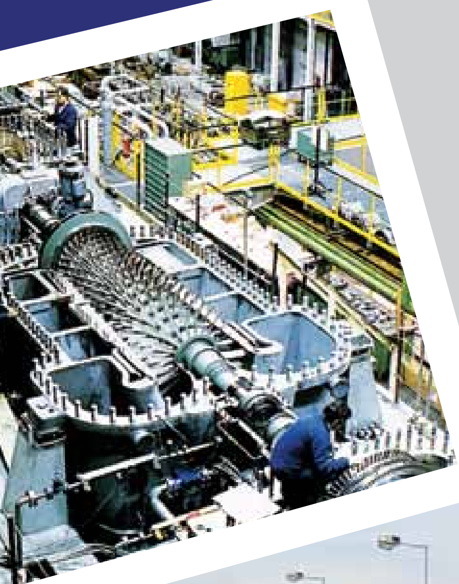
MUDAJAYA
GROUP BERHAD

TOWARDS SUSTAINABLE GROWTH
ANNUAL REPORT 2011



VISION STATEMENT

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 STATEMENT

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.

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Corporate Information

BOARD OF DIRECTORS

Dato' Yusli bin Mohamed Yusoff
Independent Non-Executive Chairman
(Appointed as Director on 13 July 2011)
(Redesignated as Chairman on 30 September 2011)

Mr. Anto a/l SF Joseph
Group Managing Director & Chief Executive Officer
(Promoted as Group Managing Director & Chief Executive Officer on 22 December 2011)

Mr. Wee Teck Nam
Executive Director

Mr. Ng Chee Kin
Executive Director

Mr. Yong Yee Coi
Executive Director

Mr. Lee Seng Huang
Non-Independent Non-Executive Director

Mr. Yee Swee Choon
Independent Non-Executive Director

Mr. Henry Choo Hon Fai
Independent Non-Executive Director

En. Asgari Bin Mohd Fuad Stephens
Independent Non-Executive Director
(Redesignated as Independent Non-Executive Director on 30 September 2011)

Mr. David George Savage
Independent Non-Executive Director
(Appointed as Director on 13 July 2011)

Mr. Ng Ying Loong
Managing Director
(Resigned as Director on 30 September 2011)

En. Aminodin bin Ismail
Independent Non-Executive Director
(Resigned as Director on 10 February 2012)

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

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

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Ninth Annual General Meeting of Mudajaya Group Berhad will be held at Level 1, Kuala Lumpur Golf & Country Club, No. 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur, Malaysia on Monday, 18 June 2012 at 10.00 a.m. for the following purposes:-

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the year ended 31 December 2011 together with the Reports of the Directors and the Auditors thereon.
(Ordinary Resolution 1)

2. To approve the payment of a final dividend of 12.5% (or 2.5 sen) under the single tier system for the year ended 31 December 2011. **(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. Yee Swee Choon
   (Ordinary Resolution 3)

   Mr. Henry Choo Hon Fai
   (Ordinary Resolution 4)

4. To re-elect the following Directors who retire in accordance with Article 83 of the Company's Articles of Association:-

   Dato' Yusli bin Mohamed Yusoff
   (Ordinary Resolution 5)

   Mr. David George Savage
   (Ordinary Resolution 6)

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

   "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 ("AGM")."
   (Ordinary Resolution 7)

6. To approve the payment of Directors' fees for the year ended 31 December 2011.
(Ordinary Resolution 8)

7. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration.
(Ordinary Resolution 9)

SPECIAL BUSINESS

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

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

   "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 AGM 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 ("Bursa Securities")."
   (Ordinary Resolution 10)

9 Proposed Renewal of Share Buy-Back Authority

   "THAT subject to provisions of the Act, the Articles of Association of the Company, the requirements of 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 2011 to purchase such number of ordinary shares of RM0.20 each of the Company ("Proposed Renewal of Share Buy-Back

notice of annual general meeting

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 AGM of the Company unless the authority is renewed either unconditionally or subject to conditions;
(b) the expiration of the period within which the next AGM 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.

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."

(Ordinary Resolution 11)

10. Proposed Amendments to the Articles of Association

    "THAT the amendments to the Articles of Association of the Company as set out in Appendix I attached with the Annual Report for the financial year ended 31 December 2011 be and are hereby approved."

    Special Resolution

11. 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 12.5% (or 2.5 sen) per ordinary share of RM0.20 each under the single tier system for the year ended 31 December 2011 will be paid on 16 July 2012 to depositors registered in the Records of Depositors at the close of business at 5.00 p.m. on 26 June 2012.

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 26 June 2012 in respect of ordinary transfers; and

2. Shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

BY ORDER OF THE BOARD

CHAI MIN HON
Company Secretary

Selangor Darul Ehsan
25 May 2012

notice of annual general meeting

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 of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

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.

5. In respect of deposited securities, only members whose names appear on the record of Depositors on 11 June 2012 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

Explanatory Notes on Special Business:-

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

   The Company had, during its Eighth AGM held on 22 June 2011, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Section 132D of the Act. As at the date of this notice, the Company did not issue any shares pursuant to this mandate obtained.

   The proposed Ordinary Resolution 10, 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. If there should be a decision to issue new shares after the general mandate is sought, the Company will make an announcement in respect thereof.

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

   The proposed Ordinary Resolution 11, 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 Ninth 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 25 May 2012 which was despatched together with this Annual Report.

3. **Proposed Amendments to the Articles of Association**

   The proposed Special Resolution, if passed, will render the Articles of Association of the Company to be in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and to update the Articles of Association of the Company to be consistent with the prevailing laws, guidelines or requirements of the relevant authorities as well as to further enhance administrative efficiency of the Company.

notice of annual general meeting

APPENDIX I

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Articles of Association of the Company are proposed to be amended in the following manner:-

Article No.	Existing Articles	Amended Articles
To amend Article 2	WORDS MEANINGS *New definition* *New definition*	WORDS MEANINGS ***Exempt Authorised Nominee*** ***An authorised nominee defined under the Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of Central Depositories Act.*** ***Share Issuance Scheme*** ***means a scheme involving a new issuance of shares to the employees.***
To amend Article 4	Allotment of Shares Without prejudice to any special rights previously conferred on the holders of any existing shares or class of share and subject to the provisions of these Articles, the Act and to the provisions of any resolution of the Company, shares in the Company for the time being unissued (whether forming part of the original capital or of any increase in capital) are under the control of the Directors who may issue, allot or otherwise dispose of such shares to such persons, on such terms and conditions, with such preferred, deferred or other special rights and subject to such restrictions and at such times as the Directors may determine but the Directors in making any issue of shares shall comply with the following conditions:- (d) And no Director shall participate in any issue of shares or options to employees unless the Members in a general meeting have approved the specific allotment to be made to such Director.	Allotment of Shares Without prejudice to any special rights previously conferred on the holders of any existing shares or class of share and subject to the provisions of these Articles, the Act and to the provisions of any resolution of the Company, shares in the Company for the time being unissued (whether forming part of the original capital or of any increase in capital) are under the control of the Directors who may issue, allot or otherwise dispose of such shares to such persons, on such terms and conditions, with such preferred, deferred or other special rights and subject to such restrictions and at such times as the Directors may determine but the Directors in making any issue of shares shall comply with the following conditions:- (d) And no Director shall participate in a ***Share Issuance Scheme*** unless the Members in a general meeting have approved the specific allotment to be made to such Director.

notice of annual general meeting

Article No.	Existing Articles	Amended Articles
To amend Article 70(1)	Proxy The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll. A Member shall not be entitled to appoint more than ten (10) proxies to attend and vote at the same meeting and each proxy appointed, shall represent a minimum of 1,000 shares. Where the Member appoints more than one (1) proxy, to attend and vote at the same meeting, such appointment shall be invalid unless the Member specifies the proportion of his shareholding to be represented by each proxy.	Proxy The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll. A Member shall not be entitled to appoint more than ten (10) proxies to attend and vote at the same meeting and each proxy appointed, shall represent a minimum of 1,000 shares. Where the Member appoints more than one (1) proxy, to attend and vote at the same meeting, such appointment shall be invalid unless the Member specifies the proportion of his shareholding to be represented by each proxy ***and only one (1) of those proxies is entitled to vote on a show of hands. A proxy appointed to attend and vote at a meeting shall have the same rights as the member to speak at the meeting. There shall be no restriction as to the qualification of the proxy.***
To amend Article 70(2)	<u>Appointment of at least one proxy</u> <u>Where a Member is an Authorised Nominee as defined under the Central Depositories Act, it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said securities.</u>	***Exempt Authorised Nominee*** Where a Member ***of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.***

Five Years Financial Highlights

	2011 RM'000	2010 RM'000	2009 RM'000	2008 RM'000	2007 RM'000
ASSETS					
Non-Current Assets	505,875	406,147	243,175	102,854	82,040
Current Assets	930,780	713,560	434,250	305,271	280,421
Total Assets	**1,436,655**	**1,119,707**	**677,425**	**408,125**	**362,461**
EQUITY AND LIABILITIES					
Capital And Reserves					
Share Capital	109,665	82,248	74,800	74,800	74,800
Reserves	836,509	640,805	300,259	196,960	158,220
Equity Attributable To Equity Holders Of The Company	946,174	723,053	375,059	271,760	233,020
Non-Controlling Interest	61,551	37,935	47,781	32,372	20,842
Total Equity	**1,007,725**	**760,988**	**422,840**	**304,132**	**253,862**
Liabilities					
Non-Current Liabilities	256	256	256	256	256
Current Liabilities	428,674	358,463	254,329	103,737	108,343
Total Liabilities	**428,930**	**358,719**	**254,585**	**103,993**	**108,599**
Total Equity And Liabilities	**1,436,655**	**1,119,707**	**677,425**	**408,125**	**362,461**
GROUP RESULTS					
Profit Before Tax	293,948	278,386	167,957	65,432	42,039
Income Tax Expense	(17,020)	(41,388)	(30,416)	(8,185)	(5,874)
Non-Controlling Interest	(45,896)	(21,445)	(18,361)	(12,130)	(6,025)
Profit Attributable To Owners Of The Parent	231,032	215,553	119,180	45,117	30,140
SELECTED RATIOS					
Earnings Per Share (Sen) *	42.3	39.5	23.4	8.8	6.1
Net Dividend Per Share (%)	40.0	27.5	18.0	16.5	16.0
Net Assets Per Share (RM) *	1.85	1.40	0.77	0.56	0.46
Return On Equity (%)	24.60	29.8	31.8	16.6	12.9
Gearing Ratio	-	-	-	-	-
Share Price (Year-End Closing) (RM)	2.19	4.27	4.97	1.13	1.58

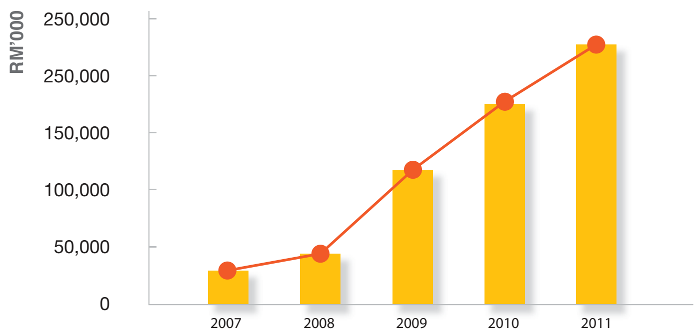
* Comparatives have been restated to take into effect of:

(i) The bonus shares issued on the basis of one (1) bonus share for three (3) existing ordinary shares of RM0.20 each ("Bonus Issue"). The Bonus Issue was completed on 19 July 2011.

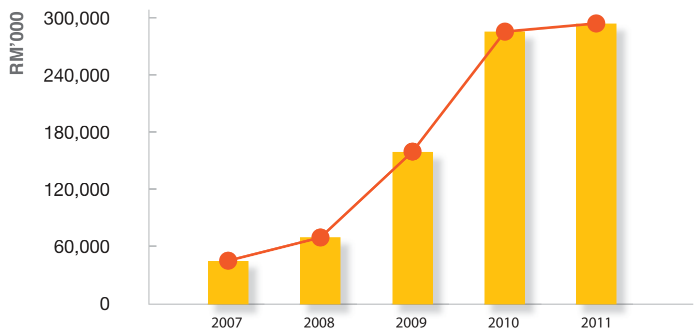
(ii) The share split involving the subdivision of each of the existing ordinary shares of RM0.50 each in the Company into 5 ordinary shares of RM0.10 each ("Share Split"), followed by a share consolidation of every 2 ordinary shares of RM0.10 each in the Company after the Share Split, into 1 ordinary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

five years financial highlights

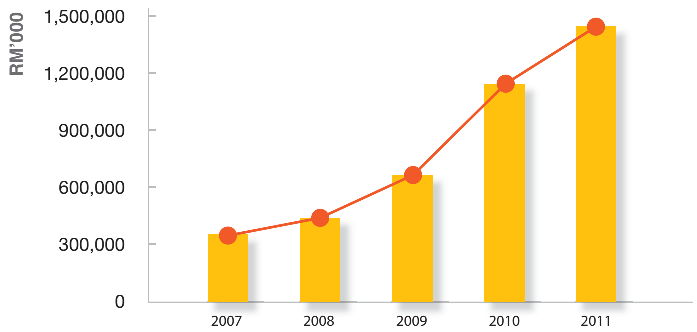
PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT



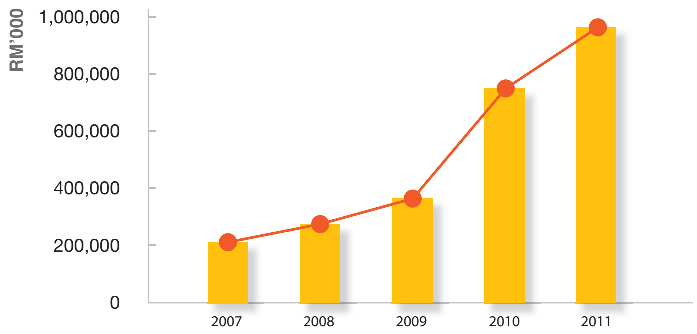
PROFIT BEFORE TAX



TOTAL ASSETS



EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY



Directors' Profile

Dato' Yusli bin Mohamed Yusoff

Independent
Non-Executive Chairman

Member of Audit Committee

Dato' Yusli, a Malaysian aged 53, was appointed as an Independent Non-Executive Director of Mudajaya Group Berhad ("Mudajaya") on 13 July 2011. He was re-designated as Independent Non-Executive Chairman of Mudajaya on 30 September 2011. He was appointed as a member of the Audit Committee on 1 March 2012. He graduated with a Bachelor of Economics from University of Essex, England in 1981. He is a member of the Institute of Chartered Accountants, England & Wales, the Malaysian Institute of Accountants, the Malaysian Institute of Certified Public Accountants, the Financial Planning Association of Malaysia as well as an Honorary Member of the Institute of Internal Auditors Malaysia.

General Managament : He served as CEO of several public listed and private companies in Malaysia, the most recent being Chief Executive Officer of Bursa Malaysia Berhad from February 2004 to March 2011. He served as Chief Executive of CIMB Securities (2000-2004) and Chief General Manager of Sime Merchant Bankers Berhad (1996-1998). He served concurrently as Executive Vice Chairman of Intria Berhad and Managing Director of Metacorp Berhad (1998-1999) and Group Managing Director of Shapadu Corporation (1995-1996). He served as Chief Operating Officer of Renong Berhad (1994-1995). He served in various senior management roles within Renong Group as Chief Operating Officer of Time Engineering Berhad (1993); Financial Controller of Faber Group (1992); Senior Manager, Corporate Affairs in HBN Management (1990-1992). He served as Board member of the Capital Market Development Fund (2004-2011). He was the Chairman of Association of Stockbroking Companies Malaysia (2003-2004). He is a current member of Board of Directors of Asian Institute of Finance (since 2009). Currently, he is also the Chairman of Red Cliff Group Pte Ltd (since April 2011).

Accounting and Auditing : He served as Exco Member of the Financial Reporting Foundation of Malaysia and the Malaysian Accounting Standards Board (2004-2011). He served as Chief Accountant in Hugin Sweda PLC in London (1986-1990). He served as audit senior and trainee accountant at Peat Marwick Mitchell in London (1981-1986).

He is also a Director of Asian Institute of Finance Bhd and Mulpha International Bhd.

Dato' Yusli attended two Board meetings held during the financial year ended 31 December 2011 since his appointment to the Board of the Company on 13 July 2011.

directors' profile

Mr. Anto a/l SF Joseph

Group Managing Director & Chief Executive Officer

Member of Remuneration Committee

Mr. Anto, a Malaysian aged 60, was appointed as Executive Director of Mudajaya on 2 March 2004 and promoted as Joint Managing Director of Mudajaya on 8 April 2011. He was re-designated as Managing Director of Mudajaya on 30 September 2011 and was subsequently promoted to Group Managing Director & Chief Executive Officer of the Company on 22 December 2011. He is a member of the Remuneration Committee. He was appointed as Executive Director of Mudajaya Corporation Berhad ("MCB") in 1996 and was subsequently promoted as Managing Director of MJC on 30 September 2011. He graduated with 1st class 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, 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. He is not a Director of any other public company.

Mr. Anto attended all of the four Board meetings held during the financial year ended 31 December 2011.

Mr. Wee Teck Nam

Executive Director

Mr. Wee, a Malaysian aged 72, 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 joins 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. He is not a Director of any other public company.

Mr. Wee attended all of the four Board meetings held during the financial year ended 31 December 2011.

directors' profile

Mr. Ng Chee Kin

Executive Director

Mr. Ng, a Malaysian aged 50, was appointed as Executive Director of Mudajaya on 8 April 2011. He graduated with a Bachelor of Science (Housing, Building and Planning) with Honours from Universiti Sains Malaysia. He was appointed Director of MCB on 5 July 2004 and re-designated as Executive Director of MCB in 2005. Formerly, he was holding the position of General Manager, Special Projects of MCB. He has 25 years of experience in property development and construction. He served as a Council Member of Master Builders Association of Malaysia for the 2008 - 2010 Session. Prior to joining MCB, he was with IJM Engineering & Construction Bhd and Pernas Construction Sdn Bhd. He is not a Director of any other public company.

Mr. Ng attended all of the four Board meetings held during the financial year ended 31 December 2011.

Mr. Yong Yee Coi

Executive Director

Mr. Yong, a Malaysian aged 53, was appointed as Executive Director of Mudajaya on 8 April 2011. He graduated with a Bachelor of Engineering (Civil) from University of Malaya. He was appointed as Director of MCB on 5 July 2004. Formerly, he was holding the position of General Manager, Engineering and Procurement of MCB. He has more than 27 years of experience in the construction industry. He is a professional engineer registered with the Board of Engineers since 1992. He is also a member of the Institute of Engineers Malaysia and the Institution of Highways and Transportation, United Kingdom. He joined MCB in 1992 and is presently responsible for the operations and management of the procurement, contracts and engineering and technical division. He is not a Director of any other public company.

Mr. Yong attended all of the four Board meetings held during the financial year ended 31 December 2011.

Mr. Lee Seng Huang

Non-Independent
Non-Executive Director

Mr. Lee, a Malaysian aged 37, was appointed as Non-Independent Non-Executive Director of Mudajaya on 17 March 2011. He was educated at the University of Sydney in Australia. He was appointed Executive Chairman of Mulpha International Bhd ("MIB") on 15 December 2003. He has wide ranging financial services and real estate investment experience in the Asian region. He has previously served, in various capacities, on the Board of Directors of MIB, as well as Lippo Limited, Lippo China Resources Limited in Hong Kong, Auric Pacific Group Limited in Singapore as well as the Export and Industry Bank, Inc. in the Philippines. He is currently the Executive Chairman of Sun Hung Kai & Co. Ltd ("SHKF"), listed in Hong Kong. SHKF is the leading non-bank financial institution in Hong Kong. Mr Lee is the Chairman of FKP Property Group, a leading property developer listed on the Australian Securities Exchange. He is also a Non-Executive Director of Ambrian Capital PLC, a company listed on the Alternative Investment Market of the London Stock Exchange.

Mr. Lee attended three Board meetings held during the financial year ended 31 December 2011 since his appointment to the Board of the Company on 17 March 2011.

directors' profile

Mr. Yee Swee Choon

Independent
Non-Executive Director

Chairman of Audit Committee

Member of Nomination and
Remuneration Committees

Mr. Yee, a Malaysian aged 61, was appointed as Independent Non-Executive Director of Mudajaya on 2 March 2004. He is the Chairman of the Audit Committee. He is also a member of the Nomination Committee and Remuneration Committee. He is a Chartered Accountant, a Certified and Registered Financial Planner. He has over 29 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. Yee attended all of the four Board meetings held during the financial year ended 31 December 2011.

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 40, was appointed as an Independent Non-Executive Director of Mudajaya on 2 March 2004. He is the Chairman of the Remuneration Committee. He is also a member of the Audit Committee and Nomination Committee. 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). He is also a Director of Mulpha Land Berhad.

Mr. Henry Choo attended all of the four Board meetings held during the financial year ended 31 December 2011.

directors' profile

En. Asgari bin Mohd Fuad Stephens

Independent
Non-Executive Director

Chairman of
Nomination Committee

En. Asgari, aged 51, a Malaysian, was appointed as an Independent Non-Executive Chairman of Mudajaya on 30 August 2010. He was re-designated as Independent Non-Executive Director of Mudajaya on 30 September 2011. He was appointed as Chairman of the Nomination Committee on 1 March 2012. He graduated with a Bachelor of Commerce (Honours) from the University of Melbourne in Australia and a Masters of Business Administration from Cranfield University in the United Kingdom. En. Asgari is the director and founding member of Intelligent Capital Sdn Bhd. He has extensive experience in both public and private equity investing in Malaysia. He was former Chairman of Leighton Asia (southern), part of the Leighton Group, Australia's largest project development and contracting group. En. Asgari started his career working in general management in companies involved in a wide range of industries. In 1988, he joined Usaha Tegas Sdn Bhd ("UTSB") where he worked in various capacities. He left in 1990 to join the stock broking industry. He returned to work in UTSB in 1992 before leaving in 1995 to co-found Kumpulan Sentiasa Cemerlang Sdn Bhd ("KSC"), an investment advisory and fund management group. During the Asian Financial Crisis in 1998, he took a year off to work with the National Economic Action Council ("NEAC"). After his period at the NEAC, he started two venture capital firms, Intelligent Capital and iSpring Venture Management Sdn Bhd, while continuing to work with KSC. He was previously the Chairman of the Malaysian Venture Capital Association. He is also a Director of Maxis Berhad, Jaycorp Berhad, Privasia Technology Berhad and Mulpha International Bhd Group.

En. Asgari attended all of the four Board meetings held during the financial year ended 31 December 2011.

directors' profile

Mr.David George Savage

Independent
Non-Executive Director

Member of Audit Committee

Mr. Savage, an Australian aged 52, was appointed as an Independent Non-Executive Director of Mudajaya on 13 July 2011. He was appointed as a member of the Audit Committee on 1 March 2012. He graduated with a Bachelor of Engineering (Civil) from Deakin University in Australia. Mr. Savage has held senior executive roles in the construction industry in Asia for more than 25 years. Mr. Savage joined Leighton Group in 1998 as Director and General Manager of Leighton Contractors (Malaysia) Sdn Bhd. In this role, he oversaw the development of the Malaysian operation into Leighton Asia's key revenue earners. In 2001, Mr. Savage was appointed Deputy Managing Director of Leighton Asia's Southern Region. He was subsequently appointed as Managing Director of Leighton International Limited. Mr. Savage had responsibility for all Leighton's activities in Malaysia, Singapore, Brunei, Sri Lanka, India and the Central Asian Republics. He oversaw a period of sustained growth to make Leighton International one of the leading contributors to the Leighton Group. He was an Associate Director of Leighton Holdings Limited (listed in Australia). In 2007, Mr. Savage oversaw the merger of the company's activities in the Gulf region with Al Habtoor Engineering, one of the region's leading building contractors. From January 2010, Mr. Savage assumed the role of Chief Operating Officer (COO) for Leighton Holdings Limited with overall responsibility for the businesses that make up Leighton International Limited. Mr. Savage retired from the Leighton Group in March 2011 to pursue private business and other interests. Prior to joining Leighton Group, Mr. Savage was responsible for the Philippines operation of another leading Australian construction and engineering company. He developed the operation into a multi-disciplined business generating annual revenue of around US$100 million.

Mr. Savage attended two Board meetings held during the financial year ended 31 December 2011 since his appointment to the Board of the Company on 13 July 2011.

Other information on Directors

1. None of the Directors has any family relationship with any directors and/or major shareholders of the Company except for Mr. Lee Seng Huang who is the son of Madam Yong Pit Chin, a major shareholder in Nautical Investments Ltd, which is turn is major shareholder of Mulpha International Bhd.
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

MUDAJAYA GROUP BERHAD
(Investment holding)
Authorised Share Capital: RM250,000,000
Paid-up Share Capital: RM109,860,213

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
(Property development)
Authorised Share Capital: RM50,000,000
Paid-up Share Capital: RM50,000,000

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%
Indah Kirana (M) Sdn Bhd
(Has not commenced operations)
Authorised Share Capital: RM100,000
Paid-up Share Capital: RM4,000

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 (Negara 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: USD2,000,000

100%
Mudajaya International Investment Ltd (Negara 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 (Kingdom of 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 evaluates 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 2011. The attendance record of the Directors is reflected below:-

Director	No. of meetings attended
Dato' Yusli bin Mohamed Yusoff (appointed on 13 July 2011)	2/2
Mr. Anto a/l SF Joseph	4/4
Mr. Wee Teck Nam	4/4
Mr. Ng Chee Kin (appointed on 8 April 2011)	3/3
Mr. Yong Yee Coi (appointed on 8 April 2011)	3/3
Mr. Lee Seng Huang (appointed on 17 March 2011)	3/3
Mr. Yee Swee Choon	4/4
Mr. Henry Choo Hon Fai	4/4
En. Asgari bin Mohd Fuad Stephens	4/4
Mr. David George Savage (appointed on 13 July 2011)	2/2
Mr. Chung Tze Hien (resigned on 17 March 2011)	1/1
Mr. Ng Ying Loong (resigned on 30 September 2011)	3/3
En. Aminodin bin Ismail (resigned on 10 February 2012)	3/4

Board Balance

The Board of Directors consist of ten (10) members, four (4) of whom are Executive Directors and six (6) are Non-Executive Directors. Out of the six (6) Non-Executive Directors, five (5) 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 15.

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.

statement on corporate governance

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. Other than the nominated Directors that were subsequently appointed to the Board on page 17, there was no other 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 2011. The Board will continue to evaluate and determine the training needs of its Directors to enhance their skills and knowledge.

The training programmes/seminars/conferences attended by the Directors in 2011 include the following:-

- Plantation, Construction, Property & Hotel
- Industrial Products
- Accounting of Construction Contracts, Property Development - Activities and Borrowing Costs
- Malaysia FRS Update and IFRS Convergence Seminar
- Balancing Conflicting Interest in the Boardroom – Workshop for PLC's
- ISIS Praxis Seminar – Knowledge for Action in the Coming Year
- Corporate Directors Training Programme
- Securities Commission Malaysia
- Updates of FRSs 2010/11

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 27 to 30.

(b) Nomination Committee

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

En. Asgari bin Mohd Fuad Stephens was appointed as the Chairman of the Nomination Committee on 1 March 2012, whilst En. Aminodin bin Ismail resigned as Chairman and Member of the Nomination Committee on 10 February 2012.

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

(i) recommends new nominees to the Board as well as Board Committees and considers the Board's succession planning;
(ii) assists 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 discloses the same in the Annual Report; and
(iii) assesses the effectiveness of the Board and Board Committees and the contribution of each individual Director.

The decision on new appointments 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. Anto a/l SF Joseph and Mr. Yee Swee Choon as members.

Mr. Anto a/l SF Joseph was appointed as Member of the Remuneration Committee in replacement of Mr. Ng Ying Loong who resigned as Member of the Remuneration Committee on 30 September 2011.

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 and 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.

(d) Option Committee

The Option Committee was established on 15 August 2011. The principal function of the Option Committee is to administer the Employees' Share Option Scheme ("ESOS") of the Company in accordance with the ESOS's By-Laws.

The Option Committee currently consists of Mr. Anto a/l SF Joseph as Chairman and Mr. Loi Kent Liak and Ms. Choo Sau Ling as members.

During the year, the Option 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 package 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 package. 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 2011 and the remuneration bands analysis are as follows:-

	Executive (RM'000)	Non-Executive (RM'000)
Salaries and other emoluments	4,430	-
Bonus	1,011	-
Defined contribution plan	787	-
Estimated money value of benefits-in-kind	51	-
Fees	-	513
Other emoluments	-	184
Total	**6,279**	**697**

	No. of Directors	
Range of remuneration (RM)	Executive	Non-Executive
Below 50,000	-	1
50,001 – 100,000	-	3
100,001 – 150,000	-	4
200,001 – 250,000	1	-
550,001 – 600,000	1	-
650,001 – 700,000	1	-
1,500,001 – 2,000,000	1	-
2,550,001 – 3,000,000	1	-

statement on corporate governance

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
- The Company's website at www.mudajaya.com
- Press releases
- Briefings to analysts and fund managers

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 notices 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 page 24 to 25 of this Annual Report.

statement on corporate governance

Relationship with the Auditors

The role of Audit Committee in relation to the external auditors is presented in the Audit Committee Report on pages 27 to 30 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 2011, the Company had a balance of 3,098,000 ordinary shares of RM0.20 each as treasury shares.

During the financial year ended 31 December 2011, the Company repurchased 2,876,300 of its own shares from the open market of Bursa Securities for a total consideration of RM6,330,555. Details of the shares repurchased are as follows:-

2011 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)
June	1,000	4,666	4.620	4.620	4.620
August	350,000	953,792	2.510	2.880	2.714
September	1,529,600	3,212,022	1.846	2.600	2.091
October	825,600	1,772,477	1.915	2.314	2.138
November	140,100	322,022	2.230	2.289	2.289
December	30,000	65,576	2.170	2.170	2.170
	2,876,300	6,330,555			

statement on corporate governance

During the financial year ended 31 December 2011, the Company resold 3,099,000 ordinary shares of RM0.20 each as follows:-

2011 Month	No. of Shares resold (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)
July	3,099,000	13,809,290	4.470	4.480	4.470

As at 31 December 2011, 2,875,300 ordinary shares of RM0.20 each were retained as treasury shares.

Employees' Share Option Scheme

The Company has one Employees' Share Option Scheme ("ESOS") in existence during the financial year. Details of the scheme are as follows:-

	No. of options over ordinary shares of RM0.20 each		
	Directors and Chief Executives	Eligible Employees	Total
Total number of options granted	9,010,000	12,041,700	21,051,700
Total number of options exercised	-	(10,000)	(10,000)
Total options outstanding	9,010,000	12,031,700	21,041,700

Pursuant to the Company's ESOS By-Laws, not more than 50% of the options available under the scheme shall be allocated, in aggregate, to directors and senior management. Since the commencement of the scheme, 16.43% of the options granted under the scheme have been granted to directors and senior management.

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 the external auditors during the financial year.

Variation in Results

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

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 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 with the guidance provided to directors as set out in 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.

Board responsibility

The Board of Directors acknowledges the responsibility of maintaining a sound system of internal control and for reviewing its adequacy and integrity of 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. These systems are designed to manage rather than completely eliminate risks that may hinder the achievement of the Group's business objectives. Accordingly, these systems can only provide reasonable but not absolute assurance against material misstatement or loss.

The Board confirms that there is an ongoing process of identifying, evaluating and managing all significant risks faced by the Group throughout the year and up to the date of approval of the Annual Report and Financial Statements.

Risk Management

As the Group continuously explores and expands its operations locally and abroad, the Board of Directors recognises that the Group will be exposed to a certain degree of risk. To minimise risks, the Board has adopted the Enterprise Risk Management ("ERM") review on its business sectors. As a result, the Risk Management Committee ("RMC") chaired by the Group Managing Director and comprising of senior management and head of departments and projects was formed. The RMC would review and cover matters such as identification and responses to address significant risks, changes to internal control systems and output from monitoring processes. 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 ERM is evaluated annually to identify the existence of 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.

Audit Committee

The Audit Committee ("AC"), which is chaired by an independent non-executive director, is tasked by the Board with the duty of reviewing and monitoring the effectiveness of the Group's system of internal controls with the assistance of the in-house Internal Audit department. On a quarterly basis, reports are prepared on the adequacy, efficiency and effectiveness of the system of internal controls based on the annual audit plans approved by the Audit Committee.

statement on internal control

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 ("AC") and management. Various Board Committees have been established to assist the Board in discharging its duties, namely:-
    - Audit Committee
    - Nomination Committee
    - Remuneration Committee
    - Risk Management Committee
    - Option Committee

- Internal policies and guidelines are effectively communicated to all employees through memorandums and handbooks;

- Reporting systems are in place. Financial and operational performance reports are furnished to the Board of Directors and management. Regular management meetings are held among the Executive Directors and Divisional heads. During the meeting, reports and status updates of the projects are discussed and necessary actions taken;

- Comprehensive and adequate financial information and key business indicators are presented to the management and the Board to assist in the review of the Group's performance;

- 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;

- Clear Group vision, mission, corporate philosophy and strategic direction are communicated to employees at all levels;

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

Internal Audit

The internal audit function of the Group is performed by the in-house Internal Audit Department, which reports directly to the Audit Committee ("AC"). The internal audit department carries out independent reviews on the state of the internal control of the Group's business activities based on the annual audit plan approved by the AC. The findings and observations are reported to the AC on a quarterly basis.

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 for the financial year under review 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. Follow-ups were also carried out to determine the status of execution of agreed corrective actions based on findings raised.

However, such procedures and systems 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

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.

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.

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, Perak, 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, Mechanical Engineering, Electrical Engineering, Quantity Surveying, and other related studies. For the financial year ended 31 December 2011, the Company had awarded RM80,000 worth of scholarships to 3 undergraduates.

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:-

- Mudajaya contributed various donations which were channelled towards helping organisations such as Yayasan Mahawangsa, Pusat Penjagaan Kanak-Kanak Cacat Taman Megah, Heritage and Elderly Home and Agathians Orphanage Home.

- Mudajaya organised a fund raising campaign to buy groceries for the senior residents of the Heritage and Elderly Home. During the visit to the elderly's home, Mudajaya staff accompanied the residents, providing them with much fun and love.

- During the year, Mudajaya organised Recycling Days to collect recycle items. The recycle funds were donated to the charity homes.

Taking initiative to help preserve and care for the environment, Mudajaya continues 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.

We incorporate environmental-friendly features into our design and build projects. In particular, our newly built office building in Mutiara Damansara, Petaling Jaya, incorporates 'green' features such as rain and ground water harvesting for use in common toilets, solar power panels for powering up the common areas, light sensors for common lighting and lower consumption and power efficient light tubes and LED lights.

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

The objective of the Audit Committee is to assist the Board of Directors in meeting its responsibilities relating to accounting and reporting practices of the Company and its subsidiary companies.

In addition, the Audit Committee shall:-

a) Oversee and appraise the quality of the audits conducted both by the Company's internal and external auditors;
b) Maintain open lines of communication between the Board of Directors, the internal auditors and the external auditors for the exchange of views and information, as well as to confirm their respective authority and responsibilities; and
c) Determine the adequacy of the Group's administrative, operating and accounting controls.

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
Mr. Henry Choo Hon Fai (Member)	-	Independent Non-Executive Director
Dato' Yusli bin Mohamed Yusoff (Member) (Appointed on 1 March 2012)	-	Independent Non-Executive Director
Mr. David George Savage (Member) (Appointed on 1 March 2012)	-	Independent Non-Executive Director

Subsequent to the financial year ended 31 December 2011, En. Aminodin bin Ismail resigned as Member of the Committee on 10 February 2012.

Membership

The Committee shall be appointed by the Board from amongst its Directors (except alternate directors) which fulfils the following requirements:-

(a) the audit committee must be composed of no fewer than three (3) members;
(b) all the audit committee members must be non-executive directors with a majority of them independent directors; and
(c) at least one member of the audit committee:-

    (i) must be a member of the Malaysian Institute of Accountants; or
    (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:-
        (aa) he must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act, 1967; or

(bb) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967; or

(iii) fulfills such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.

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

The Board shall, within three (3) months of a vacancy occurring in the Committee which result in the number of members reduced to below three (3), appoint such number of new members as may be required to make up the minimum number of three (3) members.

The Board shall review the term of office and performance of the Committee and each of its members at least once every three years.

Rights

The Committee shall, in accordance with the procedure determined by the Board and at the cost of the Company:-

(a) have authority to investigate any matter within its terms of reference;
(b) have the resources which are required to perform its duties;
(c) have full and unrestricted access to any information pertaining to the Company;
(d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
(e) be able to obtain independent professional or other advice; and
(f) be able 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.

Functions

The functions of the Committee shall include the following:-

(1) review the following and report the same to the Board:-

 (a) with the external auditor, the audit plan;
 (b) with the external auditor, his evaluation of the system of internal controls;
 (c) with the external auditor, his audit report;
 (d) the assistance given by the employees of the Company to the external auditor;
 (e) the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
 (f) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
 (g) the quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly on:-
  (i) changes in or implementation of major accounting policy changes;
  (ii) significant and unusual events; and
  (iii) compliance with accounting standards and other legal requirements;
 (h) any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
 (i) any letter of resignation from the external auditors of the Company; and
 (j) whether there is reason (supported by grounds) to believe that the Company's external auditor is not suitable for re-appointment; and

(2) recommend the nomination of a person or persons as external auditors.

audit committee report

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

Other Board members and employees may attend any particular meeting only at the Committee's invitation.

The Company Secretary shall be the Secretary of the Committee.

Reporting Procedures

The Secretary shall maintain minutes of the proceedings of the meetings of the Committee and circulate such minutes to all members of the Committee.

Attendance at Meetings

During the financial year ended 31 December 2011, the Committee held six (6) meetings. The details of attendance of the Committee members are as follows:-

Committee Member	No. of meetings attended
Mr. Yee Swee Choon	6/6
Mr. Henry Choo Hon Fai	6/6
En. Aminodin bin Ismail (Resigned on 10 February 2012)	5/6

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 2011 in the discharge of its duties and responsibilities: -

- reviewed 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;

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

- reviewed the Internal Audit Reports and assessed the Internal Auditor's findings and the management's responses thereto and thereafter, reported to the Board of Directors;

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

audit committee report

- reviewed 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.

- Verified the allocation of options to ensure compliance with the criterias for allocation pursuant to the Employees' Share Option Scheme.

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) Reviewed and appraised the adequacy, effectiveness and reliability of the internal control systems, policies and procedures;
b) Monitored the adequacy, reliability, integrity, security and timeliness of management information systems;
c) Determined the extent of compliance with relevant laws, codes, standards, regulations, policies, contracts, plans and procedures;
d) Identified and recommended solutions and appropriate controls for identified potential problems; and
e) Reviewed and verified the means used to safeguard assets.

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

The Group has employed an in-house internal audit team to perform the internal audit functions. For the year ended 31 December 2011, the department has incurred a cost of approximately RM150,000.

Chairman's Statement

DEAR VALUED

SHAREHOLDERS

On behalf of the Board of Directors of Mudajaya Group Berhad, I am pleased to present to you the Annual Report and financial statements of the Company and the group of companies ("Mudajaya" or "Group") for the financial year ended 31 December 2011.

FINANCIAL RESULTS

For the financial year under review, Mudajaya generated total revenue of RM1,347.1 million, as compared to RM870.4 million in the previous financial year. Mudajaya's Profit After Tax rose 16.9% to RM277.0 million for the financial year ended 31 December 2011 from the previous year record of RM237.0 million.

As at 31 December 2011, the Group's Net Assets stood at RM1,007.7 million whilst the Net Asset Per Share was RM1.85. The Group continues to operate under healthy financial position with Net Current Assets of RM502.1 million and Cash and Bank Balances of RM154.8 million with zero gearing.

REVIEW OF OPERATIONS

Year 2011 has been a good year for Mudajaya, as we expanded and established 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 RM1,172.8 million in the current financial year under review as compared to RM726.6 million recorded in the previous financial year, an increase of 61.4%. The profit before taxation for this segment improved slightly to RM452.8 million in the current financial year as compared to RM409.3 million achieved in the previous financial year, a growth of 10.6%. The relatively lower Gross profit margin for the current financial year was mainly due to the recognition of lower profit margin construction activities. 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.

Some of the major on-going projects are as follows:

- Design and construction of all civil works associated with the Balance of Plant component of Manjung No. 4 Power Plant Project.
- 4 x 360 MW Coal-Fired Power Plant at Chhattisgarh, India – Equipment Procurement contracts (Phase 1 & 2).
- Crest Sultan Ismail – Construction of service apartments & office blocks.
- Batu Kawah New Township – Construction projects.
- Rompin Hospital, Pahang – Design, Construction, Completion, Equipping and Commissioning.
- 10 Damansara Heights Housing project – Construction of 8 Garden Villas & 2 Duplex Condo-Villas.

During the financial year, the Group has made significant progress on the Independent Power Plant Producer ("IPP") Project in the State of Chhattisgarh, India. The IPP Project is a coal-based thermal power station which consists 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). Phase 1 of the IPP Project is scheduled to complete by the end of 2012 and ready for commercial operations by the first quarter of 2013. The remaining three units under Phase 2 are scheduled to come on-stream by the fourth quarter of 2013.

Mudajaya is also exploring other business opportunities, both locally and overseas. We are leveraging on our financial strength and established track record and focusing in certain niche sectors particularly in the power and water sectors, which are expected to generate higher profit margins. We intend to venture into renewable energy sectors such as solar power, hydro power and wind power. Mudajaya aims to play its part in sustainable development to preserve the environment.

On 23 February 2012, MCB secured a project for the design and construction of civil and structural works for a 1,000 MW Coal-Fired Power Plant at Tanjung Bin, Johor Darul Takzim with a contract sum of RM1 billion.

Property Development

Batu Kawah New Township in Kuching, Sarawak is a 529 acres modern integrated award-winning township located 7 km from the capital city of Kuching. This township received many awards and accolades beginning with the Excellence Award for Innovative Design and Lifestyle Concept in 2009 and the Merit Award for the Best Township Master Plan for Completed Project in 2011. Batu Kawah New Township's lush greenery, civic convenience and facilities and its gated and guarded secured residential enclaves have attracted local dignatories and the international community to make this township their home. The township has set new benchmarks in innovative living concepts and continues to enjoy high demand due to its increasing vibrancy, accessibility, amenities and infrastructures. This self-contained township is undertaken via a 70% owned subsidiary of MCB, MJC City Development Sdn Bhd ("MJCC") in joint venture with ASSAR Development Sdn. Bhd.

MJCC's sales performance exceeded expectations despite the soft property market and growing competition in Kuching, Sarawak. We have launched RM650 million worth of mixed developments in Kuching, Sarawak since 1997 where 92% or equivalent to RM600 million have been sold. Phases 1 to 6 comprising strata title 4-storey commercial cum apartments, walk up and high rise apartments, semi detached houses and bungalow lots are 99.8% sold.

Phase 7 One Residency is the first gated and guarded link homes with swimming pools and resort facilities in Kuching. It won the Excellence Award for Innovative Design and Lifestyle Concept awarded by SHEDA and the Sarawak Ministry of Housing.

chairman's statement

Phase 8 Sky Villa Condominium comprising 5 blocks of residential apartments enjoyed brisk sales where Block A is 86.1% sold and Block B is 60.2% sold.

Riding on the success, we will be embarking on the launch of Phase 9 comprising of 4 storey mixed development with a central piazza for commercial outlets in 2012.

Mudajaya Land Sdn Bhd ("MLSB"), a wholly-owned subsidiary of MCB, is developing a highend residential bungalow project at the prestigious Damansara Heights in Kuala Lumpur. This is a joint venture between MLSB and Integrated Heights Sdn Bhd. The gross development value is estimated to be approximately RM40 million. This project comprises 8 units of 3 storey bungalows and 2 duplex condo villas and is expected to complete in 2013.The project will be officially launched after the completion of its show house at the end of 2012.

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. The Gross Development Value is estimated at approximately RM80 million. Construction works are nearing completion and application for clearance from various authorities to apply for Certificate of Fitness for Occupation is in progress.

Manufacturing

The manufacturing division's activities consist of production and sales of ready-mixed concrete and precast concrete beam via wholly-owned subsidiaries of MCB, MJC Industries Sdn Bhd and MJC Precast Sdn Bhd. The ready-mixed concrete operation has been providing an integral support to the core construction, precast concrete production and property development activities of the Group.

The major precast concrete beam contracts secured and supplied in 2011 were:

- LRT project for Kelana Jaya Line Extension Package A
- South Klang Valley Expressway Section 2 and Section 3
- The supply of precast concrete planks and precast concrete main beams frame for Malacca LNG Regastification Project
- LDP 5B Suria Bridge - Slip Road 2
- Besraya project for the supply of precast prestressed U12 beams

Trading

The trading division is undertaken by a wholly-owned subsidiary of MCB, 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.

chairman's statement

CORPORATE DEVELOPMENT

During the financial year 2011, Mudajaya had completed the following corporate proposals:-

i) On 19 July 2011, 137,077,966 new ordinary shares of RM0.20 each were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad, marking the completion of the Bonus Issue of 1:3; and

ii) The establishment of an Employees' Share Option Scheme ("ESOS") of up to 10% of the issued and paid-up share capital of the Company for eligible directors and employees of Mudajaya and its subsidiaries. The ESOS was implemented on 30 September 2011.

INDUSTRY RECOGNITION

Mudajaya has emerged again as the top leader of the Construction and Property Sector and was ranked 12th in the Top 100 Listed Companies For Best Shareholders Value Creation under the KPMG Shareholder Value Award for Year 2011.

Under the Construction Sector, Mudajaya has again won the following awards given out by The Edge Billion Ringgit Club – Corporate Awards 2011:-

- Highest Compound Growth in Profit Before Tax over 3 years
- Highest Compound Returns to Shareholders over 3 years
- Highest Return in Equity over 3 years

In addition to the above accolades, 'Forbes Asia's Best Under a Billion' again selected Mudajaya as one of the 14 Malaysian firms out of 15,000 listed Asia-Pacific companies in 2011.

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 47 years of experience in the construction industry coupled 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 in the coming years.

Abroad, the Group's venture in the IPP Project in India will substantially improve the Group's presence in India and will strengthen the experience and track record of the Group as an emerging 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 in 2013.

chairman's statement

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 optimistic that the Group will be able to improve further on its performance in 2012.

DIVIDEND

The first interim dividend of 15% (or 3 sen) per ordinary share of RM0.20 each under the single tier system for the financial year ended 31 December 2011 amounting to RM12.2 million was declared on 27 May 2011 and paid on 22 July 2011.

A second interim dividend of 12.5% (or 2.5 sen) per ordinary share of RM0.20 each under the single tier system for the financial year ended 31 December 2011 amounting to RM13.6 million was declared on 23 August 2011 and was subsequently paid on 20 October 2011.

In addition, the Board of Directors has also recommended the declaration of a final dividend under the single tier system of 12.5% (or 2.5 sen) per ordinary share of RM0.20 each in respect of financial year ended 31 December 2011, subject to the shareholders' approval at the forthcoming Ninth Annual General Meeting.

APPRECIATION

I would like to place on record our great appreciation to our former Managing Director, Mr. Ng Ying Loong, who resigned from the Group in September 2011. Throughout his 31 years of service in the Group, Mr Ng has brought the Group to greater heights, culminating in Mudajaya being the highly respected and established name in the construction industry that it is today.

I would also like to sincerely thank our former directors, Mr. Chung Tze Hien and En. Aminodin bin Ismail, who left Mudajaya in March 2011 & February 2012 respectively, for their guidance and services offered to Mudajaya.

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, customers and clients, who have continuously given their unwavering support to us over the years.

Thank you.

Dato' Yusli bin Mohamed Yusoff
Chairman
25 May 2012

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 2011.

Principal activities

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are disclosed in Note 14 to the financial statements.

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

Results

	Group RM'000	Company RM'000
Profit net of tax	276,928	32,160
Attributable to:		
Owners of the Company	231,032	32,160
Non-controlling interests	45,896	-
	276,928	32,160

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

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

Dividends

The amount of dividends paid by the Company since 31 December 2010 were as follows:

	RM'000
In respect of the financial year ended 31 December 2010 as reported in the directors' report of that year:	
Final tax exempt (single tier) dividend of 3 sen per share, on 408,140,500 ordinary shares of RM0.20 each, approved by shareholders on 22 June 2011 and paid on 15 July 2011.	12,244
In respect of the financial year ended 31 December 2011:	
First tax exempt (single tier) interim dividend of 3 sen per share, on 408,140,500 ordinary shares of RM0.20 each, declared on 27 May 2011 and paid on 22 July 2011.	12,244
Second tax exempt (single tier) interim dividend of 2.5 sen per share, on 545,956,266 ordinary shares of RM0.20 each, declared on 23 August 2011 and paid on 20 October 2011.	13,649
	38,137

Directors' Report

Dividends (cont'd.)

At the forthcoming Annual General Meeting, a final tax exempt (single tier) dividend in respect of the financial year ended 31 December 2011, of 2.5 sen per share 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 2012.

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

Directors

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

Anto a/l SF Joseph	
Wee Teck Nam	
Ng Chee Kin	
Yong Yee Coi	
Yee Swee Choon	
Henry Choo Hon Fai	
Lee Seng Huang	
Asgari bin Mohd Fuad Stephens	
Dato' Yusli bin Mohamed Yusoff	(appointed on 13 July 2011)
David George Savage	(appointed on 13 July 2011)
Ng Ying Loong	(resigned on 30 September 2011)
Aminodin bin Ismail	(resigned on 10 February 2012)

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 9 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 the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in Note 33 to the financial statements.

Directors' Report

Directors' interests

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares and options over shares in the Company during the financial year were as follows:

	As at 1.1.2011	<—— Number of ordinary shares of RM0.20 each ——> Acquired	Bonus issue	Sold	As at 31.12.2011
The Company					
Direct interest					
Dato' Yusli bin Mohamed Yusoff	-	300,000	-	-	300,000
Anto a/l SF Joseph	1,625,000	-	541,666	-	2,166,666
Wee Teck Nam	975,000	-	325,000	-	1,300,000
Ng Chee Kin	357,750	-	119,249	-	476,999
Yong Yee Coi	922,000	-	307,333	-	1,229,333
Yee Swee Choon	213,750	-	71,250	-	285,000
Indirect interest					
Wee Teck Nam	100,060,000	-	33,353,333	-	133,413,333
Anto a/l SF Joseph	-	133,556,666	-	-	133,556,666
Ng Chee Kin	598,000	-	199,333	-	797,333
Yee Swee Choon	32,500	-	10,833	-	43,333
Lee Seng Huang *	-	90,575,250	29,711,750	-	120,287,000
Asgari bin Mohd Fuad Stephens	888,000	165,000	295,998	-	1,348,998

* Shares held by Lee Seng Huang are deemed interest acquired during the year by virtue of his appointment as the Company's non-independent and non-executive director.

	Number of options over ordinary shares of RM0.20 each As at 1.1.2011	Granted	Exercised	As at 31.12.2011
The Company				
Anto a/l SF Joseph	-	4,600,000	-	4,600,000
Wee Teck Nam	-	1,200,000	-	1,200,000
Ng Chee Kin	-	1,200,000	-	1,200,000
Yong Yee Coi	-	1,200,000	-	1,200,000

Anto a/l SF Joseph, Wee Teck Nam and Lee Seng Huang by virtue of their interest in shares in the Company are also deemed interested in shares in 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.

Issue of shares

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM82,247,700 to RM109,665,293 by way of:

(i) a bonus issue of 137,077,966 ordinary shares of RM0.20 each on the basis of one bonus share for every three existing shares held ("Bonus Issue"); and

(ii) an issuance of 10,000 ordinary shares of RM0.20 each pursuant to the employees' share options at an average exercise price of RM1.90 per share.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

Directors' Report

Treasury shares

During the financial year, the Company disposed off all treasury shares representing 3,099,000 of RM0.20 each via open market prior to Bonus Issue for a total consideration of RM13,809,289, inclusive of transaction costs. Subsequent to the Bonus Issue, the Company repurchased 2,875,300 ordinary shares of RM0.20 each from the open market at an average price of RM2.20 per share for a total consideration of RM6,325,889, inclusive of transaction costs.

As at 31 December 2011, a total of 2,875,300 ordinary shares of RM0.20 each were still retained as treasury shares in the Company in accordance with Section 67A of the Companies Act 1965. Further relevant details are disclosed in Note 27 to the financial statements.

Employees' share option scheme

Mudajaya Group Berhad's Employees' Share Option Scheme ("ESOS") is governed by the bylaws which were approved by the shareholders at the Extraordinary General Meeting held on 22 June 2011. The ESOS was implemented on 30 September 2011.

During the financial year, the Company granted 21,051,700 share options under the ESOS.

The salient features and other terms of the ESOS are disclosed in Note 31 to the financial statements.

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the names of option holders, other than directors, who have been granted options to subscribe for less than 550,000 ordinary shares of RM0.20 each. The names of option holders granted options to subscribe for 550,000 or more ordinary shares of RM0.20 each during the financial year are as follows:

Name	Exercise price RM	As at 1.1.2011	Granted	Exercised	As at 31.12.2011
Wong Hock Beng	1.90	-	810,000	-	810,000

All share options were granted on 3 October 2011 and will expire on 3 November 2016.

Details of options granted to directors are disclosed in the section on Directors' Interests in this report.

Other statutory information

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

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts and that adequate allowance 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) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company 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.

Directors' Report

Other statutory information (cont'd.)

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

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

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

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

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

(f) In the opinion of the directors:

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

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

Significant events

Details of significant events are disclosed in Note 37 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 2012.

Anto a/l SF Joseph | **Wee Teck Nam**

Statement by Directors

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

We, Anto a/l SF Joseph 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 44 to 94 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 2011 and of the financial performance and the cash flows of the Group and of the Company for the year then ended.

The information set out in Note 39 on page 95 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 26 March 2012.

Anto a/l SF Joseph

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 44 to 94 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 2012

Loi Kent Liak

Before me,

PESURUHJAYA SUMPAH
NO. B 390
S. AROKIADASS A.M.N
MALAYSIA
No. 34A (Tkt 1), Jalan SS2/67
47300 Petaling Jaya
Selangor Darul Ehsan

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 statements of financial position as at 31 December 2011 of the Group and of the Company, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 44 to 94.

Directors’ responsibility for the financial statements

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

Auditors’ responsibility

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

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

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2011 and of their financial performance and cash flows for the year then ended.

Report on other legal and regulatory requirements

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

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries 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’ reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 14 to the financial statements, being financial statements that have been included in the consolidated 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 and did not include any comment required to be made under Section 174(3) of the Act.

Independent Auditors' Report

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

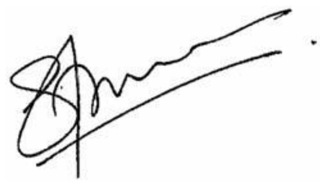
Other reporting responsibilities

The supplementary information set out in Note 39 on page 95 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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



Low Khung Leong
No. 2967/01/13(J)
Chartered Accountant

Kuala Lumpur, Malaysia
26 March 2012

Statements of Comprehensive Income

For the financial year ended 31 December 2011

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Revenue	4	1,347,059	870,428	44,020	32,660
Cost of sales	5	(1,011,730)	(583,532)	-	-
Gross profit		335,329	286,896	44,020	32,660
Other income	6	11,581	19,817	74	24
Administrative expenses		(49,788)	(28,825)	(929)	(991)
Operating profit	7	297,122	277,888	43,165	31,693
Share of results of associates		(3,174)	498	-	-
Profit before tax		293,948	278,386	43,165	31,693
Income tax expense	10	(17,020)	(41,388)	(11,005)	(8,165)
Profit net of tax		276,928	236,998	32,160	23,528
Other comprehensive income for the year, net of tax					
Foreign currency translation		15,653	(19,759)	-	-
Total comprehensive income for the year		292,581	217,239	32,160	23,528
Profit attributable to:					
Owners of the parent		231,032	215,553	32,160	23,528
Non-controlling interests		45,896	21,445	-	-
		276,928	236,998	32,160	23,528
Total comprehensive income attributable to:					
Owners of the parent		246,685	195,794	32,160	23,528
Non-controlling interests		45,896	21,445	-	-
		292,581	217,239	32,160	23,528
Earnings per share attributable to owners of the parent (sen per share):					
Basic	11	42.32	39.47		
Diluted	11	42.26	39.47		

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

Statements of Financial Position

As at 31 December 2011

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Assets					
Non-current assets					
Property, plant and equipment	13	75,114	43,384	-	-
Investment in subsidiaries	14	-	-	314,149	314,149
Investment in associates	15	430,659	362,661	-	-
Other investments	17	102	102	-	-
		505,875	406,147	314,149	314,149
Current assets					
Property development costs	18	53,793	63,693	-	-
Inventories	19	12,812	12,286	-	-
Trade and other receivables	20	592,611	369,536	7,439	2
Other current assets	21	113,640	10,806	-	-
Tax recoverable		3,108	2,324	9	7
Cash and bank balances	22	154,816	254,915	842	20
		930,780	713,560	8,290	29
Total assets		1,436,655	1,119,707	322,439	314,178
Equity and liabilities					
Equity attributable to equity holders of the Company					
Share capital	27	109,665	82,248	109,665	82,248
Share premium	27	210,628	232,569	210,628	232,569
Treasury shares	27	(6,326)	(8,101)	(6,326)	(8,101)
Capital reserve	28	4,900	4,900	-	-
Employee share option reserve	29	7,322	-	7,322	-
Foreign currency translation reserve		(4,675)	(20,328)	-	-
Retained earnings	30	624,660	431,765	445	6,422
		946,174	723,053	321,734	313,138
Non-controlling interests		61,551	37,935	-	-
Total equity		1,007,725	760,988	321,734	313,138
Non-current liability					
Deferred tax	26	256	256	-	-
Current liabilities					
Trade and other payables	24	413,864	251,588	705	1,040
Other current liabilities	25	74	86,084	-	-
Current tax payable		14,736	20,791	-	-
		428,674	358,463	705	1,040
Total liabilities		428,930	358,719	705	1,040
Total equity and liabilities		1,436,655	1,119,707	322,439	314,178

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

Statement of Changes in Equity

For the year ended 31 December 2011

		Attributable to equity holders of the Company									
		<—— Non-distributable				——>	Distributable				
	Note	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Employees' share option reserve RM'000	Treasury shares RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Group											
At 1 January 2011		82,248	232,569	4,900	-	(8,101)	(20,328)	431,765	723,053	37,935	760,988
Total comprehensive income		-	-	-	-	-	15,653	231,032	246,685	45,896	292,581
Transactions with owners											
Bonus shares issued	27	27,415	(27,415)	-	-	-	-	-	-	-	-
Grant of equity-settled share options to employees		2	17	-	7,437	-	-	-	7,456	-	7,456
Share issuance expense		-	(246)	-	-	-	-	-	(246)	-	(246)
Expenses related to ESOS		-	-	-	(115)	-	-	-	(115)	-	(115)
Purchase of treasury shares	27	-	-	-	-	(6,331)	-	-	(6,331)	-	(6,331)
Disposal of treasury shares	27	-	5,703	-	-	8,106	-	-	13,809	-	13,809
Dividends on ordinary shares	12	-	-	-	-	-	-	(38,137)	(38,137)	(22,280)	(60,417)
Total transactions with owners		27,417	(21,941)	-	7,322	1,775	-	(38,137)	(23,564)	(22,280)	(45,844)
At 31 December 2011		109,665	210,628	4,900	7,322	(6,326)	(4,675)	624,660	946,174	61,551	1,007,725
At 1 January 2010		74,800	63,114	4,900	-	(1,811)	(569)	234,625	375,059	47,781	422,840
Total comprehensive income		-	-	-	-	-	(19,759)	215,553	195,794	21,445	217,239
Transactions with owners											
Reversal of non-controlling interest due to deferred income of a subsidiary		-	-	-	-	-	-	-	-	(8,385)	(8,385)
Purchase of treasury shares	27	-	-	-	-	(6,290)	-	-	(6,290)	-	(6,290)
Dividends on ordinary shares	12	-	-	-	-	-	-	(18,413)	(18,413)	(22,906)	(41,319)
Ordinary shares issued		7,448	169,455	-	-	-	-	-	176,903	-	176,903
Total transactions with owners		7,448	169,455	-	-	(6,290)	-	(18,413)	152,200	(31,291)	120,909
At 31 December 2010		82,248	232,569	4,900	-	(8,101)	(20,328)	431,765	723,053	37,935	760,988

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

Statement of Changes in Equity

For the year ended 31 December 2011

		<——— Non-distributable		———>		Distributable	
	Note	Share capital RM'000	Share premium RM'000	Employees' share option reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total equity RM'000
Company							
At 1 January 2011		82,248	232,569	-	(8,101)	6,422	313,138
Total comprehensive income		-	-	-	-	32,160	32,160
Transactions with owners							
Bonus shares issued		27,415	(27,415)	-	-	-	-
Grant of equity-settled share options to employees		2	17	7,437	-	-	7,456
Expenses related to ESOS		-	-	(115)	-	-	(115)
Share issuance expense	27	-	(246)	-	-	-	(246)
Purchase of treasury shares	27	-	-	-	(6,331)	-	(6,331)
Disposal of treasury shares	27	-	5,703	-	8,106	-	13,809
Dividends on ordinary shares	12	-	-	-	-	(38,137)	(38,137)
Total transactions with owners		27,417	(21,941)	7,322	1,775	(38,137)	(23,564)
At 31 December 2011		109,665	210,628	7,322	(6,326)	445	321,734
At 1 January 2010		74,800	63,114	-	(1,811)	1,307	137,410
Total comprehensive income		-	-	-	-	23,528	23,528
Transactions with owners							
Purchase of treasury shares	27	-	-	-	(6,290)	-	(6,290)
Dividends on ordinary shares	12	-	-	-	-	(18,413)	(18,413)
Ordinary shares issued		7,448	169,455	-	-	-	176,903
Total transactions with owners		7,448	169,455	-	(6,290)	(18,413)	152,200
At 31 December 2010		82,248	232,569	-	(8,101)	6,422	313,138

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

Statements of Cash Flows

For the year ended 31 December 2011

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Cash flows from operating activities					
Profit before tax		293,948	278,386	43,165	31,693
Adjustments for:					
Interest income	6	(3,572)	(4,560)	(74)	(24)
Dividend income	4	-	-	(44,020)	(32,660)
Depreciation of property, plant and equipment	7	2,787	2,599	-	-
Gain on disposal of property, plant and equipment	6	(5,467)	(803)	-	-
Reversal of impairment losses	6	(108)	-	-	-
Allowance for impairment	7	-	1,758	-	-
ESOS expenses	8	7,437	-	7,437	-
Unrealised loss/(gain) on foreign exchange		7,580	(12,312)	-	-
Share of results of associates		3,174	(498)	-	-
Operating profit/(loss) before working capital changes		305,779	264,570	6,508	(991)
Property development costs		9,900	3,083	-	-
Inventories		(526)	2,301	-	-
Trade and other receivables		(310,148)	(176,872)	(7,437)	-
Trade and other payables		133,574	136,368	(337)	717
Cash generated from/(used in) operations		138,579	229,450	(1,266)	(274)
Taxes paid		(24,163)	(34,394)	(11,005)	(8,167)
Taxes refunded		304	682	-	-
Net cash generated from/(used in) operating activities		114,720	195,738	(12,271)	(8,441)
Cash flows from investing activities					
Purchase of property, plant and equipment	13	(36,134)	(9,589)	-	-
Proceeds from disposal of property, plant and equipment		7,084	815	-	-
Subscription of shares in subsidiary		-	-	-	(176,800)
Subscription of shares in associate		(152,268)	(204,880)	-	-
Acquisition of a subsidiary		-	(3)	-	-
Interest received		3,572	4,560	74	24
Dividend received		-	-	44,020	32,660
Net cash (used in)/generated from investing activities		(177,746)	(209,097)	44,094	(144,116)

Statements of Cash Flows

For the year ended 31 December 2011

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Cash flows from financing activities					
Purchase of treasury shares	27	(6,331)	(6,290)	(6,331)	(6,290)
Disposal of treasury shares		13,809	-	13,809	-
Proceeds from issue of ordinary shares	27	-	176,903	-	176,903
Proceeds from ESOS exercised		19	-	19	-
Share issuance expenses	27	(246)	-	(246)	-
Expenses related to ESOS		(115)	-	(115)	-
Dividends paid to holding company		(38,137)	(18,413)	(38,137)	(18,413)
Dividends paid to non-controlling interest		(6,072)	-	-	-
Net cash (used in)/generated from financing activities		(37,073)	152,200	(31,001)	152,200
Net (decrease)/increase in cash and cash equivalents		(100,099)	138,841	822	(357)
Cash and bank balances at beginning of year		254,915	116,074	20	377
Cash and bank balances at end of year	22	154,816	254,915	842	20

Notes to the Financial Statements

31 December 2011

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office and principal 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 14. 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 2012.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and revised FRS which are mandatory for financial periods beginning on or after 1 January 2011 as described fully in Note 2.2.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

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 Changes in accounting policies

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

On 1 January 2011, the Group and the Company adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2011.

FRS 1: *First-time Adoption of Financial Reporting Standards*
FRS 3: *Business Combinations (revised)*
Amendments to FRS 2: *Share-based Payment*
Amendments to FRS 5: *Non-current Assets Held for Sale and Discontinued Operations*
Amendments to FRS 127: *Consolidated and Separate Financial Statements*
Amendments to FRS 138: *Intangible Assets*
Amendments to IC Interpretation 9: *Reassessment of Embedded Derivatives*
IC Interpretation 12: *Service Concession Arrangements*
IC Interpretation 16: *Hedges of a Net Investment in a Foreign Operation*
IC Interpretation 17: *Distributions of Non-cash Assets to Owners*
Amendments to FRS 132: *Classification of Rights Issues*
Improvements to FRS 2010
Amendments to FRS 1: *Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters*
Amendments to FRS 2: *Group cash-settled share based payment transactions*
Amendments to FRS 7: *Improving Disclosures about Financial Instruments*
Amendments to FRS 2: *Share based Payment - Group Cash settled Share based Payment Transactions*
IC Interpretation 4: *Determining Whether An Arrangement contains a Lease*
IC Interpretation 18: *Transfers of Assets from Customers*

Notes to the Financial Statements

31 December 2011

2. Summary of significant accounting policies (cont'd.)

2.2 Changes in accounting policies (cont'd.)

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

Revised FRS 3 Business Combinations and Amendments to FRS 127 Consolidated and Separate Financial Statements

The revised standards are effective for annual periods beginning on or after 1 July 2010. The revised FRS 3 introduces a number of changes in accounting for business combinations occurring after 1 July 2010. These changes impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

The revised FRS 3 continues to apply the acquisition method to business combinations but with some significant changes. All payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the statement of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed.

The amendments to FRS 127 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary.

Amendments to FRS 7: Improving Disclosures about Financial Instruments

The amended standard requires enhanced disclosure about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by source of inputs using a three level fair value hierarchy (Level 1, Level 2 and Level 3), by class, for all financial instruments recognised at fair value. A reconciliation between the beginning and ending balance for Level 3 fair value measurements is required.

Any significant transfers between levels of the fair value hierarchy and the reasons for those transfers need to be disclosed. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The fair value measurement disclosures are presented in Note 34. The liquidity risk disclosures are not significantly impacted by the amendments and are presented in Note 35(c).

2.3 Standards issued but not yet effective

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

Description	Effective for financial periods beginning on or after
Amendments to IC Interpretation 14: *Prepayments of a Minimum Funding Requirement*	1 July 2011
IC Interpretation 19: *Extinguishing Financial Liabilities with Equity Instruments*	1 July 2011
FRS 124: *Related Party Disclosures (revised)*	1 January 2012
Amendments to FRS 1: *Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*	1 January 2012
Amendments to FRS 7: *Disclosures - Transfers of Financial Assets*	1 January 2012
Amendments to FRS 112: *Deferred tax - Recovery of Underlying Assets*	1 January 2012
Amendments to FRS 101: *Presentation of Items of Other Comprehensive Income*	1 July 2012
FRS 10: *Consolidated Financial Statements*	1 January 2013
FRS 11: *Joint Arrangements*	1 January 2013
FRS 12: *Disclosures of Interest in Other Entities*	1 January 2013

Notes to the Financial Statements

31 December 2011

2. Summary of significant accounting policies (cont'd.)

2.3 Standards issued but not yet effective (cont'd.)

Description	Effective for financial periods beginning on or after
FRS 13: *Fair Value Measurements*	1 January 2013
FRS 119 $_{2011}$: *Employee Benefits*	1 January 2013
FRS 127 $_{2011}$: *Separate Financial Statements*	1 January 2013
FRS 128 $_{2011}$: *Investment in Associates and Joint Ventures*	1 January 2013
IC Interpretation 20: *Stripping Costs in the Production Phase of a Surface Mine*	1 January 2013
FRS 9: *Financial Instruments*	1 January 2015

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

Malaysian Financial Reporting Standards (MFRS Framework)

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

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

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

The Group falls within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2013. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

The Group is in the process of assessing the financial effects of the differences between the accounting standards under Financial Reporting Standards and under the MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 31 December 2011 could be different if prepared under the MFRS Framework.

Notes to the Financial Statements

31 December 2011

2. Summary of significant accounting policies (cont'd.)

2.4 Basis of consolidation

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

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

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

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

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

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

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2.5 Transactions with non-controlling interests

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

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

2.6 Foreign currency

(a) 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.

Notes to the Financial Statements

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2. Summary of significant accounting policies (cont'd.)

2.6 Foreign currency (cont'd.)

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

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.

(c) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

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

Notes to the Financial Statements

31 December 2011

2. Summary of significant accounting policies (cont'd.)

2.7 Property, plant and equipment (cont'd.)

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

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

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

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

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

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

2.8 Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operation on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.6.

Goodwill and fair value adjustments which arose on acquisitions of foreign operation before 1 January 2006 are deemed to be assets and liabilities of the Company and are recorded in RM at the rates prevailing at the date of acquisition.

Notes to the Financial Statements

31 December 2011

2. Summary of significant accounting policies (cont'd.)

2.9 Impairment of non-financial assets

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

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

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

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

2.10 Subsidiaries

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

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

2.11 Associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associates is measured in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the 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 for the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

2. Summary of significant accounting policies (cont'd.)

2.11 Associate (cont'd.)

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

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.

2.12 Joint venture

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, where the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control. The Group recognises its interest in joint venture using proportionate consolidation. The Group combines its share of each of the assets, liabilities, income and expenses of the joint venture with the similar items, line by line, in its consolidated financial statements.The joint venture is proportionately consolidated from the date the Group obtains joint control until the date the Group ceases to have joint control over the joint venture.

Adjustments are made in the Group's consolidated financial statements to eliminate the Group's share of intragroup balances, income and expenses and unrealised gains and losses on transactions between the Group and its jointly controlled entity.

The financial statements of the joint venture are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies into line with those of the Group.

In the Company's separate financial statements, its investment in joint venture is stated at cost less impairment losses. On disposal of such investment, the difference between net disposal proceeds and the carrying amount is included in profit or loss.

2.13 Financial assets

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

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

(a) Loans and receivables

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

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

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

Notes to the Financial Statements

31 December 2011

2. Summary of significant accounting policies (cont'd.)

2.13 Financial assets (cont'd.)

(b) Available-for-sale financial assets

Available-for-sale are financial assets that are designated as available for sale or are not classified in any of the other categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

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

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

2.14 Impairment of financial assets

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

(a) Trade and other receivables and other financial assets carried at amortised costs

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

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

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

2. Summary of significant accounting policies (cont'd.)

2.14 Impairment of financial assets (cont'd.)

(a) Trade and other receivables and other financial assets carried at amortised costs (cont'd.)

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

(b) Unquoted equity securities at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(c) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.16 Construction contracts

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 are likely to 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.

2. Summary of significant accounting policies (cont'd.)

2.16 Construction contracts (cont'd.)

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

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.

2.17 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 profit or loss 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 profit or loss over billings to purchasers is classified as accrued billings within other current assets and the excess of billings to purchasers over revenue recognised in profit or loss is classified as progress billings within other current liabilities.

2.18 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-in-first-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.

Notes to the Financial Statements

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2. Summary of significant accounting policies (cont'd.)

2.19 Provisions

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

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.20 Financial liabilities

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

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

(b) Other financial liabilities

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

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

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

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

Notes to the Financial Statements

31 December 2011

2. Summary of significant accounting policies (cont'd.)

2.21 Financial guarantee contracts

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

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

2.22 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee share option plans

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

2.23 Leases

(a) As lessee

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.24(f).

Notes to the Financial Statements

31 December 2011

2. Summary of significant accounting policies (cont'd.)

2.24 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(a) Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) Sale of properties

Revenue from sale of properties is accounted for by the stage of completion method.

(c) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method.

(d) Interest income

Interest income is recognised using the effective interest method.

(e) Dividend income

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

(f) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

2.25 Income taxes

(a) Current tax

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

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

(b) Deferred tax

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

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Notes to the Financial Statements

31 December 2011

2. Summary of significant accounting policies (cont'd.)

2.25 Income taxes (cont'd.)

(b) Deferred tax (cont'd.)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

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

(c) Sales tax

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

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

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

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

2.26 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 36, including the factors used to identify the reportable segments and the measurement basis of segment information.

Notes to the Financial Statements

31 December 2011

2. Summary of significant accounting policies (cont'd.)

2.27 Share capital and share issuance expenses

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

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

2.28 Treasury shares

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue 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.

2.29 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

3. Significant accounting judgements and estimates

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

3.1 Judgements made in applying accounting policies

There are no critical judgements made by management in the process of applying the Group's accounting policies that may have significant effect on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

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

(a) Property development and construction contracts

The Group recognises property development and construction contracts revenue and expenses in the statement of comprehensive income by using the stage of completion method. The stage of completion is determined by the proportion of costs incurred for the work performed to date bear to 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 costs. In making the judgement, the Group evaluates based on past experience, external economic factors and by relying on the work of specialists.

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3. Significant accounting judgements and estimates (cont'd.)

3.2 Key sources of estimation uncertainty (cont'd.)

(a) Property development and construction contracts (cont'd.)

The carrying amounts of assets and liabilities of the Group arising from property development and construction contracts activities are disclosed in Note 18 and Note 23 respectively. A 5% difference in the estimated total property development revenue or costs would result in approximately 0.12% (2010: 0.10%) variance in the Group's revenue and 0.15% (2010: 0.16%) variance in the Group's cost of sales. Whereas, a 5% difference in the estimated total construction contracts revenue or costs would result in approximately 4.41% (2010: 4.21%) variance in the Group's revenue and 4.28% (2010: 3.92%) variance in the Group's cost of sales.

(b) Equipment procurement

The Group recognises revenue from equipment procurement upon the transfer of significant risk and rewards of ownership of the goods to the customer where it is determined upon completion of the delivery process determined by Free On Board (FOB) basis.

(c) Useful lives of plant, machinery and equipment

The cost of plant, machinery and equipment for the manufacture of building materials is depreciated on a straight-line basis over the assets' estimated economic 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. The carrying amount of the Group's plant and equipment at the reporting date is disclosed in Note 13. A 5% difference in the expected useful lives of these assets from management's estimates would result in approximately 0.05% (2010: 0.05%) variance in the Group's profit for the year.

4. Revenue

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Construction contracts	1,187,623	733,541	-	-
Sale of development properties	32,065	17,902	-	-
Sale of completed units	1,570	2,708	-	-
Sale of construction materials	125,801	116,277	-	-
Dividend income from a subsidiary	-	-	44,020	32,660
	1,347,059	870,428	44,020	32,660

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5. Cost of sales

	Group	
	2011 RM'000	2010 RM'000
Construction contract costs	869,541	457,551
Property development costs (Note 18)	28,961	18,380
Cost of completed units	1,501	2,919
Cost of inventories sold	111,727	104,682
	1,011,730	583,532

6. Other income

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Interest income from loans and receivables	3,572	4,560	74	24
Rental of land and buildings	211	245	-	-
Reversal of impairment losses (Note 20(d))	108	-	-	-
Gain on disposal of property, plant and equipment	5,467	803	-	-
Unrealised gain on foreign exchange	-	12,312	-	-
Realised gain on foreign exchange	-	530	-	-
Miscellaneous	2,223	1,367	-	-
	11,581	19,817	74	24

7. Operating profit

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

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Auditors' remuneration				
- statutory auditors	230	186	60	60
- other auditors	41	34	-	-
Depreciation of property, plant and equipment (Note 13)	2,787	2,599	-	-
Employee benefits expenses (Note 8)	28,368	14,395	-	-
Non-executive directors' remuneration (Note 9)	555	334	555	334
Allowance for impairment of financial asset	-	1,758	-	-
Rental expense for:				
- land and buildings	403	390	-	-
- plant and machineries	-	1,074	-	-
Rental of land and building	-	(110)	-	-
Unrealised loss on foreign exchange	7,580	-	-	-

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8. Employee benefits expense

	Group 2011 RM'000	Group 2010 RM'000
Wages and salaries	18,372	12,673
Social security contributions	57	48
Contributions to defined contribution plan	1,743	1,200
Share options granted under ESOS	7,437	-
Other benefits	759	474
	28,368	14,395

Included in employee benefits expenses of the Group are executive directors' remuneration amounting to RM7,363,000 (2010: RM3,962,444) as further disclosed in Note 9.

9. Directors' remuneration

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Executive directors' remuneration (Note 8):				
Salaries and other emoluments	5,452	3,091	-	-
Bonus	1,074	397	-	-
Defined contribution plan	837	474	-	-
	7,363	3,962	-	-
Non-executive directors'				
Remuneration (Note 7):				
Fees	419	326	419	326
Other emoluments	136	8	136	8
	555	334	555	334
Total directors' remuneration (Note 33):	7,918	4,296	555	334
Estimated money value of benefits-in-kind	101	49	-	-
Total directors' remuneration including benefits-in-kind	8,019	4,345	555	334

Notes to the Financial Statements

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9. Directors' remuneration (cont'd.)

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

	Number of directors	
	2011	2010
Executive directors:		
RM150,001 - RM200,000	-	1
RM200,001 - RM250,000	1	-
RM550,001 - RM600,000	1	-
RM650,001 - RM700,000	1	1
RM700,001 - RM750,000	-	1
RM1,550,001 - RM2,000,000	1	-
RM2,550,001 - RM3,000,000	1	-
Non-executive directors:		
Below RM50,000	1	-
RM50,001 - RM100,000	3	5
RM100,001 - RM150,000	4	-

10. Income tax expense

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current income tax:				
Malaysian income tax	17,130	41,388	11,005	8,165
Underprovision in prior years	(110)	-	-	-
Income tax expense	17,020	41,388	11,005	8,165

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2010: 25%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

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10. Income tax expense (cont'd.)

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2011 and 2010 are as follows:

	2011 RM'000	2010 RM'000
Group		
Profit before tax	293,948	278,386
Taxation at Malaysian statutory tax rate of 25% (2010: 25%)	73,487	69,596
Income not subject to Malaysian tax	(57,716)	(29,490)
Expenses not deductible for tax purposes	811	2,133
Utilisation of previously unrecognised tax losses	(26)	(851)
Deferred tax assets not recognised in respect of current year's tax losses	574	-
Underprovision of tax expense in prior years	(110)	-
Income tax expense for the year	17,020	41,388
Company		
Profit before tax	43,165	31,693
Taxation at Malaysian statutory tax rate of 25% (2010: 25%)	10,791	7,923
Expenses not deductible for tax purposes	214	242
Income tax expense for the year	11,005	8,165

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

Tax savings during the financial year arising from:

	Group	
	2011 RM'000	2010 RM'000
Utilisation of previously unrecognised tax losses	(26)	(851)

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11. Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the year, net of tax attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year, excluding treasury shares held by the Company.

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share for the years ended 31 December:

	Group	
	2011	**2010**
	RM'000	**RM'000**
Profit net of tax attributable to owners of the parent used in the computation of basic/diluted earnings per share	231,032	215,553

	Number of shares '000	**Number of shares '000**
Weighted average number of ordinary shares for basic earnings per share computation	545,881	546,169
Effects of dilution:		
- ESOS	849	-
Weighted average number of ordinary shares for diluted earnings per share computation	546,730	546,169

	Group	
	2011	**2010**
	sen	**sen**
Basic earnings per share	42.32	39.47
Diluted earnings per share	42.26	39.47

Comparative earnings per share information has been adjusted to take into account the effect of the bonus issue during the year.

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12. Dividends

	Dividends in respect of year		Dividends recognised in year	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Recognised during the year:				
Final tax exempt (single tier) dividend for 2009: 2 sen per share on 409,622,600 ordinary shares of RM0.20 each	-	-	-	8,193
First tax exempt (single tier) interim dividend for 2010: 1 sen per share on 409,622,600 ordinary shares of RM0.20 each	-	4,096	-	4,096
Second tax exempt (single tier) interim dividend for 2010: 1.5 sen per share on 408,294,500 ordinary shares of RM0.20 each	-	6,124	-	6,124
Final tax exempt (single tier) dividend for 2010: 3 sen per share on 408,140,500 ordinary shares of RM0.20 each	-	12,244	12,244	-
First tax exempt (single tier) interim dividend for 2011: 3 sen per share on 408,140,500 ordinary shares of RM0.20 each	12,244	-	12,244	-
Second tax exempt (single tier) interim dividend for 2011: 2.5 sen per share on 545,956,266 ordinary shares of RM0.20 each	13,649	-	13,649	-
	25,893	22,464	38,137	18,413

At the forthcoming Annual General Meeting, a final tax exempt (single tier) dividend in respect of the financial year ended 31 December 2011, of 2.5 sen per share 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 2012.

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

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13. Property, plant & equipment

	Freehold land RM'000	Buildings RM'000	Assets under construction 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 2011								
Cost								
At 1 January 2011	20,902	2,024	13,207	3,633	43,940	3,258	9,209	96,173
Additions	4,116	1,993	24,302	1,178	2,139	528	1,878	36,134
Disposals	-	-	-	-	(9,489)	(130)	(1,832)	(11,451)
At 31 December 2011	25,018	4,017	37,509	4,811	36,590	3,656	9,255	120,856
Accumulated depreciation								
At 1 January 2011	-	108	-	3,310	41,475	2,273	5,623	52,789
Depreciation charge for the year (Note 7)	-	50	-	117	874	425	1,321	2,787
Disposals	-	-	-	-	(8,075)	(121)	(1,638)	(9,834)
At 31 December 2011	-	158	-	3,427	34,274	2,577	5,306	45,742
Net carrying amount								
At 31 December 2011	25,018	3,859	37,509	1,384	2,316	1,079	3,949	75,114
At 31 December 2010								
Cost								
At 1 January 2010	20,902	2,024	5,868	3,633	46,087	3,032	8,824	90,370
Additions	-	-	7,339	-	506	688	1,056	9,589
Disposals	-	-	-	-	(2,653)	(462)	(671)	(3,786)
At 31 December 2010	20,902	2,024	13,207	3,633	43,940	3,258	9,209	96,173
Accumulated depreciation								
At 1 January 2010	-	75	-	3,156	43,208	2,427	5,098	53,964
Depreciation charge for the year (Note 7)	-	33	-	154	919	297	1,196	2,599
Disposals	-	-	-	-	(2,652)	(451)	(671)	(3,774)
At 31 December 2010	-	108	-	3,310	41,475	2,273	5,623	52,789
Net carrying amount								
At 31 December 2010	20,902	1,916	13,207	323	2,465	985	3,586	43,384

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14. Investments in subsidiaries

	Company 2011 RM'000	Company 2010 RM'000
Unquoted shares at cost	314,149	314,149

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Effective equity interest 2011 %	Effective equity interest 2010 %
Held by the Company:				
Mudajaya Corporation Berhad ("MCB")	Malaysia	Civil engineering and building construction	100	100
Held through MCB:				
Mudajaya Power International Sdn. Bhd.	Malaysia	Civil engineering and building construction	100	100
Mudajaya Land 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	100
MJC Trading Sdn. Bhd.	Malaysia	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

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14. Investments in subsidiaries (cont'd.)

Name of subsidiaries	Country of incorporation	Principal activities	Effective equity interest 2011 %	Effective equity interest 2010 %
Held through MCB: (cont'd.)				
MIPP International Ltd. ("MIPP")	Republic of Mauritius	Equipment Procurement services	80	80
Entrutech Sdn. Bhd. #	Malaysia	Engineering consultancy services and turnkey engineering projects	100	100
Indah Kirana Sdn. Bhd. #	Malaysia	Dormant	75	75
MGB Enterprise Sdn. Bhd.	Malaysia	Dormant	99.99	99.99
Electric Power International Ltd.	Republic of Mauritius	Dormant	74	74
MJC Quarry Sdn. Bhd.	Malaysia	Quarry operations	100	100
Mudajaya Middle East Ltd. #	Kingdom of Saudi Arabia	General construction and investment holding	75	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

All entities are audited by Ernst & Young Malaysia except for the following

* Audited by member firms of Ernst & Young Global
# Audited by firms other than Ernst & Young

15. Investment in associate

	Group 2011 RM'000	Group 2010 RM'000
Unquoted shares in India, at cost	597,546	445,278
Share of post-acquisition reserves	(2,868)	306
	594,678	445,584
Less: Unrealised profits	(164,019)	(82,923)
	430,659	362,661

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15. Investments in associate (cont'd.)

Details of associate are as follows:

Name of associate	Country of incorporation	Principal activities	Effective equity interest 2011 %	Effective equity interest 2010 %
R.K.M Powergen Private Limited ("RKM")	India	Power plant operations	26.00	20.18

Shares held in RKM with a carrying amount of INR4,397,447,250 (equivalent to RM270,445,710 at exchange rate RM1: INR16.26), (2010: INR4,254,230,500 (equivalent to RM300,609,843 at exchange rate RM1: INR14.15)) are pledged against RKM's borrowing with a foreign financial instituition.

The summarised financial information of the associate, not adjusted for the proportion of ownership interest held by the Group, is as follows:

	Group 2011 RM'000	Group 2010 RM'000
Assets and liabilities		
Current assets	1,244,287	783,270
Non-current assets	119,003	278,118
Total assets	1,363,290	1,061,388
Current liabilities	5,814	8,070
Non-current liabilities	790,265	561,213
Total liabilities	796,079	569,283
Results		
(Loss)/profit for the year	(12,207)	1,917

RKM is currently undertaking a Coal-Fired Independent Power Producer Project with a project cost of INR66.546billion (RM4.74billion) in the state of Chhattisgarh, India. The shareholders agreement dated 8 February 2007 between MCB and RK Powergen Private Limited ("RKP") provides for the subscription of shares in RKM to the extent of 26% and 74% by MCB and RKP respectively.

The recoverable amount of the Group's investment in the associate is determined on fair value less cost to sell based on a valuation on the coal-fired power plant mentioned above performed by Fieldstone Capital Services Sdn Bhd, an expert in the valuation of independent power plant. The fair value less cost to sell was determined using 20 years cash flow projection discounted at a pre tax rate of 13%. Based on the valuation performed, there is no indication of impairment.

The unrealised profit represents the unrealised gain on the equipment supply contract between a subsidiary, MIPP and RKM. This unrealised gain is eliminated to the extent of the Group's interest in RKM and will be credited to the statement of comprehensive income on a proportionate basis when the related asset in RKM is put to use or when it is sold to a third party.

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16. Jointly controlled entities

Details of the unincorporated jointly controlled entities are as follows:

Name of joint venture	Country of incorporation	Principal activities	Proportion of ownership interest 2011 (%)	2010 (%)
Mudajaya - BSBK Joint Venture	India	Engineering and construction of Chhattisgarh Road Project from Kumhari (KM 0) to Bemetera (KM 67.39) Section in Chhattisgarh	60	60
Bina Rezeki - Mudajaya Joint Venture	Malaysia	Design and construction of the Boulevard Plaza Development at Lot 3C7 at Putrajaya	51	51
Redmax - Mudajaya Joint Venture	Malaysia	Design and construction of Chimney or Stack for Jimah Coal-Fired Power Plant Project at Kuala Lukut, Mukim Jimah, District of Port Dickson, Negeri Sembilan	60	60

All jointly controlled entities are unincorporated.

The Group's aggregate share of the current assets, non-current assets, current liabilities, non-current liabilities, income and expenses of the jointly controlled entities are as follows:

	Group 2011 RM'000	2010 RM'000
Assets and liabilities		
Current assets/total assets	26,651	15,571
Current liabilities/total liabilities	22,202	11,075
Income	73,046	43,530
Expenses	73,094	42,868

17. Other investments

	Group 2011 RM'000	2010 RM'000
At cost:		
Club memberships	102	102
Unquoted shares	1,000	1,000
	1,102	1,102
Less: Accumulated impairment losses	(1,000)	(1,000)
	102	102

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18. Property development costs

	Group 2011 RM'000	Group 2010 RM'000
Cumulative property development costs		
At 1 January:		
Leasehold land	44,474	44,474
Development costs	281,777	266,480
	326,251	310,954
Costs incurred during the year:		
Development costs	19,061	15,297
	19,061	15,297
At 31 December	345,312	326,251
Cumulative costs recognised in statement of comprehensive income:		
At 1 January	(262,558)	(244,178)
Recognised during the year (Note 5)	(28,961)	(18,380)
At 31 December	(291,519)	(262,558)
Property development costs at 31 December	53,793	63,693

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

19. Inventories

	Group 2011 RM'000	Group 2010 RM'000
Cost		
Properties held for sale	5,017	6,518
Raw materials	7,795	5,768
	12,812	12,286

Notes to the Financial Statements

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20. Trade and other receivables

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Trade receivables				
Third parties	423,712	192,372	-	-
Retention sum (Note 23)	59,913	64,501	-	-
	483,625	256,873	-	-
Less: Allowance for impairment	(2,327)	(2,435)	-	-
Trade receivables, net	481,298	254,438	-	-
Other receivables				
Other receivables	37,386	33,511	-	-
Subsidiary	-	-	7,437	-
	37,386	33,511	7,437	-
Less: Allowance for impairment	-	(1,343)	-	-
Other receivables, net	37,386	32,168	7,437	-
Deposits	3,440	1,304	2	2
Advance payments	70,487	81,626	-	-
	111,313	115,098	7,439	2
	592,611	369,536	7,439	2
Total trade and other receivables	592,611	369,536	7,439	2
Cash and bank balances (Note 22)	154,816	254,915	842	20
Total loans and receivables	747,427	624,451	8,281	22

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2010: 30 to 90 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

(a) Trade receivables

Ageing analysis of trade receivables are as follows:

	Group	
	2011 RM'000	2010 RM'000
Neither past due nor impaired	368,052	146,807
1 to 30 days past due not impaired	32,823	41,752
31 to 60 days past due not impaired	17,137	34,654
61 to 90 days past due not impaired	7,246	13,601
91 to 120 days past due not impaired	5,892	400
More than 120 days past due not impaired	50,148	17,224
	113,246	107,631
Impaired	2,327	2,435
Total gross trade receivables	483,625	256,873

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20. Trade and other receivables (cont'd.)

(b) Receivables that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are credit worthy debtors with good payment record with the Group. More than 75% (2010: 73%) of the Group's trade receivables arise from customers with long term relationship with the Group and losses have occured infrequently.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

(c) Receivables that are past due but not impaired

The Group has trade receivables amounting to RM113,246,000 (2010: RM107,631,000) that are past due at the reporting date but not impaired.

From historical trend, almost all trade receivables of the Group are collected within the next 12 months subsequent to the immediate financial year end. These receivables are unsecured in nature.

(d) Trade and other receivables that are impaired

The Group's trade and other receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group Individually impaired	
	2011 RM'000	2010 RM'000
Trade receivables-nominal amounts	2,327	2,435
Other receivables-nominal amounts	-	1,343
Less: Allowance for impairment	(2,327)	(3,778)
	-	-

Movement in allowance account:

	Group	
	2011 RM'000	2010 RM'000
At 1 January	3,778	2,020
Charge for the year	-	1,758
Written off	(1,343)	-
Reversal of impairment losses (Note 6)	(108)	-
At 31 December	2,327	3,778

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties or have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Other information on financial risks of trade and other receivables are disclosed in Note 35.

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20. Trade and other receivables (cont'd.)

(e) Advance payments

These are mainly contractual advance payments to subcontractors for civil works and various equipment suppliers in relation to the equipment supply contract awarded to subsidiaries by the associated company as detailed in Note 15. The civil works and equipment supply contract is in relation to construction of an independent power plant undertaken by the associated company.

(f) Subsidiary

The amount due from a subsidiary is unsecured, non-interest bearing and is repayable on demand.

21. Other current assets

	Group	
	2011 RM'000	2010 RM'000
Due from customers on contracts (Note 23)	113,640	8,620
Prepayments	-	2,186
	113,640	10,806

22. Cash and bank balances

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Cash on hand and at banks	50,481	157,404	842	20
Deposits with other financial institutions	104,335	97,511	-	-
	154,816	254,915	842	20

Other financial institutions include licensed investment banks and asset management companies in Malaysia.

Deposits placed with licensed investment banks 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 2.18% and 4.63% (2010: 1.90% and 4.63%) per annum during the financial year.

Notes to the Financial Statements

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23. Due (to)/from customers on contracts

	Group 2011 RM'000	Group 2010 RM'000
Construction costs incurred to date	2,862,460	2,045,588
Attributable profits	1,053,224	657,199
	3,915,684	2,702,787
Less: Progress billings	(3,802,118)	(2,780,251)
	113,566	(77,464)
Presented as:		
Due from customers on contracts (Note 21)	113,640	8,620
Due to customers on contracts (Note 25)	(74)	(86,084)
Retention sum on contract, included within trade receivables (Note 20)	59,913	64,501

Construction contracts revenue and costs are disclosed in Note 4 and Note 5 respectively.

24. Trade and other payables

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Trade payables					
Third parties	(a)	309,838	166,621	-	-
Other payables					
Deposits		2	2	-	-
Accruals		1,743	2,109	565	450
Other payables		18,850	10,750	140	-
Dividend payable to non-controlling interest of a subsidiary		39,114	22,906	-	-
Advances received	(b)	44,317	49,200	-	-
Subsidiary	(c)	-	-	-	590
		104,026	84,967	705	1,040
Total financial liabilities		413,864	251,588	705	1,040

(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 (2010: 7 to 90 days).

(b) Advances received

These are advances received from the associate for contract work awarded in 2010. The contract work relates to certain civil engineering work for the coal-fired independent power plant project at Chhattisgarh, India. The advances are unsecured and non-interest bearing.

Notes to the Financial Statements

31 December 2011

24. Trade and other payables (cont'd.)

(c) Due to subsidiary

The amount due to a subsidiary in the previous financial year was unsecured, non interest bearing and was repaid in the current financial year.

25. Other current liabilities

	Group 2011 RM'000	Group 2010 RM'000
Due to customers on contracts (Note 23)	74	86,084

26. Deferred tax

The deferred tax liabilities are in respect of excess of capital allowances claimed over depreciation of property, plant and equipment.

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

	Group 2011 RM'000	Group 2010 RM'000
Unutilised tax losses	4,283	2,091
Other deductible differences	204	204
	4,487	2,295

Section 44(5A) and Paragraph 75A of Schedule 3 of the Malaysian Income Tax Act 1967 ("MITA") which became effective in Year of Assessment ("YA") 2006 restricts the utilisation of unabsorbed business losses and capital allowance where there is a substantial change in the ordinary shareholder of a company. The test for determining whether there is a substantial change in shareholders is carried out by comparing the shareholders on the last day of the basis period in which the unabsorbed losses/capital allowances were ascertained with those on the first day of the basis period in which the unabsorbed losses/capital allowances are to be utilised.

Pursuant to guidelines issued by the Malaysian tax authorities in 2008, the Ministry of Finance ("MOF") has exempted all companies from the provision of Section 44(5A) and Paragraph 75A of Schedule 3 except dormant companies. Therefore, all active subsidiaries are allowed to carry forward their unabsorbed capital allowances and business losses.

27. Share capital and treasury shares

	Ordinary shares of RM0.20 each	
	Number '000	Amount RM'000
Authorised share capital:		
At 1 January 2011/ 31 December 2011	1,250,000	250,000
At 1 January 2010/ 31 December 2010	1,250,000	250,000

Notes to the Financial Statements

31 December 2011

27. Share capital and treasury shares (cont'd.)

Issued and fully paid:

	Ordinary shares of RM0.20 each					
	Number		Amount			
	Share capital (issued and fully paid) '000	Treasury shares '000	Share capital (issued and fully paid) RM'000	Share premium RM'000	Total share capital and share premium RM'000	Treasury shares RM'000
1 January 2011	411,239	(3,098)	82,248	232,569	314,817	(8,101)
Treasury shares:						
Purchased	-	(2,876)	-	-	-	(6,331)
Disposed	-	3,099	-	5,703	5,703	8,106
Issued during the year (Note (a)(i))	137,077	-	27,415	(27,415)	-	-
ESOS exercised (Note (a)(ii))	10	-	2	17	19	-
Share issuance expense	-	-	-	(246)	(246)	-
At 31 December 2011	548,326	(2,875)	109,665	210,628	320,293	(6,326)
1 January 2010	374,000	(1,615)	74,800	63,114	137,914	(1,811)
Treasury shares:						
Purchased	-	(1,483)	-	-	-	(6,290)
Issued during the year	37,239	-	7,448	169,455	176,903	-
At 31 December 2010	411,239	(3,098)	82,248	232,569	314,817	(8,101)

(a) During the financial year, the Company increased its issued and paid-up ordinary share capital from RM82,247,700 to RM109,665,293 by way of:

(i) a bonus issue of 137,077,966 ordinary shares of RM0.20 each on the basis of one bonus share for every three existing shares held ("Bonus Issue"); and

(ii) an issuance of 10,000 ordinary shares of RM0.20 each pursuant to the employees' share options at an average exercise price of RM1.90 per share.

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 8 June 2010, 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.

Notes to the Financial Statements

31 December 2011

27. Share capital and treasury shares (cont'd.)

Treasury shares (cont'd.)

During the financial year, the Company disposed 3,099,000 treasury shares of RM0.20 each via open market prior to the Bonus Issue for a total consideration of RM13,809,289, inclusive of transaction costs. Subsequent to the Bonus Issue, the Company repurchased 2,875,300 (2010: 1,483,100) of its issued ordinary shares from the open market at an average price of RM2.20 (2010: RM4.24) per share. The total consideration paid for the repurchase was RM6,325,889 (2010: RM6,289,931) comprising consideration paid amounting to RM6,300,121 (2010: RM6,266,304) and transaction costs of RM25,768 (2010: RM23,627). 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 548,326,466 (2010: 411,238,500) issued and fully paid ordinary shares as at 31 December 2011, 2,875,300 (2010: 3,098,000) are held as treasury shares by the Company. As at 31 December 2011, the number of outstanding ordinary shares in issue after the set-off is therefore 545,451,166 (2010: 408,140,500) ordinary shares of RM0.20 (2010: RM0.20) each.

28. Capital reserve

The capital reserve represents reserves set aside for the bonus issue of shares by subsidiaries through capitalisation of retained earnings.

29. Employees' share option reserve

Employees' share option reserve represents the equity-settled share options granted to employees (Note 31). The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options and is reduced by the expiry or exercise of the share options.

30. 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"). 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. The Company has elected to use the single tier system.

31. Employee benefits

Employees' share option scheme ("ESOS")

At an Extraordinary General Meeting held on 22 June 2011, the shareholders of the Company approved the implementation of an ESOS which will offer eligible employees and full time Executive Directors of the Company and its subsidiaries, options to subscribe for new ordinary shares of RM0.20 each in the Company.

The salient features of the ESOS are as follows:

(i) The scheme is in force for a period of 5 years from 30 September 2011 being the date of implementation;

(ii) The total number of ordinary shares to be issued by the Company under the ESOS shall not exceed 10% of the total issued and paid-up ordinary shares of the Company, such that not more than 50% of the shares available under the ESOS is allocated, in aggregate, to directors and senior management;

(iii) Not more than 10% of the shares available under the ESOS is allocated to any individual director or employee who, either individually or collectively through his/her associates, holds 20% or more in the issued and paid-up capital of the Company;

Notes to the Financial Statements

31 December 2011

31. Employee benefits (cont'd.)

Employees' share option scheme ("ESOS") (cont'd.)

(iv) An executive director of the Group or an employee of the Group who is employed full time (at least one year of continuous service prior to and up to the Date of Offer) and is on the payroll of the Group, but does not include employees under probation, are eligible to participate in the scheme, subject to the final decision of the Board;

(v) The option price under the ESOS is the average of the mean market quotation of the shares of the Company as quoted in the Daily Official List issued by Bursa Malaysia Securities Berhad, for the five market days preceding the offer date, or the par value of the shares of the Company of RM0.20, whichever is the higher;

(vi) The options granted are exercisable from the date of grant and have a contractual option term of 5 years; and

(vii) Options granted under the ESOS carry no dividend or voting rights. Upon exercise of the options, shares issued rank pari passu in all respects with existing ordinary shares of the Company.

Movement of share options during the financial year

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movements in, share options during the year:

	Group/Company			
	Number of share options		WAEP	
	2011 '000	2010 '000	2011 RM	2010 RM
Outstanding at 1 January	-	-	-	-
- Granted	21,052	-	1.90	-
- Exercised	(10)	-	1.90	-
Outstanding at 31 December	21,042	-	1.90	-
Exercisable at 31 December	5,105	-	1.90	-

The weighted average fair value of options granted during the financial year was RM1.01.

The weighted average share price at the date of exercise of the options exercised during the financial year was RM2.25.

The exercise prices for options outstanding at the end of the year was RM1.90. The weighted average remaining contractual life for these options is 5 years.

Fair value of share options granted

The fair value of the share options granted under ESOS is estimated at the grant date using a binomial option pricing model, taking into account the terms and conditions upon which the instruments were granted.

Notes to the Financial Statements

31 December 2011

31. Employee benefits (cont'd.)

Employee's share option scheme ("ESOS") (cont'd.)

The following table lists the inputs to the option pricing models for the year ended 31 December 2011:

	Group	
	2011	2010
Dividend yield (%)	1.90	-
Expected volatility (%)	50.15	-
Risk-free interest rate (%p.a)	3.32	-
Expected life of option (years)	5	-
Weighted average share price (RM)	2.25	-

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

32. Capital commitments and contingencies

	Group	
	2011 RM'000	2010 RM'000
Capital commitment:		
Approved and contracted for		
- Property, plant and equipment	3,696	27,998

The Group is also committed to further invest in equity of its associate, RKM, up to an aggregate amount of RM277,210,000 (2010: RM425,742,000).

	Group	
	2011 RM'000	2010 RM'000
Contingent liabilities		
Unsecured		
Corporate guarantee given to bank in respect of credit facilities utilised by subsidiaries	369,011	198,442

33. Related party disclosures

(a) Transaction with associate

	Group	
	2011 RM'000	2010 RM'000
Billings to RKM	458,067	8,431
Advances received for contract work	-	49,200
Investment in RKM	152,268	240,880

Notes to the Financial Statements

31 December 2011

33. Related party disclosures (cont'd.)

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

	Group	
	2011 RM'000	2010 RM'000
Rent payable to Mulpha Properties Sdn. Bhd., a related company of an associated investor	403	390
Construction contract billings receivable from:		
- Bina Rezeki Sdn. Bhd., a joint venture partner	(76,271)	(45,532)
Progress claim recognised on construction contract with Enerk International, a non-controlling shareholder in MIPP	40,788	45,995

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 mutually agreed terms and conditions.

(c) 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 were as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Directors' remuneration (Note 9)	7,918	4,296	555	334

34. Fair value of financial instruments

The carrying amounts of the Company's financial assets and liabilities are reasonable approximation of their fair values due to their short-term nature except for other investment described in note 17.

35. Financial risk management objectives and policies

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

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

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

Notes to the Financial Statements

31 December 2011

35. Financial risk management objectives and policies (cont'd.)

(a) Credit risk

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

The Group's objectives is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trade 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 with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

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

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the business segment of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's and the Company's trade receivables at the reporting date are as follows:

	Group			
	2011		2010	
	RM'000	% of total	RM'000	% of total
By business segments:				
Construction	447,719	93.0%	225,322	88.6%
Property development	3,145	0.7%	4,866	1.9%
Manufacturing	15,334	3.2%	20,144	7.9%
Trading and plant hiring	-	0.0%	207	0.1%
Others	15,100	3.1%	3,899	1.5%
	481,298	100.0%	254,438	100.0%

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 20. Deposits with banks and other financial institutions, investment securities and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 20.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instrument will fluctuate because of changes in market interest rates. The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits or managed funds by licensed investment banks and fund managers.

The information on effective interest rates of the financial assets are disclosed in note 22.

Notes to the Financial Statements

31 December 2011

35. Financial risk management objectives and policies (cont'd.)

(c) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

Analysis of financial instruments by remaining contractual maturities

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

	2011		2010	
	On demand or within one year RM'000	Total RM'000	On demand or within one year RM'000	Total RM'000
Financial liabilites:				
Trade and other payables				
- Group	413,864	413,864	251,588	251,588
- Company	705	705	1,040	1,040

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily RM, United States Dollar ("US Dollar") and Indian Rupee. The foreign currencies in which these transactions are denominated are mainly Euro and Singapore Dollar.

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

	Net financial assets held in non-functional currencies				
Functional currency of group companies	**Indian Rupees RM'000**	**Singapore Dollar RM'000**	**US Dollar RM'000**	**Euro RM'000**	**Total RM'000**
At 31 December 2011					
Trade and other receivables	55,370	160	237,818	2,879	296,227
Cash and bank balances	14,121	666	10,389	11	25,187
Other assets	112	-	113,640	-	113,752
	69,603	826	361,847	2,890	435,166
At 31 December 2010					
Trade and other receivables	53,141	156	1,076	2,867	57,240
Cash and bank balances	2,111	655	127,892	14	130,672
Other assets	71	-	126	-	197
	55,323	811	129,094	2,881	188,109

35. Financial risk management objectives and policies (cont'd.)

(d) Foreign currency risk (cont'd.)

The Group has overseas operations and is exposed to currency risk as a result of the foreign currency transactions entered into by companies in currencies other than their functional currencies. The Group has a natural hedge to the extent that payments for the foreign currency payables will be matched against receivables denominated in the same currency.

36. Segment information

For management purposes, the Group is organised into business segments as the Group's risk and rate of return are affected predominantly by its business activities. The four reportable operating segments are as follows:

(a) Construction contracts - undertaking civil engineering, constructions works and engineering and equipment procurement provider;
(b) Property development - the development of residential and commercial properties;
(c) Trading and plant hiring - trading in construction materials and hire of plants; and
(d) Manufacturing - manufacturing of construction related products.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments have been entered into in the normal course of business and have been established on mutually agreed terms and conditions.

Notes to the Financial Statements

31 December 2011

36. Segment information (cont'd.)

A Business segments

The following tables provide analysis of the Group's revenue, results, assets, liabilities and other information by business segment:

	Construction contracts		Property development		Manufacturing		Trading		Others		Adjustments and eliminations		Note	Per consolidated financial statements	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000		2011 RM'000	2010 RM'000
Revenue:															
External customers	1,172,787	726,566	33,635	20,610	49,994	49,072	75,807	67,204	14,836	6,976	-	-		1,347,059	870,428
Inter-segment	68,849	21,830	11,380	-	1,479	4,992	-	1,766	44,020	41,644	(125,728)	(70,232)	(i)	-	-
Total revenue	1,241,636	748,396	45,015	20,610	51,473	54,064	75,807	68,970	58,856	48,620	(125,728)	(70,232)		1,347,059	870,428
Results:															
Interest income	4,680	6,816	440	136	494	279	141	53	-	50	(2,183)	(2,774)		3,572	4,560
Dividend income	89,124	94,427	-	-	-	-	-	-	44,020	32,660	(133,144)	(127,087)	(i)	-	-
Depreciation	1,939	1,529	55	47	766	947	-	-	27	76	-	-		2,787	2,599
Segment profit/(loss)	452,802	409,279	7,717	(5,414)	9,321	6,052	2,326	2,846	42,978	32,039	(221,196)	(166,416)	(ii)	293,948	278,386
Assets:															
Investment in associates	430,659	362,661	-	-	-	-	-	-	-	-	-	-		430,659	362,661
Additions to non-current assets	13,763	1,689	27,620	7,414	3,265	467	-	-	35	91	(8,549)	(72)	(iii)	36,134	9,589
Segment assets	1,481,585	901,415	139,922	113,826	46,213	22,485	11,128	10,842	397,216	67,118	(639,409)	4,021	(iv)	1,436,655	1,119,707
Segment liabilities	236,063	190,349	27,890	141	11,878	12,544	5,721	12,334	86,263	60,565	61,115	82,786	(v)	428,930	358,719

Notes to the Financial Statements

31 December 2011

36. Segment information (cont'd.)

A Business segments (cont'd.)

(i) Inter-segment revenues and dividend incomes from subsidiaries are eliminated on consolidation.

(ii) The following items are (deducted from)/added to segment profit to arrive at "Profit before tax" presented in the consolidated statement of comprehensive income:

	2011 RM'000	2010 RM'000
Profit from inter-segment sales	(206,088)	(165,307)
Share of results of associates	(3,174)	498
Unallocated corporate expenses	(11,934)	(1,607)
	(221,196)	(166,416)

(iii) Additions to non-current assets consist of property, plant and equipment (Note 13).

(iv) The following items are (deducted from)/added to segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2011 RM'000	2010 RM'000
Inter-segment assets	(636,301)	1,697
Unallocated assets	(3,108)	2,324
	(639,409)	4,021

(v) The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2011 RM'000	2010 RM'000
Deferred tax liabilities	256	256
Income tax payable	14,736	27,891
Unallocated liabilities	46,123	54,639
	61,115	82,786

Notes to the Financial Statements

31 December 2011

36. Segment information (cont'd.)

B 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, 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 Darussalam provides equipment procurement services.

	Total revenue from external customers		Segment assets		Additions to non-current assets	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Malaysia	614,544	627,698	998,804	1,000,342	36,099	9,360
India	11,611	4,974	72,047	59,820	-	-
Republic of Mauritius	720,904	237,756	364,978	58,734	-	-
Negara Brunei Darussalam	-	-	826	811	35	229
Consolidated	1,347,059	870,428	1,436,655	1,119,707	36,134	9,589

37. Significant event

(i) On 8 March 2011, the Company announced a bonus issue of up to 137,079,500 new ordinary shares of RM0.20 each ("Bonus Shares") to be credited as fully paid-up on the basis of one (1) Bonus Share for every three (3) existing shares held.

The Bonus Share was approved by Bursa Malaysia Securities Berhad on 31 May 2011 and subsequently was approved by the shareholders of the Company at the EGM held on 22 June 2011. On 19 July 2011, 137,077,966 new ordinary shares of RM0.20 each were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad, marking the completion of the Bonus Share.

(ii) On 8 March 2011, the Company announced the establishment of an Employees' Share Option Scheme ("ESOS Scheme") of up to 10% of the issued and paid-up share capital of the Company for eligible directors and employees of Mudajaya and its subsidiaries.

The ESOS Scheme was approved by Bursa Malaysia Securities Berhad on 31 May 2011 and subsequently was approved by the shareholders of the Company at the EGM held on 22 June 2011. The ESOS Scheme was implemented by the Company on 30 September 2011.

38. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and acceptable capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions or expansion plans of the Group. The Group may adjust the capital structure by issuing new shares, returning capital to shareholders or adjusting dividend payment policies.

There are no externally imposed capital requirements.

Notes to the Financial Statements

31 December 2011

39. Supplementary information

The breakdown of the retained profits of the Group and of the Company as at 31 December 2011 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and 20 December 2010, prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Total retained profits				
- realised	977,389	570,224	445	6,422
- unrealised	1,758	9,338	-	-
Total share of (accumulated losses)/retained profits from associate				
- realised	(2,869)	306	-	-
	976,278	579,868	445	6,422
Less: Consolidation adjustments	(351,618)	(148,103)	-	-
Retained profits as per financial statements	624,660	431,765	445	6,422

Analysis of Shareholdings

as at 30 April 2012

Authorised Share Capital	:	1,250,000,000 ordinary shares of RM0.20 each
Issued and Fully Paid-Up Share Capital	:	549,273,766 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	% [1]
Less than 100	190	2.74	8,705	0.00
100 -1,000	636	9.19	487,036	0.09
1,001-10,000	4,314	62.32	18,391,903	3.37
10,001-100,000	1,536	22.19	43,854,446	8.04
100,001 to less than 5% of issued shares	244	3.53	229,057,443	41.99
5% and above of issued shares	2	0.03	253,700,333	46.51
Total	**6,922**	**100.00**	**545,499,866** [1]	**100.00**

[1] Excluding a total of 3,773,900 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]
1.	CIMB Group Nominees (Tempatan) Sdn Bhd Dataran Sentral (M) Sdn Bhd	133,413,333	24.46
2.	Mulpha Infrastructure Holdings Sdn Bhd	120,287,000	22.05
3.	Lembaga Tabung Haji	25,483,000	4.67
4.	Cartaban Nominees (Asing) Sdn Bhd Exempt An for Barclays Bank PLC, Singapore	16,400,000	3.01
5.	Citigroup Nominees (Asing) Sdn Bhd Exempt An for Citibank NA, Singapore	15,205,600	2.79
6.	Citigroup Nominees (Tempatan) Sdn Bhd Exempt An for American International Assurance Bhd	13,400,933	2.46
7.	HSBC Nominees (Asing) Sdn Bhd Exempt An for Credit Suisse	11,698,666	2.14
8.	Global Investments (BVI) Ltd	10,666,666	1.96
9.	CimSec Nominees (Tempatan) Sdn Bhd CIMB for Ng Ying Loong	5,420,000	0.99
10.	CimSec Nominees (Asing) Sdn Bhd CIMB for Global Investments (BVI) Ltd	5,333,333	0.98
11.	Paragash a/l C. R. Suberamaniam	5,000,000	0.92
12.	HSBC Nominees (Asing) Sdn Bhd Exempt An for Credit Suisse	3,875,866	0.71

Analysis of Shareholdings

as at 30 April 2012

	Name of Shareholders	Number of Share	held % (1)
13.	Citigroup Nominees (Asing) Sdn Bhd Goldman Sachs International	3,692,000	0.68
14.	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Kit Pheng	3,050,000	0.56
15.	CimSec Nominees (Tempatan) Sdn Bhd CIMB Bank for Brahmal a/l Vasudevan	3,000,000	0.55
16.	CimSec Nominees (Tempatan) Sdn Bhd CIMB Bank for Koon Yew Yin	2,957,000	0.54
17.	Citigroup Nominees (Asing) Sdn Bhd CBNY for Dimensional Emerging Markets Value Fund	2,884,000	0.53
18.	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Bank Berhad	2,771,233	0.51
19.	ECML Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Koon Yew Yin	2,611,633	0.48
20.	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund FJ4V for Asian Small Companies Portfolio	2,413,366	0.44
21.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Exempt An for Kumpulan Sentiasa Cemerlang Sdn Bhd	2,190,333	0.40
22.	CimSec Nominees (Tempatan) Sdn Bhd CIMB for Anto a/l SF Joseph	2,166,666	0.40
23.	HSBC Nominees (Asing) Sdn Bhd Exempt An for Skandinaviska Enskilda Banken AB	1,800,000	0.33
24.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Singular Asia Flexible Fund	1,712,000	0.31
25.	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund Vaas for Vanderbilt University	1,666,000	0.31
26.	HLG Nominee (Asing) Sdn Bhd Exempt An for DBS Bank (Hong Kong) Limited	1,600,000	0.29
27.	CIMB Commerce Trustee Berhad Exempt An for Phillip Capital Management Sdn Bhd	1,544,066	0.28
28.	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yap Sung Pang	1,533,166	0.28
29.	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund SD4N for Government of the Province of Alberta	1,498,100	0.27
30.	HSBC Nominees (Asing) Sdn Bhd Exempt An for Credit Suisse Securities (Europe) Limited	1,476,200	0.27
	Total	**406,750,160**	**74.56**

Analysis of Shareholdings

as at 30 April 2012

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

		Direct		Indirect	
	Name of Substantial Shareholders	**Number of Shares held**	**%[1]**	**Number of Shares held**	**%[1]**
1.	Dataran Sentral (M) Sdn Bhd	133,413,333	24.46	-	-
2.	Mulpha Infrastructure Holdings Sdn Bhd	120,287,000	22.05	-	-
3.	Winners Spectrum Construction Sdn Bhd	143,333	0.03	[2]133,413,333	24.46
4.	First Positive Sdn Bhd	-	-	[2]133,413,333	24.46
5.	Mulpha International Bhd	-	-	[3]120,287,000	22.05
6.	Nautical Investments Ltd	-	-	[4]120,287,000	22.05
7.	Lee Seng Huang	-	-	[5]120,287,000	22.05
8.	Ng Ying Loong	5,420,000	0.99	[2][6]133,556,666	24.48
9.	Anto a/l SF Joseph	2,166,666	0.40	[2][6]133,556,666	24.48
10.	Wee Teck Nam	1,300,000	0.24	[2]133,413,333	24.46
11.	Brahmal Vasudevan	4,200,000	0.77	[7]31,600,000	5.79

Notes :

(1) *Excluding the 3,773,900 treasury shares held by the Company*

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

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

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

(5) *Deemed interest pursuant to Section 6A of the Act by virtue of his indirect shareholdings in Nautical Investments Ltd*

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

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

Analysis of Shareholdings

as at 30 April 2012

DIRECTORS' SHAREHOLDINGS AS PER REGISTER OF DIRECTORS

		Direct		Indirect	
	Name of Directors	Number of Shares held	%[1]	Number of Shares held	%[1]
1.	Dato' Yusli bin Mohamed Yusoff	300,000	0.05	-	-
2.	Anto a/l SF Joseph	2,166,666	0.40	[2][3]133,556,666	24.48
3.	Wee Teck Nam	1,300,000	0.24	[2]133,413,333	24.46
4.	Ng Chee Kin	476,999	0.09	[4]647,333	0.12
5.	Yong Yee Coi	794,333	0.15	-	-
6.	Lee Seng Huang	-	-	[5]120,287,000	22.05
7.	Yee Swee Choon	285,000	0.05	[4]43,333	0.01
8.	Henry Choo Hon Fai	-	-	-	-
9.	Asgari bin Mohd Fuad Stephens	-	-	[6]1,198,398	0.22
10.	David George Savage	150,000	0.03	-	-

Notes:

[1] *Excluding the 3,773,900 treasury shares held by the Company*

[2] *Deemed interest pursuant to Section 6A of the Act by virtue of his shareholdings in Dataran Sentral (M) Sdn Bhd*

[3] *Deemed interest pursuant to Section 6A of the Act by virtue of his shareholdings in Winners Spectrum Construction Sdn Bhd.*

[4] *Deemed interest pursuant to Section 134(12)(c) of the Act by virtue of his spouse's shareholdings in the Company*

[5] *Deemed interest pursuant to Section 6A of the Act by virtue of his indirect shareholdings in Nautical Investments Ltd*

[6] *Deemed interest pursuant to 134(12)(c) of the Act by virtue of his spouse's and mother's shareholdings in the Company*

Properties of the Group

	Location	Acquisition	Year of 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	15	40,486/ 2,480	Industrial land	4,058
3.	Villa Angsana Condominium 56, Off Jalan Ipoh 51000 Kuala Lumpur	1999	Freehold	13	260	One (1) unit of Condominium	278
4.	12A, Jalan PJU 7/3 Mutiara Damansara 47810 Petaling Jaya Selangor Darul Ehsan	2008	Freehold	N/A	4,269	Commercial land for office building	15,178
5.	Lot 2454 Kuching North Land District	2011	Leasehold (60 years from Year 1998)	N/A	43,440	Residential	11,380

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

No. of shares held	
CDS Account No.	

FORM OF THE PROXY

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 Ninth Annual General Meeting of the Company to be held at Level 1, Kuala Lumpur Golf & Country Club, No. 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur, Malaysia on Monday, 18 June 2012 at 10.00 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 the Audited Financial Statements for the year ended 31 December 2011 together with the Reports of the Directors and the Auditors thereon		
2.	To approve the payment of a final dividend of 12.5% (or 2.5 sen) under the single tier system		
3.	To re-elect Mr. Yee Swee Choon as Director		
4.	To re-elect Mr. Henry Choo Hon Fai as Director		
5.	To re-elect Dato' Yusli bin Mohamed Yusoff as Director		
6.	To re-elect Mr. David George Savage as Director		
7.	To re-appoint Mr. Wee Teck Nam as Director pursuant to Section 129(6) of the Companies Act, 1965		
8.	To approve the payment of Directors' fees		
9.	To re-appoint Messrs Ernst & Young as Auditors		
10.	To approve the Authority to Allot and Issue Shares		
11.	To approve the Renewal of Share Buy-Back Authority		
12.	To approve the Amendments to the Articles of Association		

____
Signature of shareholder and /or common seal

Date :______________________________

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

	Percentage
Proxy 1	%
Proxy 2	%
Total	100%

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 of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
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.
5. In respect of deposited securities, only members whose names appear on the record of Depositors on 11 June 2012 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

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STAMP

The Company Secretary

MUDAJAYA GROUP BERHAD

(605539 H)

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

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