerang Integrated Petroleum Complex ("PIPC"). The confirmed investments of RM60 billion by Petronas (RAPID project) and RM5-10 billion by Dialog Group are already in the making. The positive effects of these investments are keeping the market moving and thereby buffering us from the adverse impacts of the world economic turmoil at the moment. With this in mind, the economy of Malaysia is expected to achieve another year of positive growth.

FINANCIAL HIGHLIGHTS

For the financial year under review, the Group registered profitable results with marked improvements on all counts compared with previous years. The Group achieved a pre-tax profit of RM8.10 million and a profit after tax of RM7.20 million. The revenue achieved was RM65.29 million compared with RM55.71 million in the previous financial year. The Group's net earnings per share stood at 2.84 sen and the net assets per share as at 30 September 2012 stood at RM1.17.

The Group's performance from loss-making in the past three years to profit-making in the financial year under review was achieved as a result of the higher margin properties at Saujana O-Lot in the Klang Valley as well as the overall improvement of sentiments and market conditions at Iskandar Malaysia ("IM").

Chairman's Statement (Cont'd)

OPERATIONAL REVIEW

ISKANDAR MALAYSIA

Kota Masai is the Group's township development situated in the Node D of Iskandar Malaysia. It is a 2,500-acre township comprising of residential, commercial, industrial, and recreational properties. During the financial year under review, the Group managed to sell a total of 61 units of single storey terrace houses, 72 units of double storey terrace houses, 12 units of double storey semi-detached houses, 58 units of single storey cluster houses, 2 units of light industry, 1 plot of bungalow lot, and 117 units of double/three storey shop office. The sales have been steadily growing with improved market sentiments at IM. The response to the commercial properties was overwhelming as all non-Bumiputra units were sold within a week. The response to our first-of-its-kind single storey cluster houses was also encouraging as more than 60% of phase 1 was sold within a month from the official launch. The sales of single/double storey terrace and double storey semi-detached houses fared well as all existing phases had been fully sold. The positive market sentiment has also helped to clear the long held stocks like terrace light industry and bungalow lot.

The major infrastructure works such as Desaru Bridge, Lebuhraya Persiaran Pantai ("LPP" - also known as 2nd Pasir Gudang Highway), Eastern Dispersal Link ("EDL") and the Coastal Highway were completed during the financial year under review. The completion of all these highways and bridges had reduced the commuting time drastically between Kota Masai and the city centre as well as Customs, Immigration and Quarantine ("CIQ"). Basically, the travelling time between Kota Masai and the rest of IM had improved. The old concept of far and away had been blurred and the accessibility within the whole of IM had been enhanced overnight. Such was the common impression of all residents at IM and new target markets and products were made possible. The completion of Johor Premium Outlet ("JPO"), Legoland, Puteri Harbour Family Indoor Themepark (Sanrio Hello Kitty Town and The Little Big Club), myriad of universities and private colleges, and hospitals had transformed and elevated IM to a different level. The physical completion of all these establishments boosted the confidence of locals as well as foreigners.

The positive effects of IM had emerged and filtered to the property market as shown by the upbeat sentiments for service apartments and condominiums. The improved demand was not limited to the highrise only but across the various segments of the property market. With improved accessibility, the location at Node D (Pasir Gudang/Tanjung Langsat area) is no longer a deterrent in terms of distance and travel. The possibilities were further opened up when there are two (2) other mega developments undergoing at Desaru and Pengerang. The materialization of these two (2) mega projects of leisure and industrial nature in the next few years will definitely work in favour of Kota Masai.

KLANG VALLEY

Saujana O-Lot is the Group's high end niche development in the Klang Valley. It is located at Glenmarie/Temasya area with convenient accessibility to NKVE, Federal Highway and Subang Airport Highway. The accessibility is further enhanced with the opening of a new link to Tropicana via Ara Damansara which opened up easy access to Kota Damansara and Bandar Utama.

The whole development of Saujana O-Lot is based on the concept of O-Lot. The O-Lot concept allows the purchaser to own a bungalow unit at the price of a semi-detached house. The concept works by pushing all units along the same row to one side of the boundary line. If the neighbouring unit pushes to its right side, then your unit is also pushed to the right side until it hits the boundary line. By doing so, it allows the house owners to enjoy a bigger garden with more privacy. The final phase of Saujana O-Lot has retained the contemporary and trendy design. The three storey house has its own sky garden on the sky balcony alongside the spacious garden with more privacy on the ground.

During the financial year under review, 4 units of D Villa and 3 units of SD Villa were sold. Sales has been affected by the tightening of lending by the Government to a certain extent. Nonetheless, the interest in the project remained strong as evidenced by the frequent call-in and walk-in. Sales is expected to regain its momentum once the lending conditions are relaxed. In any case, the development is now into its final phase and the scarcity of its kind would make it appealing to the eyes of the potential buyers.

Chairman's Statement (Cont'd)


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MASAI

Chairman's Statement (Cont'd)

PROSPECT

The economy of the United States ("US") and European Union ("EU") are still in the doldrums. The aftermath of the economic crisis dated back to 2008 is still taking its toll on many of the advanced nations in the world. The Malaysian economy, surprisingly, has been very resilient by registering GDP growth of 5.4% in the second quarter 2012 (1Q12: 4.9%) amidst such a challenging environment. The second half of this year will be even more challenging with continued slowdown in the global economy expected without clear indication of recovery. It is believed that the third quarter growth will be lower but overall the nation is anticipated to achieve GDP growth between 4.5%-5% for 2012. This is a remarkable feat given the tumultuous environment that Malaysia is undergoing. With the government's initiatives like Economic Transformation Program ("ETP") and National Key Economic Areas ("NKEA"), expenditure on various infrastructure works and domestic consumption has kept the local economy moving. The physical foundation laid through pump priming the economy is aimed to enhance and elevate Malaysia's attractiveness and competiveness in order to grow the economy on a sustainable basis. One of the key areas of focus is Iskandar Malaysia ("IM"), at which the Group's flagship development Kota Masai is situated.

The recent completion of major infrastructures such as Coastal Highway (connects City Centre to Danga Bay/Nusajaya), Eastern Dispersal Link, Lebuhraya Persiaran Pantai ("LPP"-connects EDL to Pasir Gudang) and Senai-Desaru Highway have enhanced the connectivity within IM to an unprecedented level. The completion of notable developments such as Legoland, Johor Premium Outlet ("JPO"), Puteri Harbour, Puteri Harbour Family Indoor Themepark (Sanrio Hello Kitty Town and The Little Big Club), Marlborough College, Newcastle University Medicine Malaysia, Netherlands Maritime Institute of Technology, Raffles University Iskandar, University of Southampton Malaysia Campus, University of Reading Malaysia, Raffles American School and the like have pushed IM to the forefront of Malaysia economy. On top of that, the redevelopment of Desaru by Khazanah and the Pengerang Integrated Petroleum Complex ("PIPC") are also in the midst of development. According to Johor Petroleum Development Corporation ("JPDC"), RM170 billion is expected to be invested in Pengerang over the next 5 years with thousands of jobs to be created.

In addition, what had been mentioned in the annual report last year as serving the needs of the Singaporean simply due to its close proximity and stark disparity in prices is slowly taking shape now. With the relationship of both Malaysia and Singapore Governments improving and the accessibility between nations enhanced (proposed Mass Rapid Transit ("MRT") into IM by 2018), an influx of Singaporean investors is expected. All these favourable factors augur well for the Group as the flagship development is situated in Node D of IM.

Going forward, the prospects are looking good as GDP growth is expected from the national level and the upbeat sentiments are present at the regional level (Iskandar Malaysia). Nevertheless, given the dilapidated economic situation in the US and EU, great uncertainties and market risks are still present. Therefore the Group is cautiously optimistic to expect another challenging year ahead.

DIVIDEND

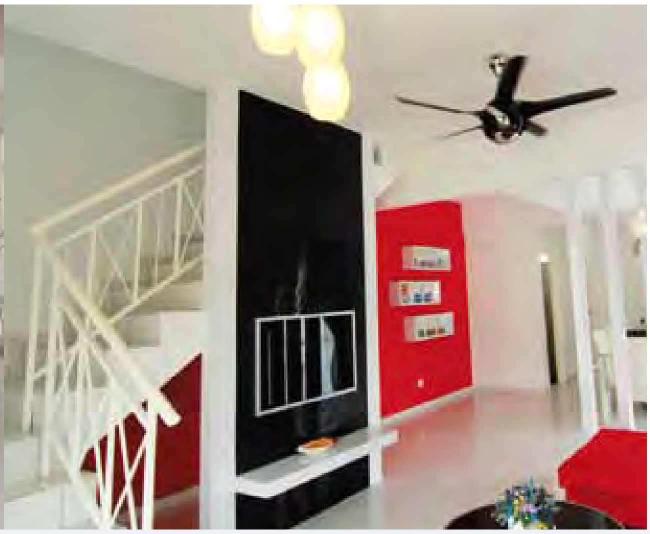
The Board of Directors is pleased to recommend for the shareholders' approval at the forthcoming Annual General Meeting, a first and final dividend of 1% less income tax for the financial year ended 30 September 2012.

ACKNOWLEDGEMENT

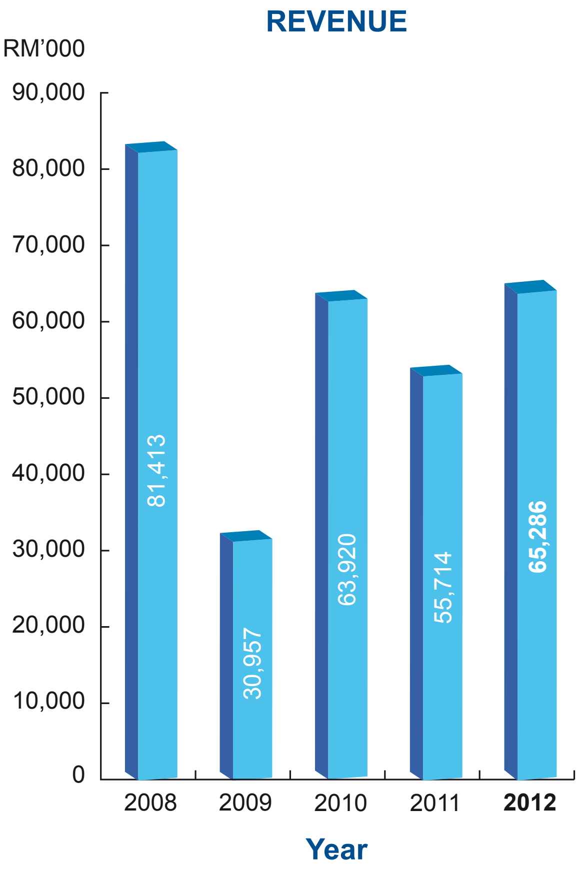
On behalf of the Board of Directors, I extend my appreciation to the management and staff for their valuable contribution to the Group. I wish to express my gratitude to my fellow directors for their dedication and guidance. I also like to put on record my sincere appreciation to our bankers, business 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.

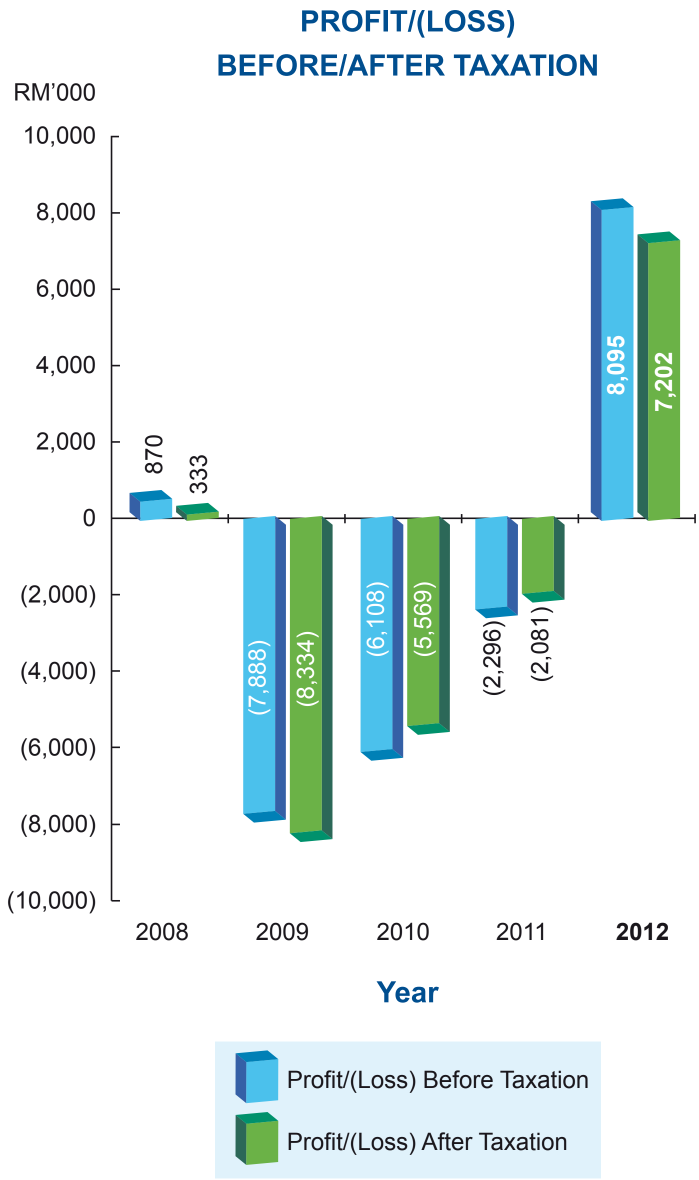
Financial Highlights

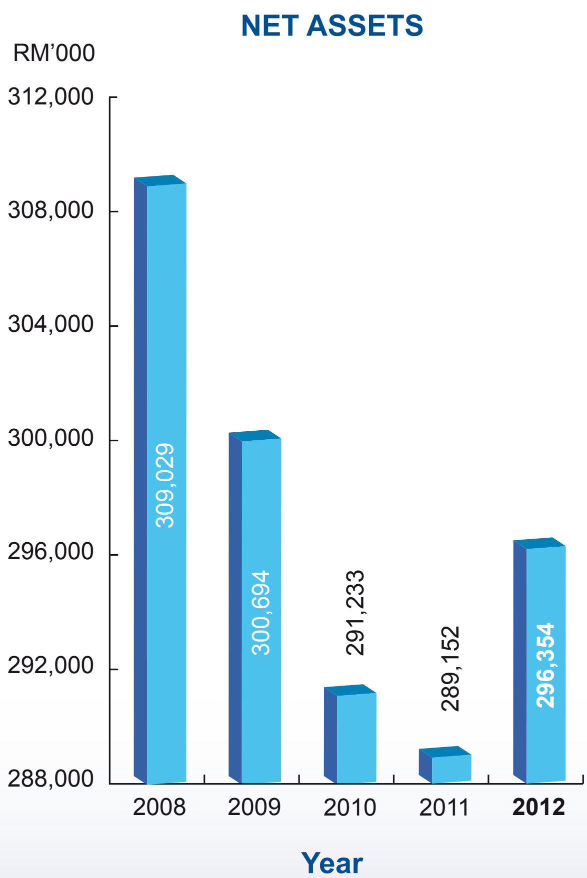
	2012	2011	2010	2009	2008
Paid-up capital (RM'000)	253,317	253,317	253,317	253,317	253,317
Net assets (RM'000)	296,354	289,152	291,233	300,694	309,029
Net assets per share (sen)	117	114	115	119	122
Revenue (RM'000)	65,286	55,714	63,920	30,957	81,413
Profit/(Loss) before taxation (RM'000)	8,095	(2,296)	(6,108)	(7,888)	870
Profit/(Loss) for the year attributable to equity holders of the Company (RM'000)	7,202	(2,081)	(5,569)	(8,334)	333
Net earnings/(loss) per share (sen)	2.84	(0.82)	(2.20)	(3.29)	0.13
Pre-tax profit/(loss) margin (%)	12.40	(4.12)	(9.56)	(25.5)	1.07
Current ratio	2.22	2.95	2.62	3.03	2.51
Return on capital employed (%)	2.7	(0.8)	(2.1)	(2.6)	0.3
Total borrowings (RM'000)	64,041	64,468	83,240	94,584	99,390
Gearing (times)	0.22	0.22	0.29	0.31	0.32



Financial Highlights (Cont'd)







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)

Audit Committee Report

Size and Composition

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

During the year ended 30 September 2012, the Committee held a total of four (4) meetings on 25 November 2011, 28 February 2012, 25 May 2012 and 29 August 2012 respectively.

The Audit Committee members were re-appointed for a term of three (3) years expiring on 8 November 2015.

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 three (3) out of four (4) meetings
(b)	Woon See Chin	Independent Non-Executive Director	Attended all four (4) meetings
(c)	Tee Boon Hin	Independent Non-Executive Director	Attended all four (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 an 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.

Audit Committee Report (Cont'd)

(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 their evaluation of the system of internal controls and their 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;

Audit Committee Report (Cont'd)

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

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

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

- To monitor risk management processes are integrated into all core business processes and that the culture of the organization reflects the risk consciousness of the Board;
- Review the Risk Register and ensure that all risks are well managed;
- Review the enterprise risk scorecard and determine the risks to be escalated to the Board once a year; and
- Provide a consolidated risk and assurance report to the Board to support the statement relating to internal control in the Company's annual report.

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

Activities of the Committee during the year

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

1. Financial statements:

   (a) Reviewed the quarterly reports 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 ensured that the financial reporting and disclosure requirements of the relevant authorities are duly complied with.

2. Matters relating to External Audit:

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

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

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

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

3. Matters relating to Internal Audit:

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

   (b) Reviewed the internal audit reports 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 reports 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 re-appointment, scope of work and fees.

4. Risk Management

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

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

Audit Committee Report (Cont'd)

5. Other activities

    (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 Management & Risk Consulting Sdn. Bhd. as the Internal Auditors for a two (2) year term which will expire on 30 September 2014. The Internal Auditors' scope of work is based on 5-phase approach as follows:

- Engagement initiation
- Internal audit planning
- Internal audit execution
- Reporting
- Engagement management and continuous improvement

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

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

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

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

1. Audit work on strategic management focusing on
    - communication of corporate objective or plan to line management and staff; and
    - accuracy, completeness and timeliness of information for Management and/or Board decision making.

2. Audit work on project management focusing on
    - illegal foreign workers deployed by contractors;
    - competency and reliability of contractors or consultants; and
    - workmanship.

3. Audit work on financial management focusing on
    - liquidity risk (cash flow constraints);
    - impairment of assets;
    - adverse fluctuations in interest rates on borrowings;
    - credit risk; and
    - adequacy of insurance coverage for unsold units.

4. Audit work on human resource management focusing on
    - manpower;
    - competency or experience employees;
    - succession planning within the organization; and
    - loss or leakage of critical and confidential information.

5. Audit work on information management focusing on IT system.

6. Audit work on legal with regard to listing requirements and property related regulations.

7. Other test of controls such as control over property, plant and equipment, payroll and review of bank reconciliation statements, including nature of reconciling items and timeliness of the resolution.

8. Follow-up on implementation status of previous cycle audit recommendation.

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 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 (3) of the non-executive directors are independent directors, which complies with paragraph 15.02 of the Main Market Listing Requirements of Bursa Securities (Paragraph 15.02: A listed issuer must ensure that at least two (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 6 to 7.

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 of policies and executive decision-making. The independent non-executive directors play an important role to ensure that the views provided are professional and independent and that the advice and judgement made to issues and decisions are to the best interest of the stakeholders and the Group.

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

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

The Board meets at least four (4) times a year, with additional meetings for particular matters convened as and when necessary. Five (5) Board meetings were held during the financial year ended 30 September 2012. The record of their meeting attendance are as follows:

Directors		**Number of Board Meetings Attended / Held (during the Directors' tenure for the current financial year)**
Tan Sri Datuk Mohd. Razali bin Abdul Rahman	Chairman	3 / 5
E. Seng Kiw @ Yee Oy Chong	Group Managing Director	5 / 5
Yee Yok Sen	Group Executive Director	5 / 5
Datuk Che Mokhtar bin Che Ali	Independent Non-Executive Director	4 / 5
Wan Mustapha bin Wan Ismail	Non-Independent Non-Executive Director	5 / 5
Phang Piow @ Pang Choo Ing	Non-Independent Non-Executive Director	5 / 5
Pang Tin @ Pang Yon Tin	Non-Independent Non-Executive Director	5 / 5
Woon See Chin	Independent Non-Executive Director	5 / 5
Tee Boon Hin	Independent Non-Executive Director	5 / 5

Statement of Corporate Governance (Cont'd)

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 with respect to 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 2012 two (2) meetings were held and details of attendance are as follows:-

Members	**Designation**	**No. of meetings attended**
Woon See Chin *(Independent Non-Executive Director)*	Chairman	2 / 2
E. Seng Kiw @ Yee Oy Chong *(Group Managing Director)*	Member	2 / 2
Datuk Che Mokhtar bin Che Ali *(Independent Non-Executive Director)*	Member	2 / 2
Tee Boon Hin *(Independent Non-Executive Director)*	Member	2 / 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 7 December 2012 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 7 December 2012 and all the members attended the meeting. The committee has reviewed and assessed the Board as a whole and the 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)*	

Statement of Corporate Governance (Cont'd)

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 — Chairman
(Non-Independent Non-Executive Director)

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 (3) years and shall be eligible for re-election at the Annual General Meeting. The Group Managing Director is appointed for a period not exceeding three (3) 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 2012 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	-	-
Others	262	49*1
Total	**1,505**	**592**

Statement of Corporate Governance (Cont'd)

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

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

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 arranged a workshop for the Directors on 29 August 2012 to keep them abreast of the recent changes to the Malaysian Code on Corporate Governance. The topic of the workshop is entitled "The Malaysian Code on Corporate Governance 2012 Salient Changes". All the Directors attended the Directors' training for the financial year 2012 pursuant to paragraph 15.09 of the Main Market Listing Requirements of the Bursa Securities.

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

Dialogue with Shareholders

The Group recognizes the need to inform the shareholders of all major developments concerning the Group on a timely basis. 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.

Statement of Corporate Governance (Cont'd)

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 prospects through the release of the quarterly reports 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 29 to 30 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 standards 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.

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 Corporate Governance (Cont'd)

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 so 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.

ADDITIONAL COMPLIANCE INFORMATION

SHARE BUYBACK

There was no buyback of the Company's shares during the financial year ended 30 September 2012.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

There were no options, warrants or convertible securities issued to any parties during the financial year.

DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any depository receipt programme during the financial year.

SANCTIONS AND/OR PENALTIES

There were no public sanctions and/or penalties imposed on the Company and/or its subsidiary companies, Directors or Management by any regulatory body during the financial year.

NON-AUDIT FEES

The amount of non-audit fee incurred for the services by the external auditors and their member firms to the Group for financial year 30 September 2012 amounted to RM41,100 (2011: RM44,300).

VARIATION IN RESULTS

There were no material variation between the results for the financial year ended 30 September 2012 and the unaudited results previously announced.

PROFIT GUARANTEE

The Company did not give any profit guarantee during the financial year.

MATERIAL CONTRACTS

There was no material contract entered into by the Company and its subsidiaries involving Directors' and major shareholders' interest which were still subsisting as at the end of the financial year or entered since the end of the previous financial year.

UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS

No proceeds were raised from such exercise for the financial year 2012.

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 (“the Board”) 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 2012 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 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.

Statement of Internal Control (Cont'd)

(Pursuant to paragraph 15.26(b) of the Bursa Listing Requirements)

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.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

This Statement of Internal Control has been reviewed by the external auditors for the inclusion in this Annual Report and nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of the internal controls.

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.

This statement is made in accordance with the Board's resolution dated 7 December 2012.

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.

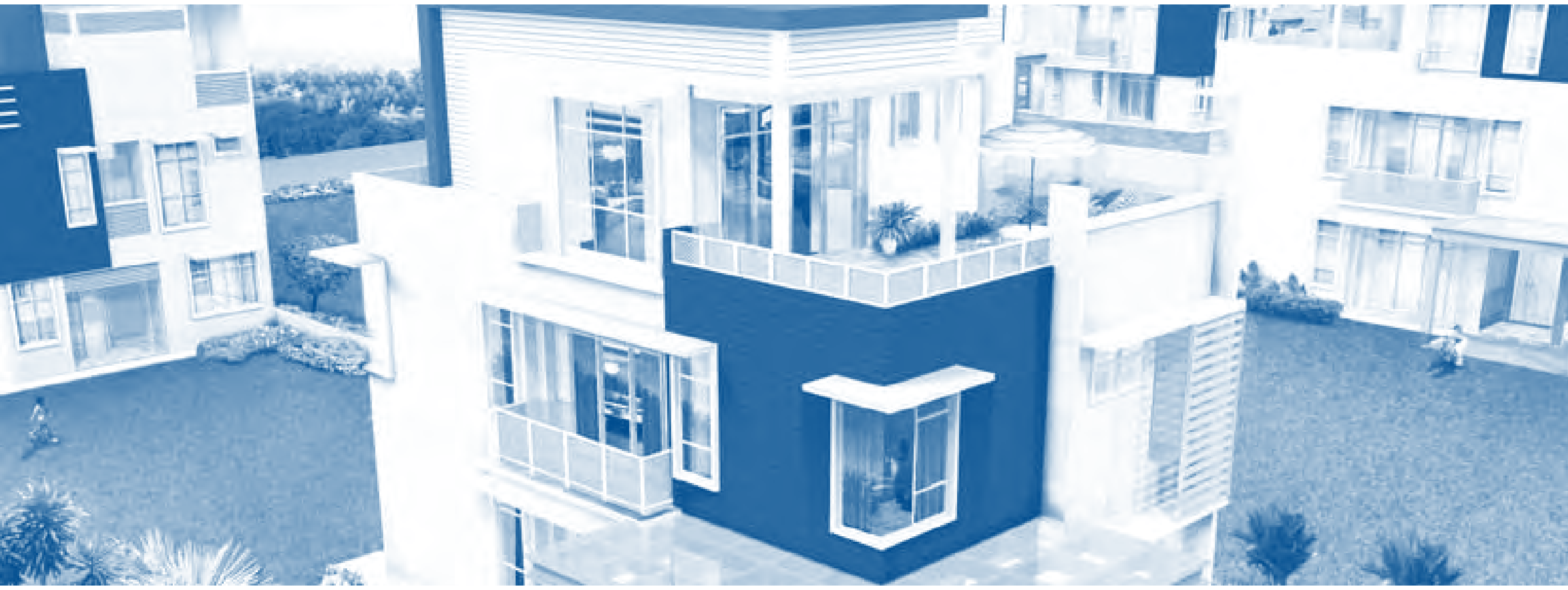
The Internal Auditors reports directly to the audit committee who reviews and approves the internal audit plan and the internal audit reports on the audit recommendations and management's responses to these recommendations.

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 Management & Risk Consulting Sdn. Bhd.

The total cost incurred in managing the IAF in 2012 was RM47,162.23.



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 2012.

PRINCIPAL ACTIVITIES

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

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

RESULTS

	Group RM	Company RM
Profit net of tax	7,201,675	318,398
Profit attributable to equity holders of the Company	7,201,675	318,398

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 by the Company since the end of the previous financial year.

At the forthcoming Annual General Meeting, a first and final dividend in respect of the financial year ended 30 September 2012, of 1% less 25% taxation on 253,317,000 ordinary shares, amounting to a total dividend payable of RM1,899,878 (0.75 sen net per ordinary share) will be proposed for Shareholders' approval. The financial statements for the financial year under review do not reflect this proposed dividend. Such dividend, if approved by the Shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 September 2013.

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' Report (Cont'd)

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 2011**	**Acquired**	**Sold**	**30 September 2012**
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 2011**	**Acquired**	**Sold**	**30 September 2012**
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.

Directors' Report (Cont'd)

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 adequate provision had been made for doubtful debts; and

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

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

(i) it necessary to write off any bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent 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 7 December 2012.

E. Seng Kiw @ Yee Oy Chong

Wan Mustapha bin Wan Ismail

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

We, E. Seng Kiw @ Yee Oy Chong and Wan Mustapha bin Wan Ismail, being two of the directors of Focal Aims Holdings Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 41 to 72 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 2012 and of the financial performance and the cash flows of the Group and of the Company for the year then ended.

The information set out in Note 35 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 7 December 2012.

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 73 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 7 December 2012) Wan Mustapha bin Wan Ismail

Before me,
Ho Hee Tuan (J198)
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 2012 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 72.

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 judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation 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 2012 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)

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

Other matters

The supplementary information set out in Note 35 on page 73 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: 7 December 2012

Statements of Comprehensive Income

STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2012

	Note	Group 2012 RM	Group 2011 (restated) RM	Company 2012 RM	Company 2011 RM
Revenue	4	65,286,005	55,713,967	-	-
Cost of sales	5	(43,298,738)	(44,213,316)	-	-
Gross profit		21,987,267	11,500,651	-	-
Other items of income		704,835	732,970	865,014	2,370,123
Other items of expense					
Administrative expenses		(11,788,129)	(12,149,086)	(546,616)	(526,243)
Finance costs	9	(2,809,074)	(2,380,119)	-	-
Profit/(Loss) before tax	6	8,094,899	(2,295,584)	318,398	1,843,880
Income tax (expense)/benefit	10	(893,224)	214,612	-	-
Profit/(Loss) net of tax, representing total comprehensive income/(loss) for the year		7,201,675	(2,080,972)	318,398	1,843,880
Profit/(Loss) attributable to:					
Equity holders of the Company		7,201,675	(2,080,972)	318,398	1,843,880
Total comprehensive income/(loss) attributable to:					
Equity holders of the Company		7,201,675	(2,080,972)	318,398	1,843,880
Profit/(Loss) per share attributable to equity holders of the Company :					
- Basic (sen)	11	2.84	(0.82)		
- Diluted (sen)	11	2.84	(0.82)		

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 2012

	Note	Group As at 30.9.2012 RM	30.9.2011 (restated) RM	1.10.2010 (restated) RM
Assets				
Non-current assets				
Property, plant and equipment	13	1,336,538	1,558,182	1,478,705
Land held for property development	14(a)	302,641,822	318,779,478	345,646,910
		303,978,360	320,337,660	347,125,615
Current assets				
Property development costs	14(b)	106,087,360	80,014,061	67,849,011
Inventories	16	29,234,838	28,579,065	25,970,788
Trade and other receivables	17	34,009,270	11,259,997	7,766,527
Other current assets	18	11,057,966	2,880,024	13,077,387
Tax recoverable		-	625,570	508,481
Cash and bank balances	19	6,904,450	3,631,283	5,302,549
		187,293,884	126,990,000	120,474,743
Total assets		491,272,244	447,327,660	467,600,358
Equity and liabilities				
Current liabilities				
Trade and other payables	20	29,562,625	11,520,688	12,868,877
Borrowings	21	30,115,562	26,127,071	29,941,180
Other current liabilities	22	24,220,406	5,369,486	3,212,336
Taxation		243,256	-	-
		84,141,849	43,017,245	46,022,393
Net current assets		103,152,035	83,972,755	74,452,350
Non-current liabilities				
Other payables	20	14,313,050	14,313,050	14,313,050
Borrowings	21	33,925,000	38,340,993	53,298,559
Deferred taxation	26	60,038,286	60,003,988	60,233,000
		108,276,336	112,658,031	127,844,609
Total liabilities		192,418,185	155,675,276	173,867,002
Equity attributable to equity holders of the Company				
Share capital	23	253,317,000	253,317,000	253,317,000
Share premium	24	22,343	22,343	22,343
Retained earnings	24	43,014,716	35,813,041	37,894,013
		296,354,059	289,152,384	291,233,356
Non-controlling interests	25	2,500,000	2,500,000	2,500,000
Total equity		298,854,059	291,652,384	293,733,356
Total equity and liabilities		491,272,244	447,327,660	467,600,358

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

Statements of Financial Position (Cont'd)

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2012

	Note	Company 2012 RM	Company 2011 RM
Assets			
Non-current assets			
Investment in subsidiaries	15	166,817,000	166,817,000
Current assets			
Trade and other receivables	17	57,145,611	56,841,888
Other current assets	18	53	1,809
Tax recoverable		259,202	259,202
Cash and bank balances	19	8,901	2,112
		57,413,767	57,105,011
Total assets		224,230,767	223,922,011
Equity and liabilities			
Current liabilities			
Trade and other payables	20	4,180,491	4,190,133
Net current assets		53,233,276	52,914,878
Equity attributable to equity holders of the Company			
Share capital	23	253,317,000	253,317,000
Share premium	24	22,343	22,343
Accumulated losses	24	(33,289,067)	(33,607,465)
Total equity		220,050,276	219,731,878
Total equity and liabilities		224,230,767	223,922,011

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

Consolidated Statement of Changes In Equity

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2012

		<--- 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 2011	291,652,384	289,152,384	253,317,000	22,343	35,813,041	2,500,000
Total comprehensive income	7,201,675	7,201,675	-	-	7,201,675	-
At 30 September 2012	298,854,059	296,354,059	253,317,000	22,343	43,014,716	2,500,000
At 1 October 2010, as previously stated	299,236,146	296,736,146	253,317,000	22,343	43,396,803	2,500,000
Effect of adopting FRSIC Consensus 17	(5,502,790)	(5,502,790)	-	-	(5,502,790)	-
At 1 October 2010 (restated)	293,733,356	291,233,356	253,317,000	22,343	37,894,013	2,500,000
Total comprehensive loss	(2,080,972)	(2,080,972)	-	-	(2,080,972)	-
At 30 September 2011	291,652,384	289,152,384	253,317,000	22,343	35,813,041	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 2012

		<--- Non-Distributable --->		
	Equity, total RM	**Share capital RM**	**Share premium RM**	**Accumulated losses RM**
At 1 October 2011	219,731,878	253,317,000	22,343	(33,607,465)
Total comprehensive income	318,398	-	-	318,398
At 30 September 2012	220,050,276	253,317,000	22,343	(33,289,067)
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)

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

Statements of Cash Flows

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2012

	Group		Company	
	2012	2011 (restated)	2012	2011
	RM	RM	RM	RM
Operating activities				
Profit/(Loss) before tax	8,094,899	(2,295,584)	318,398	1,843,880
Adjustments for :				
Depreciation	296,281	250,504	-	-
Interest expense	2,809,074	2,380,119	-	-
Interest income	(196,010)	(237,406)	-	-
Property, plant and equipment written off	1,587	4,604	-	-
Reversal of allowance for impairment on receivables	-	-	(865,014)	(2,370,123)
(Gain)/Loss on disposal of property, plant and equipment	(3,399)	204	-	-
Reversal of impairment on property development cost	(952,293)	-	-	-
Provision for foreseeable losses for affordable housing	108,766	49,034	-	-
Operating cash flows before changes in working capital	10,158,905	151,475	(546,616)	(526,243)
Property development expenditure	(6,771,985)	23,043,575	-	-
Inventories	(660,441)	(2,617,364)	-	-
Receivables	(30,927,215)	6,703,893	1,756	(1,762)
Payables	36,892,857	808,961	5,358	7,841
Cash flows generated from/ (used in) operations	8,692,121	28,090,540	(539,502)	(520,164)
Interest received	196,010	237,406	-	-
Interest paid	(5,124,535)	(10,761,260)	-	-
Income taxes paid	(139,861)	(131,488)	-	-
Income taxes refunded	149,758	-	-	-
Net cash flows generated from/ (used in) operating activities	3,773,493	17,435,198	(539,502)	(520,164)

Statements of Cash Flows (Cont'd)

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2012 (Cont'd)

	Group 2012 RM	Group 2011 (restated) RM	Company 2012 RM	Company 2011 RM
Investing activities				
Purchase of property, plant and equipment	(76,725)	(344,690)	-	-
Proceeds from disposal of property, plant and equipment	3,900	9,901	-	-
Advances from subsidiary companies	-	-	546,291	467,961
Net cash flows (used in)/generated from investing activities	(72,825)	(334,789)	546,291	467,961
Financing activities				
Drawdown of term loans	14,200,000	4,100,000	-	-
Repayment of revolving credit	(9,539,968)	(3,849,043)	-	-
Repayment of term loans	(10,128,085)	(19,057,566)	-	-
Net cash flows used in financing activities	(5,468,053)	(18,806,609)	-	-
Net (decrease)/increase in cash and cash equivalents	(1,767,385)	(1,706,200)	6,789	(52,203)
Cash and cash equivalents at 1 October 2011/2010	(6,344,831)	(4,638,631)	2,112	54,315
Cash and cash equivalents at 30 September (Note 19)	(8,112,216)	(6,344,831)	8,901	2,112

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

Notes to The Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2012

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 15 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 ("FRS") 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 October 2011 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 2011, the Group and the Company adopted the following new and amended FRS and IC Interpretations:

Amendments to FRS 1: First-time Adoption of Financial Reporting Standards
  - Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 2: Group Cash-settled Share Based Payment
Improvements to FRSs issued in 2010
Amendments to FRS 7: Improving Disclosures about Financial Instruments
IC Interpretation 4 Determining Whether an Arrangement contains a Lease
Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement
Amendments to IC Interpretation 15: Agreements for the Construction of Real Estate
IC Interpretation 18 Transfers of Assets from Customers
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments

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:

<u>FRSIC Consensus 17 Development of Affordable Housing ("FRSIC 17")</u>

Malaysia Institute of Accountant ("MIA") had on 24 November 2011 approved the release of FRSIC 17, which provides guidance on the accounting recognition for the shortfall between the cost of constructing affordable housing and the economic benefits expected to be received from the purchasers of affordable housing (and/or other relevant parties) in the development of affordable housing on involuntary basis and voluntary basis. Development of affordable housing on involuntary basis arose from the requirements imposed by the authorities upon the property developer. The property developer could not avoid or does not have any realistic alternative of avoiding the outflow of resources. This creates a present obligation on the property developer to discharge such requirement to enable the development of premium housing. As such, a provision for the said present obligation with a corresponding asset in the form of common costs for development of premium housing shall be recognised upon the approval of master and building plans.

Prior to the adoption of FRSIC 17, the Group applied FRS 136 Impairment of Assets to determine whether the land has become impaired. Impairment losses were provided for those land that are designated for the construction of low and low-medium cost houses that are required by Pejabat Tanah dan Galian Negeri Johor and were recognised in profit or loss.

Notes to The Financial Statements (Cont'd)

2.2 Changes in accounting policies (Cont'd)

The Group has adopted FRSIC 17 and applied this change in accounting policy retrospectively and certain comparatives have been restated. The following are effects to the statements of financial position as at 30 September 2012 and statements of comprehensive income for the financial year ended 30 September 2012 arising from this change in accounting policy:

Group **Statements of financial position**	**Increase/ (decrease) RM**
Land held for property development	7,255,291
Inventories	502,722
Property development costs	894,447
Provision for foreseeable losses for affordable housing	14,313,050
Retained earnings	(5,660,590)
Statements of comprehensive income	
Cost of sales	108,766
Profit net of tax	(108,766)

The following comparatives have been restated:

Group **Statements of financial position** **30 September 2011**	**As previously stated RM**	**Adjustments RM**	**As restated RM**
Land held for property development	311,032,676	7,746,802	318,779,478
Inventories	28,074,708	504,357	28,579,065
Property development costs	79,503,994	510,067	80,014,061
Provision for foreseeable losses for affordable housing	-	14,313,050	14,313,050
Retained earnings	41,364,865	(5,551,824)	35,813,041

Group **Statements of financial position** **1 October 2010**			
Land held for property development	337,900,108	7,746,802	345,646,910
Inventories	25,465,890	504,898	25,970,788
Property development costs	67,290,451	558,560	67,849,011
Provision for foreseeable losses for affordable housing	-	14,313,050	14,313,050
Retained earnings	43,396,803	(5,502,790)	37,894,013

Group **Statements of comprehensive income** **30 September 2011**			
Cost of sales (Note 29)	44,164,282	49,034	44,213,316
Loss net of tax	2,031,938	49,034	2,080,972

Notes to The Financial Statements (Cont'd)

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 periods beginning on or after
Amendments to FRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2012
Amendments to FRS 7: Transfers of Financial Assets	1 January 2012
Amendments to FRS 112: Deferred Tax: Recovery of Underlying Assets	1 January 2012
FRS 124 Related Party Disclosures	1 January 2012
Amendments to FRS 101: Presentation of Items of Other Comprehensive Income	1 July 2012
FRS 10 Consolidated Financial Statements	1 January 2013
FRS 11 Joint Arrangements	1 January 2013
FRS 12 Disclosure of interests in Other Entities	1 January 2013
FRS 13 Fair Value Measurement	1 January 2013
FRS 119 Employee Benefits	1 January 2013
FRS 127 Separate Financial Statements	1 January 2013
FRS 128 Investment in Associate and Joint Ventures	1 January 2013
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to FRS 1: Government Loans	1 January 2013
Amendments to FRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 10, FRS 11 and FRS 12	1 January 2013
Improvements to FRSs Issued in 2012	1 January 2013
Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
FRS 9 Financial Instruments	1 January 2015

The Directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application, except as disclosed below:

Amendments to FRS 101: Presentation of Items of Other Comprehensive Income

The amendments to FRS 101 change the grouping of items presented in Other Comprehensive Income. Items that could be reclassified (or "recycled") to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendments affect presentation only and have no impact on the Group's financial position or performance.

FRS 9 Financial Instruments

FRS 9 reflects the first phase of work on the replacement of FRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139. The adoption of this first phase of FRS 9 will have an effect on the classification and measurement of the Group's financial assets but will potentially have no impact on classification and measurements of financial liabilities. The Group is in the process of making an assessment of the impact of adoption of FRS 9.

FRS 12 Disclosure of Interests in Other Entities

FRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance.

FRS 13 Fair Value Measurement

FRS 13 establishes a single source of guidance under FRS for all fair value measurements. FRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted. The Group is currently assessing the impact of adoption of FRS 13.

Notes to The Financial Statements (Cont'd)

2.3 Standards issued but not yet effective (Cont'd)

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.

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional two years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

The Group falls within the scope definition of Transitioning Entities and has opted to defer adoption of the new MFRS Framework. 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 2015. 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 financial performance and financial position as disclosed in these financial statements for the year ended 30 September 2012 could be different if prepared under the MFRS Framework.

The Group considers that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 30 September 2015.

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 remeasured 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.

Notes to The Financial Statements (Cont'd)

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.

Depreciation of 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:

Motor vehicles	20%
Office equipment and fittings	10% - 33%
Other assets	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 property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

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.

Notes to The Financial Statements (Cont'd)

2.9 Property development costs (Cont'd)

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.

Notes to The Financial Statements (Cont'd)

2.12 Financial assets (Cont'd)

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.

<u>Loans and receivables</u>

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.

Notes to The Financial Statements (Cont'd)

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.

Notes to The Financial Statements (Cont'd)

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.

Notes to The Financial Statements (Cont'd)

2.21 Income tax (Cont'd)

(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 14.

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	
	2012	**2011 (restated)**
	RM	**RM**
Property development costs (Note 14(b))	42,024,518	40,886,751
Cost of inventories sold	1,274,220	3,326,565
	43,298,738	44,213,316

Notes to The Financial Statements (Cont'd)

6. PROFIT/(LOSS) BEFORE TAX

The following items have been included in arriving at profit/(loss) before tax:

	Group		Company	
	2012 RM	2011 (restated) RM	2012 RM	2011 RM
Auditors' remuneration				
- statutory audits	85,500	71,500	35,000	25,000
- other services	41,100	44,300	11,400	11,300
Depreciation (Note 13)	296,281	250,504	-	-
Directors' remuneration (Note 8)	2,096,774	2,192,053	282,100	280,100
Interest income	(196,010)	(237,406)	-	-
Property, plant and equipment written off	1,587	4,604	-	-
Reversal of allowance for impairment on receivables	-	-	(865,014)	(2,370,123)
(Gain)/Loss on disposal of property, plant and equipment	(3,399)	204	-	-
Rental expense	273,500	271,853	-	-
Reversal of impairment on property development cost (Note 14 (b))	(952,293)	-	-	-
Provision for foreseeable losses for affordable housing	108,766	49,034	-	-
Employee benefits expense (Note 7)	3,852,238	3,491,026	27,100	25,100

7. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Salaries and allowances	3,411,697	3,092,661	27,100	25,100
Defined contribution plan	409,754	369,857	-	-
Social security contributions	30,787	28,508	-	-
	3,852,238	3,491,026	27,100	25,100

8. DIRECTORS' REMUNERATION

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

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Directors of the Company				
Executive :				
Salaries and other emoluments	1,318,588	1,333,325	-	-
Bonus	-	60,480	-	-
Defined contribution plan	186,486	195,588	-	-
	1,505,074	1,589,393	-	-
Non-Executive (but holding executive position in subsidiaries) :				
Salaries and other emoluments	309,600	322,560	-	-
Fees	70,000	70,000	70,000	70,000
	379,600	392,560	70,000	70,000
Independent Non-Executive :				
Other emoluments	27,100	25,100	27,100	25,100
Fees	185,000	185,000	185,000	185,000
	212,100	210,100	212,100	210,100
Total directors' remuneration (Note 6)	2,096,774	2,192,053	282,100	280,100

Notes to The Financial Statements (Cont'd)

8. DIRECTORS' REMUNERATION (Cont'd)

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 2012	2011
Executive directors :		
RM600,001 - RM650,000	1	-
RM650,001 - RM700,000	-	1
RM850,001 - RM900,000	1	-
RM900,001 - RM950,000	-	1
Non- executive directors :		
RM50,000 and below	5	5
RM150,001 - RM200,000	2	2

9. FINANCE COSTS

	Group 2012 RM	2011 RM
Interest expense on borrowings	5,124,535	10,761,260
Less : Interest expense capitalised in property development costs (Note 14)	(2,315,461)	(8,381,141)
	2,809,074	2,380,119

10. INCOME TAX EXPENSE/(BENEFIT)

Major components of income tax expense/(benefit)

The major components of income tax expense/(benefit) for the years ended 30 September 2012 and 2011 are:

	Group 2012 RM	2011 (restated) RM	Company 2012 RM	2011 RM
Statement of comprehensive income:				
Current year income tax:				
Income tax expense for the year	861,556	14,400	-	-
Overprovision in prior year	(2,630)	-	-	-
	858,926	14,400	-	-
Deferred tax (Note 26):				
Relating to origination and reversal of temporary differences	34,298	(229,012)	-	-
Income tax expense/(benefit) recognised in profit or loss	893,224	(214,612)	-	-

Reconciliation between income tax and accounting results

The reconciliation between income tax expense/(benefit) and the product of accounting results multiplied by the applicable corporate tax rate for the years ended 30 September 2012 and 2011 are as follows:

Notes to The Financial Statements (Cont'd)

10. INCOME TAX EXPENSE/(BENEFIT) (Cont'd)

Group	2012 RM	2011 (restated) RM
Profit/(Loss) before tax	8,094,899	(2,295,584)
Taxation at Malaysian statutory tax rate of 25% (2011 : 25%)	2,023,725	(573,896)
Adjustments :		
Effect of expenses not deductible for tax purposes	234,503	430,384
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(1,469,799)	(794,083)
Deferred tax assets not recognised in respect of current year tax losses and unabsorbed capital allowances	-	710,724
Deferred tax assets recognised on unused tax losses and capital allowances	80,233	-
Deferred tax assets not recognised on provision for foreseeable losses	27,192	12,259
Overprovision of tax expense in prior years	(2,630)	-
Income tax recognised in profit or loss	893,224	(214,612)
Company		
Profit before tax	318,398	1,843,880
Taxation at Malaysian statutory tax rate of 25% (2011 : 25%)	79,600	460,970
Effect of income not subject to tax		
Adjustments :		
Expenses not deductible for tax purposes	56,421	54,783
Income not subject to tax	(216,254)	(592,531)
Deferred tax assets not recognised in respect of current year tax losses	80,233	76,778
Income tax recognised in profit or loss	-	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2011: 25%) of the estimated assessable profit for the year.

11. PROFIT / (LOSS) PER SHARE

Profit/(Loss) per ordinary share is calculated by dividing profit/(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 2012	Group 2011 (restated)
Profit /(Loss) attributable to ordinary equity holders of the Company (RM)	7,201,675	(2,080,972)
Weighted average number of ordinary shares in issue	253,317,000	253,317,000
Basic profit/(loss) per share (sen)	2.84	(0.82)

No diluted profit/(loss) per share have been presented as there were no diluted potential ordinary shares outstanding as at 30 September 2012 and 2011.

Notes to The Financial Statements (Cont'd)

12. DIVIDENDS

	Dividend in respect of year 2012 RM	2011 RM
Proposed for approval at AGM (not recognised as a liability as at 30 September 2012)		
Final dividend of 1% less 25% taxation on 253,317,000 ordinary shares (0.75 sen per share)	1,899,878	-

At the forthcoming Annual General Meeting, a first and final dividend in respect of the financial year ended 30 September 2012, of 1% less 25% taxation on 253,317,000 ordinary shares, amounting to a total dividend payable of RM1,899,878 (0.75 sen net per ordinary share) will be proposed for Shareholders' approval. The financial statements for the financial year under review do not reflect this proposed dividend. Such dividend, if approved by the Shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 September 2013.

13. PROPERTY, PLANT AND EQUIPMENT

Group	Motor vehicles RM	Office equipment and fittings RM	* Other assets RM	Total RM
Cost				
At 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 and 1 October 2011	3,913,311	1,649,317	683,738	6,246,366
Additions	4,174	33,461	39,090	76,725
Disposal	(4,159)	(10,500)	-	(14,659)
Written off	-	(26,212)	(670)	(26,882)
Reclassification	-	(20,031)	20,031	-
At 30 September 2012	3,913,326	1,626,035	742,189	6,281,550
Accumulated depreciation				
At 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 and 1 October 2011	2,765,523	1,463,268	459,393	4,688,184
Charge for the year (Note 6)	165,372	67,682	63,227	296,281
Disposal	(3,659)	(10,499)	-	(14,158)
Written off	-	(24,703)	(592)	(25,295)
Reclassification	-	(7,841)	7,841	-
At 30 September 2012	2,927,236	1,487,907	529,869	4,945,012
Net carrying amount				
At 30 September 2011	1,147,788	186,049	224,345	1,558,182
At 30 September 2012	986,090	138,128	212,320	1,336,538

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

Notes to The Financial Statements (Cont'd)

14. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

(a) Land held for property development

	Group 2012 RM	Group 2011 (restated) RM
Cost		
At 1 October 2011/2010		
Freehold land	283,834,348	302,452,042
Development expenditure	34,945,130	35,448,066
Effects of adopting FRSIC Consensus 17	-	7,746,802
At 1 October 2011/2010 (restated)	318,779,478	345,646,910
Addition	142,174	1,013,558
Transfer to property development costs	(16,279,830)	(27,880,990)
At 30 September	302,641,822	318,779,478

(b) Property development costs

	Group 2012 RM	Group 2011 (restated) RM
Cumulative property development costs		
At 1 October 2011/2010		
Freehold land	54,825,801	54,872,091
Development expenditure	40,770,904	68,820,335
Effects of adopting FRSIC Consensus 17	-	603,925
At 1 October 2011/2010 (restated)	95,596,705	124,296,351
Development expenditure incurred during the year	52,675,330	30,389,636
Transfer from land held for property development	16,279,830	27,880,990
Reversal of completed projects	(30,911,868)	(81,751,447)
Transfers to inventories	(1,809,636)	(5,218,825)
	131,830,361	95,596,705
Cumulative costs recognised in profit or loss		
At 1 October 2011/2010	(15,582,644)	(56,401,975)
Effects of adopting FRSIC Consensus 17	-	(45,365)
At 1 October 2011/2010 (restated)	(15,582,644)	(56,447,340)
Recognised during the year (Note 5)	(42,024,518)	(40,886,751)
Reversal of impairment losses (Note 6)	952,293	-
Reversal of completed projects	30,911,868	81,751,447
At 30 September	(25,743,001)	(15,582,644)
Property development costs at 30 September	106,087,360	80,014,061
Included in land held for property development and property development costs incurred during the financial year is:		
Interest expense (Note 9)	2,315,461	8,381,141

Land held for property development and property development costs are pledged as security for borrowings as referred to in Note 21.

Notes to The Financial Statements (Cont'd)

15. INVESTMENT IN SUBSIDIARIES

	Company 2012 RM	Company 2011 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 2012	Equity Interest Held 2011	Principal Activities
Focal Aims Land Sdn. Bhd.	100%	100%	Property development
Focal Aims Properties Sdn. Bhd.("FAPSB")	100%	100%	Investment holding
Subsidiary of FAPSB :			
Focal Aims Sdn. Bhd. ("FASB")	100%	100%	Property investment and development
Subsidiaries of FASB :			
Focal Aims Realty Sdn. Bhd.	100%	100%	Dormant
Focal Aims Development Sdn. Bhd.	100%	100%	Dormant
Focal Aims Resort (M) Sdn. Bhd.	100%	100%	Dormant

16. INVENTORIES

These comprise completed properties held for sale stated at cost.

17. TRADE AND OTHER RECEIVABLES

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Current				
Trade receivables				
Third parties	33,290,607	10,565,783	-	-
Other receivables				
Amount due from subsidiaries	-	-	58,196,962	58,758,253
Less: Allowance for impairment	-	-	(1,055,851)	(1,920,865)
	-	-	57,141,111	56,837,388
Deposits	556,519	542,347	4,500	4,500
Other receivables	162,144	151,867	-	-
	718,663	694,214	57,145,611	56,841,888
Total trade and other receivables	34,009,270	11,259,997	57,145,611	56,841,888
Total trade and other receivables	34,009,270	11,259,997	57,145,611	56,841,888
Add: Cash and bank balances (Note 19)	6,904,450	3,631,283	8,901	2,112
Total loans and receivables	40,913,720	14,891,280	57,154,512	56,844,000

(a) Trade receivables

The Group's normal trade credit term ranges from 21 to 90 days (2011: 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 2012 RM	Group 2011 RM
Neither past due nor impaired	14,962,198	5,499,948
1 to 14 days past due not impaired	4,395,238	623,441
15 to 28 days past due not impaired	1,540,555	773,694
29 to 46 days past due not impaired	2,602,132	200,231
47 to 76 days past due not impaired	3,556,733	2,392,986
77 to 106 days past due not impaired	5,822,580	517,222
More than 107 days past due not impaired	411,171	558,261
	18,328,409	5,065,835
	33,290,607	10,565,783

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. These include amounts of RM3,004,607 (2011: RM4,222,880) placed with lawyers as stakeholder deposits and will be released upon transfer of land title. None of these balances have been renegotiated during the financial year.

Notes to The Financial Statements (Cont'd)

17. TRADE AND OTHER RECEIVABLES (Cont'd)

(a) Trade receivables (Cont'd)

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM18,328,409 (2011: RM5,065,835) that are past due at the reporting date but not impaired. The amounts are due from creditworthy customers and based on past experience, the Board believes that no allowance for impairment is necessary. The management is closely monitoring the recoverability of these debts. All receivables are unsecured in nature.

(b) Amount due from subsidiaries

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

18. OTHER CURRENT ASSETS

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Prepaid operating expenses	494,332	415,342	53	1,809
Accrued billings in respect of property development costs	2,333,266	1,369,805	-	-
Accrued rebates in respect of property development costs	8,230,368	1,094,877	-	-
	11,057,966	2,880,024	53	1,809

19. CASH AND CASH EQUIVALENTS

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Cash on hand and at banks	6,904,450	3,631,283	8,901	2,112
Bank overdrafts (Note 21)	(15,016,666)	(9,976,114)	-	-
Cash and cash equivalents	(8,112,216)	(6,344,831)	8,901	2,112

Included in cash and bank balances of the Group are restricted bank balances amounting to RM2,496,235 (2011: RM2,861,343) being monies held pursuant to Section 7A of the Housing Developers (Control and Licensing) Act 1966 and therefore restricted from use in other operations.

Notes to The Financial Statements (Cont'd)

20. TRADE AND OTHER PAYABLES

	Group		Company	
Current	**2012**	**2011 (restated)**	**2012**	**2011**
	RM	**RM**	**RM**	**RM**
Trade payables				
Trade payables	24,605,820	6,802,576	-	-
Accruals	2,750,864	2,828,101	-	-
	27,356,684	9,630,677	-	-
Other payables				
Accruals	1,305,420	828,083	305,160	299,925
Deposit received	145,904	413,130	-	-
Payroll liability	326,496	302,103	-	-
Other payables	428,121	346,695	17,031	16,908
Amount due to a subsidiary	-	-	3,858,300	3,873,300
	2,205,941	1,890,011	4,180,491	4,190,133
	29,562,625	11,520,688	4,180,491	4,190,133
Non-current				
Other payables				
Provision for foreseeable losses for affordable housing	14,313,050	14,313,050	-	-
Total trade and other payables (current and non-current)	43,875,675	25,833,738	4,180,491	4,190,133
Add: Loans and borrowings (Note 21)	64,040,562	64,468,064	-	-
Total financial liabilities carried at amortised cost	107,916,237	90,301,802	4,180,491	4,190,133

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days (2011 : 30 to 90 days).

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

The provision for foreseeable losses represents the present obligation for construction of low and low-medium cost houses that are required by Pejabat Tanah dan Galian Negeri Johor. The construction is not expected to be launched within the next twelve months.

21. LOANS AND BORROWINGS

	Group	
	2012	**2011**
	RM	**RM**
Current		
Secured :		
Revolving credit	6,610,989	16,150,957
Bank overdrafts	15,016,666	9,976,114
Term loans	8,487,907	-
	30,115,562	26,127,071
Non-current		
Secured :		
Term loans	33,925,000	38,340,993
Total loans and borrowings	64,040,562	64,468,064

Notes to The Financial Statements (Cont'd)

21. LOANS AND BORROWINGS (Cont'd)

The remaining maturities of the loans and borrowings as at 30 September 2012 are as follows:

	Group	
	2012 RM	2011 RM
On demand or within one year	30,115,562	26,127,071
More than 1 year and less than 5 years	33,925,000	38,340,993
	64,040,562	64,468,064

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 sum is 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:

	2012 %	2011 %
Bank overdrafts	8.85	8.85
Revolving credit	7.46	7.18
Term loans	7.57	7.18

22. OTHER CURRENT LIABILITIES

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Progress billings in respect of property development cost	24,220,406	5,369,486	-	-

23. SHARE CAPITAL

	Number of shares of RM1 each		Amount	
	2012	2011	2012 RM	2011 RM
Authorised	300,000,000	300,000,000	300,000,000	300,000,000
Issued and fully paid ordinary shares	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.

Notes to The Financial Statements (Cont'd)

24. RESERVES

	Group		Company	
	2012	2011 (restated)	2012	2011
	RM	RM	RM	RM
Non-distributable				
Share premium	22,343	22,343	22,343	22,343
Distributable				
Retained earnings/ (Accumulated losses)	43,014,716	35,813,041	(33,289,067)	(33,607,465)

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

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

25. NON-CONTROLLING INTERESTS

Non-controlling interests of RM2,500,000 (2011: 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.

26. DEFERRED TAXATION

	Group		Company	
	2012	2011 (restated)	2012	2011
	RM	RM	RM	RM
At 1 October 2011/2010	60,003,988	60,233,000	-	-
Recognised in profit or loss (Note 10)	34,298	(229,012)	-	-
At 30 September	60,038,286	60,003,988	-	-

The deferred tax liability of the Group relates to land and development expenditure.

Deferred tax assets have not been recognised in respect of the following items as the Group has a history of recent losses:

	Group	
	2012	2011
	RM	RM
Unutilised tax losses	7,730,000	12,790,000
Unabsorbed capital allowances	-	618,000
Provision for foreseeable losses for affordable housing	5,660,000	5,551,000

Notes to The Financial Statements (Cont'd)

27. COMMITMENTS

(a) Capital commitment

	Group 2012 RM	Group 2011 RM
Approved but not contracted for :		
Acquisition of property, plant and equipment	1,835,500	1,156,000

(b) Operating lease commitments - as lessee

The Group has entered into non-cancellable operating lease arrangement with third party to lease Level 2 of Block A Peremba Square. The lease has a tenure of 2 years.

Future minimum rental payables under non-cancellable operating lease at the reporting date are as follows:

	2012 RM	2011 RM
Not later than 1 year	145,440	-
Later than 1 year but not later than 3 years	115,140	-
	260,580	-

28. 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 2012 RM	Group 2011 RM
Short term employee benefits	2,568,907	2,614,613
Post-employment benefits:		
Defined contribution plan	288,583	306,603
	2,857,490	2,921,216
Included in the total remuneration of key management personnel are:		
Directors' remuneration (Note 8)	1,884,674	1,981,953

29. COMPARATIVES

The following comparative figures as at 30 September 2012 have been reclassified to conform with the current year's presentation :

Group	As previously stated RM	Adjustment on FRSIC 17 RM	Re-classification RM	As Restated RM
Cost of sales (Note 2.2)	44,878,269	49,034	(713,987)	44,213,316
Administrative expenses	11,435,099	-	713,987	12,149,086

Notes to The Financial Statements (Cont'd)

30. 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.

<u>Exposure to credit risk</u>

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 RM64,040,562 (2011: RM64,468,064) 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.

<u>Financial assets that are neither past due nor impaired</u>

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 17.

<u>Financial assets that are past due but not impaired</u>

Information regarding financial assets that are past due but not impaired is disclosed in Note 17.

(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.

Notes to The Financial Statements (Cont'd)

30. FINANCIAL INSTRUMENTS (Cont'd)

(b) Liquidity risk (Cont'd)

2012	On demand or within one year RM	One to five years RM	Total RM
Group			
Financial liabilities:			
Trade and other payables	29,562,625	-	29,562,625
Provision for foreseeable losses for affordable housing	-	14,313,050	14,313,050
Loans and borrowings	30,675,845	33,962,139	64,637,984
Total undiscounted financial liabilities	60,238,470	48,275,189	108,513,659
Company			
Financial liabilities:			
Trade and other payables	4,180,491	-	4,180,491
Corporate guarantee given to financial institutions for banking facilities granted to subsidiaries	64,637,984	-	64,637,984
Total undiscounted financial liabilities	68,818,475	-	68,818,475
2011 (restated)			
Group			
Financial liabilities:			
Trade and other payables	11,520,688	-	11,520,688
Provision for foreseeable losses for affordable housing	-	14,313,050	14,313,050
Loans and borrowings	26,934,470	38,340,993	65,275,463
Total undiscounted financial liabilities	38,455,158	52,654,043	91,109,201
(C) 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	65,275,463	-	65,275,463
Total undiscounted financial liabilities	69,465,596	-	69,465,596

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.

<u>Sensitivity analysis for interest rate risk</u>
At the reporting date, if interest rates had been 10 basis points lower/higher, with all other variables held constant, the Group's profit/(loss) net of tax would have been approximately RM48,000 (2011: 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.

Notes to The Financial Statements (Cont'd)

31. 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.

32. 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.

33. 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 2012 and 30 September 2011.

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	2012 RM	2011 (restated) RM
Group			
Borrowings	21	64,040,562	64,468,064
Trade payables	20	27,356,684	9,630,677
Other payables	20	16,518,991	16,203,061
Less: Cash and bank balances	19	(6,904,450)	(3,631,283)
Net debt		101,011,787	86,670,519
Equity attributable to the owners of the Company, representing total capital		296,354,059	289,152,384
Capital and net debt		397,365,846	375,822,903
Gearing ratio		25%	23%

The Company is mainly financed by shareholders' funds.

34. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 30 September 2012 were authorised for issue in accordance with a resolution of the directors on 7 December 2012.

Notes to The Financial Statements (Cont'd)

35. 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 2012 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2011 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		Company	
	2012	2011 (restated)	2012	2011
	RM	RM	RM	RM
Total retained earnings/ (accumulated losses) of the Company and its subsidiaries				
- Realised	25,380,404	17,338,489	(33,289,067)	(33,607,465)
- Unrealised	-	-	-	-
	25,380,404	17,338,489	(33,289,067)	(33,607,465)
Add: Consolidation adjustments	17,634,312	18,474,552	-	-
Retained earnings/ (accumulated losses) as per financial statements	43,014,716	35,813,041	(33,289,067)	(33,607,465)

Particulars of Properties

Location	Land Area/ Build Area	Tenure	Existing Use	Net Book Value as at 30 September 2012 (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	302,641,822
Total				302,641,822

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.

Statistics on Shareholdings

SHARE CAPITAL AS AT 31 DECEMBER 2012

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

DISTRIBUTION OF SHAREHOLDERS AS AT 31 DECEMBER 2012

Size of Shareholdings	*No. of Shares*	*%*	*No. of Holders*
Less than 100	532	0.00	11
100 – 1,000	1,364,585	0.54	1,384
1,001 – 10,000	11,094,587	4.38	2,703
10,001 – 100,000	16,010,433	6.32	536
100,001 – less than 5% of issued shares	108,412,973	42.80	90
5% and above of issued shares	116,433,890	45.96	5
Grand Total	253,317,000	100.00	4,729

Statistics on Shareholdings (Cont'd)

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS AT 31 DECEMBER 2012

No.	Name	No. of Shares	%
1.	E. Seng Kiw @ Yee Oy Chong	36,270,444	14.32
2.	Pang Tin @ Pang Yon Tin	25,754,088	10.17
3.	Hassan bin Che Abas	19,721,216	7.79
4.	Phang Piow @ Pang Choo Ing	17,388,142	6.86
5.	Mohd Razali bin Abdul Rahman	17,300,000	6.83
6.	Rosman bin Abdullah	10,064,000	3.97
7.	Nik Mahmood bin Nik Hassan	9,264,253	3.66
8.	Yee Yok Sen	9,188,888	3.63
9.	Pang Khong Nam	8,666,946	3.42
10.	Lee Ban Hin @ Michael Lee Ban Hin	7,416,000	2.93
11.	Lim Li Li	7,000,000	2.76
12.	Abu Bakar bin Mohd Nor	5,000,000	1.97
13.	Yee Gee Min	3,960,448	1.56
14.	Yee Chun Syan	2,795,043	1.10
15.	ABB Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Yee Chun Syan	2,500,000	0.99
16.	S'ng Hooi Seah	2,184,600	0.86
17.	William Pang	2,106,667	0.83
18.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeo Guik Hiang	2,006,000	0.79
19.	Yuningsih binti Abdul Wahid	2,000,000	0.79
20.	Yee Chang Lin	1,668,170	0.66
21.	Othman bin Hashim	1,550,000	0.61
22.	Wang Ah Yu	1,540,667	0.61
23.	Mohd Razali bin Abdul Rahman	1,296,216	0.51
24.	Huan Chuan Sen @ Ah Loy	1,103,000	0.44
25.	Wan Adleena binti Wan Mustapha	1,100,000	0.43
26.	Wan Akmal bin Wan Mustapha	1,050,000	0.41
27.	Wan Asnita binti Wan Mustapha	1,050,000	0.41
28.	Wan Farah Alifa binti Wan Mustapha	1,050,000	0.41
29.	Wan Mustapha bin Wan Ismail	1,034,216	0.41
30.	Lee Leong Ngok	998,867	0.39

Statistics on Shareholdings (Cont'd)

SUBSTANTIAL SHAREHOLDERS AS AT 31 DECEMBER 2012

	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 31 DECEMBER 2012

	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.*

Form 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-Ninth Annual General Meeting of the Company to be held at **Meranti Hall, Tropical Inn, Johor Bahru, 4th Floor, Johor Tower, Jalan Gereja, 80100 Johor Bahru, Johor Darul Ta'zim** on **Wednesday, 27 February 2013** at **11:00a.m.** and at any adjournment thereof for/against the resolution(s) to be proposed thereat.

NO.	RESOLUTIONS	FOR	AGAINST
	Ordinary Business:-		
1.	To approve the declaration and payment of a first and final dividend of 1% less 25% income tax or 0.75 sen per ordinary share for the financial year ended 30 September 2012.		
2.	To approve the Directors' Fees for the financial year ended 30 September 2012.		
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 Phang Piow @ Pang Choo Ing, who shall retire pursuant to Section 129(6) of the Companies Act, 1965.		
5.	To re-elect Yee Yok Sen, who shall retire in accordance with Article 80 of the Company's Articles of Association.		
6.	To re-elect Pang Tin @ Pang Yon Tin, 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.		
	Special Business:-		
8.	Ordinary Resolution 1 - Authority to issue and allot shares.		
9.	Ordinary Resolution 2 - To retain Datuk Che Mokhtar bin Che Ali as an Independent Non-Executive Director.		
10.	Ordinary Resolution 3 - To retain Woon See Chin as an Independent Non-Executive Director.		
11.	Ordinary Resolution 4 - To retain Tee Boon Hin as an Independent Non-Executive Director.		
12.	Special Resolution - Proposed Amendments to the Articles of Association.		

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 ________________ , 2013

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 2013 ("General Meeting Record of Depositors") shall be eligible to attend, speak and vote at 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. Notwithstanding this, a member entitled to attend and vote at the Meeting is entitled to appoint any person as his proxy to attend and vote instead of the member at the Meeting. There shall be no restriction as to the qualifications of the proxy.
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
(Company No. 17777-V)

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

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