Mudajaya Group Berhad
(605539-H)

No. 17, Jalan Semangat, 46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
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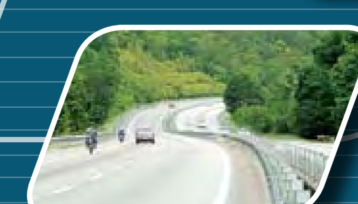
www.mudajaya.com

Annual Report **2009**

Mudajaya Group Berhad (605539-H)

MUDAJAYA
GROUP BERHAD



Creating Value For Shareholders

ANNUAL REPORT **2009**

Vision

To be the preferred leader in the construction and property development industry and to provide good infrastructure and energy requirement to society. We strive to look beyond the expectations and goals to stay ahead by integrating both technical excellence and commitment in building partnerships.

Mission

As the preferred leader, Mudajaya Group seeks to continuously improve on their performance pertaining to providing international quality standards, timely completion of projects, customers' satisfaction and enhancement of shareholders' value.

Contents

Corporate Information

BOARD OF DIRECTORS

Mr. Ng Ying Loong
Managing Director

Mr. Wee Teck Nam
Executive Director

Mr. Anto A/L SF Joseph
Executive Director

Mr. Chung Tze Hien
Non-Independent Non-Executive Director

En. Aminodin bin Ismail
Non-Independent Non-Executive Director

Mr. Yee Swee Choon
Independent Non-Executive Director

Mr. Henry Choo Hon Fai
Independent Non-Executive Director

COMPANY SECRETARY

Mr. Chai Min Hon (MIA 11926)

REGISTERED OFFICE

No. 17, Jalan Semangat
46100 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel : (603) 7958 7899
Fax : (603) 7958 7900 / 7958 1296
E-mail : info@mudajaya.com
Website : http://www.mudajaya.com

REGISTRAR

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel : (603) 7841 8000
Fax : (603) 7841 8008

AUDITORS

Ernst & Young
Chartered Accountants

PRINCIPAL BANKERS

AmBank (M) Berhad
HSBC Bank Malaysia Berhad
OCBC Bank (Malaysia) Berhad
CIMB Bank Berhad
United Overseas Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Seventh Annual General Meeting of Mudajaya Group Berhad will be held at Banyan Room, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Tuesday, 8 June 2010 at 9.30 a.m. for the following purposes:-

AGENDA

ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the year ended 31 December 2009 together with the Reports of the Directors and the Auditors thereon. **(Ordinary Resolution 1)**

2. To approve the payment of a final dividend of 10% under the single tier system for the year ended 31 December 2009. **(Ordinary Resolution 2)**

3. To re-elect the following Directors who retire in accordance with Article 76 of the Company's Articles of Association:-

   Mr Henry Choo Hon Fai **(Ordinary Resolution 3)**
   Mr Yee Swee Choon **(Ordinary Resolution 4)**

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

   "THAT pursuant to Section 129(6) of the Companies Act, 1965 (the "Act"), Mr Wee Teck Nam be re-appointed as Director of the Company to hold office until the next Annual General Meeting."

5. To approve the payment of Directors' fees for the year ended 31 December 2009. **(Ordinary Resolution 6)**

6. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 7)**

SPECIAL BUSINESS

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

7. **Authority to Allot Shares pursuant to Section 132D of the Act** **(Ordinary Resolution 8)**

   "THAT pursuant to Section 132D of the Act and subject to the approval of all relevant regulatory authorities, the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per cent (10%) of the total issued and paid-up share capital of the Company for the time being and that the Directors be and are hereby further authorised to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad."

8. **Proposed Renewal of Share Buy-Back Authority** **(Ordinary Resolution 9)**

"THAT subject to provisions of the Act, the Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other regulatory authorities, the Company be and is hereby authorised to utilise an amount not exceeding the audited retained profits and/or share premium account of the Company as at 31 December 2009 to purchase such number of ordinary shares of RM0.20 each of the Company ("Proposed Renewal of Share Buy-Back Authority") as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares to be purchased and/or held as treasury shares pursuant to this resolution does not exceed ten per cent (10%) of the total issued and paid-up share capital of the Company as quoted on Bursa Securities as at the point of purchase.

AND THAT such authority is subject to annual renewal and shall commence upon the passing of this resolution and shall remain in force until:-

(a) the conclusion of the next Annual General Meeting of the Company unless the authority is renewed either unconditionally or subject to conditions;

(b) the expiration of the period within which the next Annual General Meeting after the date it is required by law to be held; or

(c) revoked or varied by an ordinary resolution of the shareholders of the Company in a general meeting;

whichever is earlier, but shall not prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and any other relevant authorities.

THAT authority be and is hereby given to the Directors of the Company to decide in their discretion either to retain the shares purchased by the Company as treasury shares or to cancel them or to retain part of the shares so purchased as treasury shares and cancel the remainder shares or to resell the shares or distribute the shares as dividends.

8. **Proposed Renewal of Share Buy-Back Authority (cont'd)**

   AND THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depository) Act, 1991 designated as Share Buy-Back Account(s) and the entering into any agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as the Directors may deem fit in the interest of the Company."

9. To transact any other business of which due notice shall have been received.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN that subject to the approval of shareholders, a final dividend of 10% under the single tier system for the year ended 31 December 2009 will be paid on 6 July 2010 to depositors registered in the Records of Depositors at the close of business at 5.00 p.m. on 11 June 2010.

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 11 June 2010 in respect of ordinary transfers; and

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

BY ORDER OF THE BOARD

CHAI MIN HON
Company Secretary

Petaling Jaya
14 May 2010

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy or proxies may but need not be a member of the Company. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. Each proxy appointed shall represent a minimum of one thousand (1,000) shares.

2. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

3. In the case of a corporate member, the Form of Proxy shall be under its Common Seal or under the hand of its attorney.

4. The Form of Proxy must be deposited at the Company's Registered Office situated at No. 17, Jalan Semangat, 46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not less than forty-eight (48) hours before the time set for holding the meeting or at any adjournment thereof.

Explanatory Notes on Special Business:-

1. **Authority to Allot Shares pursuant to Section 132D of the Act**

   The proposed Ordinary Resolution 8, if passed, will empower the Directors from the conclusion of this AGM, to allot and issue up to a maximum of 10% of the issued share capital of the Company (excluding treasury shares) at the time of issue (other than bonus or rights issue) for such purposes as they consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company.

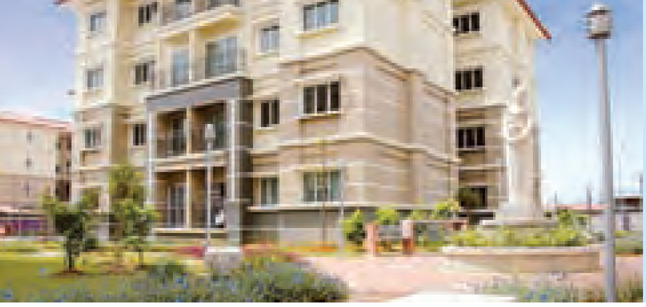
   This mandate will provide flexibility to the Company for the allotment of shares for the purpose of funding working capital, future expansion and investment / acquisition (s). At this juncture, there is no decision to issue new shares.

   Pursuant to mandate granted in the previous AGM, the Company placed out 37,238,500 ordinary shares of RM0.20 each in the Company which was completed on 29 January 2010. The proceeds raised of RM178,744,800 will be utilised for (i) investments and / or capital expenditure in areas related to the Group of Companies' businesses in (but not limited to) India and / or (ii) working capital purposes as and when required by the Group of Companies.

2. **Proposed Renewal of Share Buy-Back Authority**

   The proposed Ordinary Resolution 9, if passed, will give the Directors of the Company authority to take all such steps as are necessary or expedient to implement, finalise, complete and / or to effect the purchase(s) of Shares by the Company as the Directors may deem fit and expedient in the best interest of the Company. The authority will, unless revoked or varied by the Company in a general meeting, continue to be in force until the conclusion of the next AGM of the Company or the expiry of the period within which the next AGM of the Company following the Seventh AGM is required by law to be held.

   Further information on the Proposed Renewal of Share Buy-Back is set out in the Share Buy Back Statement of the Company dated 14 May 2010 which was despatched together with this Annual Report.

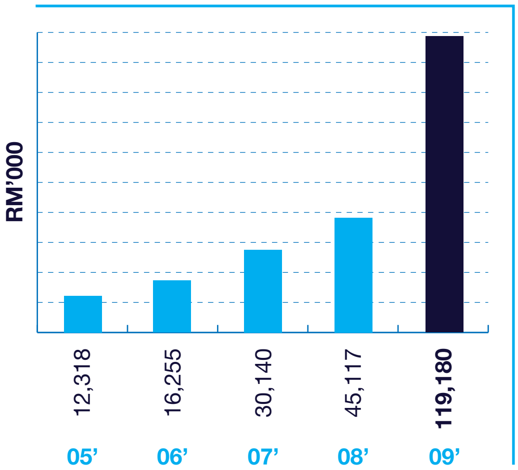


Five Years Financial Highlights

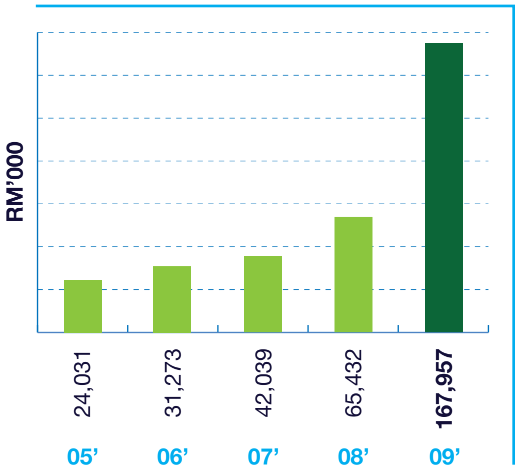
	2009 RM'000	2008 RM'000	2007 RM'000	2006 RM'000	2005 RM'000
ASSETS					
Non-Current Assets	276,906	102,854	82,040	13,700	17,593
Current Assets	434,056	305,271	280,421	196,894	194,716
Total Assets	**710,962**	**408,125**	**362,461**	**210,594**	**212,309**
EQUITY AND LIABILITIES					
Capital And Reserves					
Share Capital	74,800	74,800	74,800	68,000	68,000
Reserves	300,259	196,960	158,220	81,447	72,882
Equity Attributable To Equity Holders Of The Company	375,059	271,760	233,020	149,447	140,882
Minority Interests	47,781	32,372	20,842	14,740	12,270
Total Equity	**422,840**	**304,132**	**253,862**	**164,187**	**153,152**
Liabilities					
Non-Current Liabilities	256	256	256	716	992
Current Liabilities	287,866	103,737	108,343	45,691	58,165
Total Liabilities	**288,122**	**103,993**	**108,599**	**46,407**	**59,157**
Total Equity And Liabilities	**710,962**	**408,125**	**362,461**	**210,594**	**212,309**
GROUP RESULTS					
Profit Before Tax And Minority Interest	167,957	65,432	42,039	31,273	24,031
Taxation	(30,416)	(8,185)	(5,874)	(12,248)	(9,307)
Minority Interest	(18,361)	(12,130)	(6,025)	(2,770)	(2,406)
Profit Attributable To Shareholders	119,180	45,117	30,140	16,255	12,318
SELECTED RATIOS					
Earnings Per Share (Sen) *	32.0	12.1	8.4	4.8	3.6
Gross Dividend Per Share (%)	18.0	16.5	16.0	14.0	12.0
Net Assets Per Share (RM) *	1.00	0.73	0.62	0.44	0.41
Return On Equity (%)	32.5	16.6	12.9	10.9	8.7
Gearing Ratio	-	-	-	-	-
Share Price (Year-End Closing) (RM) *	4.97	1.13	1.58	0.56	0.45

* Comparatives have been restated to take into effect on the share split involving the subdivision of each of the existing ordinary shares of RM0.50 each in the Company into 5 ordinary shares of RM0.10 each ("Share Split"), followed by a share consolidation of every 2 ordinary shares of RM0.10 each in the Company after the Share Split, into 1 ordinary share of RM0.20 each ("Share Consolidation"). The Share Split and Share Consolidation were completed on 4 July 2008.

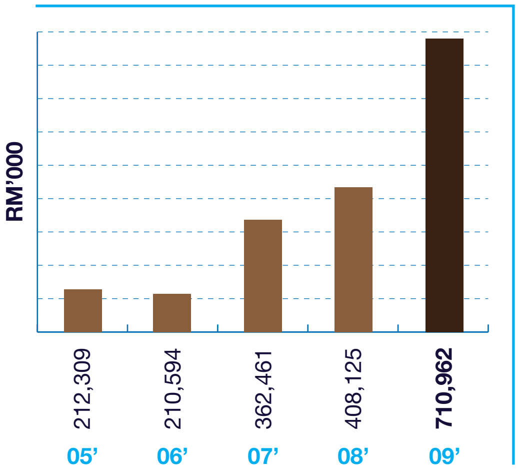
Profit Attributable to Shareholders



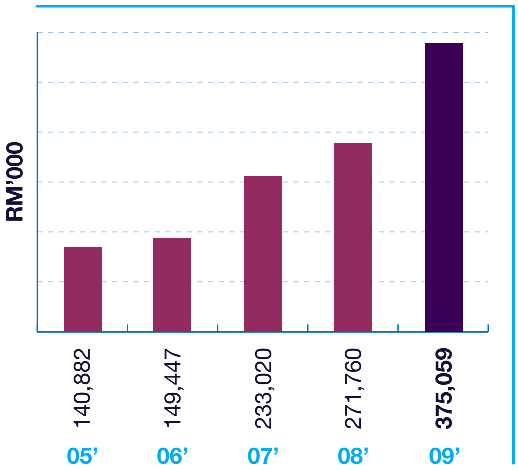
Profit Before Tax, Minority Interest and Exeptional Items



Total Assets



Shareholders' Funds



Directors' Profile

Directors' Profile

MR. NG YING LOONG
Managing Director
Member of Remuneration Committee

Mr. Ng, a Malaysian aged 56, was appointed as Managing Director of Mudajaya on 2 March 2004. He has been the Managing Director of Mudajaya Corporation Berhad ("MCB") since 1991. He graduated with a Bachelor of Science degree in Civil, Structural and Environmental Engineering from University College London, University of London, United Kingdom in 1977 and obtained a Master in Business Administration from Golden Gate University, San Francisco, U.S.A. in 1986. He is also a member of the Institution of Engineers Malaysia. He has more than 32 years of professional experience particularly in project management, contract planning and management and business development. He joined MCB in 1977 and served in various capacities including Project Engineer, Project Coordinator and Project Manager until 1988. Subsequently, he left MCB to join Pengurusan Lebuhraya Berhad as the Senior Regional Construction Manager and was promoted as the Acting Head of Construction Management Division in 1990. He was in charge of the construction management of the North-South Expressway Project, valued at RM4.3 billion. In 1991, he returned to MCB. He also served as a Director of Mulpha Land Berhad from 1998 to 2001 and as a Director of Mulpha International Bhd from 1995 to 2002.

MR. WEE TECK NAM
Executive Director

Mr. Wee, a Malaysian aged 70, was appointed as Executive Director of Mudajaya on 2 March 2004. He is also an Executive Director of MCB. He graduated with a Bachelor Degree in Mechanical Engineering from University of Sydney, Australia in 1964. He worked for the Chemical Co. of Malaysia, a member of the ICI Malaysia Group for 9 years after graduation. He then gained extensive experience in general management as General Manager of Batu Arang Bricks and Tiles Bhd, Sim Lim Trading Sdn Bhd and as Senior Manager assisting the Managing Director of TDM Berhad overseeing the operations of 24,000 acres of palm oil estates and oil mills in Terengganu. In 1986 he joined Wormald International Ltd of Australia and built up its operations in Taiwan. He became the General Manager and Chief Executive Officer of Shanghai Allied Cement Ltd in 1994. This is a joint venture company between Hong Kong and China. He retired and returned to Malaysia in early 1999. He also served as a Director of Mulpha Land Berhad from October 1998 to August 2001 and a Director of Mulpha International Bhd from October 1998 to July 2002.

MR. ANTO A/L SF JOSEPH
Executive Director

Mr. Anto, a Malaysian aged 58, was appointed as Executive Director of Mudajaya on 2 March 2004. He has been an Executive Director of MCB since 1996. He graduated with a Bachelor of Technology, Civil from Indian Institute of Technology (IIT), Kanpur, India in 1977. He is a Professional Engineer registered with the Board of Engineers, Malaysia, Chartered Engineer, U.K. and is also a member of the Institution of Engineers, Malaysia and Institution of Highways and Transportation, U.K.. He has more than 33 years of professional experience particularly in infrastructure project management. Prior to joining MCB in 1993 as General Manager and Executive Director, he was attached to Jabatan Kerja Raya, Kelantan, as Development Engineer from 1977 to 1978 and Resident Engineer from 1980 to 1981. He was with Pernas Construction Sdn Bhd as Project Manager and Coordinator from 1981 to 1988 and Pengurusan Lebuhraya Berhad as Construction Manager from 1988 to 1989, Regional Construction Manager (for Central Region) from 1990 to 1992 and Senior Regional Construction Manager from 1992 to 1993.

Mr. Chung Tze Hien
Non-Independent Non-Executive Director

Mr. Chung, a Malaysian aged 60, was appointed as Non-Independent Non-Executive Director of Mudajaya on 16 June 2004. He graduated from the University of Otago, New Zealand with a Commerce Degree and later proceeded to qualify as an Associate Member of the Institute of Chartered Accountants of New Zealand and the Institute of Chartered Secretaries and Administrators (ICSA) of United Kingdom. Mr. Chung has worked for and held senior managerial positions in several public listed companies in Hong Kong, Singapore and Malaysia, involving a variety of industries and businesses. He is also an Executive Director of Mulpha International Berhad, a Director and Chairman of Mulpha Land Berhad and a Director of Greenfield Chemical Holdings Limited (Hong Kong) and Mulpha Australia Limited.

En. Aminodin bin Ismail
Non-Independent Non-Executive Director
Chairman of Nomination Committee
Member of Audit Committee

En. Aminodin, a Malaysian aged 43, was appointed as Non-Independent Non-Executive Director of Mudajaya on 2 March 2004. He graduated with a Degree in Accounting and Finance from Liverpool John Moores University, United Kingdom in 1990. He is also Fellow of the Association of Chartered Certified Accountants, United Kingdom. He has 5 years of merchant banking experience gained from working in Aseambankers Malaysia Berhad from 1991 to 1995 and BSN Merchant Bank Berhad from 1995 to 1997 where his work entailed providing corporate finance advisory services on proposal for listings, mergers, acquisitions and capital raisings. He left the merchant banking industry in 1997 to join Renong Berhad as Senior Finance Manager where he was primarily responsible for monitoring the performance of the subsidiaries and implementation of corporate exercises undertaken by companies within the Renong Group. He left Renong Berhad in July 1999. He was appointed to the Board of Directors of Jin Lin Wood Industries Berhad in 2000 as an Executive Director overseeing the finance function of the group of companies. He resigned from the Board of Directors of Jin Lin Wood Industries Berhad in April 2002. Currently, he sits on the Board of several private companies.

Mr. Yee Swee Choon
Independent Non-Executive Director
Chairman of Audit Committee
Member of Nomination and Remuneration Committees

Mr. Yee, a Malaysian aged 59, was appointed as Independent Non-Executive Director of Mudajaya on 2 March 2004. He is a Chartered Accountant, a Certified and Registered Financial Planner. He has over 30 years working experience in auditing, corporate planning and financial management which include 8 years as executive director in a public listed company. Presently, he runs his own personal financial planning and management advisory services practice. He is not a Director of any other public company.

Mr. Henry Choo Hon Fai
Independent Non-Executive Director
Chairman of Remuneration Committee
Member of Audit and Nomination Committees

Mr. Henry Choo, a Malaysian aged 38, was appointed as an Independent Non-Executive Director of Mudajaya on 2 March 2004. He started his career in 1994 as an Equity Research Analyst in Dao Heng Securities Ltd, Hong Kong. From 1996 to 2000, he was Director of Business Development at Fok Lee Sdn Bhd, a Specialist Contractor. From 2000 to 2010 he has been involved in Private Equity and Venture Capital, first with Intelligent Capital Sdn Bhd from 2000 to 2003, Artisan Encipta (M) Sdn Bhd from 2003 to 2004 and was Chief Operating Officer of Atlantic Quantum Sdn Bhd from 2006 to 2010. Between 2004 to 2006 he was Executive Assistant to the Chairman of Silterra Malaysia Sdn Bhd. He graduated from La Trobe University, Melbourne, Australia with a Bachelor of Science degree (Computer Science).

Other information on Directors

1. None of the Directors has any family relationship with any Director and/or major shareholder of the Company.
2. None of the Directors has any conflict of interest with the Company.
3. None of the Directors have any conviction for offences within the past ten (10) years.

Group
Structure

Group Structure

MUDAJAYA GROUP BERHAD

MUDAJAYA GROUP BERHAD

(Investment holding)

Authorised Share Capital: RM250,000,000

Paid-up Share Capital: RM82,247,700

100%

MUDAJAYA CORPORATION BERHAD

(Civil engineering and building construction)

Authorised Share Capital: RM1,500,000,000

Paid-up Share Capital: RM284,000,000

100%
Mudajaya Power International Sdn Bhd
(Civil engineering and building construction)
Authorised Share Capital: RM500,000
Paid-up Share Capital: RM200,000

100%
Mudajaya Land Sdn Bhd
(formerly known as Angsana Fajar Sdn Bhd)
(Property development)
Authorised Share Capital: RM50,000,000
Paid-up Share Capital: RM20,000,000

100%
MJC Industries Sdn Bhd
(Manufacturing of concrete products and building materials)
Authorised Share Capital: RM500,000
Paid-up Share Capital: RM300,000

100%
MJC Trading Sdn Bhd
(Hiring of plant & machinery, and trading in construction related materials)
Authorised Share Capital: RM500,000
Paid-up Share Capital: RM300,000

100%
MJC Management Services Sdn Bhd
(Property management)
Authorised Share Capital: RM500,000
Paid-up Share Capital: RM120,000

100%
MJC Plantations Sdn Bhd
(Dormant)
Authorised Share Capital: RM100,000
Paid-up Share Capital: RM10,000

99.99%
MGB Enterprise Sdn Bhd
(Dormant)
Authorised Share Capital: RM100,000
Paid-up Share Capital: RM10,000

70%
MJC City Development Sdn Bhd
(Property management & development)
Authorised Share Capital: RM50,000,000
Paid-up Share Capital: RM10,000,000

51%
MJC Development Sdn Bhd
(Property management and development and building construction)
Authorised Share Capital: RM5,000,000
Paid-up Share Capital: RM100,000

100%
MJC Precast Sdn Bhd
(Manufacture of precast concrete and other related products)
Authorised Share Capital: RM10,000,000
Paid-up Share Capital: RM10,000,000

100%
MJC Quarry Sdn Bhd
(Quarry operations)
Authorised Share Capital: RM10,000,000
Paid-up Share Capital: RM9,000,000

100%
Entrutech Sdn Bhd
(Engineering consultancy services and turnkey engineering projects)
Authorised Share Capital: RM10,000,000
Paid-up Share Capital: RM2,000,000

100%
Great Hill International Ltd (Republic of Mauritius)
(Has not commenced operations)
Authorised Share Capital: USD1,000,000
Paid-up Share Capital: USD2

100%
Mudajaya International Ltd (Republic of Mauritius)
(Has not commenced operations)
Authorised Share Capital: # Stated Capital
Paid-up Share Capital: USD30,000

100%
Oracle International Co Ltd (Brunei Darussalam)
(Has not commenced operations)
Authorised Share Capital: USD1,000,000
Paid-up Share Capital: USD1

80%
MIPP International Ltd (Republic of Mauritius)
(Equipment procurement services)
Authorised Share Capital: # Stated capital
Paid-up Share Capital: USD50,000

100%
Mudajaya International Investment Ltd (Brunei Darussalam)
(Has not commenced operations)
Authorised Share Capital: USD1,000,000
Paid-up Share Capital: USD100,000

74%
Electric Power International Ltd (Republic of Mauritius)
(Dormant)
Authorised Share Capital: #Stated capital
Paid-up Share Capital: USD50,000

75%
Mudajaya Middle East Ltd (Saudi Arabia)
(Construction, property development and the provision of engineering and project management services in the Middle East region)
Authorised Share Capital: SAR500,000
Paid-up Share Capital: SAR500,000

100%
Mudajaya Construction (India) Private Limited (India)
(Construction and related business)
Authorised Share Capital: INR500,000
Paid-up Share Capital: INR100,000

NOTE:

The Stated Capital in relation to a class or classes of par value shares issued by a company means the total of all amount received by the Company in respect of the nominal paid up value (par value) of the shares and share premium (if any) paid to the company in relation to those shares. There is no ceiling on the number of shares that can be issued by the company.

Statement on Corporate Governance

The Board of Directors ("the Board") appreciates the importance of good corporate governance and is committed to the establishment and implementation of a proper framework and controls that are in line with the principles and best practices as recommended by the Malaysian Code of Corporate Governance ("the Code"). The Board continuously evaluate the status of the Group's corporate governance practices and procedures with a view to adopt and implement the Best Practices of the Code wherever applicable in the best interests of the shareholders of the Company.

Set out below is a statement of how the Company has applied the principles and complied with the best practices laid down in the Code.

BOARD OF DIRECTORS

The Board

The Board has the overall responsibility for corporate governance, strategic direction, development and control of the Company. The Board meets regularly during the financial year. Additional meetings are held as and when issues arise and are necessary to be dealt with in between the scheduled meetings. Board meetings bring an independent judgement on issues of strategy, performance, risks issues, resources and standards of conduct. Due notice is given for the meetings and matters to be dealt with.

Four (4) Board meetings were held during the financial year ended 31 December 2009. The attendance record of the Directors is reflected below:-

Director	No. of meetings attended
Mr. Ng Ying Loong	4/4
Mr. Wee Teck Nam	4/4
Mr. Anto A/L SF Joseph	4/4
Mr. Chung Tze Hien	4/4
En. Aminodin bin Ismail	4/4
Mr. Yee Swee Choon	4/4
Mr. Henry Choo Hon Fai	4/4

Board Balance

The Board of Directors consist of seven (7) members, three (3) of whom are Executive Directors and four (4) are Non-Executive Directors. Out of the four (4) Non-Executive Directors, two (2) are Independent Directors. The Board has complied with Paragraph 15.02 of the Main Market Listing Requirements of Bursa Securities that at least two directors or one-third of the Board, whichever is the higher, are independent directors. A brief profile of each Director is presented on pages 10 to 11.

The Directors are from diverse professional backgrounds with a wide range of business, technical and financial experience and knowledge.

The Board considers its current size adequate for the existing scope and nature of the Group's business operations. There is balance in the Board with the presence of the Independent Directors to exercise independence of judgement. The presence of independent non-executive directors is to provide autonomous and unbiased views of financial and business inputs for the interest of the Group. There is also an active and unrestricted participation of Independent Directors as well as Executive and Non-Executive Directors in the deliberations and decision making of the Board.

Supply of Information

All Directors are provided prior to each Board Meeting an agenda and a set of Board papers in sufficient time to enable the Directors to review and consider the items to be discussed at the Board meeting. The Board papers include, inter alia, the following: -

(a) quarterly progress report by the Executive Directors;
(b) quarterly and year-to-date financial reports; and
(c) minutes/decisions of meetings of the Committees of the Board.

When deemed necessary, the Directors are at liberty to engage the services of independent professionals on specialised issues and in the furtherance of their duties at the Company's expense.

All Directors have access to the advice and services of the Company Secretary and management staff in carrying out their duties.

Appointments to the Board

The Nomination Committee reviews the composition of the Board annually and makes recommendation to the Board where necessary to ensure the Board comprises an appropriate mix of knowledge, skills, experience and expertise. The Committee is responsible for making recommendations for any appointment to the Board. There was no nomination received during the year.

Re-election

Article 76 of the Company's Articles of Association provide that at least one third (1/3) of the Directors are subject to retirement by rotation at each Annual General Meeting. Each retiring Director is eligible for re-election. Directors who are appointed to the Board during the year will have to retire and be subjected to re-election by shareholders at the next Annual General Meeting to be held following their appointments.

Pursuant to Section 129(2) of the Companies Act, 1965, Directors who are over the age of seventy (70) years shall retire at every annual general meeting and may offer themselves for re-appointment to hold office until the next annual general meeting.

Directors' Training

All the Directors have attended the Mandatory Accreditation Programme organised by Bursa Securities. The Directors are aware that they should receive appropriate continuous training and they have attended various seminars, presentations and briefings in order to keep abreast with developments in the market place and with new statutory and regulatory requirements for the financial year ended 31 December 2009. The Board will continue to evaluate and determine the training needs of its Directors to enhance their skills and knowledge.

The Managing Director, Mr Ng Ying Loong had attended a course on Understanding of ISO 14001 & OHASAS 18001 Requirements organised by Neville-Clarke Consulting (M) Sdn Bhd on 11 September 2009. He had also attended a course on Transactions by Directors organised by The Malaysian Institute of Chartered Secretaries and Administrators on 2 December 2009.

The Executive Director, Mr Wee Teck Nam had attended a course on Transactions by Directors organised by The Malaysian Institute of Chartered Secretaries and Administrators on 2 December 2009.

The Independent Director, Mr Yee Swee Choon had attended a course on An Overview of MASB Financial Reporting Standards organised by the Malaysian Institute of Accountants from 12 to 13 May 2009.

The Non-Executive Directors, Encik Aminodin bin Ismail and Mr Henry Choo Hon Fai had attended the forum on FRS 139 Financial Instruments : Recognition and Measurement organised by Bursa Malaysia Berhad on 5 October 2009.

The Executive Director, Mr Anto SF Joseph had attended the following courses :-

Date	Type of course attended	Conducted
11 September 2009	Understanding of ISO 14001 & OHASAS 18001 Requirements	Neville-Clarke Consulting (M) Sdn Bhd
2 December 2009	Transactions by Directors	The Malaysian Institute of Chartered Secretaries and Administrators
15 December 2009	Goods and Sales Tax Update	Pricewater-housecoopers

The Non-Executive Director, Mr Chung Tze Hien had attended the following courses :-

Date	Type of course attended	Conducted by
10 February 2009	Financial Reporting Forum by Malaysian Institute of Accountants	Malaysian Institute of Accountants
11 May 2009	High Level Forum for Directors of Listed Issuers in Enhancing Corporate Governance	Bursa Malaysia Berhad
17 December 2009	Pursuing Process Excellence	SAP Invitation

Board Committees

The following Board Committees were established to assist the Board in discharging its duties and responsibilities. The Committees listed below report all matters and recommendations of their meetings to the Board. The terms of reference of each Committee have been approved by the Board and, where applicable, comply with the recommendations of the Code.

(a) Audit Committee

Please refer to the Audit Committee Report on pages 23 to 25.

(b) Nomination Committee

The Nomination Committee comprises exclusively of Non-Executive Directors with En. Aminodin bin Ismail as Chairman and Mr. Yee Swee Choon and Mr. Henry Choo Hon Fai as members.

The main responsibilities of the Nomination Committee are as follows:-

(i) recommend new nominees to the Board as well as Board Committees and considering the Board's succession planning;
(ii) assist the Board in annually reviewing the Board composition and balance as well as the required mix of skills, experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board and disclose the same in the Annual Report; and
(iii) assess the effectiveness of the Board and Board Committees and the contribution of each individual Director.

The decision on new appointment shall be the responsibility of the Board after considering recommendation by the Nomination Committee.

During the year, the Nomination Committee has held one (1) meeting and was attended by all its members.

(c) Remuneration Committee

The Remuneration Committee comprises mainly of Non-Executive Directors with Mr. Henry Choo Hon Fai as Chairman and Mr. Ng Ying Loong and Mr. Yee Swee Choon as members.

The main responsibilities of the Remuneration Committee are to recommend to the Board the following:-

(i) remuneration packages of each Director of the Company; and
(ii) incentive schemes for the management or other employees.

The Board determines the allowances of the Non-Executive Directors after considering the recommendation of Remuneration Committee.

During the year, the Remuneration Committee has held one (1) meeting and was attended by all its members.

DIRECTORS' REMUNERATION

The Company has adopted the objective as recommended by the Code to determine the remuneration of the Directors so as to ensure that the Company attracts, retains and motivates the Directors of the calibre needed to run the Group successfully. In the case of Executive Directors, the remuneration is structured so as to link rewards to corporate and individual performance. For Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by each Director.

The Remuneration Committee recommends to the Board the remuneration including fees for each Director of the Company. The Board reviews the remuneration of the Directors annually whereby the respective Directors are abstained from discussions and decisions on their own remuneration. Directors' fees are subject to the approval of the shareholders. Reasonable expenses incurred by the Directors in the course of carrying out their duties are reimbursed by the Company.

The details of the Directors' remuneration for the financial year ended 31 December 2009 and the remuneration bands analysis is as follows: -

	Executive (RM'000)	Non-Executive (RM'000)
Salaries and other emoluments	2,405	-
Bonus	171	-
Defined contribution plan	286	-
Estimated money value of benefits-in-kind	56	-
Fees	-	240
Other emoluments	-	8
Total	**2,918**	**248**

	No. of Directors	
Range of remuneration (RM)	Executive	Non-Executive
50,001 – 100,000	-	4
150,001 – 200,000	1	-
650,001 – 700,000	1	-
700,001 – 750,000	1	-

SHAREHOLDERS AND INVESTORS

Shareholders' Communication and Investors Relation

The Board acknowledges the importance of effective communication and the need for shareholders and investors to be informed of all material business matters of the Company. Such information is disseminated through the following channels:-

- Annual Report
- Circulars/Statements to shareholders
- Various disclosures and announcements to Bursa Securities; and
- The Company's website at www.mudajaya.com

The main forum for dialogue with shareholders remains at General Meetings which encourage the shareholders to raise questions pertaining to the operations and financial matters of the Group.

Annual General Meeting and Extraordinary General Meetings

The Company's practice is to give adequate notice to shareholders of its general meetings. In addition, notices of general meetings with sufficient information of business to be dealt with are published in at least one national newspaper to provide for wider dissemination of such notice to increase awareness and to encourage shareholders' participation during the meeting. General meetings are a mean of direct communication and interaction between the Company and its shareholders. Shareholders are encouraged to attend the meetings and participate in the dialogue sessions.

ACCOUNTABILITY AND AUDIT

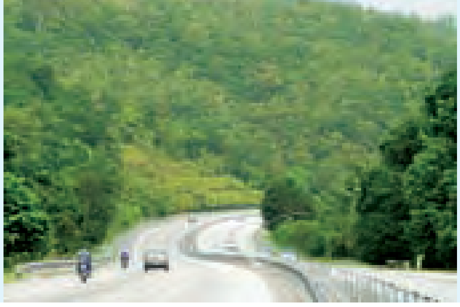
Financial Reporting

In presenting the audited financial statements and quarterly results announcement to shareholders, the Board aims to present a balanced, clear and comprehensive assessment of the Group's financial performance and prospects. The Board and the Audit Committee considers that in preparing the financial statements, the Group uses appropriate accounting policies and standards, consistently applied and supported by reasonable and prudent judgements and estimates.

Internal Control

The Board has overall responsibility for maintaining a sound and effective system of internal control covering not only financial controls but also operational and compliance controls as well as risk management to protect shareholders' investments and the Group's assets. This system has inherent limitations and can only provide reasonable but not absolute assurance against material misstatement, loss or fraud.

The internal control system of the Group is supported by an established organisational structure with well-defined authority and responsibility lines, and which comprises of appropriate financial, operational and compliance controls. The Statement on Internal Control, which provides an overview of the state of internal controls within the Group, is set out on pages 20 to 21of this Annual Report.



Relationship with the Auditors

The role of Audit Committee in relation to the external auditors is presented in the Audit Committee Report on pages 23 to 25 of this Annual Report.

The Company has always maintained a formal and professional relationship with its internal and external auditors in seeking professional advice and ensuring compliance with the accounting standards in Malaysia. The Audit Committee where and when necessary, discussed matters with the external auditors in the absence of the management.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are required by the Companies Act, 1965 to prepare financial statements which are in accordance with applicable approved accounting standards and give a true and fair view of the state of affairs of the Group and Company at the end of the financial year and of the results and cashflows of the Group and Company for the financial year then ended.

In preparing the financial statements, the Directors have: -

- adopted the appropriate accounting policies and applied them consistently;
- made judgements and estimates that are prudent and reasonable;
- ensured that applicable accounting standards have been followed, and any material discrepancies have been disclosed and explained in the financial statements.

The Directors are responsible for ensuring that the Group and Company keep proper accounting records to disclose with reasonable accuracy of the financial positions of the Group and Company which enable them to ensure that the financial statements comply with the Companies Act, 1965 and the applicable approved accounting standards in Malaysia.

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

ADDITIONAL COMPLIANCE INFORMATION

Share Buy-Back

As at 1 January 2009, the Company has a balance of 947,500 ordinary shares of RM0.20 each as treasury shares.

During the financial year ended 31 December 2009, the Company repurchased 667,400 of its own shares from the open market of Bursa Securities for a total consideration of RM811,214.55. Details of the shares repurchased are as follows: -

2009 Month	No. of Shares purchased (Ordinary Shares of RM0.20 each)	Total Consideration* (RM)	Lowest Price paid per share (RM)	Highest Price paid per share (RM)	Average Price paid per share (RM)
January	111,000	112,819.56	0.996	1.015	1.006
February	85,700	91,196.85	0.995	1.200	1.098
March	257,700	313,362.65	1.191	1.250	1.221
April	145,000	192,176.62	1.220	1.400	1.310
May	15,000	22,362.86	1.480	1.480	1.480
June	52,000	75,951.02	1.435	1.500	1.468
September	1,000	3,344.99	3.300	3.300	3.300
	667,400	811,214.55			

*Includes transaction costs

All the 667,400 shares purchased by the Company during the year were retained as treasury shares. As at 31 December 2009, the cumulative total number of shares held as treasury shares was 1,614,900 shares. None of the treasury shares were resold or cancelled during the financial year.

Options or Convertible Securities

There were no options or convertible securities issued during the financial year.

Depository Receipt Programme

There were no depository receipt programmes sponsored by the Company during the financial year.

Sanctions/Penalties Imposed

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

Non-Audit Fees

There were no non-audit fees paid to external auditors during the financial year.

Variation in Results

There were no material variances between the result for the financial year and unaudited result previously announced.

Profit Guarantees

There were no profit guarantees given by the Company during the financial year.

Material Contracts

To the best of the Board's belief and knowledge, there were no material contracts involving the Group with any of the major shareholders or Directors in office during the financial year.

Revaluation of Landed Properties

There were no revaluations of landed properties during the financial year.

Recurrent Related Party Transactions

There were no material recurrent related party transactions of a revenue nature during the financial year.

Statement on Internal Control

Introduction

The Malaysian Code on Corporate Governance requires the Group to maintain a sound system of internal control to safeguard shareholders' investments and the Group's assets. Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad requires the Board of Directors of the Company to include a statement in the Annual Report on the state of the Group's internal controls for the financial year under review in accordance with the Statement on Internal Control: Guidance for Directors of Public Listed Companies ("the Guidance") issued by the Institute of Internal Auditors Malaysia and adopted by Bursa Malaysia Securities Berhad. We set out below the Statement on Internal Control which has been prepared in accordance with the Guidance.

Board responsibility

The Board of Directors acknowledges the responsibility of maintaining a sound system of internal control and for reviewing its adequacy and integrity for good corporate governance practice. The system of internal control, designed to safeguard shareholders' investments and the Group's assets, covers not only financial control but also operational and compliance controls and risk management. Such systems however are designed to manage rather than eliminate risks that may hinder the achievement of the Group's business objectives. Accordingly, the systems can only provide reasonable and not absolute assurance against material misstatement or loss.

Risk Management

As the Group continuously explores and expands its operations around the globe, the Board of Directors recognises that the Group will be exposed to a certain degree of risk. In view to minimise risks, the Board has continuously adopted an Enterprise-Wide Risk Management system. As a result, the Risk Management Committee ("RMC") chaired by the Managing Director of the Group and comprising of the senior management and head of departments and projects was formed. The RMC would review and cover matters such as responses to significant risks identified, changes to internal control systems and output from monitoring processes. The Audit Committee too contributes in managing the company's risks by monitoring the Group's internal control function. The Audit Committee is aided by the Internal Audit Department. The Board monitors the principal risks of the Group through the RMC and the Audit Committee.

The degree of the Group's risk management is dependent on the Group's risk appetite. As the company adopts a prudent risk management system, all potential projects will be reviewed and approved by management prior to an undertaking. The Enterprise Wide Risk is evaluated annually to identify the key risks which might affect the strategic, financial operational and other business objectives. New areas for assessment are introduced as the business risk profile and environment changes.

Key elements of Internal Control

Other key elements of the Group's internal control system include the following:-

- Clearly defined delegation of responsibilities, organisation structure and appropriate authority limits have been established by the Board of Directors for the Audit Committee and management;

- Internal policies and procedures are in place and updated when necessary;

- Reporting systems are in place. Financial and operation performance reports are generated for the Board of Directors and management. Monthly management meetings are held during which the reports are discussed and the necessary action taken;

- Annual budgets are prepared by the Group and actual performance is reviewed against the budgets on a monthly basis;

- Adequacy and effectiveness of the system of internal control is reviewed and assessed when deemed necessary by the Audit Committee and the Board of Directors. The majority of Audit Committee members are independent directors. The Audit Committee is assisted by Internal Audit Department which carry out internal audit functions;

- An ISO 9001:2008 management system which is subject to regular internal review and improvement continuously manages and controls the quality requirement of the Group's products and services. This is annually reviewed by independent external consultants who are familiar with the construction and development industry.

- An Internal Audit Department which performs regular checks on the group's financial and operational procedures as well as evaluate the efficiency of the group's internal controls.

- Regular visits to operating units and project sites by senior management, accounts staff and internal auditors.

Internal Audit

The internal audit functions of the Group are performed by the Internal Audit Department. The Internal Audit Department continually undertakes to review the system of internal controls, procedures and operations so as to provide reasonable assurance that the internal control system is sound, adequate and operating satisfactorily.

Monitoring and Review of the System of Internal Control

Overall, the system of internal control in 2009 was considered to be adequate and operating satisfactorily. The effectiveness of the system of internal control is constantly reviewed and updated in response to changes in the operating environment. The monitoring, review and reporting procedures and systems in place give reasonable assurance that the controls are adequate and appropriate to the Group's operations and that risks are at an acceptable level. Such procedures and systems, however, do not eliminate the possibility of human error, the deliberate circumvention of control procedures by employees and others and the occurrence of unforeseeable circumstances.

Statement of Corporate Social Responsibility

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

As a public listed company, Mudajaya remains committed to contribute to the social well-being of the society. The Group strives to be a responsible corporate citizen and is mindful that the Group is creating value for all its stakeholders and enhancing the long-term sustainability of the Group.

As part of the Group's social responsibilities, Mudajaya has on a continual basis been providing training to undergraduates from local colleges and universities on a structured and one-off basis to provide them with basic and formal trainings in the construction and property development industries in Malaysia throughout our offices and project sites in Selangor, Kuala Lumpur, Johor, Pahang and Sarawak.

Mudajaya has been awarding scholarships to many deserving, financially challenged and bright local undergraduates on a yearly basis since 1994. The Mudajaya Scholarship Awards are granted to worthy students pursuing in the fields of Civil Engineering, Quantity Surveying, Land Surveying, Housing, Building & Planning, M&E Engineering and also Science Studies.

Throughout the year, Mudajaya organised various technical in-house training and external courses for the staff. The Group believes in grooming its own talent and continuously improving and enhancing its pool of talented workforce. Mudajaya's aim is to attract, train and retain the right people that have the ability and motivation to perform and deliver par excellence performance.

The Group also supports the community by contributing to fund-raising and donation drives. Mudajaya has made various contributions to charitable organizations and orphanages nationwide. Some of the donations and CSR activities undertaken by Mudajaya during the year were as follows:-

- In conjunction with the World Forestry Day 2009, Mudajaya participated in tree planting activities on 21 March 2009 and 7 November 2009 in the North Selangor Peat Swamp Forest in collaboration with Global Environmental Centre, Selangor State Forestry Department, Eco Warriors Malaysia and PATT (Plant-A-Tree-Today.org).

- MJC City Development Sdn Bhd, a subsidiary of Mudajaya presented a charity donation of RM300,000 towards the construction cost of Chung Hua School in Kuching, Sarawak and RM10,000 to SM Min Lit, Kuching, Sarawak in conjunction with the School's 42nd Anniversary. Donation of RM20,000 was also contributed to SJK (C) Kuan Cheng, Kuala Lumpur.

- Mudajaya contributed a donation of RM100,000 to the AMMA Foundation, a non-profit charitable organisation that offers study loan to talented and deserving students who are financially challenged.

- Donations ranging from RM1,000 to RM15,000 were contributed to various charitable organizations such as Training Centre for Special Children, Lembaga Kebajikan Anak-Anak Yatim, Yayasan Harapan Kanak-kanak Malaysia, Yayasan Jantung Malaysia, National Kidney Foundation of Malaysia, Persatuan Untuk Orang Kurang Upaya Akal Selangor Dan Wilayah Persekutuan, Children's Wish Society, The Protect and Save the Children Society and Pusat Bantuan Sentul.

- With the theme of "Make an Orphan Smile", Mudajaya visited an orphanage "Rumah Perlindungan Sosial NCWO-YWCA" with presentation of thoughtful gifts to the children.

Taking initiative to help preserve and care for the environment, Mudajaya continue to educate its staff about environmental issues. Various programmes were being introduced to highlight environmental conservation awareness to the staff such as promoting the use of recycled office stationeries and conservation of the use of energy resources.

Mudajaya continues to place great importance on accountability and transparency in the disclosure of information to the stakeholders. The Group has established Investor Relations (IR) programmes that give stakeholders and investors invaluable insight into the Group. Visitors to the Group's website are also encouraged to submit their feedback so that its services to all stakeholders could be further improvised.

Audit Committee Report

Objectives

In compliance with the Main Market Listing Requirements of Bursa Securities and Best Practices recommended by the Code, it is the objective of the Audit Committee to assist the Board of Directors in discharging its statutory duties and responsibilities relating to accounting and reporting practices and to ensure the adequacy and effectiveness of the Group's internal control measure.

In addition, Audit Committee shall ensure consistency with Bursa Securities' commitments to encourage high standards of corporate disclosure and transparency. The Audit Committee also endeavours to adopt practices aimed at maintaining appropriate standards of corporate responsibility, integrity and accountability to the Company's shareholders.

TERMS OF REFERENCE

Constitution

The Audit Committee ("the Committee") was established pursuant to a resolution of the Board of Directors passed on 29 March 2004. The Directors appointed to the Committee are as follows: -

Mr. Yee Swee Choon (Chairman)	-	Independent Non-Executive Director
En. Aminodin bin Ismail (Member)	-	Non-Independent Non-Executive Director
Mr. Henry Choo Hon Fai (Member)	-	Independent Non-Executive Director

Membership

The Committee shall be appointed by the Board from amongst its Directors of the Company. The Committee comprises not less than three (3) members and all the audit committee must be non-executive directors with a majority of them independent directors. One of the members of the Committee who is an Independent Director shall be appointed Chairman of the Committee by members of the Committee.

Meetings

Meetings of the Committee shall be held not less than four (4) times a year. The external auditors may request a meeting if they consider that one is necessary and shall have the right to appear and be heard at any meeting of the Committee. The Chairman shall convene a meeting whenever any member of the Committee requests for a meeting. Written notice of the meeting together with the agenda shall be given to the members of the Committee and external auditor where applicable. Minutes of each Committee meeting are to be prepared and distributed to all members of the Committee and Board of Directors.

The quorum for a meeting of the Committee shall be two (2) provided always that the majority of members present must be independent directors.

The Company Secretary or his assistant shall be the Secretary of the Committee.

Rights

The Committee is authorised by the Board of Directors: -

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

Duties and Responsibilities

The functions of the Committee shall include the following: -

(a) to consider the appointment of external auditors, their terms of appointment and reference and any questions of resignation or dismissal;
(b) to review with the external auditors their audit plan, scope and nature of audits;
(c) to review the quarterly and annual financial statements before submission to the Board, focusing particularly on:
- any changes in or implementation of major accounting policy changes;
- significant and unusual events;
- the going concern assumption; and
- compliance with accounting standards and other legal requirements;

(d) to review and assess the adequacy and effectiveness of the systems of internal control and accounting procedures by reviewing the external auditors' management letters and management responses;
(e) to hear from and discuss with the external auditors any problem and reservation arising from their interim and final audits or any other matter that the external auditors may wish to highlight;
(f) to review the internal audit programme, consider the findings of internal audit and steps taken by management in response to such findings and ensure co-ordination between the internal and external auditors;
(g) to review any related party transaction and conflict of interest situation that may arise within the Company or Group to ensure that such transactions are undertaken on the Group's normal commercial terms and that the internal control procedures relating to such transactions are adequate;
(h) to undertake such other responsibilities as may be delegated by the Board of Directors from time to time; and
(i) to report to the Board of Directors its activities and findings.

Attendance at Meetings

During the financial year ended 31 December 2009, the Committee held five (5) meetings. The details of attendance of the Committee members are as follows: -

Committee Member	No. of meetings attended
Mr. Yee Swee Choon	5/5
En. Aminodin bin Ismail	5/5
Mr. Henry Choo Hon Fai	5/5

SUMMARY OF ACTIVITIES OF AUDIT COMMITTEE

In line with the terms of reference of the Committee, the following activities were carried out by the Committee during the financial year ended 31 December 2009 in the discharge of its duties and responsibilities: -

- review the unaudited quarterly financial results of the Group and its explanatory notes thereon prior to recommendation for the Board of Directors' consideration and approval with particular focus on compliance with accounting standards and regulatory requirements and the Group's accounting policies and practices;

- review the annual report and audited financial statements of the Group prior to submission for the Board of Directors for their consideration and approval;

- review the Internal Audit Reports and accessing the Internal Auditor's findings and the management's responses thereto and thereafter, making the necessary recommendations or changes to the Board of Directors;

- review the Statement on Internal Control and Statement on Corporate Governance for inclusion in the Annual Report; and

- review the Company's compliance with the Main Market Listing Requirements of Bursa Securities and the applicable approved accounting standards issued by Malaysian Accounting Standards Board.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is performed by the Internal Audit Department, which reports to the Audit Committee on its activities based on the approved annual audit plan. The Internal Audit Department provides the Audit Committee with independent and objective reports on the effectiveness of the internal control system within the Group, and the extent of compliance of the divisions with the Group's established policies and procedures as well as relevant statutory requirements.

The principal objective of the internal audit function is to perform regular reviews on the Group's business activities and key business processes to ensure that the systems of internal controls, procedures and operations are properly administered. This is to provide reasonable assurance that the internal control system is sound, adequate and operating satisfactorily.

The attainment of such objective involves the major activities being carried out by the Internal Audit Department:-

a) Review and appraise the adequacy, effectiveness and reliability of the internal control systems, policies and procedures;
b) Monitor the adequacy, reliability, integrity, security and timeliness of management information systems;
c) Determine the extent of compliance with relevant laws, codes, standards, regulations, policies, contracts, plans and procedures; and
d) Identify and recommend solutions and appropriate controls for identified potential problems; and
e) Review and verify the means used to safeguard assets.

Recommendations indicated in the internal audit reports were duly acted upon by management.

The Group has employed an in-house internal audit team to perform the internal audit functions. For the year ended December 2009, the department has incurred a cost of approximately RM103,000.00.

STATEMENT VERIFYING ALLOCATION OF OPTIONS

There were no share schemes for employees established during the financial year ended 31 December 2009.

Managing Director's Statement

Dear Valued Shareholders

On behalf of the Board of Directors, I am pleased to present to you the Annual Report and financial statements of Mudajaya Group Berhad ("Mudajaya" or "the Company") for the financial year ended 31 December 2009.

FINANCIAL RESULTS

For the financial year under review, Mudajaya generated total revenue of RM720.0 million, as compared to RM422.4 million in the previous financial year. Mudajaya's profit after taxation rose 140% to RM137.5 million for the financial year ended 31 December 2009 from the previous year record of RM57.2 million.

As at 31 December 2009, the Group's net assets stood at RM422.8 million whilst the net asset per share was RM1.00. The Group continues to operate under healthy financial position with net current assets of RM146.2 million and Cash and bank balances of RM116.1 million with zero gearing.

REVIEW OF OPERATIONS

Year 2009 has been a good year for Mudajaya, as we expanded our market internationally to increase our construction activities and revenue.

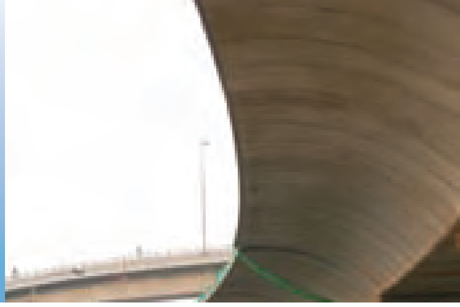
Construction

The Group's construction operations are spearheaded by its 100%-owned subsidiary, Mudajaya Corporation Berhad ("MCB").

The revenue derived from the construction sector has increased to RM573.9 million in the current financial year under review as compared to RM282.3 million recorded in the previous financial year, a significant increase of 103%. The profit before taxation for this segment improved considerably to RM189.7 million in the current financial year as compared to RM60.6 million achieved in the previous financial year, a growth of 213%. The construction division of the Group continues to perform well due to its innovation of providing optimization of resources such as plant, labour and material while maintaining the commitment to deliver quality work within the contractual time frame.

We have secured the following new contracts during the year, some of which have contributed to the sterling performance of the Group:-

- Design, construct and completion of a Hospital situated at Rompin, Pahang with a contract sum amounting to RM75.4 million.
- Turnkey contract to construct and complete a 16-storey office building located at Mutiara Damansara, Petaling Jaya, Selangor Darul Ehsan for a contract sum of RM41.2 million.
- Design, construct and completion of a Low-cost hotel building known as Tune Hotel in Danga Bay, Johor Bahru, Johor Darul Takzim valued at RM19.9 million.
- Turnkey contract to design and build 8 units of 3-storey bungalow and 2 units of 4-storey penthouse duplex located at Damansara Heights for a contract sum amounting to RM15.7 million.
- Equipment Procurement Contract for the setting up of Unit 2, 3 and 4 (collectively known as "EP Contract - Phase 2") of the 4 x 360 MW IPP Project in Chhattisgarh, India, for a total consideration of USD721.41 million (approximately RM2.64 billion).



Construction (cont'd)

- Development of a New Internet City Project comprising of one basement, three office tower blocks, one shopping mall and one meeting and exhibition area located at High-Tech Area, District 9, Ho Chi Minh City, Socialist Republic of Viet Nam valued at USD55.5 million (approximately RM194.1 million).

Subsequent to the year ended 31 December 2009, we have received the Letter of Acceptance on the design and construction of the Proposed Boulevard Plaza Development at Lot 3C7, Putrajaya for a contract sum of RM241.3 million, in February 2010.

Other than the new contracts secured, the following are some of the on-going projects:-

- Coal-fired Power plant at Chhattisgarh, India - Equipment Procurement contract (Phase 1).
- Crest Jalan Sultan Ismail – Construction of service apartments & office blocks.
- Batu Kawah New Township – Construction projects.
- Design and build construction project for the privatisation of the Kuala Lumpur – Kuala Selangor Expressway (KLKSE) Package 1 – Assam Jawa to Kundang and for Package 2 – Kundang to Taman Rimba Templer.
- Design and build contract for Spur Line Guideway Extension and Operation and Maintenance Storage Facility including One Set 3-Car Train in KLIA.

Property Development

Our main project, Batu Kawah New Township in Kuching, Sarawak continued to enjoy high demand due to its increasing vibrancy, accessibility, amenities and infrastructures. This self contained township is undertaken via our 70%-owned subsidiary, MJC City Development Sdn Bhd ("MJCC").

MJCC's sales performance exceeded expectations despite the soft property market. MJCC has completed and handed over all the 954 units of the 4-storey walk up apartments (known as Courtyard Sanctuary) and the high-rise condominium (known as Upper Sanctuary), which are now 98% sold. The gated semi-detached homes (known as MJC Mutiara) also registered commendable sales of 98%. We have attracted many expatriate families from the United Kingdom, Netherlands, France, Australia and Taiwan to reside in MJC Mutiara.

Riding on the success, Phase 5.3 of MJC Mutiara comprising 24 exclusive bungalow lots (known as Mutiara Villa) received encouraging response from the up-market buyers of Kuching where sales are recorded at 32%. A co-branding and joint promotion with the most prestigious club in Sarawak, the Sarawak Club will be carried out to attract the cream-de-la-cream of the Kuching society.

On 29 January 2010, Phase 7, One Residency, Courtyard & Garden Villas was awarded with the Special Award (for Design and Concept) for providing quality urban living and innovative architecture to its buyers. This is the 1st gated and guarded link homes with resort facilities in Kuching. Phase 7.1 was completed at the end of year 2009 and has achieved more than 96% sales while Phases 7.2 to 7.4 have achieved 60% sales.

The Sky Villa Condominium project recorded 74% sales for Block A while Block B was launched at the end of year 2009.

Mudajaya Land Sdn Bhd (formerly known as Angsana Fajar Sdn Bhd) ("MLSB"), a wholly-owned subsidiary of MCB, is developing a high end residential bungalow project at the prestigious Damansara Heights in Kuala Lumpur. This is a joint venture between MLSB and Integrated Heights Sdn Bhd. The project is planned to be launched for in mid-2010. The gross development value is estimated to be approximately RM28 million.

Property Development (cont'd)

In Mutiara Damansara, Petaling Jaya, MLSB has purchased 45,934 square feet of land in the Corporate Business Park of Mutiara Damansara, Petaling Jaya to develop a 16-storey office building with a gross build-up area of approximately 138,000 square feet. Construction works has begun at the site. The Gross Development Value is estimated at approximately RM75 million.

Manufacturing

The manufacturing division consists of production and sales of ready-mixed concrete and pre-cast concrete beams via our 100%-owned subsidiaries, MJC Industries Sdn. Bhd. and MJC Precast Sdn. Bhd. The ready-mixed concrete operation has been providing an integral support to the core construction and property development activities of the Group.

The manufacturing division registered a profit before taxation increased of 600% in the current financial year as compared to the previous financial year.

The major precast concrete beam contracts secured and supplied in 2009 were:-

- Design and build construction project for the privatisation of the Kuala Lumpur – Kuala Selangor Expressway (KLKSE) Package 1 – Assam Jawa to Kundang and for Package 2 – Kundang to Taman Rimba Templer
- Parts Of Electrified Double Track Project Between Ipoh And Padang Besar
- South Klang Valley Expressway

Trading

The trading division is undertaken by our 100%-owned subsidiary, MJC Trading Sdn. Bhd.

Trading division continued to play a crucial role in ensuring reliable, cost effective and efficient supply of construction and building materials for the Group's construction and property development operations. Even though revenue for the trading division has increased by only 11%, however profit before taxation has increased substantially by 994% in 2009 as compared to the previous year, mainly due to the stabilisation of the construction material prices.

CORPORATE DEVELOPMENT

During the financial year, the Group has made significant progress on the IPP Project in the State of Chhattisgarh, India.

The IPP Project is a coal-based thermal power station consist of 4 generating units with a nominal capacity of 360 MW each, to be set up in two phases, comprising Phase 1 (Unit 1 of the generating units) and Phase 2 (Unit 2, 3 and 4 of the generating units). The development for Phase 1 is on track and is targeted to be completed by the second half of year 2011, whereas the development for Phase 2 has commenced since February 2009 and is expected to be completed by 2012.

R.K.M Powergen Private Limited ("RKM"), the special purpose vehicle for the IPP Project has earlier entered into a loan syndication agreement for the financing facilities of INR11.9 billion (equivalent to approximately RM847 million) for Phase 1 of the IPP Project with several financial institutions in India.

During the year, RKM was offered financing facilities by several financial institutions in India for a total amount of INR38.0 billion (approximately RM2.75 billion) to part-finance Phase 2 of the IPP Project.

CORPORATE DEVELOPMENT (CONT'D)

Other than the IPP project as mentioned above, Mudajaya has also explored other business opportunities, both locally and overseas. We are leveraging on our financial strength and track records and have focused in certain niche sectors particularly in the power plant sector, which may potentially generate higher profit margin.

On 24 January 2010, Mudajaya Middle East Ltd, a 75% owned subsidiary has entered into a Memorandum of Understanding ("MOU") with Modern Electro-Mechanical Projects Limited ("MEPCO"), a company incorporated in Saudi Arabia, and Mubarak Abdullah bin Mohammed Al Khafra ("Mubarak"), with the intention of setting up a specialist equipment procurement contracting company called Mudajaya Power and Water Ltd ("MPWL"). The purpose of the MOU is to form an EPCC company in Saudi Arabia to undertake EPCC contracts there.

Subsequent to the financial year 2009, Mudajaya placed out 37,238,500 ordinary shares of RM0.20 each representing 10% of its issued and paid-up share capital (net of treasury shares) in the Company to private placees at an issue price of RM4.80 per share. The private placement was completed on 29 January 2010 and upon completion of the placement, the issued and paid up capital increased from 374,000,000 shares to 411,238,500 shares.

The private placement proceeds raised of RM178.7 million will be utilised for (i) investments and / or capital expenditure in areas related to the Group of Companies' businesses in (but not limited to) India and / or (ii) working capital purposes as and when required by the Group of Companies.

INDUSTRY RECOGNITION

Mudajaya has proudly emerged as the top leader of the Construction and Property Sector at the distinguished Annual KPMG / The Edge Shareholder Value Awards for Year 2008 on 21 August 2009. Apart from being the leader in the Construction and Property Sector, Mudajaya was ranked 32nd in the top 100 Listed Companies For Best Shareholders' Value Creation.

Mudajaya's subsidiary, MJC City Development Sdn Bhd was also awarded the "Sheda Excellence Awards 2009 – Special Award for Innovative Design & Lifestyle" for the property development of "One Residency, Courtyard & Garden Villas" by the Sarawak Housing and Real Estate Developers' Association (SHEDA).

PROSPECTS OF THE COMPANY

Moving forward, the Group is continually seeking to secure profitable projects to enhance shareholders' value. The Group's excellent track record in its 45 years of experience in the construction industry couple with a strong and professional management team plus its healthy financial position will provide the Group with competitive advantages to secure and undertake new major projects.

Abroad, the Group's venture in the IPP Project in India will substantially improve the Group's presence in India and will strengthen the Group as a power player in the industry. A steady long-term stream of recurring income is expected to commence upon the commercial operations of the power plant.

Currently, the Group is also exploring various business opportunities in India, Middle East, Indonesia, Vietnam, Laos and other parts of the world to secure projects, particularly in the power and construction sectors.

Against this outlook and barring unforeseen circumstances, the Board is determine and optimistic that it will be able to improve further on its performance in 2010.

DIVIDEND

The first interim dividend of 3% or RM0.006 per ordinary share of RM0.20 each under the single tier system for the financial year ended 31 December 2009 amounted to RM2.2 million was declared on 13 May 2009 and paid on 23 July 2009.

A second interim dividend of 5% or RM0.01 per ordinary share of RM0.20 each under the single tier system for the financial year ended 31 December 2009 amounted to RM3.7 million was declared on 26 August 2009 and was subsequently paid on 20 October 2009.

In addition, the Board of Directors has also recommended the declaration of a final dividend under the single tier system of 10% or RM0.02 per ordinary share of RM0.20 each in respect of financial year ended 31 December 2009, subject to the shareholders' approval at the forthcoming Seventh Annual General Meeting.

APPRECIATION

I would like to express my sincere gratitude and appreciation to all the directors, members of the management and staff for their loyalty, commitment and dedication. Lastly, I would also like to take this opportunity to thank our shareholders, financiers, suppliers, contractors and clients, who have continuously given their unwavering support to us over the years.

Thank you.

Ng Ying Loong
Managing Director
14 May 2010

Financial Statements

Directors' Report

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 31 December 2009.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are disclosed in Note 13 to the financial statements.

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

RESULTS

	Group RM'000	Company RM'000
Profit for the year	**137,541**	12,004
Attributable to:		
Equity holders of the Company	**119,180**	12,004
Minority interests	**18,361**	-
	137,541	12,004

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

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

DIVIDENDS

The amount of dividends paid by the Company since 31 December 2008 were as follows:

	RM'000
In respect of the financial year ended 31 December 2008 as reported in the directors' report of that year:	
Final dividend of 7.5% under the single tier system, on 372,438,100 ordinary shares of RM0.20 each, approved by shareholder on 16 June 2009 and paid on 6 July 2009.	5,587
In respect of the financial year ended 31 December 2009:	
First interim dividend of 3% under the single tier system, on 372,398,100 ordinary shares of RM0.20 each, declared on 13 May 2009 and paid on 23 July 2009.	2,234
Second interim dividend of 5% under the single tier system, on 372,398,100 ordinary shares of RM0.20 each, declared on 26 August 2009 and paid on 20 October 2009.	3,724
	11,545

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2009, of 10% under the single tier system will be proposed for shareholders' approval. The financial statements for the current financial year 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 31 December 2010.

The number of ordinary shares for proposal of dividend is uncertain at the date of this financial statement as the Company is engaged in share buy back activity.

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:

Ng Ying Loong
Wee Teck Nam
Anto A/L S.F. Joseph
Chung Tze Hien
Aminodin bin Ismail
Yee Swee Choon
Henry Choo Hon Fai

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 a benefit (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 Note 8 to the financial statements or the fixed salary of a full time employee) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 27 to the financial statements.

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 during the financial year were as follows:

	Number of ordinary shares of RM0.20 each			
	As at As at 1.1.2009	**Acquired**	**Sold**	**As at As at 31.12.2009**
The Company				
Direct interest				
Ng Ying Loong	4,065,000	-	-	4,065,000
Anto A/L S.F. Joseph	1,625,000	-	-	1,625,000
Wee Teck Nam	975,000	-	-	975,000
Yee Swee Choon	153,750	-	-	153,750
Indirect interest				
Ng Ying Loong	100,070,000	-	-	100,070,000
Wee Teck Nam	100,060,000	-	-	100,060,000
Yee Swee Choon	12,500	20,000	-	32,500

Ng Ying Loong and Wee Teck Nam by virtue of their interest in shares in the Company are also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

TREASURY SHARES

During the financial year, the Company repurchased 667,400 of its issued ordinary shares from the open market at an average price of RM1.21 per share. The total consideration paid for the repurchase including transaction costs was RM811,000. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

As at 31 December 2009, the Company held as treasury shares a total of 1,614,900 of its 374,000,000 issued ordinary shares. Such treasury shares are held at a carrying amount of RM1,811,000 and further relevant details are disclosed in Note 23 to the financial statements.

OTHER STATUTORY INFORMATION

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

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

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

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

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

    (ii) the values attributed to the 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 statementsmisleading.

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

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

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

(f) In the opinion of the directors:

    (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

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

SUBSEQUENT EVENT

Details of a subsequent event are disclosed in Note 30 to the financial statements.

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 26 March 2010.

Ng Ying Loong	Wee Teck Nam

Statement by Directors

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

We, Ng Ying Loong and Wee Teck Nam, being two of the directors of Mudajaya Group Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 39 to 82 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 31 December 2009 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 26 March 2010.

Ng Ying Loong

Wee Teck Nam

Statutory Declaration

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

I, Loi Kent Liak, being the officer primarily responsible for the financial management of Mudajaya Group Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 39 to 82 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, l960.

Subscribed and solemnly declared by the
abovenamed Loi Kent Liak at Petaling Jaya in the
State of Selangor Darul Ehsan on 26 March 2010.

Loi Kent Liak

Before me,

Soong Foong Chee
No. B. 158

Independent Auditors' Report

to the members of Mudajaya Group Berhad
(Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Mudajaya Group Berhad, which comprise the balance sheets as at 31 December 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 39 to 82.

Directors' responsibility for the financial statements

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

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 31 December 2009 and of their financial performance and cash flows of the Group and of the Company 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 incorporated in Malaysia of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' report of the subsidiary of which we have not acted as auditors, which is indicated in Note 13 to the financial statements.

(c) 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.

(d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification material to the consolidated financial statements and in respect of subsidiaries incorporated in Malaysia, did not include any comment required to be made under Section 174(3) of the Act.

OTHER MATTERS

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

Ernst & Young
AF: 0039
Chartered Accountants

Lee Seng Huat
No. 2518/12/11(J)
Chartered Accountant

Kuala Lumpur, Malaysia
26 March 2010

Income Statements

for the year ended 31 December 2009

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Revenue	3	**719,971**	422,382	**19,899**	13,568
Cost of sales	4	**(540,552)**	(338,687)	**-**	-
Gross profit		**179,419**	83,695	**19,899**	13,568
Other income	5	**9,732**	3,142	**8**	3
Administrative expenses		**(21,000)**	(21,864)	**(367)**	(324)
Operating profit	6	**168,151**	64,973	**19,540**	13,247
Share of results of associates		**(194)**	459	**-**	-
Profit before tax		**167,957**	65,432	**19,540**	13,247
Income tax expense	9	**(30,416)**	(8,185)	**(7,536)**	(3,476)
Profit for the year		**137,541**	57,247	**12,004**	9,771
Attributable to:					
Equity holders of the Company		**119,180**	45,117	**12,004**	9,771
Minority interests		**18,361**	12,130	**-**	-
		137,541	57,247	**12,004**	9,771
Earning per share attributable to equity holders of the Company (sen):					
Basic, for profit for the year	10	**32.0**	12.1		

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

Balance Sheets

as at 31 December 2009

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	**36,406**	11,880	**-**	-
Investment in subsidiaries	13	**-**	-	**137,349**	60,299
Investment in associates	14	**240,398**	90,872	**-**	-
Other investments	15	**102**	102	**-**	-
		276,906	102,854	**137,349**	60,299
Current assets					
Property development costs	16	**66,776**	78,997	**-**	-
Inventories	17	**14,587**	15,251	**-**	-
Trade and other receivables	18	**236,619**	141,248	**7**	77,613
Cash and bank balances	19	**116,074**	69,775	**377**	22
		434,056	305,271	**384**	77,635
TOTAL ASSETS		**710,962**	408,125	**137,733**	137,934
Equity and liabilities					
Equity attributable to equity holders of the Company					
Share capital	23	**74,800**	74,800	**74,800**	74,800
Share premium	23	**63,114**	63,114	**63,114**	63,114
Treasury shares	23	**(1,811)**	(1,000)	**(1,811)**	(1,000)
Capital reserve	24	**4,900**	4,900	**-**	-
Foreign currency translation reserve		**(569)**	2,956	**-**	-
Retained earnings	25	**234,625**	126,990	**1,307**	848
		375,059	271,760	**137,410**	137,762
Minority interests		**47,781**	32,372	**-**	-
Total equity		**422,840**	304,132	**137,410**	137,762
Non-current liability					
Deferred taxation	22	**256**	256	**-**	-
Current liabilities					
Trade and other payables	21	**275,342**	100,514	**323**	172
Current tax payable		**12,524**	3,223	**-**	-
		287,866	103,737	**323**	172
Total liabilities		**288,122**	103,993	**323**	172
TOTAL EQUITY AND LIABILITIES		**710,962**	408,125	**137,733**	137,934

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

Consolidated Statement of Changes in Equity

for the year ended 31 December 2009

	Note	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Treasury shares RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total RM'000	Minority interests RM'000	Total equity RM'000
		← Attributable to equity holders of the Company →								
		← Non-distributable →					Distributable			
At 1 January 2008		74,800	63,114	4,900	(811)	(246)	91,263	233,020	20,842	253,862
Profit for the year		-	-	-	-	-	45,117	45,117	12,130	57,247
Foreign currency translation, representing net income recognised directly in equity		-	-	-	-	3,202	-	3,202	-	3,202
Total recognised income and expense for the year		-	-	-	-	3,202	45,117	48,319	12,130	60,449
Treasury shares:										
Purchased	23	-	-	-	(189)	-	-	(189)	-	(189)
Dividends	11	-	-	-	-	-	(9,390)	(9,390)	(600)	(9,990)
At 31 December 2008		74,800	63,114	4,900	(1,000)	2,956	126,990	271,760	32,372	304,132
At 1 January 2009		**74,800**	**63,114**	**4,900**	**(1,000)**	**2,956**	**126,990**	**271,760**	**32,372**	**304,132**
Profit for the year		**-**	**-**	**-**	**-**	**-**	**119,180**	**119,180**	**18,361**	**137,541**
Foreign currency translation, representing net expense recognised directly in equity		**-**	**-**	**-**	**-**	**(3,525)**	**-**	**(3,525)**	**-**	**(3,525)**
Total recognised income and expense for the year		**-**	**-**	**-**	**-**	**(3,525)**	**119,180**	**115,655**	**18,361**	**134,016**
Treasury shares:										
Purchased	23	**-**	**-**	**-**	**(811)**	**-**	**-**	**(811)**	**-**	**(811)**
Dividends	11	**-**	**-**	**-**	**-**	**-**	**(11,545)**	**(11,545)**	**(92)**	**(11,637)**
Subscription of shares in a subsidiary		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**124**	**124**
Acquisition of minority interests' shares		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,984)**	**(2,984)**
At 31 December 2009		**74,800**	**63,114**	**4,900**	**(1,811)**	**(569)**	**234,625**	**375,059**	**47,781**	**422,840**

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

Company Statement of Changes in Equity

for the year ended 31 December 2009

	Note	Share capital RM'000	Non-distributable Share premium RM'000	Non-distributable Treasury shares RM'000	Distributable Retained earnings RM'000	Total equity RM'000
At 1 January 2008		74,800	63,114	(811)	467	137,570
Profit for the year, representing total recognised income and expense for the year		-	-	-	9,771	9,771
Treasury shares:						
Purchased	23	-	-	(189)	-	(189)
Dividends	11	-	-	-	(9,390)	(9,390)
At 31 December 2008		74,800	63,114	(1,000)	848	137,762
At 1 January 2009		**74,800**	**63,114**	**(1,000)**	**848**	**137,762**
Profit for the year, representing total recognised income and expense for the year		**-**	**-**	**-**	**12,004**	**12,004**
Treasury shares:						
Purchased	23	**-**	**-**	**(811)**	**-**	**(811)**
Dividends	11	**-**	**-**	**-**	**(11,545)**	**(11,545)**
At 31 December 2009		**74,800**	**63,114**	**(1,811)**	**1,307**	**137,410**

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

Cash Flow Statements

for the year ended 31 December 2009

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	**167,957**	65,432	**19,540**	13,247
Adjustments for:				
Interest income	**(2,213)**	(1,775)	**(8)**	(3)
Dividend income	**-**	-	**(19,899)**	(13,568)
Depreciation of property, plant and equipment	**4,439**	3,196	**-**	-
Gain on acquisition of minority interests' shares	**(1,984)**	-	**-**	-
Gain on disposal of property, plant and equipment	**(185)**	(329)	**-**	-
Provision for doubtful debts	**-**	399	**-**	-
Reversal of provision for doubtful debts	**(1,643)**	-	**-**	-
Gain on acquisition of a subsidiary	**(419)**	-	**-**	-
Unrealised (gain)/loss on foreign exchange	**(694)**	1,234	**-**	-
Share of results of associates	**194**	(459)	**-**	-
Operating profit/(loss) before working capital changes	**165,452**	67,698	**(367)**	(324)
Property development costs	**(3,085)**	(52,438)	**-**	-
Inventories	**664**	10,067	**-**	-
Trade and other receivables	**(92,446)**	3,134	**77,608**	(190)
Trade and other payables	**171,997**	(4,687)	**151**	(8)
Cash generated from/(used in) operations	**242,582**	23,774	**77,392**	(522)
Taxes paid	**(21,968)**	(7,171)	**(2,563)**	(1)
Taxes refunded	**-**	490	**-**	46
Net cash generated from/(used in) operating activities	**220,614**	17,093	**74,829**	(477)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	**(13,754)**	(2,623)	**-**	-
Proceeds from disposal of property, plant and equipment	**280**	468	**-**	-
Subscription of shares in subsidiary	**-**	-	**(77,050)**	-
Minority interests' share of investment in a subsidiary	**124**	-	**-**	-
Subscription of shares in associate	**(149,720)**	(21,526)	**-**	-
Acquisition of a subsidiary (Note 13)	**(10)**	-	**-**	-
Acquisition of minority interests' shares	**(1,000)**	-	**-**	-
Interest received	**2,213**	1,775	**8**	3
Dividend received	**-**	-	**14,924**	10,040
Net cash (used in)/generated from investing activities	**(161,867)**	(21,906)	**(62,118)**	10,043
CASH FLOWS FROM FINANCING ACTIVITIES				
Purchase of treasury shares	**(811)**	(189)	**(811)**	(189)
Dividends paid	**(11,637)**	(9,990)	**(11,545)**	(9,390)
Net Cash Used in Financing Activities	**(12,448)**	(10,179)	**(12,356)**	(9,579)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**46,299**	(14,992)	**355**	(13)
CASH AND BANK BALANCES AT BEGINNING OF YEAR	**69,775**	84,767	**22**	35
CASH AND BANK BALANCES AT END OF YEAR (NOTE 19)	**116,074**	69,775	**377**	22

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

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 business of the Company is located at 17, Jalan Semangat, 46100 Petaling Jaya, Selangor Darul Ehsan,Malaysia.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 13. There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 26 March 2010.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared on a historical basis, unless otherwise disclosed in significant accounting policies, and comply with Financial Reporting Standards and the Companies Act, 1965 in Malaysia.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

2.2 Summary of significant accounting policies

(a) Subsidiaries and basis of consolidation

(i) Subsidiaries

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

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

(ii) Basis of consolidation

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (cont'd)

(a) Subsidiaries and basis of consolidation (cont'd)

(ii) Basis of consolidation (cont'd)

Acquisition of subsidiaries are accounted for using the purchase method except for certain business combinations which were acquired prior to 1 January 2006 were accounted for using the merger method in accordance with FRS 1222004: Business Combinations, the generally accepted accounting principles prevailing at that time. The Group has taken advantage of exemption provided by FRS 3: Business Combinations to apply this standard prospectively. Accordingly, business combinations entered into prior to the effective dates have not been restated to comply with this standard.

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

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

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

Acquisitions of subsidiaries that meet the conditions of a merger are accounted for using the merger method. Under the merger method of accounting, the results of subsidiaries are presented as if the merger had been affected throughout the current and previous year. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. In the consolidated financial statements, the cost of the merger is eliminated against the nominal value of the shares received. Any resulting credit difference is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any share premium, capital redemption reserve and other reserves which are attributable to share capital of the merged enterprises, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in other capital reserves.

(b) Associates

Associates are entities in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not in control or joint control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in associate is carried in the consolidated balance sheet at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate. The Group's share of the net profit or loss of the associate is recognised in the consolidated profit or loss. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (cont'd)

(b) Associates (cont'd)

In applying the equity method, unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influenceover the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of the net fair value of the associate's identifiable asset, liabilities and contingent liabilities over the cost of the investment is excluded fromthe carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

The most recent available audited financial statements of the associates are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Uniform accounting polices are adopted for like transactions and events in similar circumstances.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(c) Jointly controlled assets

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control such that significant operating and financial decisions require the consent of more than one venturer. The Group is involved in a jointly controlled asset ("JCA").

A JCA is a joint venture in which the venturers have joint control over the assets contributed to or acquired for the purposes of the joint venture. JCA does not involve the establishment of a corporation, partnership or other entity. This includes situations where the participants derive benefit from the joint activity through share of the results of the operations. The Group's proportionate interests in the assets, liabilities, revenues, expenses and cash flows of JCA are incorporated into the Group's financial statements under the appropriate headings.

(d) Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the itemwill flow to the Group and the cost of the itemcan be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (cont'd)

(d) Property, plant and equipment and depreciation (cont'd)

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

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

Buildings	2%
Factory	10%
Plant, machinery and equipment	20%
Office equipment, furniture and fittings	20%
Motor vehicles	20%

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

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

(e) Property development costs

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

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (cont'd)

(f) Construction contracts

Construction contracts work-in-progress are stated at cost plus attributable profits less foreseeable losses and progress billings. Cost includes sub-contract charges, materials, labour and attributable overhead expenses.

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the total of costs incurred on construction contracts plus, recognised profits (less recognised losses), exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus, recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

(g) Impairment of non-financial assets

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

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

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An impairment loss is recognised in profit or loss in the period in which it arises.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (cont'd)

(h) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of raw materials and finished goods is determined on a weighted average or first-infirst-out basis, as appropriate, according to the category of inventories concerned. The cost of raw materials comprises costs of purchase. The cost of unsold properties comprises cost associated with the acquisition of land, direct costs and appropriate proportions of common costs.

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

(i) Financial instruments

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

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

(i) Cash and bank balances

For the purposes of the cash flow statements, cash and bank balances include cash on hand and at bank and deposits at call which have an insignificant risk of changes in value, net of outstanding bank overdrafts, if any.

(ii) Other non-current investments

Non-current investments other than investments in subsidiaries, associates and jointly controlled entities are stated at cost less impairment losses. On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in profit or loss.

(iii) Marketable securities

Marketable securities are carried at the lower of cost and market value, determined on an aggregate basis. Cost is determined on the weighted average basis while market value is determined based on quoted market values. Increases or decreases in the carrying amount of marketable securities are recognised in profit or loss. On disposal of marketable securities, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss.

(iv) Trade receivables

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

(v) Trade payables

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (cont'd)

(i) Financial instruments (cont'd)

(vi) Equity instruments

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

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

The consideration paid, including attributable transaction costs on repurchased ordinary shares of the Company that have not been cancelled, are classified as treasury shares and presented as a deduction from equity. No gain or loss is recognised in profit or loss on the sale, re-issuance or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

(j) Income tax

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

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

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

(k) Provisions

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (cont'd)

(l) Employee benefits

(i) Short term benefits

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

(ii) Defined contribution plans

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

(m) Foreign currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

(ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's separate financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (cont'd)

(m) Foreign currencies (cont'd)

(iii) Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency (RM) of the consolidated financial statements are translated into RMas follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate prevailing at the balance sheet date;

- Income and expenses for each income statement are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and

- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

(n) Revenue recognition

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

(i) Sale of properties

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

(ii) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2.2(f).

(iii) Sale of goods

Revenue is recognised net of sales taxes and discounts upon transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the considerationdue, associated costs or the possible return of goods.

(iv) Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the lease. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis.

(v) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(vi) Dividend income

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (cont'd)

(n) Revenue recognition (cont'd)

(vii) Management fees

Management fees are recognised when services are rendered.

2.3 Changes in accounting policies and future accounting standards

(i) Standards and Interpretations issued but not yet effective

At the date of authorisation of these financial statements, the following new FRSs and Interpretations, and amendments to certain Standards and Interpretations were issued but not yet effective and have not been applied by the Group and the Company, which are mandatory for annual periods:

Effective for financial periods beginning on or after 1 July 2009
FRS 8: Operating Segments

Effective for financial periods beginning on or after 1 January 2010
FRS 4: Insurance Contracts
FRS 7: Financial Instruments: Disclosures
FRS 101 (Revised): Presentation of Financial Statements
FRS 123 (Revised): Borrowing Costs
FRS 139: Financial Instruments: Recognition and Measurement
Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2: Share-based Payment - Vesting Conditions and Cencellations
Amendments to FRS 132: Financial Instruments: Presentation
Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives
Amendments to FRSs 'Improvements to FRSs (2009)'
IC Interpretation 9: Reassessment of Embedded Derivatives
IC Interpretation 10: Interim Financial Reporting and Impairment
IC Interpretation 11: FRS 2 – Group and Treasury Share Transactions
IC Interpretation 13: Customer Loyalty Programmes
IC Interpretation 14: FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TR i - 3: Presentation of Finance Statements of Islamic Financial Institutions
FRS 1: First-time Adoption of Financial Reporting Standards
FRS 3: Business Combinations (revised)
FRS 127: Consolidated and Separate Financial Statements (amended)
Amendments to FRS 2: Share-based Payment
Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 138: Intangible Assets
Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives
IC Interpretation 12: Service Concession Arrangements
IC Interpretation 15: Agreements for the Construction of Real Estate
IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17: Distributions of Non-cash Assets to Owners

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Changes in accounting policies and future accounting standards (cont'd)

(i) Standards and Interpretations issued but not yet effective (cont'd)

The Group and the Company plan to adopt the above pronouncements when they become effective in the respective financial period. Unless otherwise described below, these pronouncements are expected to have no significant impact to the financial statements of the Group and the Company upon their initial application:

(a) FRS 3: Business Combinations (revised) and FRS 127: Consolidated and Separate Financial Statements (amended)

FRS 3 (revised) introduces a number of changes to the accounting for business combinations occurring on or after 1 July 2010. These include changes that affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

FRS 127 (amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners and to be recorded in equity. Therefore, such transaction will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended Standard changes the accounting for losses incurred by the subsidiary as well as loss of control of a subsidiary.

The changes by FRS 3 (revised) and FRS 127 (amended) will be applied prospectively and only affect future acquisition or loss of control of subsidiaries and transactions with non-controlling interests.

(b) FRS 8: Operating Segment

FRS 8 replaces FRS 114_{2004}: Segment Reporting and requires a 'management approach', under which segment information is presented on a similar basis to that used for internal reporting purposes. As a result, the Group's external segmental reporting will be based on the internal reporting to the "chief operating decision maker", who makes decisions on the allocation of resources and assesses the performance of the reportable segments. As this is a disclosure standard, there will be no impact on the financial position or results of the Group.

(c) FRS 101: Presentation of Financial Statements (revised)

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the statements of changes in equity will now include only details of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income. The Standard also introduces the statement of comprehensive income: presenting all items of income and expense recognised in the income statement, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. The Group is currently evaluating the format to adopt. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. This revised FRS does not have any impact on the financial position and results of the Group and the Company.

(d) FRS 123: Borrowing Costs

This Standard supersedes FRS 123_{2004}: Borrowing Costs that removes the option of expensing borrowing costs and requires capitalisation of such costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Other borrowing costs are recognised as an expense. The Group currently complies with the requirements of this Standard.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Changes in accounting policies and future accounting standards (cont'd)

(i) Standards and Interpretations issued but not yet effective (cont'd)

(e) FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures

The new Standard on FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Requirements for presenting information about financial instruments are in FRS 132: Financial Instruments: Presentation and the requirements for disclosing information about financial instruments are in FRS 7: Financial Instruments: Disclosures.

FRS 7 is a new Standard that requires new disclosures in relation to financial instruments. The Standard is considered to result in increased disclosures, both quantitative and qualitative of the Group's and Company's exposure to risks, enhanced disclosure regarding components of the Group's and Company's financial position and performance, and possible changes to the way of presenting certain items in the financial statements.

The Group and the Company are exempted from disclosing the possible impact to the financial statements upon the initial application of these standards in accordance with the respective transitional provisions.

(f) Amendments to FRSs 'Improvements to FRSs (2009)'

The 'Improvements to FRSs (2009)' contains amendments to several FRSs as described below:

- FRS 5: Non-current Assets Held for Sale and Discontinued Operations: Clarifies that the disclosures required in respect of non-current assets and disposal groups classified as held for sale or discontinued operations are only those described by the Standard. The disclosures requirements from other FRSs only apply if specifically required for such non-current assets held for sale and disposal group or discontinued operations. Additional disclosures may be also being necessary to comply with the general requirements of FRS 101.

- FRS 7: Financial Instruments: Disclosures: Clarifies on the presentation of finance costs whereby interest income is not a component of finance costs.

- FRS 8: Operating Segments: Segment assets and liabilities need only be reported when those assets and liabilities are included in measures of segment profit or loss that are reviewed or otherwise regularly used by the 'chief operating decision maker'.

- FRS 101: Presentation of Financial Statements: Assets and liabilities classified as held for trading in accordance with FRS139 Financial Instruments: Recognition and Measurement are not automatically classified as current in the balance sheet. The amendment further clarifies that the classification of the liability component of a convertible instrument as current or non-current is not affected by the terms that could, at the option of the holder, result in settlement of the liability by the issue of equity instruments.

- FRS 107: Statement of Cash Flows (formerly known as Cash Flow Statements): Clarifies that only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities in the statement of cash flows.

- FRS 108: Accounting Policies, Changes in Accounting Estimates and Errors: Clarifies that only implementation guidance that is an integral part of an FRS is mandatory when selecting accounting policies.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Changes in accounting policies and future accounting standards (cont'd)

(i) Standards and Interpretations issued but not yet effective (cont'd)

(f) Amendments to FRSs 'Improvements to FRSs (2009)' (cont'd)

- FRS 116: Property, Plant and Equipment: Replacement of the term "net selling price" with "fair value less costs to sell". Items of property, plant and equipment held for rental that are routinely sold in the ordinary course of business after rental, are transferred to inventory when rental ceases and they are held for sale. This did not result in any reclassification.

- FRS 117: Leases: Clarifies on the classification of leases of land and buildings. The Group is still assessing the potential implication as a result of the reclassification of its unexpired land leases as operating or finance leases. For those land element held under operating leases that are required to be reclassified as finance leases, the Group shall recognise a corresponding asset and liability in the financial statements which will be applied retrospectively upon initial application. However, in accordance with the transitional provision, the Group is permitted to reassess lease classification on the basis of the facts and circumstances existing on the date it adopts the amendments; and recognise the asset and liability related to a land lease newly classified as a finance lease at their fair values on that date; any difference between those fair values is recognised in retained earnings. The adoption of this Standard has no impact to Group and of the Company as the Group does not have any leases on land and buildings.

- FRS 118: Revenue: The amendment provides additional guidance on whether an entity is acting as a principal or an agent. It also aligns the definition of costs incurred in originating a financial asset that should be deferred and recognised as an adjustment to the effective interest by replacing the term 'direct costs' with 'transaction costs' as defined in FRS 139.

- FRS 119: Employee Benefits: The amendment revises the definition of 'past service costs', 'return on plan assets' and 'short term' and 'other long-term' employee benefits. It clarifies that the costs of administering the plan may be either recognised in the rate of return on plan assets or included in the actuarial assumptions used to measure the defined benefit obligation. The amendment further clarifies that amendment to plans that result in a reduction in benefits related to future services are curtailments. It also deleted the reference to the recognition of contingent liabilities to ensure consistency with FRS 137 Provisions, Contingent Liabilities and Contingent Assets.

- FRS 127: Consolidated and Separate Financial Statements: When a parent entity accounts for a subsidiary at fair value in accordance with FRS 130 in its separate financial statements, this treatment continues when the subsidiary is subsequently classified as held for sale.

- FRS 128: Investments in Associates: The amendment clarifies that if an associate is accounted for at fair value in accordance with FRS 139, only the requirement of FRS 128 to disclose the nature and extent of any significant restrictions on the ability of the associate to transfer funds to the investor in the form of cash or repayment of loans applies. It further clarifies that an investment in an associate is treated as a single asset for the purpose of impairment testing. Therefore, any impairment loss is not separately allocated to the goodwill included in the investment balance.

- FRS 136: Impairment of Assets: Clarifies that when discounted cash flows are used to estimate 'fair value less cost to sell' additional disclosure is required about the discount rate, consistent with disclosures required when the discounted cash flows are used to estimate 'value in use'. The amendment further clarifies that the largest cash-generating unit for group of units to which goodwill should be allocated for purposes of impairment testing is an operating segment as defined in FRS 8.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Changes in accounting policies and future accounting standards (cont'd)

(i) Standards and Interpretations issued but not yet effective (cont'd)

(f) Amendments to FRSs 'Improvements to FRSs (2009)' (cont'd)

- FRS 139: Financial Instruments: Recognition and Measurement: Changes in circumstances relating to derivatives are not reclassifications and therefore may be either removed from, or included in, the 'fair value through profit or loss' classification after initial recognition. Removed the reference in FRS 139 to a 'segment' when determining whether an instrument qualifies as a hedge. Require the use of the revised effective interest rate when remeasuring a debt instrument on the cessation of fair value hedge accounting. The Group and the Company are exempted from disclosing the possible impact to the financial statements upon the initial application of this standard.

(g) Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

The amendment to FRS 1 allow first-time adopters to use costs, determined in accordance with FRS 127, or deemed cost of either fair value (in accordance with FRS 139) or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate opening FRS balance sheet. In the amendment to FRS 127, there is no longer a distinction between pre-acquisition and post-acquisition dividends. The amendment also requires the cost of the investment of a new parent in a group (in a reorganisation meeting certain criteria) to be measured at the carrying amount of its share of equity as shown in the separate financial statements of the previous parent. The amendments also remove the definition of the cost method fromFRS 127 and will be applied prospectively that affect only the financial statements of the Company and do not have an impact on the financial statements of the Group.

(h) FRS 132: Financial Instruments: Disclosures and Presentation will be renamed as Financial Instruments: Presentation upon the adoption of FRS 7: Financial Instruments: Disclosures. The amendments provide a limited scope exception for puttable instruments and instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation to be classified as equity. An instrument that meets the definition of a financial liability is classified as an equity instrument only if it fulfils a number of specific features and conditions as stipulated in the Standard. There will be no impact on the Group's financial position, as the Group has not issued such instruments.

(i) IC Interpretation I5: Agreements for the Construction of Real Estate

This Interpretation requires that when the real estate developer is providing construction services to the buyer's specifications, revenue can be recorded only as construction progresses. Otherwise, revenue should be recognised on completion of the relevant real estate unit. The amount of effect in the future period is not disclosed because estimating the future sales that are effected by this Interpretation is impracticable.

(j) IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation

This Interpretation provides guidance on identifying foreign currency risks and hedging instruments that qualify for hedge accounting in the hedge of a net investment in a foreign operation. It also explains how an entity should determine the amounts to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item. There will be no impact on the Group's financial position as the Group is not involved in any hedging activities.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Changes in accounting policies and future accounting standards (cont'd)

(i) Standards and Interpretations issued but not yet effective (cont'd)

(k) IC Interpretation 17: Distributions of Non-cash Assets to Owners

This Interpretation clarifies that an entity should measure the non-cash assets distributed to owners at the fair value of the assets. It also clarifies that the difference between the fair value of the assets and the carrying amount of the assets distributed to be taken to income statement. This Interpretation will be applied prospectively and therefore there will be no impact on prior periods in the financial statements of the Group and the Company.

2.4 Significant accounting estimates and judgements

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

Key sources of estimation uncertainty

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

(i) Property development costs and construction contracts

The Group recognises property development and construction contracts revenue and expenses in the income statement using the stage of completion method. The stage of completion is determined by the proportion of costs incurred for the work performed to date over the estimated total costs.

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

Details of the property development costs and construction contracts are disclosed in Note 16 and Note 20 respectively.

(ii) Depreciation of plant, machinery and equipment

The cost of plant and machinery for the manufacture of building materials is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these plant, machinery and equipment to be within 3 to 5 years. These are common life expectancies applied in the industry of building materials manufacturing. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. However, management believes that no reasonable probable change in the above key assumptions would cause a material impact to the future depreciation charges.

3. REVENUE

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Construction contracts	**573,889**	283,188	**-**	-
Sale of development properties	**29,245**	25,356	**-**	-
Sale of construction materials	**116,837**	113,838	**-**	-
Dividend income from subsidiaries	**-**	-	**19,899**	13,568
	719,971	422,382	**19,899**	13,568

4. COST OF SALES

	Group	
	2009	2008
	RM'000	RM'000
Construction contract costs	**414,564**	215,286
Property development costs (Note 16)	**24,108**	20,350
Cost of inventories sold	**101,880**	103,051
	540,552	338,687

5. OTHER INCOME

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Interest income	**2,213**	1,775	**8**	3
Rental of land and buildings	**110**	124	**-**	-
Doubtful debts recovered	**1,920**	-	**-**	-
Gain on acquisition of minority interests' shares	**1,984**	-	**-**	-
Gain on acquisition of a subsidiary	**419**	-	**-**	-
Gain on disposal of property, plant and equipment	**185**	329	**-**	-
Reversal of provision for doubtful debts	**1,643**	-	**-**	-
Unrealised gain on foreign exchange	**694**	-	**-**	-
Miscellaneous	**564**	914	**-**	-
	9,732	3,142	**8**	3

6. OPERATING PROFIT

The following amounts have been included in arriving at operating profit:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Auditors' remuneration	**100**	100	**18**	18
Depreciation of property, plant and equipment	**4,439**	3,196	**-**	-
Employee benefits expenses (Note 7)	**10,925**	9,882	**-**	-
Non-executive directors' remuneration (Note 8)	**248**	128	**248**	128
Provision for doubtful debts	**-**	399	**-**	-
Rental expense for:				
- land and buildings	**389**	330	**-**	-
- plant and machineries	**1,108**	2,278	**-**	-
Unrealised loss on foreign exchange	**-**	1,234	**-**	-

7. EMPLOYEE BENEFITS EXPENSE

	Group	
	2009 RM'000	2008 RM'000
Wages and salaries	**9,808**	8,836
Social security contributions	**42**	46
Contributions to defined contribution plan	**811**	741
Other benefits	**264**	259
	10,925	9,882

Included in employee benefits expenses of the Group are executive directors' remuneration amounting to RM2,862,000 (2008: RM2,422,000) as further disclosed in Note 8.

8. DIRECTORS' REMUNERATION

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Executive directors' remuneration (Note 7):				
Salaries and other emoluments	**2,405**	1,966	**-**	-
Bonus	**171**	210	**-**	-
Defined contribution plan	**286**	246	**-**	-
	2,862	2,422	**-**	-
Non-executive directors' remuneration (Note 6):				
Fees	**240**	120	**240**	120
Other emoluments	**8**	8	**8**	8
	248	128	**248**	128
Total directors' remuneration (Note 27)	**3,110**	2,550	**248**	128
Estimated money value of benefits-in-kind	**56**	82	**-**	-
Total directors' remuneration including benefits-in-kind	**3,166**	2,632	**248**	128

8. DIRECTORS' REMUNERATION (CONT'D)

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

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Executive:				
Salaries and other emoluments	**1,241**	1,161	**-**	-
Bonus	**99**	128	**-**	-
Defined contribution plan	**168**	140	**-**	-
Estimated money value of benefits-in-kind	**29**	52	**-**	-
	1,537	1,481	**-**	-
Non-executive:				
Fees	**240**	120	**240**	120
Other emolument	**8**	8	**8**	8
	248	128	**248**	128
	1,785	1,609	**248**	128

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

	Number of directors 2009	Number of directors 2008
Executive directors:		
RM100,001 - RM150,000	**-**	1
RM150,001 - RM200,000	**1**	-
RM600,001 - RM650,000	**-**	1
RM650,001 - RM700,000	**1**	1
RM700,001 - RM750,000	**1**	-
Non-executive directors:		
Below RM50,000	**-**	4
RM50,001 - RM100,000	**4**	-

9. INCOME TAX EXPENSE

	Group		Company	
	2009 RM'000	**2008 RM'000**	**2009 RM'000**	**2008 RM'000**
Current income tax:				
Malaysian income tax	**25,998**	8,419	**4,975**	3,528
Under/(over) provision in prior years	**4,418**	(234)	**2,561**	(52)
	30,416	8,185	**7,536**	3,476
Deferred taxation (Note 22):				
Relating to origination and reversal of temporary differences	**-**	(14)	**-**	-
Relating to changes in tax rates	**-**	14	**-**	-
	-	-	**-**	-
Total tax expenses	**30,416**	8,185	**7,536**	3,476

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2008: 26%) of the estimated assessable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

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

	2009 RM'000	**2008 RM'000**
Group		
Profit before tax	**167,957**	65,432
Taxation at Malaysian statutory tax rate of 25% (2008: 26%)	**41,989**	17,012
Effect of changes in tax rates on opening balance of deferred tax	**-**	14
Effect of income subject to tax rate of 20% (2008: 20%)	**-**	(43)
Income not subject to tax	**(17,125)**	(9,161)
Expenses not deductible for tax purposes	**1,574**	639
Utilisation of current year's reinvestment allowances	**(27)**	(84)
Utilisation of previously unrecognised and unutilised reinvestment allowances	**-**	(62)
Utilisation of previously unrecognised tax losses	**(455)**	-
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	**42**	104
Under/(over) provision of tax expense in prior years	**4,418**	(234)
Income tax expense for the year	**30,416**	8,185
Company		
Profit before tax	**19,540**	13,247
Taxation at Malaysian statutory tax rate of 25% (2008: 26%)	**4,885**	3,444
Expenses not deductible for tax purposes	**90**	84
Under/(over) provision of tax expense in prior years	**2,561**	(52)
Income tax expense for the year	**7,536**	3,476

10. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year held by the Company, excluding treasury shares held by the Company.

	Group	
	2009 RM'000	**2008 RM'000**
Profit attributable to ordinary equity holders of the Company	**119,180**	45,117
Weighted average number of ordinary shares in issue	**372,499**	373,192

	Group	
	2009 sen	2008 **sen**
Basic earning per share for profit for the year	**32.0**	12.1

There is no diluted earnings per share as the Company does not have any dilutive potential ordinary shares.

11. DIVIDENDS

	Dividends in respect of year		Dividends recognised in year	
	2009 RM'000	**2008 RM'000**	**2009 RM'000**	**2008 RM'000**
Recognised during the year:				
Final dividend for 2007: 8% less 26% taxation, on 149,294,800 ordinary shares of RM0.50 each (4 sen per ordinary share)	**-**	-	**-**	4,419
Final dividend for 2008: 7.5% under the single tier system, on 372,438,100 ordinary shares of RM0.20 each (1.5 sen per ordinary share)	**-**	5,587	**5,587**	-
First interim dividend for 2009: 3% under the single tier system, on 372,398,100 ordinary shares of RM0.20 each (0.6 sen per ordinary share)	**2,234**	-	**2,234**	-
First interim dividend for 2008: 4% less 26% taxation, on 149,294,800 ordinary shares of RM0.50 each (2 sen per ordinary share)	**-**	2,210	**-**	2,210
Second interim dividend for 2009: 5% under the single tier system, on 372,398,100 ordinary shares of RM0.20 each (1 sen per ordinary share)	**3,724**	-	**3,724**	-
Second interim dividend for 2008: 5% less 26% taxation, on 373,119,500 ordinary shares of RM0.20 each (1 sen per ordinary share)	**-**	2,761	**-**	2,761
	5,958	10,558	**11,545**	9,390

11. DIVIDENDS (CONT'D)

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2009, of 10% under the single tier system will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriationof retained earnings in the financial year ending 31 December 2010.

The number of ordinary shares for proposal of dividend is uncertain at the date of this financial statement as the Company is engaged in share buy back activity.

12. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Building RM'000	Building in progress RM'000	Factory RM'000	Plant, machinery and equipment RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Total RM'000
Group								
At 31 December 2009								
Cost								
At 1 January 2009	5,707	1,899	-	3,633	41,176	2,578	7,301	62,294
Additions	-	125	5,757	-	4,999	514	2,359	13,754
Transfer from property development costs (Note 16)	15,195	-	111	-	-	-	-	15,306
Disposals	-	-	-	-	(88)	(60)	(836)	(984)
At 31 December 2009	20,902	2,024	5,868	3,633	46,087	3,032	8,824	90,370
Accumulated depreciation								
At 1 January 2009	-	43	-	2,991	40,321	2,291	4,768	50,414
Depreciation charge for the year	-	32	-	165	2,975	189	1,078	4,439
Disposals	-	-	-	-	(88)	(53)	(748)	(889)
At 31 December 2009	-	75	-	3,156	43,208	2,427	5,098	53,964
Net carrying amount								
At 31 December 2009	20,902	1,949	5,868	477	2,879	605	3,726	36,406

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land RM'000	Building RM'000	Building in progress RM'000	Factory RM'000	Plant, machinery and equipment RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Total RM'000
Group (cont'd)								
At 31 December 2008								
Cost								
At 1 January 2008	5,707	1,899	-	3,633	41,805	2,353	6,685	62,082
Additions	-	-	-	-	226	248	2,149	2,623
Disposals	-	-	-	-	(855)	(23)	(1,533)	(2,411)
At 31 December 2008	5,707	1,899	-	3,633	41,176	2,578	7,301	62,294
Accumulated depreciation								
At 1 January 2008	-	12	-	2,693	39,143	2,224	5,418	49,490
Depreciation charge for the year	-	31	-	298	2,033	84	750	3,196
Disposals	-	-	-	-	(855)	(17)	(1,400)	(2,272)
At 31 December 2008	-	43	-	2,991	40,321	2,291	4,768	50,414
Net carrying amount								
At 31 December 2008	5,707	1,856	-	642	855	287	2,533	11,880

13. INVESTMENT IN SUBSIDIARIES

	Company 2009 RM'000	Company 2008 RM'000
Unquoted shares at cost	**137,349**	60,299

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Effective equity interest 2009 %	Effective equity interest 2008 %
Held by the Company:				
Mudajaya Corporation Berhad ("MCB")	Malaysia	Civil engineering and building construction	**100**	100

13. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of subsidiaries	Country of incorporation	Principal activities	Effective equity interest 2009 %	2008 %
Held through MCB:				
Mudajaya Power International Sdn. Bhd.	Malaysia	Civil engineering and building construction	**100**	100
Angsana Fajar Sdn. Bhd.	Malaysia	Property development	**100**	100
MJC City Development Sdn. Bhd.	Malaysia	Property management and development	**70**	70
MJC Development Sdn. Bhd.	Malaysia	Property management and development and building construction	**51**	51
MJC Industries Sdn. Bhd.	Malaysia	Manufacture of concrete products and building materials	**100**	100
MJC Precast Sdn. Bhd.	Malaysia	Manufacture of precast concrete and other related products	**100**	51
MJC Trading Sdn. Bhd.	Malaysia	Hire of plant and machinery and trading in construction related materials	**100**	100
Great Hill International Ltd.	Republic of Mauritius	Has not commenced operations	**100**	100
Mudajaya International Ltd.*	Republic of Mauritius	Has not commenced operations	**100**	100
Oracle International Co., Ltd.	Negara Brunei Darussalam	Has not commenced operations	**100**	100
MJC Plantations Sdn. Bhd.	Malaysia	Dormant	**100**	100
MJC Management Services Sdn. Bhd.	Malaysia	Property management	**100**	100
MIPP International Ltd.	Republic of Mauritius	Equipment Procurement services	**80**	80
Entrutech Sdn. Bhd. #	Malaysia	Engineering consultancy services and turnkey engineering projects	**100**	-
MGB Enterprise Sdn. Bhd.	Malaysia	Dormant	**99.99**	-
Electric Power International Ltd.	Republic of Mauritius	Dormant	**74**	74

13. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of subsidiaries	Country of incorporation	Principal activities	Effective equity interest 2009 %	2008 %
Held through MCB: (cont'd)				
MJC Quarry Sdn. Bhd.	Malaysia	Quarry operations	**100**	-
Mudajaya Middle East Ltd.	Kingdom of Saudi Arabia	General construction and investment holding	**75**	-
Mudajaya International Investment Ltd. ("MIIL")	Negara Brunei Darussalam	Has not commenced operations	**100**	100
Held through MIIL:				
Mudajaya Construction (India) Private Limited	India	Construction and related business	**100**	100

* Audited by affiliate of Ernst & Young
\# Subsidiary not audited by Ernst & Young

Acquisition of subsidiaries

On 7 March 2009, MCB subscribed for 75%equity interest of Mudajaya Middle East Ltd.("MME"), a company incorporated in the Kingdom of Saudi Arabia. The issue and paid-up share capital of MME is Saudi Riyal (SAR) 500,000 divided into 5,000 shares of SAR100 each.

On 27 March 2009, MCB incorporated a subsidiary, MGB Enterprise Sdn Bhd with an issued and paid-up share capital of RM10,000 representing 10,000 ordinary shares of RM1 each.

On 2 December 2009, MCB acquired the entire paid up share capital of Entrutech Sdn. Bhd. ("Entrutech") for a total cash consideration of RM10,000. Entrutech is principally involved in engineering consultancy services and turnkey engineering projects.

On 4 December 2009, the Company subscribed for additional 77,050,000 ordinary shares of RM1 each in MCB amounting to RM77,050,000.

On 24 December 2009, MCB acquired 245,000 ordinary shares of RM1.00 each in MJC Precast Sdn. Bhd ("MJC Precast"), a company incorporated in Malaysia and also a subsidiary of MCB, representing 49% of the issued and paid-up share capital of MJC Precast for a total consideration of RM1,000,000. Accordingly, MJC Precast became a wholly owned subsidiary.

The acquisition of Entrutech has contributed the following results to the Group:

	Group 2.12.2009 to 31.12.2009 RM'000
Loss for the year	**(82)**

13. INVESTMENT IN SUBSIDIARIES (CONT'D)

Acquisition of subsidiaries (cont'd)

The asset and liability arising from the acquisition of Entrutech are as follows:

	Acquiree's carrying amount RM'000
Trade and other receivables	799
Provision for tax	(370)
Fair value of net asset acquired	429
Gain on acquisition a subsidiary	(419)
Total cost of acquisition, representing total cash outflow to the Group	10

14. INVESTMENT IN ASSOCIATES

	Group	
	2009 RM'000	2008 RM'000
Unquoted shares, at cost		
- in Malaysia	**-**	1
- in India	**240,592**	90,872
Share of post-acquisition reserves	**(194)**	(1)
	240,398	90,872

The Group's interests in the associates is analysed as follows:

	2009 RM'000	2008 RM'000
Share of net assets	**77,743**	22,287
Premium on acquisition	**162,655**	68,585
	240,398	90,872

Details of associates are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Effective equity interest 2009 %	2008 %
Held through a subsidiary:				
MJC Quarry Sdn. Bhd.	Malaysia	Quarry operations	-	70
R.K.M Powergen Private Limited ("RKM")	India	Power plant operations	26	26

Pursuant to the Shareholders Agreement between MCB and R.K. Powergen Private Limited, MCB increased its investment in RKM amounting to RM149,720,000 which is pending share allotment at balance sheet date.

Shares held in RKM with a carrying amount of RM71,738,000 (2008: Nil) are pledged against RKM's borrowing with a financial institution.

14. INVESTMENT IN ASSOCIATES (CONT'D)

The Group's aggregate share of assets, liabilities and results of the associates is as follows:

	Group	
	2009 RM'000	2008 RM'000
Assets and liabilities		
Current assets	**88,193**	30,548
Non-current assets	**25,113**	3,990
Total assets	**113,306**	34,538
Current liabilities	**(203)**	(8,082)
Non-current liabilities	**(35,360)**	(4,169)
Total liabilities	**(35,563)**	(12,251)
Results		
Revenue	**595**	675
(Loss)/profit for the year	**(194)**	459

15. OTHER INVESTMENTS

	Group	
	2009 RM'000	2008 RM'000
At cost:		
Club memberships	**32**	32
Unquoted preference shares	**70**	70
Unquoted shares	**1,000**	1,000
	1,102	1,102
Less: Accumulated impairment losses	**(1,000)**	(1,000)
	102	102

16. PROPERTY DEVELOPMENT COSTS

	Group	
	2009 RM'000	2008 RM'000
Cumulative property development costs		
At 1 January:		
Freehold land	**15,195**	-
Leasehold land	**44,474**	43,905
Development costs	**239,398**	191,314
	299,067	235,219

16. PROPERTY DEVELOPMENT COSTS (CONT'D)

	Group 2009 RM'000	Group 2008 RM'000
Cumulative property development costs (cont'd)		
Costs incurred during the year:		
Freehold land	**-**	15,195
Development costs	**34,994**	57,593
Transfer to property, plant and equipment (Note 12):		
- Freehold land	**(15,195)**	-
- Development cost	**(111)**	-
Unsold units transferred to inventories	**(7,801)**	(8,940)
	11,887	63,848
At 31 December	**310,954**	299,067
Cumulative costs recognised in income statement:		
At 1 January	**(220,070)**	(199,720)
Recognised during the year (Note 4)	**(24,108)**	(20,350)
At 31 December	**(244,178)**	(220,070)
Property development costs at 31 December	**66,776**	78,997

The leasehold land under development of a subsidiary belongs to a third party and is developed by the subsidiary pursuant to the Development Agreement and the Supplemental Agreement entered into on 22 July 1996 and 23 July 1996 respectively, between the subsidiary and a third party. The Development Agreement and the Supplemental Agreement provide interalia for the payment in kind in return for the land contributed by the third party.

17. INVENTORIES

	Group 2009 RM'000	Group 2008 RM'000
Cost		
Properties held for sale	**9,437**	10,996
Raw materials	**5,150**	4,255
	14,587	15,251

18. TRADE AND OTHER RECEIVABLES

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Trade receivables				
Third parties	**57,126**	97,445	**-**	-
Subsidiary	**-**	-	**-**	77,608
Accrued billings in respect of property development costs	**-**	332	**-**	-
Due from customers on contracts (Note 20)	**23,067**	-	**-**	-
Retention sum (Note 20)	**59,852**	19,170	**-**	-
	140,045	116,947	**-**	77,608
Less: Provision for doubtful debts	**(2,020)**	(3,663)	**-**	-
Trade receivables, net	**138,025**	113,284	**-**	77,608

18. TRADE AND OTHER RECEIVABLES (CONT'D)

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Other receivables				
Associate	**-**	1,913	**-**	-
Deposits	**8,612**	798	**2**	2
Prepayments	**1,095**	551	**-**	-
Advance payment to suppliers	**58,996**	-	**-**	-
Other receivables	**28,157**	23,451	**-**	-
Tax recoverable	**1,734**	1,251	**5**	3
	98,594	27,964	**7**	5
	236,619	141,248	**7**	77,613

(a) Credit risk

The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are mainly on credit. The credit period is generally for a period of one month, extending up to three months (2008: one to three months) for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers.

The Group has significant concentration of credit risk that may arise from exposure to 2 customers (2008: Nil) which represented approximately 39%(2008: Nil) of total trade debtors.

(b) Amount due from subsidiary

The amount due from subsidiary in the previous year was unsecured, interest free and repayable on demand.

(c) Amount due from an associate

The amount due from the associate in the previous year was unsecured, interest free and repayable on demand.

Further details on related party transactions are disclosed in Note 27.

19. CASH AND BANK BALANCES

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Cash on hand and at banks	**33,349**	6,539	**377**	22
Deposits with other financial institutions	**82,725**	63,236	**-**	-
	116,074	69,775	**377**	22

Other financial institutions are licensed investment bank and asset management companies in Malaysia.

Deposits placed with licensed investment bank and asset management companies are in the form of units placed in money market funds. These deposits are on call and/or repo basis and bear a weighted average interest rate between 3.00% to 4.09% (2008: 3.00% to 3.51%) per annum.

20. DUE TO CUSTOMERS ON CONTRACTS

	Group	
	2009 RM'000	2008 RM'000
Construction costs incurred to date	**1,597,854**	1,274,995
Attributable profits	**390,838**	216,224
	1,988,692	1,491,219
Less: Progress billings	**(2,039,404)**	(1,515,111)
	(50,712)	(23,892)
Analysed as:		
Due from customers on contracts (Note 18)	**23,067**	-
Due to customers on contracts (Note 21)	**(73,779)**	(23,892)
	(50,712)	(23,892)
Retention sum on contract, included within trade receivables (Note 18)	**59,852**	19,170

Construction contracts revenue and costs are disclosed in Note 3 and Note 4 respectively.

Included in the construction costs incurred to date are the following amounts:

	Group	
	2009 RM'000	2008 RM'000
Hire of plant and machinery	**45**	136
Rental expense for land and buildings	**181**	273

21. TRADE AND OTHER PAYABLES

		Group		Company	
	Note	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Trade payables					
Third parties	(a)	**164,738**	55,154	**-**	-
Due to customers on contracts	20	**73,779**	23,892	**-**	-
		238,517	79,046	**-**	-
Other payables					
Deposits		**282**	129	**-**	-
Accruals		**1,158**	1,369	**298**	172
Other payables		**1,848**	4,466	**-**	-
Subsidiary	(b)	**-**	-	**25**	-
Deferred income	(c)	**33,537**	15,504	**-**	-
		36,825	21,468	**323**	172
		275,342	100,514	**323**	172

21. TRADE AND OTHER PAYABLES (CONT'D)

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 7 to 90 days (2008: 7 to 90 days).

(b) Due to subsidiary

The amount due to subsidiary is unsecured, interest-free and repayable on demand.

(c) Deferred income

Deferred income represents the unrealised gain on the Equipment Procurement contract between MIPP and RKM. This unrealised gain is eliminated to the extent of the Group's interest in RKM and will be credited to the income statement on a proportionate basis when the related asset in RKMis put to use or when it is sold to a third party.

22. DEFERRED TAXATION

The deferred tax liabilities was provided in respect of property, plant and equipment.

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

	Group	
	2009 RM'000	2008 RM'000
Unutilised tax losses	**3,499**	5,245
Other deductible differences	**2,404**	2,308
	5,903	7,553

The availability of the unused tax losses for offsetting against future taxable profits of the respective subsidiaries is subject to no substantial changes in shareholdings of those subsidiaries under the Income Tax Act, 1967 and guidelines issued by the tax authority.

23. SHARE CAPITAL AND TREASURY SHARES

	Number of shares '000	Amount RM'000
Authorised share capital:		
At 1 January 2008		
- Ordinary shares of RM0.50 each	500,000	250,000
Share Split and Shares Consolidation	750,000	-
At 31 December 2008		
- Ordinary shares of RM0.20 each	1,250,000	250,000
At 1 January 2009/ 31 December 2009		
- Ordinary shares of RM0.20 each	**1,250,000**	**250,000**

23. SHARE CAPITAL AND TREASURY SHARES (CONT'D)

Issued and fully paid:

	Number of Ordinary Shares		Amount			
	Share capital (issued and fully paid) '000	Treasury share '000	Share capital (issued and fully paid) RM'000	Share premium RM'000	Total share capital and share premium RM'000	Treasury share RM'000
1 January 2008	149,600	(305)	74,800	63,114	137,914	(811)
Share Split and Shares Consolidation	224,400	(458)	-	-	-	-
Treasury shares:						
Purchased	-	(185)	-	-	-	(189)
At 31 December 2008	374,000	(948)	74,800	63,114	137,914	(1,000)
1 January 2009	**374,000**	**(948)**	**74,800**	**63,114**	**137,914**	**(1,000)**
Treasury shares:						
Purchased	**-**	**(667)**	**-**	**-**	**-**	**(811)**
At 31 December 2009	**374,000**	**(1,615)**	**74,800**	**63,114**	**137,914**	**(1,811)**

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 meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Treasury shares

This amount relates to the acquisition cost of treasury shares net of the proceeds received on their subsequent sale or issuance.

The shareholders of the Company, by a special resolution passed in a general meeting held on 16 June 2008, renewed their approval for the Company's plan to repurchase its own ordinary shares. The directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company repurchased 667,400 (2008: 184,500) of its issued ordinary shares from the open market at an average price of RM1.21 (2007: RM1.03) per share. The total consideration paid for the repurchase was RM811,000 (2008: RM189,000) comprising consideration paid amounting to RM805,000 (2008: RM188,000) and transaction costs of RM6,000 (2008: RM1,000). The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

Of the total 374,000,000 (2008: 374,000,000) issued and fully paid ordinary shares as at 31 December 2009, 1,614,900 (2008: 947,500) are held as treasury shares by the Company. As at 31 December 2009, the number of outstanding ordinary shares in issue after the setoff is therefore 372,385,100 (2008: 373,052,500) ordinary shares of RM0.20 (2008: RM0.20) each.

24. CAPITAL RESERVE

The capital reserve represents the bonus issue of shares through capitalisation of retained earnings, in proportion to the shareholding of the Group.

25. RETAINED EARNINGS

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances.

Companies also have an irrevocable option to disregard the balance under Section 108 of the Income Tax Act, 1967 ("108 balance") and opt to pay dividends under the single tier system.

As at 31 December 2009, the Company no longer has any balances under the 108 balance and may distribute dividends out of its entire retained earnings as at 31 December 2009 under the single tier system.

26. CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Capital commitment:				
Approved and contracted for				
- Property, plant and equipment	**35,337**	-	**-**	-
Contingent liabilities - unsecured:				
Guarantees given to third parties in respect of construction projects	**-**	-	**26,200**	-
Corporate guarantees given to banks in respect of banking facilities utilised by subsidiaries	**-**	-	**278,499**	307,004
Corporate guarantee given to bank in respect of credit facilities utilised by an associate	**135,999**	-	**-**	-
	135,999	-	**304,699**	307,004

27. RELATED PARTY DISCLOSURES

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

	Group	
	2009 RM'000	2008 RM'000
Rental payable to Mulpha Properties Sdn. Bhd., a related company of an associated investor	**383**	297
Construction contract billings receivable from Leisure Farm Corporation Sdn Bhd, a related company of an associated investor	**-**	(452)
Construction contract billings receivable from Redmax Sdn. Bhd., a joint venture partner	**80**	-
Construction contract billings receivable from Mudajaya-BSBK., a joint venture partner	**9,043**	14,400
Progress billing recognised on construction contract with RKM, an associate	**115,052**	72,959

27. RELATED PARTY DISCLOSURES (CONT'D)

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

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

(b) Compensation of key management personnel

The remuneration of key management personnel, who are also the directors of the Group and of the Company during the year was as follows:

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Directors' remuneration (Note 8):	**3,110**	2,550	**248**	128

28. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risks (both fair value and cash flow), foreign currency risk, liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken.

(b) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short termin nature and have been mostly placed in fixed deposits or occasionally, in short termcommercial papers.

(c) Foreign currency risk

The Group has foreign operations in India and Republic of Mauritius and is exposed to the fluctuation in the exchange rate of Indian Rupees and United States Dollar ("USD"). However, the foreign currency exposures are kept to an acceptable level.

Subsidiaries in Negara Brunei Darussalam has not commenced operations as at year end. The Group maintains foreign currencies in Indian Rupees, USD, Euro Dollar Singapore Dollar and Brunei Dollar for these subsidiaries and is exposed to the fluctuation of these currencies.

28. FINANCIAL INSTRUMENTS (CONT'D)

(c) Foreign currency risk (cont'd)

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

Functional currency of group companies	Net financial assets held in non-functional currencies					
	Indian Rupees RM'000	Singapore Dollar RM'000	USD RM'000	Euro RM'000	Brunei Dollar RM'000	Total RM'000
At 31 December 2009						
Trade receivables	**85**	**-**	**-**	**-**	**-**	**85**
Other receivables	**27**	**-**	**-**	**-**	**-**	**27**
Cash and bank balances	**933**	**901**	**13,380**	**9,675**	**-**	**24,889**
	1,045	**901**	**13,380**	**9,675**	**-**	**25,001**
At 31 December 2008						
Trade receivables	933	-	-	-	-	933
Other receivables	1,322	-	-	-	-	1,322
Cash and bank balances	970	6,447	9	5,083	68	12,577
	3,225	6,447	9	5,083	68	14,832

(d) Liquidity risk

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments and adequate banking facilities to meet its working capital requirements.

(e) Credit risk

The Group's credit risk is primarily attributable to trade receivables. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, marketable securities and non-current investments, arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

The Group has significant concentration of credit risk that arises fromexposures to debtors as disclosed in Note 18.

28. FINANCIAL INSTRUMENTS (CONT'D)

(f) Fair values

The carrying amounts of financial assets and liabilities of the Group and of the Company at the balance sheet date approximate their fair values except for the following:

	Note	Group Carrying amount RM'000	Group Fair value RM'000	Company Carrying amount RM'000	Company Fair value RM'000
At 31 December 2009					
Investment in subsidiaries	13	**-**	**-**	**137,349**	*****
Investment in associates	14	**240,398**	*****	**-**	**-**
Non-current unquoted shares and club memberships	15	**102**	*****	**-**	**-**
At 31 December 2008					
Investment in subsidiaries	13	-	-	60,299	*
Investment in associates	14	90,872	*	-	-
Non-current unquoted shares and club memberships	15	102	*	-	-

* It is not practicable to estimate the fair value of these assets because of the lack of quoted market prices and the inability to estimate fair value without incurring excessive costs.

The nominal/notional amounts and net fair value of financial instruments not recognised in the balance sheet of the Company as at the end of the financial year are:

	Note	Group Nominal/notional amount RM'000	Group Net fair value RM'000	Company Nominal/notional amount RM'000	Company Net fair value RM'000
At 31 December 2009					
Contingent liabilities	26	**135,999**	**^**	**304,699**	**^**
At 31 December 2008					
Contingent liabilities	26	-	^	307,004	^

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

29. SEGMENT INFORMATION

(a) Reporting format

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(b) Business segments

The Group comprises the following business segments:

(i) Construction - undertaking civil engineering, constructions works and engineering and equipment procurement provider;

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

(iii) Trading and plant hiring - trading in construction materials and hire of plants; and

(iv) Manufacturing - manufacturing of construction related products.

(c) Geographical segments

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers. The Group's four business segments operate in four geographical areas:

(i) Malaysia - the operations in this area are principally civil engineering and construction of highways and buildings, property development, manufacturing, trading and investment holding.

(ii) India - the operations in this area are principally civil engineering and construction of highways.

iii) Republic of Mauritius and Negara Brunei Darussalam - the operations in this area are principally equipment procurement services.

(d) Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

29. SEGMENT INFORMATION (CONT'D)

(b) Business segments

	Construction RM'000	Property development RM'000	Manufacturing RM'000	Trading and plant hiring RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
31 December 2009							
Revenue							
External sales	573,890	29,245	47,424	69,412	-	-	719,971
Inter-segment sales	30,400	-	3,423	1,957	-	(35,780)	-
Total revenue	604,290	29,245	50,847	71,369	-	(35,780)	719,971
Result							
Segment results	189,725	1,398	5,258	3,085	(1,288)	(29,015)	169,163
Unallocated corporate expenses	-	-	-	-	(1,012)	-	(1,012)
							168,151
Share of results of associates							(194)
Profit before tax							167,957
Income tax expense	(27,670)	(370)	(926)	(771)	(2,787)	2,108	(30,416)
Net profit for the year							137,541
Minority interests							(18,361)
							119,180
Assets							
Segment assets	310,353	116,455	27,910	106	19,386	(5,380)	468,830
Investment in associates	240,398	-	-	-	-	-	240,398
Unallocated assets	-	-	-	-	-	-	1,734
Total assets							710,962
Liabilities							
Segment liabilities	220,945	-	10,406	9,420	1,056	33,515	275,342
Unallocated liabilities	-	-	-	-	-	-	12,780
Total liabilities							288,122
Other segment information							
Capital expenditure	3,362	5,756	4,443	-	193	-	13,754
Depreciation	1,660	53	2,702	-	24	-	4,439

29. SEGMENT INFORMATION (CONT'D)

(b) Business segments (cont'd)

	Construction RM'000	Property development RM'000	Manufacturing RM'000	Trading and plant hiring RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
31 December 2008							
Revenue							
External sales	282,254	25,356	51,056	62,782	934	-	422,382
Inter-segment sales	40,818	-	-	1,249	-	(42,067)	-
Total revenue	323,072	25,356	51,056	64,031	934	(42,067)	422,382
Result							
Segment results	60,599	3,976	751	282	(254)	-	65,354
Unallocated corporate expenses	-	-	-	-	(381)	-	(381)
							64,973
Share of results of associates							459
Profit before tax							65,432
Income tax expense	(7,065)	(980)	(116)	(57)	33	-	(8,185)
Net profit for the year							57,247
Minority interests							(12,130)
							45,117
Assets							
Segment assets	159,091	110,830	22,313	72	23,696	-	316,002
Investment in associates	90,872	-	-	-	-	-	90,872
Unallocated assets	-	-	-	-	-	-	1,251
Total assets							408,125
Liabilities							
Segment liabilities	85,854	636	8,252	5,567	205	-	100,514
Unallocated liabilities	-	-	-	-	-	-	3,479
Total liabilities							103,993
Other segment information							
Capital expenditure	2,046	12	565	-	-	-	2,623
Depreciation	1,968	60	1,168	-	-	-	3,196

29. SEGMENT INFORMATION (CONT'D)

(c) Geographical segments

The Group operates in Malaysia, India, Republic of Mauritius and Negara Brunei Darussalam. In Malaysia, the Group's areas of operation are principally civil engineering and construction of highways and buildings and property development. Other operations include manufacturing and trading. In India, the main operation is civil engineering and construction of highways. The subsidiary in Republic of Mauritius and office in Negara Brunei Darussalamprovide equipment procurement services.

	Total revenue from external customers		Segment assets		Capital expenditure	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Malaysia	**595,876**	337,226	**446,977**	264,671	**13,751**	2,620
India	**9,043**	12,197	**1,508**	3,508	**-**	-
Republic of Mauritius	**115,052**	72,959	**16,701**	28,087	**3**	3
Negara Brunei Darussalam	**-**	-	**3,644**	19,736	**-**	-
Consolidated	**719,971**	422,382	**468,830**	316,002	**13,754**	2,623

30. SUBSEQUENT EVENT

On 6 January 2010, the Company announced to implement a proposed private placement of 37,238,500 new ordinary shares of RM0.20 each, which shall not be more than 10%of its issued and paid-up share capital (net of treasury shares) of the Company to investors to be identified under a book-building process ("Private Placement").

The issue price was fixed at RM4.80 per share (which represents a discount of approximately 4% to the 5-day volume-weighted average market price of the Company's shares up to and including 20 Jan 2010. The total gross proceeds to be raised from the Private Placement amounted to RM178.7 million.

On 29 January 2010, upon the approval obtained from Bursa Malaysia Securities Berhad ("Bursa Malaysia"), the Private Placement was completed with the listing and quotation of 37,238,500 new Placement Shares on the Main Market of Bursa Malaysia.

Analysis of Shareholdings

as at 12 April 2010

Authorised Share Capital	:	1,250,000,000 ordinary shares of RM0.20 each
Issued and Fully Paid-Up Share Capital	:	411,238,500 ordinary shares of RM0.20 each
Voting Rights	:	1 vote per shareholder on a show of hands / 1 vote per ordinary share on a poll

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	%#	Number of Shares held	%#
Less than 100	19	0.91	646	0.00
100-1,000	379	18.23	293,404	0.07
1,001-10,000	1,073	51.61	4,591,250	1.12
10,001-100,000	427	20.54	14,251,050	3.48
100,001-20,481,179*	179	8.61	202,547,000	49.45
20,481,180 and above**	2	0.10	187,940,250	45.88
Total	**2,079**	**100.00**	**409,623,600#**	**100.00**

* Less than 5% of issued holdings

** 5% and above of issued holdings

Excluding a total of 1,614,900 ordinary shares of RM0.20 each bought-back by the Company and retained as treasury shares

30 LARGEST SHAREHOLDERS

Name of Shareholders	Number of Share held	%#
1. CIMB Group Nominees (Tempatan) Sdn Bhd for Dataran Sentral (M) Sdn Bhd	100,060,000	24.43
2. Mulpha Infrastructure Holdings Sdn Bhd	87,880,250	21.45
3. Lembaga Tabung Haji	20,138,000	4.92
4. United Flagship Sdn Bhd	16,761,000	4.09
5. CimSec Nominees (Tempatan) Sdn Bhd CIMB for United Flagship Sdn Bhd	12,600,000	3.08
6. Citigroup Nominees (Asing) Sdn Bhd Exempt An for Citibank NA. Singapore	12,010,100	2.93
7. Cartaban Nominees (Asing) Sdn Bhd Exempt An for Barclays Bank PLC. Singapore	12,000,000	2.93
8. Global Investments (BVI) Ltd	8,000,000	1.95
9. HSBC Nominees (Asing) Sdn Bhd Exempt An for Credit Suisse	8,000,000	1.95
10. CimSec Nominees (Tempatan) Sdn Bhd CIMB Bank for United Flagship Sdn Bhd	7,400,000	1.81
11. SBB Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	4,134,600	1.01
12. CimSec Nominees (Tempatan) Sdn Bhd CIMB for Ng Ying Loong	4,065,000	0.99
13. CimSec Nominees (Asing) Sdn Bhd CIMB for Global Investments (BVI) Ltd	4,000,000	0.98
14. Sinar Dian Sdn Bhd	3,997,500	0.98
15. Amanahraya Trustees Berhad Public Islamic Dividend Fund	3,374,500	0.82
16. Mayban Nominees (Tempatan) Sdn Bhd Etiqa Insurance Berhad (General Fund)	3,000,000	0.73

30 LARGEST SHAREHOLDERS (CONT'D)

Name of Shareholders	Number of Share held	%#
17. Amanahraya Trustees Berhad Public Islamic Select Treasures Fund	2,865,000	0.70
18. Amanahraya Trustees Berhad Public Islamic Opportunities Fund	2,669,450	0.65
19. SJ Sec Nominees (Tempatan) Sdn Bhd CIMB Bank for Brahmal A/L Vasudevan	2,040,000	0.50
20. AmSec Nominees (Tempatan) Sdn Bhd AmTrustee Berhad for CIMB Islamic Dali Equity Growth Fund	2,015,700	0.49
21. Arena Antara Sdn Bhd	2,000,000	0.49
22. HDM Nominees (Asing) Sdn Bhd Paul E. Schweder Miller & Co. for Somerset Growth Fund (Bermuda) Ltd.	1,837,100	0.45
23. Cartaban Nominees (Asing) Sdn Bhd Sun Hung Kai Investment Services Ltd for Top Champ Assets Limited	1,823,300	0.45
24. Cartaban Nominees (Asing) Sdn Bhd Exempt An for Royal Bank of Canada (Asia) Limited – Clients A/C	1,750,000	0.43
25. HSBC Nominees (Asing) Sdn Bhd Exempt An for JPMorgan Chase Bank, National Association	1,680,100	0.41
26. Tan Ai Tong	1,675,400	0.41
27. CimSec Nominees (Tempatan) Sdn Bhd CIMB for Anto A/L S F Joseph	1,625,000	0.40
28. Mayban Nominees (Tempatan) Sdn Bhd Mayban Life Assurance Berhad (Non-Par Fund)	1,600,000	0.39
29. Mayban Nominees (Tempatan) Sdn Bhd Etiqa Insurance Berhad (Shareholders' Fund)	1,582,000	0.39
30. Mayban Nominees (Tempatan) Sdn Bhd Etiqa Insurance Berhad (Life Non-Par Fund)	1,522,000	0.37
Total	334,106,000	81.58

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Name of Substantial Shareholders	Direct Number of Shares held	Direct %#	Indirect Number of Shares held	Indirect %#
1.	Dataran Sentral (M) Sdn Bhd	100,060,000	24.43	-	-
2.	Mulpha Infrastructure Holdings Sdn Bhd	87,880,250	21.45	-	-
3.	United Flagship Sdn Bhd	36,761,000	8.97	-	-
4.	Winners Spectrum Construction Sdn Bhd	10,000	*	100,060,000(1)	24.43
5.	First Positive Sdn Bhd	-	-	100,060,000(1)	24.43
6.	Mulpha International Bhd	-	-	87,880,250(2)	21.45
7.	Nautical Investments Ltd	-	-	58,799,000(3)	14.35
8.	Ng Ying Loong	4,065,000	0.99	100,070,000(1)(4)	24.43
9.	Wee Teck Nam	975,000	0.24	100,060,000(1)	24.43
10.	Dato' Mohd Zakhir Siddiqy bin Sidek	-	-	36,761,000(5)	8.97
11.	Brahmal Vasudevan	3,040,000	0.74	23,400,000(6)	5.71

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS (CONT'D)

Notes:

Excluding a total of 1,614,900 ordinary shares of RM0.20 each bought-back by the Company and retained as treasury shares.

* *Negligible.*

(1) *Deemed interest by virtue of its interest in Dataran Sentral (M) Sdn Bhd pursuant to Section 6A of the Act.*

(2) *Deemed interest by virtue of its interest in Mulpha Infrastructure Holdings Sdn Bhd pursuant to Section 6A of the Act.*

(3) *Deemed interest by virtue of its interest in Mulpha International Bhd pursuant to Section 6A of the Act.*

(4) *Deemed interest by virtue of his interest in Winners Spectrum Construction Sdn Bhd pursuant to Section 6A of the Act.*

(5) *Deemed interest by virtue of his interest in United Flagship Sdn Bhd pursuant to Section 6A of the Act.*

(6) *Deemed interest by virtue of his interest in Straits Global Limited and Celadon Green Limited pursuant to Section 6A of the Act.*

DIRECTORS' SHAREHOLDINGS AS PER REGISTER OF DIRECTORS

	Name of Directors	Direct Number of Shares held	Direct %#	Indirect Number of Shares held	Indirect %#
1.	Ng Ying Loong	4,065,000	0.99	100,070,000[a][b]	24.43
2.	Wee Teck Nam	975,000	0.24	100,060,000[a]	24.43
3.	Anto A/L SF Joseph	1,625,000	0.40	-	-
4.	Chung Tze Hien	-	-	-	-
5.	Aminodin bin Ismail	-	-	-	-
6.	Yee Swee Choon	153,750	0.04	32,500	*
7.	Henry Choo Hon Fai	-	-	-	-

Notes:

Excluding a total of 1,614,900 ordinary shares of RM0.20 each bought-back by the Company and retained as treasury shares.

* *Negligible.*

(a) *Deemed interest by virtue of his interest in Dataran Sentral (M) Sdn Bhd pursuant to Section 6A of the Act.*

(b) *Deemed interest by virtue of his interest in Winners Spectrum Construction Sdn Bhd pursuant to Section 6A of the Act.*

Properties of the Group

as at 31 December 2009

	Location	Year of acquisition	Tenure	Age of building	Land area / built up area (sq.m)	Description	Net book value RM'000
1.	Lot No. 31, Mukim Ijok Jalan Bukit Badong Daerah Kuala Selangor	2004	Freehold	N/A	20,234	Agriculture land	1,650
2.	Lot No. 32 & 33 Mukim Ijok Jalan Bukit Badong Daerah Kuala Selangor	1998	Freehold	13	40,486 / 2,480	Industrial land with factory	4,341
3.	Villa Angsana Condominium (1) 56, Off Jalan Ipoh 51000 Kuala Lumpur	1999	Freehold	11	1,034	Five (5) units of condominiums	1,636
4.	MN19-7, Menara Nilam (2) Ampang, Mukim Ampang Daerah Ulu Langkat Selangor	2005	Lease expiring on 18.01.2103	11	169	One (1) unit of apartment	302
5.	Bayu Puteri 3 (2) Jalan Bayu Puteri 2 Taman Bayu Puteri 80150 Johor Bahru Johor Darul Takzim	2009	Lease expiring on 21.01.2097	4	253	Three (3) units of apartment	441
6.	12A, Jalan PJU 7/3 Mutiara Damansara 47810 Petaling Jaya Selangor Darul Ehsan	2008	Freehold	N/A	4,269	Commercial land for office building	14,699

Notes:

(1) Remaining units available for sale and the built-up area range from 102.9 sq.m to 260.9 sq.m with selling prices range from RM188,360 to RM486,350.

(2) Contra unit received from client and is available for sale.

Form of Proxy

MUDAJAYA GROUP BERHAD (605539-H)
(Incorporated in Malaysia)

No. of shares held	
CDS Account No.	

I/We ____
(full name in capital letters)

of ____
(full address)

being a member/members of Mudajaya Group Berhad, hereby appoint ____________________________
(full name in capital letters)

of ____
(full address)

or failing him/her ____
(full name in capital letters)

of ____
(full address)

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Seventh Annual General Meeting of the Company to be held at Banyan Room, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Tuesday, 8 June 2010 at 9.30 a.m. and any adjournment thereof.

My/Our proxy is to vote as indicated by an "X" in the appropriate space below. In the absence of specific directions, the proxy shall vote or abstain at his/her discretion.

No.	Ordinary Resolutions	For	Against
1.	To receive and adopt the Audited Financial Statements for the year ended 31 December 2009 together with the Reports of the Directors and the Auditors thereon		
2.	To approve the payment of a final dividend of 10% under the single tier system		
3.	To re-elect Mr Henry Choo Hon Fai as Director		
4.	To re-elect Mr Yee Swee Choon as Director		
5.	To re-appoint Mr Wee Teck Nam as Director pursuant to Section 129(6) of the Companies Act, 1965		
6.	To approve the payment of Directors' fees		
7.	To re-appoint Messrs. Ernst & Young as Auditors		
8.	To approve the Authority to Allot and Issue Shares		
9.	To approve the Renewal of Share Buy-Back Authority		

Signed this ______________ day of ____________________________ 2010.

____
Signature of shareholder(s) and/or Common Seal

Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy or proxies may but need not be a member of the Company. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. Each proxy appointed shall represent a minimum of one thousand (1,000) shares.

2. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

3. In the case of a corporate member, the Form of Proxy shall be under its Common Seal or under the hand of its attorney.

4. The Form of Proxy must be deposited at the Company's Registered Office situated at No. 17, Jalan Semangat, 46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not less than forty-eight (48) hours before the time set for holding the meeting or at any adjournment thereof.

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affix stamp here

The Company Secretary
MUDAJAYA GROUP BERHAD (605539 H)

No. 17, Jalan Semangat
46100 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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