Trinity
Corporation
Berhad

www.trinitycorp.com.my

TRINITY CORPORATION BERHAD

ANNUAL REPORT 2012

Trinity
Corporation
Berhad (1120-H)
(Formerly known as TALAM CORPORATION BERHAD)

2012
annual report

Contents

Corporate Structure

As At 8 June 2012

Note :
Companies that are under creditors' liquidation are not listed in the Corporate Structure.

Corporate Structure (Cont'd)

As At 8 June 2012

Corporate Information

BOARD OF DIRECTORS

Tsen Keng Yam
Chairman
Independent Non-Executive Director

Tan Sri Dato' (Dr) Ir Chan Ah Chye @ Chan Chong Yoon
Non-Independent Non- Executive Director

Dato' Kamaruddin Bin Mat Desa
Independent Non-Executive Director

Chua Kim Lan
Executive Director

Loy Boon Chen
Executive Director

Datuk Ng Bee Ken
Independent Non-Executive Director

AUDIT COMMITTEE

Tsen Keng Yam
Chairman
Member of the Malaysian Institute of Accountants

Dato' Kamaruddin Bin Mat Desa
Member

Datuk Ng Bee Ken
Member

NOMINATION COMMITTEE

Dato' Kamaruddin Bin Mat Desa
Chairman

Tan Sri Dato' (Dr) Ir Chan Ah Chye @ Chan Chong Yoon
Member

Datuk Ng Bee Ken
Member

REMUNERATION COMMITTEE

Tsen Keng Yam
Chairman

Dato' Kamaruddin Bin Mat Desa
Member

Datuk Ng Bee Ken
Member

COMPANY SECRETARY

Raw Koon Beng
(MIA 8521)

PRINCIPAL BANKERS

Malayan Banking Berhad
EON Bank Berhad

REGISTERED OFFICE

Suite 2.12, Level 2 Menara Maxisegar
Jalan Pandan Indah 4/2
Pandan Indah
55100 Kuala Lumpur
Tel no.: 03-42962000
Fax no.: 03-42977220
Website: www.trinitycorp.com.my

SHARE REGISTRAR

Securities Services (Holdings) Sdn Bhd
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Tel no: 03-20849000
Fax no: 03-20949940 / 03-20950292

AUDITORS

Baker Tilly Monteiro Heng
Chartered Accountants (AF0117)
22, Monteiro & Heng Chambers
Jalan Tun Sambanthan 3
50470 Kuala Lumpur
Tel no: 03-22748988
Fax no: 03-22601708

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad

Profile Of Board Of Directors

TSEN KENG YAM

Tsen Keng Yam, Malaysian, aged 62, Chairman/Independent Non-Executive Director, joined the Board of Trinity Corporation Berhad (formerly known as Talam Corporation Berhad) ("TCB") on 30 April 2004 and became the Chairman on 22 January 2009. He is also the Chairman of the Audit Committee and Remuneration Committee. He is currently a Director of Riverview Rubber Estates Berhad and Narlborough Plantations Plc.

He is a Fellow of the Institute of Chartered Accountants (England and Wales) and a member of Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants.

In 1978, he joined Hanafiah Raslan & Mohamed as a consultant and was subsequently promoted to Senior Consultant in 1980. He was a principal of Hanafiah Raslan & Mohamed from 1984 to 1987 and was a partner of Arthur Andersen & Co. for more than 14 years from 1988 to 2003.

He has no family relationship with any director and/or major shareholder of the Company. There is no conflict of interest with the Company. Within the past ten (10) years, he has no convictions for offences.

He has attended all five (5) Board of Directors' meetings held during the financial year ended 31 January 2012.

TAN SRI DATO' (DR) IR CHAN AH CHYE @ CHAN CHONG YOON

Tan Sri Dato' (Dr) Ir Chan Ah Chye @ Chan Chong Yoon, a Malaysian, aged 66, Non-Independent Non-Executive Director, joined the Board of TCB on 6 November 1990. He was formerly the Executive Chairman of TCB prior to his re-designation as Non-Independent Non-Executive Director on 22 January 2009. He is a member of the Nomination Committee. He was formerly the Executive Director (President/ Chief Executive) of Kumpulan Europlus Berhad.

He graduated with a Bachelors Degree in Civil Engineering from the University of Malaya in 1970 and is a member of the Institution of Engineers, Malaysia since 1974 and was subsequently made a Fellow in 1984. He has over 41 years of experience in the property and construction industry since he started his career with Messrs Binnie & Partners (M) Sdn Bhd and later joined Perbadanan Kemajuan Negeri Selangor in 1971 as a Project Manager handling project designs, management and property development. Tan Sri Chan was awarded the prestigious "Property Man of the Year 1998" by Federation Internationale Des Professions Immobilieres ("FIABCI") in recognition of his achievements in property development. Tan Sri Chan was conferred the Honorary Doctorate of Science (Engineering) by the University Malaya on 11 August 2003.

Tan Sri Chan is the spouse of Puan Sri Datin Thong Nyok Choo, a major shareholder of TCB. He has direct and deemed interest in Kumpulan Europlus Berhad, a major shareholder of TCB. There is no conflict of interest with the Company except for those transactions disclosed in item 9, pages 21 to 23 of the Additional Compliance Information and Note 38 to the Financial Statements of this Annual Report. Within the past ten (10) years, he has no convictions for offences.

He has attended all five (5) Board of Directors' meetings held during the financial year ended 31 January 2012.

Profile Of Board Of Directors (Cont'd)

DATO' KAMARUDDIN BIN MAT DESA

Dato' Kamaruddin bin Mat Desa, a Malaysian, aged 61, Independent Non-Executive Director, joined the Board of TCB on 1 October 2007. He is the Chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee.

He holds a Bachelor of Laws (Hons) from International Islamic University, Petaling Jaya, Selangor (1993) and currently an Advocate and Solicitor, High Court of Malaya.

Dato' Kamaruddin had extensive experience in the Royal Malaysian Police Force. During his distinguished career, he held positions such as General Duty/Traffic, Platoon Commander, Police Field Force, Officer in-charge of Police Sub-District, Area Inspector, State Traffic Chief Selangor, Deputy OCPD, Staff Officer (Prosecution) Session Court (Selangor), Staff Officer (Admin) CID Selangor, Police Secretary/Special Officer to IGP, Officer in-charge Criminal Investigation Department, Deputy Chief Police Officer and Deputy Director, Commercial Crime Investigation Department.

He is currently a Partner in a law firm practicing under the name and style of Faridzah & Co.

He has no family relationship with any director and/or major shareholder of the Company. There is no conflict of interest with the Company. Within the past ten (10) years, he has no convictions for offences.

He has attended all five (5) Board of Directors' meetings held during the financial year ended 31 January 2012.

CHUA KIM LAN

Chua Kim Lan, a Malaysian, aged 48, Executive Director, joined the Board of TCB on 1 October 2007.

Ms Chua Kim Lan graduated from College Tunku Abdul Rahman in Building Technology in 1984 and holds a Master of Business Administration from Honolulu University, Hawaii in 2000. She was previously attached to Brisdale (M) Sdn Bhd for five (5) years from 1984 to 1989 and TCB for one (1) year prior to joining Europlus Berhad as a Quantity Surveyor in 1991. She was transferred back to TCB subsequent to the merger exercise in 2003 and was formerly the Deputy President of TCB.

She has no family relationship with any director and/or major shareholder of the Company. There is no conflict of interest with the Company. Within the past ten (10) years, she has no convictions for offences.

She has attended all five (5) Board of Directors' meetings held during the financial year ended 31 January 2012.

Profile Of Board Of Directors (Cont'd)

LOY BOON CHEN

Loy Boon Chen, a Malaysian, aged 60, Executive Director, joined the Board of TCB on 1 October 2007 as Non-Independent Non-Executive Director. He was re-designated as an Executive Director on 22 January 2009.

Mr Loy Boon Chen holds a Master Degree in Business Administration from Golden Gate University, San Francisco, USA and is a Certified Public Accountant, Malaysia.

Mr Loy worked as an auditor for an international accounting firm for seven (7) years prior to joining Mudajaya Construction Sdn Bhd as Chief Accountant before being appointed Group Financial Controller of IJM Corporation Berhad in 1994. Mr Loy was appointed the Financial Controller of IJM Corporation Berhad from 1998, and was the Head of the Finance & Accounts Department and Chairman of IJM Group Risk Management Committee up till the end of 2006. Thereafter, he was assigned to be in charge of special projects.

Mr Loy was a member of the Accounting Standards Sub-Committee of the Federation of Public Listed Companies Berhad (1998-2006).

He is also currently an Executive Director of Kumpulan Europlus Berhad, a major shareholder of the Company and was an Independent and Non-Executive Director of Guangdong Provincial Expressway Development Co. Limited, a company listed on the Shenzhen Stock Exchange, China, for more than ten (10) years until his retirement in 2010.

He has no family relationship with any director and/or major shareholder of the Company. There is no conflict of interest with the Company. Within the past ten (10) years, he has no convictions for offences.

He has attended all five (5) Board of Directors' meetings held during the financial year ended 31 January 2012.

DATUK NG BEE KEN

Datuk Ng Bee Ken, a Malaysian, aged 58, joined the Board of TCB on 21 May 2010 as an Independent Non-Executive Director. He is also a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company.

Datuk Ng holds a Bachelor of Law (Hons) from the University of Wales, Cardiff; a Master of Laws from King's College, University of London; and a Barrister-at-Law from Lincoln's Inn. He is also an Advocate and Solicitor of the High Court of Malaya since 1987, and presently is the Managing Partner of the law firm of Azri, Lee Swee Seng & Co where he specializes in corporate law.

Datuk Ng also holds a Master of Science (Corporate Communication) from Universiti Putra Malaysia, an ACEA and is a Certified Mediator at the Malaysian Mediation Centre as accredited by the Malaysian Bar. He was conferred the award of Panglima Jasa Negara by DYMM YDP Agung on 4 June 2011.

Besides legal practice, he is also the Chairman and an Independent Non-Executive Director of Sinotop Holdings Bhd and an Independent Non-Executive Director of both Widetech (Malaysia) Bhd. and Opensys (M) Bhd. In addition, he is the local representative as an Independent Non-Executive Director of Xstrata Recycling Sdn Bhd ("Xstrata") whose parent company is listed in both London and Zurich. Xstrata is one of the top three largest mining companies in the world.

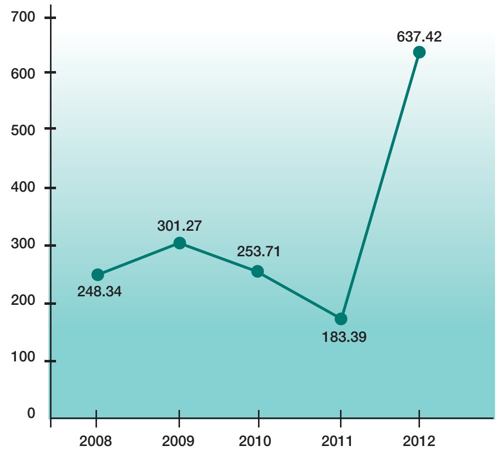
He has no family relationship with any director and/or major shareholder of the Company. He has never been in a position of conflict of interest with the Company. He has no conviction of any offences whatsoever in his entire life.

He has attended all five (5) Board of Directors' meetings held during the financial year ended 31 January 2012.

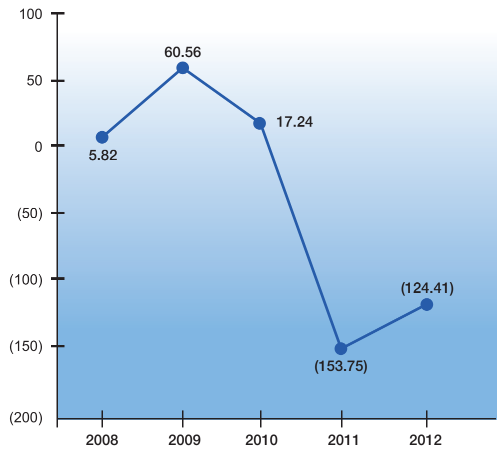
Financial Highlights

		2012	2011	2010	2009	2008
GROUP						
Total Assets	**RM'000**	**2,184,264**	2,801,587	3,249,930	3,037,443	3,106,497
Total Liabilities	**RM'000**	**1,608,727**	2,182,060	2,637,114	2,642,980	2,760,254
Equity attributable to owners of the Company	**RM'000**	**572,950**	615,935	608,581	390,937	344,460
Revenue	**RM'000**	**637,424**	183,395	253,714	301,278	248,349
Profit/(Loss) before tax	**RM'000**	**(124,418)**	(153,753)	17,245	60,563	5,821
Profit/(Loss) after tax attributable to owners of the Company	**RM'000**	**(126,406)**	(167,088)	8,313	59,105	3,420
Earnings/(Loss) per share	**Sen**	**(3.33)**	(5.81)	0.42	9.39	0.53
Return on Total Assets	**%**	**-5.8%**	-6.0%	0.3%	1.9%	0.1%
Return on Shareholders' Equity	**%**	**-22.1%**	-27.1%	1.4%	15.1%	1.0%
Gearing Ratio	**times**	**0.8**	1.2	1.5	2.9	3.7
COMPANY						
Total Assets	**RM'000**	**1,514,326**	1,396,683	1,531,445	480,586	497,810
Total Liabilities	**RM'000**	**994,649**	808,194	978,074	155,549	177,615
Equity attributable owners of the Company	**RM'000**	**519,677**	588,489	553,371	325,037	320,195
Revenue	**RM'000**	**324**	30,000	-	-	3,496
Profit/(Loss) before tax	**RM'000**	**(156,134)**	(125,101)	24,119	4,287	(23,142)
Profit/(Loss) after tax attributable to owners of the Company	**RM'000**	**(153,424)**	(125,101)	27,546	4,277	(23,478)
Return on Total Assets	**%**	**-10.1%**	-9.0%	1.8%	0.9%	-4.7%
Return on Shareholders' Equity	**%**	**-29.5%**	-21.3%	5.0%	1.3%	-7.3%
Gearing Ratio	**times**	**0.4**	0.7	1.0	0.2	0.3

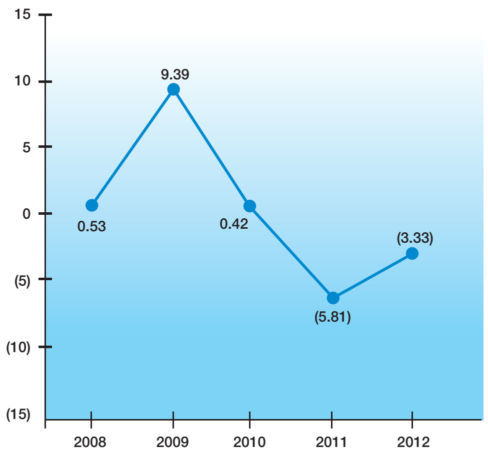
Revenue (RM Million)



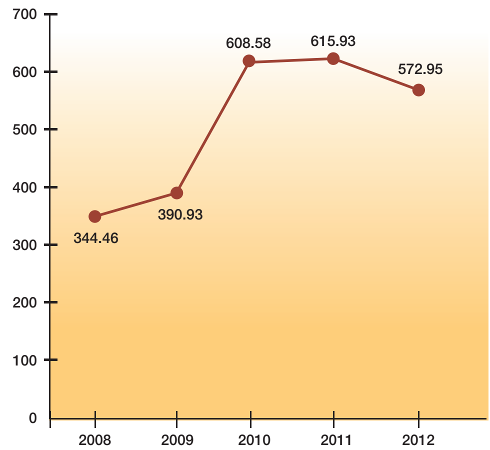
Profit /(Loss) before Tax (RM Million)



Earning/(Loss) Per Share (sen)



Equity attributable to owners of the Company (RM Million)



Chairman's Statement

On behalf of the Board of Directors of Trinity Corporation Berhad, I present the Annual Report and Audited Financial Statements of the Group and the Company for the financial year ended 31 January 2012 (FY12).

The Malaysian economy continued to expand in 2011, albeit at only 5.1%, down from 7.2% in 2010. The country's economy continued to be driven mainly by domestic demand supported by both private and public sectors economic activities, against a backdrop of weaker economic developments overseas. The trend continued for the first quarter of 2012 with GDP expended only at 4.7% (4 Q11: 5.2%). While Bank Negara's monetary policy remains generally supportive of the economic activities, it has set more stringent guidelines, since the end of 2011, for the commercial banks in approving housing loans, with a view to rein in inflation in property prices. This move has a dampening effect on properties transactions in the last few months.

During FY12, the Group continued to focus on finishing its last few long-delayed projects, the completion of which have been affected by the financial position of the Group. In the same period, the management has achieved great success in reducing some of the long outstanding debts due to financial institutions and creditors. Pursuant to the settlement agreement entered into with Menteri Besar Selangor (Incorporated) (MBI) and approved by shareholders on 30 March 2011, the Group has completed disposal of properties to MBI amounting to RM363.58 million during FY12. In addition, the Group has also disposed of 25.88 acres of land in Mukim Petaling for RM39.46 million and 18,582 square meters of commercial land in Daerah Kuala Langat for RM52.12 million, amongst others, to further reduce its borrowings.

The perseverance, determination and integrity of our Board members, management team and employees over the FY12 have certainly been instrumental in supporting and sustaining the Group. Despite its current limitation, the management will continue to work harder to strengthen the financial footing of the Group to remain resilient in this difficult operating environment and be on the look out for any new opportunities that may present themselves.

Financial Highlights

For FY12, the Group achieved revenue of RM637.42 million, a 247.56% increase, compared with revenue of RM183.40 million of the previous financial year. This is mainly due to increased billing for current property projects and revenue recognized upon completion of disposal of development lands, mentioned above. However, despite the higher revenue achieved, the Group still recorded a post-tax loss of RM127.41 million (FY 11: RM167.73 million), though 24% lower compared with the preceding year. The adverse result is mainly a result of provisions made for impairment on land held for development, loss on disposal of subsidiaries, allowances made for project losses and doubtful debts, amongst others, as disclosed in Note 31 of the Financial Statements.

Despite the loss, equity attributable to the shareholders remained at RM572.95 million, a minor 6.98% drop from the last financial year, due to substantial conversion of loan stocks and preference shares into ordinary shares during FY12. At the end of FY12, the gearing position of the Group improved significantly due to a substantial reduction in borrowings and loan stocks to RM461.72 million, from RM726.62 million of FY11, a decrease of 36.46%.

Chairman's Statement (Cont'd)

PROSPECTS

The year ahead will undoubtedly be another challenging one. The Group has delivered several thousand houses to purchasers in the last few years and expects to deliver all of the sold units to the purchasers soon. Meanwhile, the Group has ventured into several joint venture projects with reputable corporations, but this inevitably reduces its level of profits. The Group will explore launching new development projects once approvals are obtained from the relevant authorities.

ACKNOWLEDGEMENT

I wish to extend my heartfelt appreciation to our shareholders who have been steadfast in adversity and to our valued customers, business partners, lenders, contractors and creditors for their continuing support. Furthermore, my sincere appreciation to the management and staff for their dedication and untiring commitment to the Group.

Last but not least, I extend my sincere gratitude to the Securities Commission, Bursa Malaysia Securities Berhad and all the relevant authorities for their continuing guidance and advice.

Review of Operations

Property Investment and Development

Property investment and development remain the core business of Trinity Corporation Berhad (formerly known as Talam Corporation Berhad) ("TCB") Group and made up 89.29% of its total revenue for the financial year ended 31 January 2012. TCB Group currently has a total balance land bank of approximately 3,073 acres, mainly in Selangor, comprising a mixed portfolio of commercial, residential and industrial properties at various strategic locations in Ampang, Sepang, Puchong, Bukit Jalil and Rawang.

An update of the housing development projects currently being undertaken and to be undertaken by the TCB Group is as follows:-

(1) Existing Projects

a. Taman Puncak Jalil

Taman Puncak Jalil, a township development on a 801 acres leasehold land, is located next to Technology Park along Sungai Besi, Puchong road. Adjacent developments are Lestari Perdana on the southeast, Taman Equine on the south, Bandar Kinrara on the northwest and Bukit Jalil Sports Complex on the north. The development, which is undertaken by Maxisegar Sdn Bhd, a wholly-owned subsidiary of TCB, is an integrated and self-contained township comprising 8,102 units of residential and commercial properties. This strategically located project has attracted strong interest from the public. The Gross Development Value of Taman Puncak Jalil is estimated to be about RM1.81 billion with an expected development period of twelve (12) years. The project was first launched in June 2001 and as at 31 January 2012, the project has recorded sales of 7,729 units valued at RM1.73 billion.

b. Jalil Heights

Jalil Heights is located on a 31.4 acres leasehold land in Mukim of Petaling, Petaling District within the development known as Lestari Perdana. It is earmarked for the development of 284 units of semi-detached houses undertaken by Abra Development Sdn Bhd, a wholly-owned subsidiary of TCB. The project will generate an estimated Gross Development Value of RM102.79 million. Since its first launch in September 2001, Jalil Heights has recorded sales of RM96.52 million (representing 269 units sold) as at 31 January 2012.

c. Putra Perdana

Putra Perdana is a project undertaken by Kenshine Corporation Sdn Bhd, a wholly-owned subsidiary of TCB, and is situated on a 600 acres of converted leasehold land. The project is located on the southern side of Puchong-Kajang trunk road, 5 km from Batu 14 Puchong, within Cyberjaya and adjacent to the Multimedia Super Corridor, 5 km west of Putrajaya and 13 km north of the Kuala Lumpur International Airport.

With an expected Gross Development Value of RM1.92 billion, Putra Perdana will consist of residential houses, apartments, shop offices, commercial complex, exhibition center, theme garden, hotel and service apartments. As at 31 January 2012, the project has recorded sales of 7,979 units valued at RM847.78 million.

d. Saujana Putra

Saujana Putra is a project undertaken by Galian Juta Sdn Bhd, a wholly-owned subsidiary of TCB measuring about 200 acres in size. It is located opposite Putra Heights in Mukim Tanjung Duabelas, Kuala Langat District. With a proposed development comprising commercial, low to medium cost apartments and medium cost terrace houses, it will generate an estimated Gross Development Value of RM192.50 million over a development life span of ten (10) years. Launched in March 2003, Saujana Putra has achieved sales of 550 units valued at RM79.12 million as at 31 January 2012.

Review of Operations (Cont'd)

e. Bukit Sentosa

Bukit Sentosa III form an integrated township covering approximately 1,010 acres of freehold land in the Mukim of Serendah, approximately 47 km north of Kuala Lumpur. It is easily accessible through the North-South Expressway and exit at Bukit Beruntung Interchange. The comprehensive new township comprises a mixed development of residential, commercial and industrial properties.

Bukit Sentosa III, which is being developed by Maxisegar Sdn Bhd is planned for a mixed development of 14,790 units of terrace houses, apartments and shoplots, with a Gross Development Value of RM1.3 billion. Launched in March 1997, Bukit Sentosa III has achieved a total sales of RM580.13 million (or 7,237 units sold) as at 31 January 2012.

f. Bandar Bukit Beruntung

Bandar Bukit Beruntung, a converted 5,500 acres of freehold land, is located north-west of Rawang, approximately 40 km from Kuala Lumpur. It is undertaken by Europlus Corporation Sdn Bhd, a wholly-owned subsidiary of TCB. The mega township which is marketed as the "2nd Petaling Jaya" has a golf resort, country homes, campus, industrial, commercial and housing units with an expected Gross Development Value of RM3.36 billion. The development of the entire township is expected to span another nine (9) years to the year 2020.

Launched in late 1991, this project has achieved a total sales value of RM1.98 billion representing 14,095 units as at 31 January 2012.

(2) Future Project

Shah Alam 2 (Berjuntai Bistari Land)

The proposed Shah Alam 2 originally involved 3,000 acres of land but will be left with a balance of 598.47 acres when the Selangor State settlement exercise is completed. The land is located adjacent to the Universiti Industri Selangor ("UNISEL") campus about 44 km from the towns of Batang Kali and Kuala Selangor, 30 km from Rawang and 20 km from Bukit Beruntung. The current access to the site is by the coastal road passing by Kuala Selangor or the trunk road from Rawang.

Berjuntai Bistari is to be developed over 10 years commencing 2016 and will comprise approximately 1,260 units of water front villas and apartments properties with an estimated Gross Development Value of RM985.00 million.

(3) Joint-Venture Projects

a. 252 Units 2½ Storey Terrace House at Ukay Perdana

This development is a joint-venture project undertaken by 50%-owned Good Debut Sdn Bhd. The development is part of Ukay Perdana project and is located at 7th mile off Jalan Ulu Klang in the vicinity of Bukit Antarabangsa. The Gross Sales Value is estimated to be RM96.55 million. As at 31 January 2012, a total of 151 units of sales value of RM57.40 million were achieved.

b. Serenia Garden

Serenia Garden is a residential development project undertaken by 50%-owned Sierra Ukay Sdn Bhd. The project measures 90 acres and is located in Mukim Ulu Kelang adjacent to the existing Ukay Perdana. The Gross Development Value of Serenia Garden is estimated to be RM615.00 million and is expected to be implemented over a period of seven (7) years. Launched in October 2007, the project has achieved sales of 304 units valued at RM109.91 million as at 31 January 2012.

Review of Operations (Cont'd)

c. **157 Units of 2 to 2½ Storey Shop at Taman Puncak Jalil**

This development is a joint-venture project undertaken by 50%-owned Crest Envy Sdn Bhd. The development is part of Taman Puncak Jalil project and is located next to Technology Park along Jalan Sungai Besi, Puchong road. The Gross Sales Value is estimated to be RM107.36 million. The project has achieved sales of RM104.63 million as at 31 January 2012.

d. **Sierra Selayang**

Sierra Selayang is a residential development project undertaken by 50%-owned Cekap Tropikal Sdn Bhd. The project measures 204 acres and is located at Ulu Gombak Forest Reserve, Mukim of Batu, District of Gombak, State of Selangor. The Gross Development Value of Sierra Selayang is estimated to be RM963.90 million and is expected to be implemented over a period of eight (8) years.

e. **160 Units Double Storey Semi-Detached House and 178 Units High Cost Apartment at Taman Puncak Jalil**

This development is a joint-venture project undertaken by 40%-owned Trident Treasure Sdn Bhd. The development is part of Taman Puncak Jalil project and is located next to Technology Park along Jalan Sungai Besi, Puchong road. The Gross Sales Value is estimated to be RM292.33 million. The project is still in preliminary design stage.

f. **Yin Hai Complex in Changchun, Jilin Province, People's Republic of China**

Yin Hai Complex is a project undertaken by Jilin Dingtai Enterprise Development Company Ltd., a wholly-owned subsidiary of Larut Leisure Enterprise Hong Kong Ltd., a 50%-owned associate of TCB Group. The proposed Yin Hai Complex is a 35-storey building comprising 28 office-cum-residential levels, 7 shopping podium levels and 2 basement levels. The Gross Sales Value of Yin Hai Complex is estimated to be RMB738 million.

Other Businesses

The TCB Group's other businesses in hotel and recreation contributed approximately 10.71% of its turnover in financial year 2012.

Statement on Corporate Governance

The Board of Directors ("the Board") of Trinity Corporation Berhad ("TCB" or "the Company") recognises the importance of good corporate governance to ensure the sustainability and success of the Company's business and is committed to instill high standards of corporate governance throughout the Group to enhance its shareholder value and financial performance.

The statement below sets out the manner in which the Group has applied the key principles of the Malaysian Code on Corporate Governance ("the Code") and the extent of its compliance with the best practices of the Code.

(A) DIRECTORS

(i) Board's Responsibilities

The Board has overall responsibility for the strategic direction and control of the Group.

The Board meets periodically on a quarterly basis with additional meetings being convened as and when necessary. During the financial year ended 31 January 2012, five (5) Board Meetings were held and the attendance of each Director is set out below:-

Directors	Number of meetings attended
Tsen Keng Yam *(Chairman)*	5 out of 5
Tan Sri Dato' (Dr) Ir Chan Ah Chye @ Chan Chong Yoon	5 out of 5
Dato' Kamaruddin Bin Mat Desa	5 out of 5
Chua Kim Lan	5 out of 5
Loy Boon Chen	5 out of 5
Datuk Ng Bee Ken	5 out of 5

(ii) Board Composition

The Board of TCB currently has six (6) members comprising two (2) Executive Directors, three (3) Independent Non-Executive Directors (including the Chairman) and one (1) Non-Independent Non-Executive Director.

The roles of the Chairman and Executive Directors are segregated to ensure that there is a balance of power and authority. Mr Tsen Keng Yam is the Chairman of the Board while Ms Chua Kim Lan and Mr Loy Boon Chen are the Executive Directors. The Chairman is responsible for the orderly conduct and working of the Board and ensures that all Directors receive sufficient relevant information on financial and non-financial matters to enable them to participate actively in Board decisions whilst the Executive Directors are responsible for the day-to-day management of the business and implementation of Board decisions.

The four (4) Non-Executive Directors provide the necessary balance of power and authority to the Board with a mix of industry-specific knowledge and broad business and commercial experience. They ensure that all proposals by management are fully deliberated and examined, taking into account the interest of shareholders and stakeholders.

The Board also recognises the pivotal role of the independent directors in corporate accountability as they provide unbiased and independent views, advice and judgment. The Chairman/Independent Non-Executive Director, Mr Tsen Keng Yam, has been identified as the Senior Independent Non-Executive Director to whom concerns relating to the Company may be conveyed.

The profile of each Director is set out on pages 5 to 7 of this Annual Report.

Statement on Corporate Governance (Cont'd)

(iii) Supply Information

All the Directors are notified about the Board meetings scheduled by the Company Secretary before the meetings. The Board papers together with the agenda are circulated to all the Directors in sufficient time prior to the Board meetings to enable the Directors to review and consider the agenda items to be discussed at the meeting and when necessary, to obtain further explanations so they can be fully briefed before the meeting. The Board papers include reports on the Group's strategic, financial, operational, corporate development and regulatory compliance matters.

In discharging their duties, the Directors have access to all information within the Company and to the advice and services of the Company Secretary. If necessary, the Directors are entitled to seek independent professional advice from external consultants at the Company's expense. Any such request is presented to the Board for approval.

Senior Management staff, as well as advisers and professionals appointed to advise on corporate proposals, may be invited to attend Board meetings to provide the Board with their views and explanations on certain agenda items tabled to the Board, and to advise on issues that may be raised by the Directors.

(iv) Board Committees

The Board has delegated certain functions to the several Board Committees, which operate within the approved Terms of Reference. These Committees have authority, inter-alia, to examine particular issues and report back to the Board with their recommendations. The ultimate responsibility for the final decision on all matters, however, lies with the entire Board.

The various Board Committees in TCB are as follows:-

1. Executive Committee

The Executive Committee was established on 27 September 2007 and its membership consists of the Executive Directors and senior management personnel of the Group. The Executive Committee meets regularly, to review the performance of the Group's operating divisions. As at the date of this statement, the Executive Committee comprises the following members:-

Members	Designation
Loy Boon Chen *(Chairman)*	Executive Director
Chua Kim Lan	Executive Director
Chew Kok Hing	Consultant
Tan Bak Hai	Senior Vice President I
Ng Lai Tin	Senior Vice President I
Ng Giak Lian	Senior Manager (Finance)

The main terms of reference of the Executive Committee include, amongst others, the following:-

(i) review and approve the budget and cashflow projections prepared by the Group's strategic business units as well as its performance;

(ii) decide on all transactions and matters relating to the Group's core business/investments within the restricted limits of authority determined by the Board;

(iii) decide on all matters relating to banking facilities as may be required for the conduct of the Group's operations;

Statement on Corporate Governance (Cont'd)

(iv) review and recommend investments/land acquisitions or disposals before tabling to the audit committee and recommending to the Board for approval;

(v) assist the Board in ensuring the effectiveness of the Group's core businesses in accordance to the corporate objective, strategies, policies and business direction approved by the Board; and

(vi) formulate strategies on an on-going basis and addressing issues arising from changes in both external business environment and internal operating conditions of the strategic business units.

During the financial year, six (6) Executive Committee meetings were held.

2. Audit Committee

The Audit Committee was established on 24 February 1994 and is currently chaired by Mr Tsen Keng Yam. Other members of the Audit Committee are Dato' Kamaruddin Bin Mat Desa and Datuk Ng Bee Ken.

The terms of reference and activities of the Audit Committee during the financial year are set out under the Audit Committee Report on pages 26 to 29 of this Annual Report.

3. Nomination Committee

The Nomination Committee and Remuneration Committee were established on 27 September 2001 and 22 December 2000 respectively and were subsequently combined and renamed as Nomination & Remuneration Committee on 27 September 2007.

On 22 January 2009, the Nomination & Remuneration Committee was separated into two separate committees, namely, Nomination Committee and Remuneration Committee respectively.

As at the date of this statement, the Nomination Committee comprises three (3) Non-Executive Directors out of which two (2) are Independent Directors and the members are as follows:-

Members	Designation
Dato' Kamaruddin Bin Mat Desa *(Chairman)*	Independent Non-Executive Director
Tan Sri Dato' (Dr) Ir Chan Ah Chye @ Chan Chong Yoon	Non-Independent Non-Executive Director
Datuk Ng Bee Ken	Independent Non-Executive Director

The terms of reference of the Nomination Committee include, amongst others, the following:-

(i) recommend to the Board, candidates for all directorships to be filled by the shareholders or the Board;

(ii) recommend to the Board, directors to fill the seats on Board committees;

(iii) review the required mix of skills and experience and other qualities, including core competencies which non-executive directors should bring to the Board on an annual basis; and

(iv) assess the effectiveness of the Board as a whole, the committees of the Board, and the contribution of each individual director, including independent non-executive directors, as well as the chief executive officer on an annual basis.

During the financial year, the Nomination Committee held two (2) meetings, which were attended by all the members.

Statement on Corporate Governance (Cont'd)

4. Remuneration Committee

As at the date of this statement, the Remuneration Committee comprises three (3) Independent Non-Executive Directors and the members are as follows:-

Members	Designation
Tsen Keng Yam *(Chairman)*	Independent Non-Executive Director
Dato' Kamaruddin Bin Mat Desa	Independent Non-Executive Director
Datuk Ng Bee Ken	Independent Non-Executive Director

The terms of reference of the Remuneration Committee include, amongst others, the following:-

(i) recommend to the Board the reward framework for executive directors and perform an on-going review of the executive directors' remuneration structure;

(ii) recommend to the Board changes in remuneration if required or in the event the present structure and remuneration policy are deemed inappropriate; and

(iii) the remuneration of the non-executive directors are to be determined by the Board and not the Remuneration Committee.

During the financial year, the Remuneration Committee held a meeting, which was attended by all the members.

(v) Appointment to the Board

The Nomination Committee recommends to the Board, suitable candidates for appointment as Director and to fill vacant seats on the Board Committees after which the Company Secretary ensures that all appointments are properly made and all legal and regulatory compliance are met. However, the main decision lies with the Board after taking into consideration the nomination by the Committee. The Nomination Committee also assesses the effectiveness of the Board and Board Committees.

The Board, through the Nomination Committee, review annually the required mix of skills, expertise, attributes and core competencies of its Directors as well as the Board structure, size and composition.

(vi) Directors' Training

All the Directors have attended the Mandatory Accreditation Programme prescribed by Bursa Malaysia Securities Berhad ("Bursa Securities"). The Directors are also aware of their duty to undergo appropriate training from time to time to ensure that they be better equipped to carry out their duties as Directors.

The Directors have attended at least one training session each on topics such as financial reporting standards, corporate governance and sustainability of businesses.

(vii) Re-election of Directors

Any Director appointed during the year is required under the Articles of Association of the Company ("Articles") to retire and seek re-election by shareholders at the following Annual General Meeting immediately after their appointment. The Articles also provide that one-third (1/3) of the Directors shall retire from office at least once in three (3) years but shall be eligible for re-election.

The election of each Director is voted on separately. To assist shareholders in their decision, sufficient information, such as personal profile, meetings' attendance and the shareholdings of each Director standing for re-election, are furnished in the Annual Report.

Directors over seventy years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965 ("the Act").

Statement on Corporate Governance (Cont'd)

(B) DIRECTORS' REMUNERATION

The details of the remuneration of Directors during the financial year ended 31 January 2012 are as follows:-

Category	Fees (RM'000)	Salaries (RM'000)	Defined Contribution (RM'000)	Other Emoluments (RM'000)	Total (RM'000)
Executive Directors	50	316	38	49	453
Non-Executive Directors	100	–	–	305*	405

* Other Emoluments included RM5,000 paid to a former Director

The number of Directors whose total remuneration during the financial year fall within the following bands:-

Remuneration	Number of Directors Executive	Non-Executive
Below RM50,000	–	–
RM50,000 - RM100,000	–	3
RM100,001 – RM150,000	1	1
RM150,001 – RM200,000	–	–
RM200,001 – RM250,000	–	–
RM250,001 – RM300,000	1	–

(C) RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS

The Group recognises the importance of keeping shareholders and investors informed of the Group's performance and major developments. Such information is disseminated via the distribution of annual reports and relevant circulars, disclosure of material information by way of announcements and issuance of quarterly financial results of the Group to Bursa Securities and the public as well as through press conferences. In addition, stakeholders who wish to reach the Group can do so through the "Contact Us" page in our current website.

The AGM is the principal forum for dialogue with shareholders where opportunities are given to them to raise questions and seek clarifications pertaining to the operation and financial performance of the Group. Members of the Board as well as the Auditors of the Company are present to provide responses to questions from the shareholders during these meetings.

Each item of the special business included in the notice of the meeting will be accompanied by an explanatory statement on the proposed resolution.

(D) ACCOUNTABILITY AND AUDIT

(i) Financial Reporting

The Board, in presenting the annual audited financial statements, aims to present a balanced and rational assessment of the Group's position and prospects. The Board is also responsible for ensuring that the financial statements prepared are drawn up in accordance with the provisions of the Act and the applicable approved accounting standards in Malaysia.

The quarterly financial results and audited financial statements were reviewed by the Audit Committee and approved by the Board before being released to Bursa Securities. The details of the Company and the Group's financial statements for the financial year ended 31 January 2012 can be found from pages 36 to 125 of this Annual Report.

Statement on Corporate Governance (Cont'd)

(ii) Statement of Directors' Responsibility in relation to the Financial Statements

The Board is required by the Act to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and the Group and of their results and cashflow for that period.

As required by the Act and the Listing Requirements of Bursa Securities, the financial statements have been prepared in accordance with the approved accounting standards in Malaysia and comply with the provisions of the Act.

In preparing the financial statements for the financial year ended 31 January 2012, the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates.

The Directors have responsibility for ensuring that the Company and the Group maintain accounting records, which disclose, with reasonable accuracy, the financial position of the Company and the Group and which enable them to ensure that the financial statements comply with the Act. The Directors have general responsibilities for taking such steps as are reasonably available to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

(iii) Internal Control

The Board acknowledges that it is responsible for maintaining a sound system of internal control, which provides reasonable assessment of effectiveness and efficient operations, internal financial controls, and compliance with laws and regulations as well as with internal procedures and guidelines.

A Statement on Internal Control of the Group is set out on pages 24 to 25 of this Annual Report.

(iv) Relationship with the External Auditors

The Board, through the Audit Committee, maintains a close and transparent professional relationship with its auditors in seeking professional advice and ensuring compliance with the accounting standards in Malaysia. The role of the Audit Committee in relation to the external auditors is set out on pages 26 to 29 of this Annual Report.

(E) CORPORATE SOCIAL RESPONSIBILITY (CSR)

As a responsible corporate citizen, the Group will continuously ensure that all pertinent activities relating to corporate social responsibility are considered and supported in its operations for the well being of stakeholders, community and environment.

Our employees are the heart of the Group and the key to the competitive success in the marketplace. As a policy, we do not discriminate against any race, gender, age and minorities. The employees are also provided adequate medical benefits as well as hospitalisation and personal accident insurance coverage. We believe that employees' involvement is vital to the success of the Group.

As part of efforts towards the preservation of environment, the Group would ensure there are sufficient measures at all construction sites and work places to prevent any adverse impact on the environment.

The Group also strives to contribute to the society by providing assistance to the needy segments within the communities via a recent free health screening conducted at our premise, Pandan Lake Club by Full Gospel Assembly KL and also supporting the CADS Enhancement Centre ("CEC") by providing them weekly free usage of the club's swimming pool to CEC's students with learning difficulties.

This Statement is made in accordance with a resolution of the Board of Directors dated 12 June 2012.

Additional Compliance Information

As At 31 January 2012

1. UTILISATION OF PROCEEDS

The Company did not raise funds through any corporate proposal during the financial year ended 31 January 2012.

2. SHARES BUY-BACK

There were no shares buy-back by the Company during the financial year.

3. IMPOSITION OF SANCTIONS AND/OR PENALTIES

There were no sanctions and/or penalties imposed on the Company or its subsidiaries, or directors or management by the relevant regulatory bodies during the financial year except that the Company had committed the following breaches pursuant to Bursa Malaysia Securities Berhad ("Bursa Securities")'s letter dated 17 June 2011:-

(i) Paragraph 9.16(1)(a) of the Main Market Listing Requirement ("Main Market LR") in respect of the Company's announcement dated 25 March 2010 on the fourth quarterly report for the financial period ended 31 January 2010 which failed to take into account the adjustments as stated in the Company's letter dated 8 November 2010;

(ii) Paragraph 9.19(35) of the Main Market LR for failing to make immediate announcement on the deviation of 10% or more between the audited and unaudited profit after tax and minority interest for the financial year ended 31 January 2010 ("Deviation"); and

(iii) Paragraph 9.16(16)(a) of the Main Market LR in respect of the Company's announcement dated 30 June 2010 that the Deviation was mainly due to tax effect (credit) on convertible securities. However, the Company had represented in its letter dated 8 November 2010 to Bursa Securities that the Deviation was also due to, among others, overstatement of cost of sales, allowance for doubtful debt and under accrual of interest on convertible securities.

4. NON-AUDIT FEES

During the financial year, the Company paid non-audit fees of RM150,000.00 to Messrs Baker Tilly Monteiro Heng for the review of its quarterly reports, as directed by Bursa Securities.

5. VARIATION IN RESULTS

There were no material variances between the audited results for the financial year ended 31 January 2012 and the unaudited results for the quarter and year ended 31 January 2012 of the Group.

6. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests, which were still subsisting as at the end of the financial year.

7. MATERIAL CONTRACTS RELATING TO LOANS

There were no other material contracts relating to loans entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests which were still subsisting as at the end of the financial year.

Additional Compliance Information (Cont'd)

As At 31 January 2012

8. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

During the financial year, the following were converted into Ordinary Shares of RM0.20 each:-

(i) 228,000,490 of Redeemable Convertible Preference Shares of RM0.20 each (RCPS)
(ii) 1,300 of Redeemable Convertible Secured Loan Stocks-B of RM0.20 each (RCSLS-B)
(iii) 417,501,330 of Redeemable Convertible Secured Loan Stocks-C of RM0.20 each (RCSLS-C)
(iv) 1,300 of Redeemable Convertible Secured Loan Stocks-D of RM0.20 each (RCSLS-D)

9. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Details of the recurrent related party transactions made during the financial year ended 31 January 2012 pursuant to the shareholders' mandate obtained by the Company at the Annual General Meeting held on 27 July 2011 are as follows:-

Nature of transactions undertaken by Trinity Corporation Berhad (formerly known as Talam Corporation Berhad) ("TCB") and/or its subsidiaries	Transacting Company	Amount Transacted (RM'000)	Interested Related Party
(A) Construction Contract Costs charged by KEB Builders Sdn Bhd ("KEBB")			
Expand Factor Sdn Bhd*	KEBB	594	TSDCAC, PSDTNC & KEURO (Notes 1 and 2)
Europlus Construction Sdn Bhd^	KEBB	778	TSDCAC, PSDTNC & KEURO (Notes 1 and 2)
Galian Juta Sdn Bhd	KEBB	3,628	TSDCAC, PSDTNC & KEURO (Notes 1 and 2)
(B) Construction Contract Costs charged by IJM Construction Sdn Bhd ("IJMC") & IJM Properties Sdn Bhd ("IJMP")			
Europlus Corporation Sdn Bhd	IJMC	6	KEURO & IJM (Note 3)
Kenshine Corporation Sdn Bhd	IJMC	914	KEURO & IJM (Note 3)
Maxisegar Sdn Bhd	IJMC	2,563	KEURO & IJM (Note 3)
Sentosa Restu (M) Sdn Bhd*	IJMC	641	KEURO & IJM (Note 3)
Ukay Land Sdn Bhd^	IJMC	1939	KEURO & IJM (Note 3)
Expand Factor Sdn Bhd*	IJMP	297	KEURO & IJM (Note 3)

Additional Compliance Information (Cont'd)

As At 31 January 2012

Nature of transactions undertaken by TCB and/or its subsidiaries	Transacting Company	Amount Transacted (RM'000)	Interested Related Party
(C) Rental of Office Premises at Menara Maxisegar, Jalan Pandan Indah 4/2, Pandan Indah, 55100 Kuala Lumpur by Abra Development Sdn Bhd ("Abra")			
Abra	KEBB	116	TSDCAC, PSDTNC & KEURO (Notes 1 and 2)
Abra	West Coast Expressway Sdn Bhd	66	TSDCAC, PSDTNC & KEURO (Notes 1 and 2)
(D) Interest charged by Kumpulan Europlus Berhad ("KEURO")			
Europlus Berhad	KEURO	935	TSDCAC, PSDTNC & KEURO (Notes 1 and 2)
Galian Juta Sdn Bhd	KEURO	128	TSDCAC, PSDTNC & KEURO (Notes 1 and 2)
Inti Johan Sdn Bhd	KEURO	9	TSDCAC, PSDTNC & KEURO (Notes 1 and 2)
Kenshine Corporation Sdn Bhd	KEURO	7	TSDCAC, PSDTNC & KEURO (Notes 1 and 2)
L.C.B. Management Sdn Bhd	KEURO	9	TSDCAC, PSDTNC & KEURO (Notes 1 and 2)
Mutual Prosperous Sdn Bhd	KEURO	11	TSDCAC, PSDTNC & KEURO (Notes 1 & 2)
Maxisegar Sdn Bhd	KEURO	407	TSDCAC, PSDTNC & KEURO (Notes 1 and 2)
TCB Resources Sdn Bhd	KEURO	1,060	TSDCAC, PSDTNC & KEURO (Notes 1 and 2)
Terang Tanah Sdn Bhd	KEURO	13	TSDCAC, PSDTNC & KEURO (Notes 1 and 2)
Ukay Land Sdn Bhd^	KEURO	332	TSDCAC, PSDTNC & KEURO (Notes 1 and 2)

Additional Compliance Information (Cont'd)
As At 31 January 2012

Nature of transactions undertaken by TCB and/or its subsidiaries	Transacting Company	Amount Transacted (RM'000)	Interested Related Party
(E) Interest charged by Pengurusan Projek Bersistem Sdn Bhd ("PPBSB")			
L.C.B. Management Sdn Bhd	PPBSB	44	TSDCAC & PSDTNC (Notes 1 and 4)
Mutual Prosperous Sdn Bhd	PPBSB	1,368	TSDCAC & PSDTNC (Notes 1 and 4)
(F) Interest charged by Keuro Leasing Sdn Bhd ("KLSB")			
TCB	KLSB	1,079	TSDCAC, PSDTNC & KEURO (Notes 1 and 2)
(G) Interest charged by Cekap Tropikal Sdn Bhd			
Mutual Prosperous Sdn Bhd	Cekap Tropikal Sdn Bhd	718	KEURO & IJM (Note 3)
(H) Interest charged by Good Debut Sdn Bhd			
G.L. Development Sdn Bhd	Good Debut Sdn Bhd	372	KEURO & IJM (Note 3)
(I) Interest charged by Sierra Ukay Sdn Bhd			
Terang Tanah Sdn Bhd	Sierra Ukay Sdn Bhd	694	KEURO & IJM (Note 3)

NOTES:

1. Tan Sri Dato' (Dr) Ir Chan Ah Chye @ Chan Chong Yoon ("TSDCAC") is a Director of TCB. TSDCAC and Puan Sri Datin Thong Nyok Choo ("PSDTNC"), the spouse of TSDCAC are the Major Shareholders of TCB. As at 31 January 2012, TSDCAC and PSDTNC have direct and deemed equity interest of 31.91% in TCB. TSDCAC and PSDTNC are deemed interested in the shares of all the subsidiary companies of TCB to the extent TCB has an interest.

2. TSDCAC and PSDTNC are Directors and Major Shareholders of Kumpulan Europlus Berhad ("KEURO") which owns 30.17% equity interest in TCB as at 31 January 2012.

3. IJM Corporation Berhad ("IJM") holds 22.72% equity interest in KEURO, which in turn holds 30.17% equity interest in TCB as at 31 January 2012.

4. PSDTNC is a Director of Pengurusan Projek Bersistem Sdn Bhd ("PPBSB"). TSDCAC and PSDTNC have direct and deemed equity interest in PPBSB.

** Disposed and ceased as subsidiary of TCB on 31 December 2011. The transacted value disclosed was up to date of disposal.*

^ Disposed and ceased as subsidiary of TCB on 30 January 2012. The transacted value disclosed was up to date of disposal.

Statement on Internal Control

The Board of Directors, guided by the Statement on Internal Control : Guidance for Directors of Public Listed Companies, is pleased to provide the following statement on internal control pursuant to Paragraph 15.26 (b) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements which outlines the key elements of the internal control system within the Group for the financial year ended 31 January 2012.

RESPONSIBILITY

The Board recognises its responsibility for the Group's system of internal controls and for reviewing its adequacy and integrity. There's an on-going process of the Board to identify, evaluate and manage significant risks faced by the Group on a regular basis for the financial year under review. The system of internal controls is designed to manage, rather than eliminate, the risk of failure to achieve the business objectives of the Group. In pursuing these objectives, internal controls can only provide reasonable and not absolute assurance against material misstatement or loss. The system of internal controls incorporates, inter alia, risk management, financial, operational and compliance controls as well as the governance process.

RISK MANAGEMENT FRAMEWORK

The Board has established an organisational structure with clearly defined lines of accountability and delegated authority. It has extended the responsibilities of the Audit Committee to include the work of reviewing the adequacy and the integrity of the system of internal control, with the assistance of the internal audit function. The Group has put in place a Risk Management Committee ("RMC"), which is chaired by the Group's Executive Director and includes representatives from all the divisions. Each business division's risk management function is led by the respective head of the division. The RMC is tasked to develop and maintain an effective risk management system in the Group. Its reviews cover matters such as responses to significant risks identified, changes to internal control system and output from monitoring processes. It reports to the Audit Committee, which dedicates separate time for discussion of this subject.

INTERNAL AUDIT FUNCTION

The Group's Internal Audit Department reports independently to the Audit Committee. The Audit Committee reviews and approves the internal audit plan, which was developed and based on the finalised key risk profile of the Group, on an annual basis. The Internal Audit Department provided reports on key findings and progress of areas audited to the Audit Committee on a regular basis.

All recommendations proposed in improving the internal controls were considered and appropriate corrective measures have been implemented by the management to rectify the shortcomings and prevent further recurrence of issues and findings highlighted. All the internal controls instituted were applicable and intact.

OTHER KEY ELEMENTS OF INTERNAL CONTROLS

Other key elements of the Group's system of internal controls are:-

- The Group's internal audit function performs regular reviews of business processes to assess the effectiveness of internal controls and reports are made regularly to the Audit Committee.
- Operational organisation structure with defined lines of responsibilities and delegation of authority. A process of hierarchical reporting has been established, which provides for a documented and auditable trail of accountability.
- Management reports, which are presented to the Board each quarter, provides financial information, including key performance indicators and information of significant changes in accounting standards and reporting.

Statement on Internal Control (Cont'd)

- Regular Executive Committee meetings are convened to discuss the Group's operations and performance. The meetings enable the regular monitoring of results against budget, with significant variance explained and appropriate action taken.

- Defined limits of authority for various transactions, including purchasing and payments.

- Standing Instructions and Standard Operating Procedures of all departments are regularly reviewed and updated to ensure effective management of the Group's operations.

- Monitoring of financial results by the Audit Committee and the Board every quarter.

The Board of Directors is of the opinion that there are no significant weaknesses in the system of internal control during the financial year, which has significant financial impact on the Group's performance or operations. The Board and the management continue to take measures to strengthen the internal control environment to safeguard the shareholders' investment and the Group's assets.

This Statement is made in accordance with the resolution approved by the Board of Directors on 12 June 2012.

Audit Committee Report

COMPOSITION

Members of the Committee	Designation
1. Tsen Keng Yam *(Chairman)*	Independent Non-Executive Director *(Member of the Malaysian Institute of Accountants)*
2. Dato' Kamaruddin Bin Mat Desa	Independent Non-Executive Director
3. Datuk Ng Bee Ken	Independent Non-Executive Director

TERMS OF REFERENCE

The following terms of reference of the Audit Committee have been adopted.

Constitution

The Audit Committee was established by the Board of Directors on 24 February 1994.

Membership

The Committee shall be appointed by the Board of Directors from amongst their numbers and shall consist of not less than 3 members, of whom a majority shall be independent directors. An independent director shall be one who fulfils the requirement as provided for in the Listing Requirements of Bursa Malaysia Securities Berhad.

At least one member of the Audit Committee must be a member of the Malaysian Institute of Accountants, or if he is not a member of the Malaysian Institute of Accountants, he must have:-

(i) at least 3 years' working experience and passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act, 1967; or

(ii) at least 3 years' working experience and is a member of one of the associations of accountants specified in Part 11 of the 1st Schedule of the Accountants Act, 1967; or

(iii) a degree / masters / doctorate in accounting or finance and at least 3 years' post qualification experience in accounting or finance; or

(iv) at least 7 years' experience being a chief financial officer of a corporation, or having the function of being primarily responsible for the management of the financial affairs of a corporation.

The members of the Audit Committee shall elect a Chairman from amongst their number, who shall be an independent director. If a member of the Audit Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced to below 3, the Board of Directors shall, within 3 months of that event, appoint such number of new members as may be required to make up the minimum number of 3 members.

No alternate director can be appointed as a member of the Audit Committee.

Authority

The Audit Committee is granted the authority to investigate any activity of its Company and its subsidiaries within its terms of reference. In particular, the Audit Committee has the authority to:-

(i) have resources, which are required to perform its duties;

(ii) have full and unrestricted access to any information, including any information it requires from any employee, and all employees are directed to co-operate with any request made by the Audit Committee;

(iii) be able to obtain independent professional or other advice; and

(iv) have direct communication channels with the external and internal auditors.

Audit Committee Report (Cont'd)

Meetings and Reporting Procedures

The Audit Committee will meet at least four (4) times a year. A quorum for a meeting shall be two members, both being independent directors. At least twice a year, the Audit Committee shall meet with the external auditors without any executive directors being present. The external auditor may request for a meeting, if they consider necessary.

The directors and employees will attend any particular Audit Committee meeting only at the Audit Committee's invitation, specific to the relevant meeting.

The Company Secretary shall be the secretary of the Audit Committee. Minutes of the meeting shall be duly entered in the books provided therefore. The minutes will be circulated to all members of the Board of Directors and shall be presented at the Board of Directors' meeting.

Duties and Functions

The duties and functions of the Audit Committee shall be:-

(i) To consider the appointment of the external auditors, the audit fee and any questions of the resignation or dismissal of the external auditors before making a recommendation to the Board of Directors;

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

(iii) To review the quarterly results and year-end financial statements prior to the approval by the Board, focusing particularly on:

- (a) Any changes in the accounting policies and practices;
- (b) Significant and unusual events;
- (c) The going concern assumption;
- (d) Compliance with accounting standards, stock exchange and legal requirements;

(iv) To review any related party transaction and conflict of interest situation that may arise in the Company, including any transaction, procedure or course of conduct that raises question of management integrity;

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

(vi) In relation to internal audit function:-

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

Audit Committee Report (Cont'd)

(vii) To keep under review, the effectiveness of the internal control system and, in particular, review the external auditors' management letter and management's response;

(viii) To review the audit reports;

(ix) To review the reports of the Risk Management Committee;

(x) To make periodic reports to the Board of Directors, summarising the work performed in fulfilling the Audit Committee's primary responsibilities; and

(xi) To consider other topics, as defined by the Board of Directors.

ATTENDANCE AT AUDIT COMMITTEE MEETINGS

During the financial year ended 31 January 2012, there were five (5) Audit Committee meetings held and the number of meetings attended by each Audit Committee member are as follows:

Audit Committee Member		Number of Meetings attended
1.	Tsen Keng Yam	5 out of 5
2.	Dato' Kamaruddin Bin Mat Desa	5 out of 5
3.	Datuk Ng Bee Ken *(Appointed on 25 February 2011)*	5 out of 5
4.	Winston Mah Yat Kong *(Resigned on 25 February 2011)*	–

The Head of Finance and the Head of Internal Audit would normally attend all Audit Committee meetings at the invitation of the Audit Committee.

SUMMARY OF AUDIT COMMITTEE ACTIVITIES

During the financial year ended 31 January 2012, the Audit Committee carried out its duties, amongst others, in accordance with its terms of reference, as follows:-

(a) Reviewed the quarterly financial results prior to recommending them for consideration and approval by the Board of Directors;

(b) Reviewed and discussed with the external auditors the audit planning memorandum before commencement of the annual audit;

(c) Reviewed and discussed with external auditors' findings during the course of their audit and the management's response;

(d) Reviewed annual financial statements and recommend for approval by the Board of Directors;

(e) Reviewed and deliberated the recurrent related party transactions;

(f) Reviewed and approved the internal audit plan;

(g) Reviewed and deliberated the internal audit reports; and

(h) Reviewed the Risk Management Committee's reports and assessment.

Audit Committee Report (Cont'd)

INTERNAL AUDIT FUNCTION

The Audit Committee is supported in its duties by the internal audit function. The Committee is aware of the fact that the internal audit function is essential to assist in obtaining the assurance and consulting services it requires, regarding the effectiveness of the system of internal control in the Group.

The primary objective of the internal audit function is to review the effectiveness of the system of internal control and this is performed with impartiality, proficiency and due professional care. The internal audit function enables the Audit Committee to discharge its duties by undertaking independent regular and systematic reviews of the system of internal control, so as to provide reasonable assurance that the system continues to operate satisfactorily and effectively.

However, in recent years, due to continued reduced business activities in the Group, the internal audit activities were also scaled down accordingly. Total staff cost incurred in respect of the internal audit function during the financial year ended 31 January 2012 was RM57,954.

During the financial year, the following main internal audit activities were carried out:-

(i) Conducted internal audit in accordance with the risk based / driven internal audit plan. Five routine audits and one ad-hoc audit were carried out during the year;

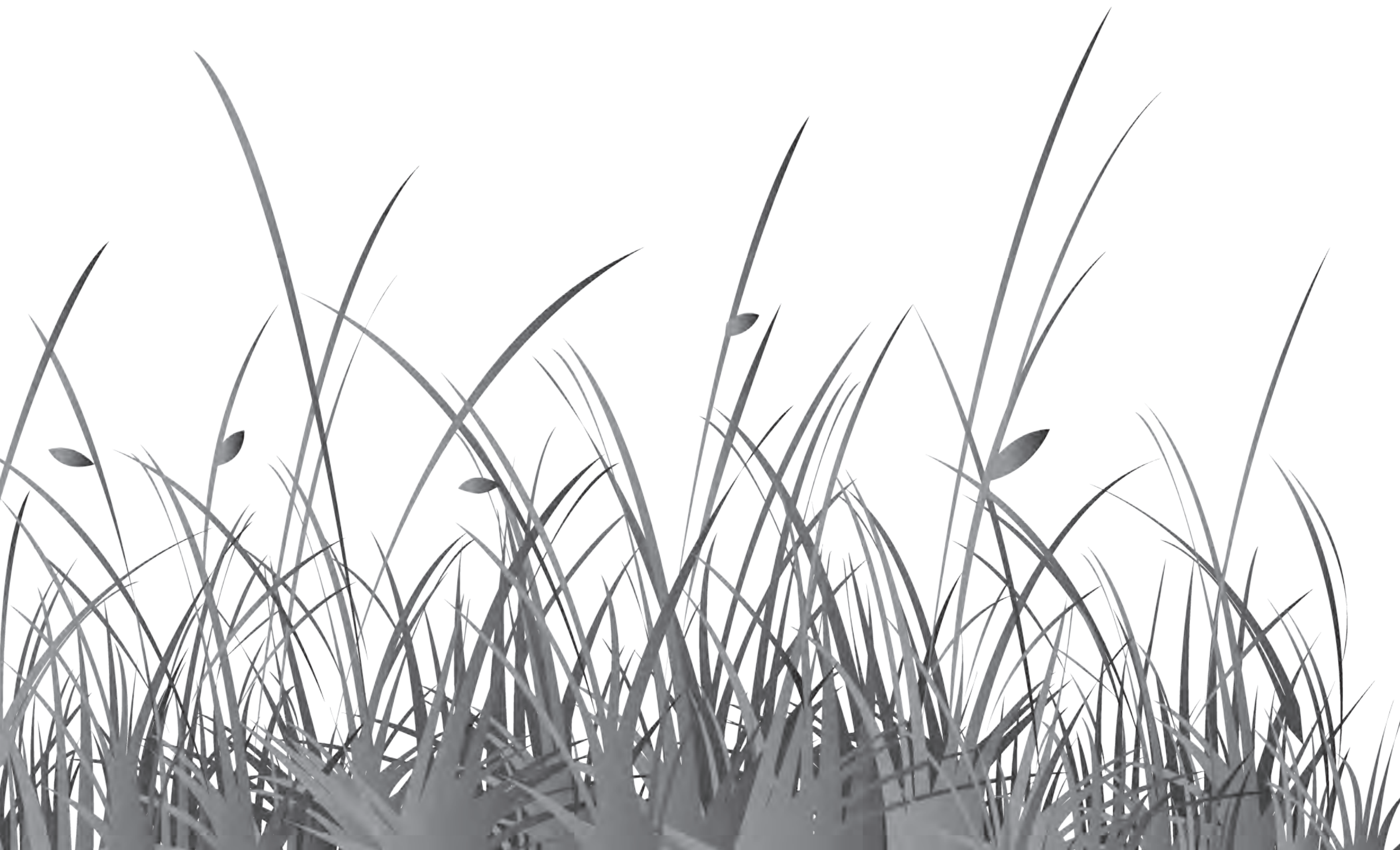
(ii) Reviewed the internal control procedures as stipulated in the Group's Standing Instructions and Standard of Operating Procedures. During the same period, Standing Instructions and Standard of Operating Procedures of the departments were being jointly reviewed and updated, and practical internal control procedures were incorporated;

(iii) Reviewed the recurrent related party transactions of the Company and its Group and made the necessary recommendation; and

(iv) Attended the Risk Management Committee Meetings conducted by the Management.

All internal audit reports, which were deliberated by the Audit Committee and recommendations made to the Board and/or the Management, were acted upon.

Financial Statements



Directors' Report

The directors hereby submit their report together with the audited financial statements of Trinity Corporation Berhad *(formerly known as Talam Corporation Berhad)* ("the Company") and its subsidiaries ("the Group") for the financial year ended 31 January 2012.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year were that of the provision of management services, investment holding and property development.

The principal activities of the subsidiaries of the Company are stated in Note 36 to the financial statements.

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

CHANGE OF NAME

The name of the Company was changed from Talam Corporation Berhad to Trinity Corporation Berhad on 8 August 2011.

RESULTS

	GROUP RM'000	COMPANY RM'000
Loss for the financial year	(127,411)	(153,424)
Attributable to:-		
Owners of the Company	(126,406)	(153,424)
Non-controlling interests	(1,005)	–
	(127,411)	(153,424)

DIVIDEND

No dividends were paid or declared by the Company since the end of the previous financial year.

The directors do not recommend the payment of any dividend in respect of the financial year ended 31 January 2012.

RESERVES AND PROVISIONS

All material transfers to and from reserves and provisions during the financial year have been disclosed in the financial statements.

BAD AND DOUBTFUL DEBTS

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 to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances that would render 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.

Directors' Report (Cont'd)

CURRENT ASSETS

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 to ensure that any current assets, other than debts, which were unlikely to be realised, in the ordinary course of business, their values as shown in the accounting records of the Group and of the Company had been written down to an amount that they might be expected to be realised.

At the date of this report, the directors are not aware of any circumstances that would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

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

(ii) any contingent liabilities in respect of the Group and of the Company that have arisen since the end of the financial year.

In the opinion of the directors, no contingent liabilities or other liabilities of the Group and of the Company have 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 substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

In the opinion of the directors, other than the Group's impairment loss on land held for property development of RM35,968,000/-, loss on disposal of subsidiaries of RM23,170,000/-, impairment loss on receivables of RM16,517,000/- and the Company's impairment loss of amounts owing by subsidiaries of RM288,594,000/-, mitigated by a reversal of impairment loss of amounts owing by subsidiaries of RM154,420,000/-, the results of the operations of the Group and of the Company for the financial year were not, substantially affected by any item, transaction or event of a material and unusual nature.

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

Directors' Report (Cont'd)

ISSUE OF SHARES AND DEBENTURES

There were no issues of shares or debentures during the financial year under review other than as stated below:-

(i) 228,000,490 redeemable convertible preference shares ("RCPS") of RM0.20 each were converted into 228,000,490 new ordinary shares of RM0.20 each; and

(ii) 417,503,930 redeemable convertible secured loan stocks ("RCSLS") of RM0.20 each were converted into 417,503,930 new ordinary shares of RM0.20 each.

The issued and paid-up ordinary share capital of the Company increased from RM682,094,434/- to RM811,195,318/-.

The new ordinary shares issued during the financial year, arising from the conversion of RCPS and RCSLS, shall rank pari passu in all respects with the existing ordinary shares of the Company except that the holders thereof shall not be entitled to any dividends, rights, allotments and/or other distributions where the entitlement date of which precedes the date of allotment of the new ordinary shares of the Company.

The details of the RCSLS and RCPS are disclosed in Note 23 to the financial statements.

TREASURY SHARES

During the financial year, the Company did not repurchase any of its issued and paid-up ordinary shares from the open market.

As at 31 January 2012, the Company held as treasury shares a total of 2,464,240 of its 4,055,976,589 issued and paid-up ordinary shares. Such treasury shares are held at a carrying amount of RM492,848/- as disclosed in Note 20 to the financial statements.

The ordinary shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965 in Malaysia.

SHARE OPTION

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS

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

Tsen Keng Yam
Tan Sri Dato' (Dr.) Ir. Chan Ah Chye @ Chan Chong Yoon
Dato' Kamaruddin bin Mat Desa
Datuk Ng Bee Ken
Chua Kim Lan
Loy Boon Chen

Directors' Report (Cont'd)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings kept by the Company under Section 134 of the Companies Act, 1965 in Malaysia, the interests of those directors, who held office at the end of the financial year, in shares in the Company and its related corporation during the financial year ended 31 January 2012 are as follows:-

	Number of ordinary shares of RM0.20 each			
	At 1.2.2011	**Acquired**	**Disposed**	**At 31.1.2012**
The Company				
Direct interests				
Tan Sri Dato' (Dr.) Ir. Chan Ah Chye @ Chan Chong Yoon	40,730,592	–	–	40,730,592
Chua Kim Lan	90,039	–	–	90,039
Loy Boon Chen	462,900	–	–	462,900
Indirect interests				
Tan Sri Dato' (Dr.) Ir. Chan Ah Chye @ Chan Chong Yoon	792,720,645	629,152,320	169,536,772	1,252,336,193#
Chua Kim Lan	28,125	–	–	28,125^

Deemed interested through his spouse, Puan Sri Datin Thong Nyok Choo, his daughter, Chan Siu Wei and by virtue of his interest in Kumpulan Europlus Berhad, Pengurusan Projek Bersistem Sdn. Bhd., Sze Choon Holdings Sdn. Bhd. and Prosperous Inn Sdn. Bhd. pursuant to Section 134(12)(c) and Section 6A of the Companies Act, 1965 in Malaysia.

^ Deemed interested through her spouse, Chin Chee Meng pursuant to Section 134(12)(c) of the Companies Act, 1965 in Malaysia.

By virtue of his interest in the shares of the Company, Tan Sri Dato' (Dr.) Ir. Chan Ah Chye @ Chan Chong Yoon is also deemed interested in the shares of all the Company's subsidiaries to the extent the Company has an interest.

Other than as disclosed above, none of the other directors in office at the end of the financial year had any interest in shares in the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company 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 shown in Note 34 and Note 38 to the financial statements) by reason of a contract made by the Company or a related corporation with the 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.

Neither during nor at the end of the financial year was the Company or any of its related corporation a party to any arrangement whose object was to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' Report (Cont'd)

SIGNIFICANT AND SUBSEQUENT EVENTS

Significant events during the financial year and subsequent events are disclosed in Note 37 to the financial statements.

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng, have expressed their willingness to continue in office.

On behalf of the Board,

……………………………………….
CHUA KIM LAN
Director

……………………………………....
LOY BOON CHEN
Director

Kuala Lumpur

Date: 31 May 2012

Statements of Financial Position

As At 31 January 2012

		GROUP			COMPANY		
	Note	As at 31.1.2012 RM'000	As at 31.1.2011 RM'000 (Restated)	As at 1.2.2010 RM'000 (Restated)	As at 31.1.2012 RM'000	As at 31.1.2011 RM'000 (Restated)	As at 1.2.2010 RM'000 (Restated)
Non-current assets							
Property, plant and equipment	6	126,638	123,969	133,436	689	790	1,255
Land held for property development	7(a)	622,165	866,511	1,457,815	104,332	113,743	113,743
Investment properties	8	109,806	161,815	193,403	–	–	–
Goodwill	9	26,822	26,822	26,822	–	–	–
Investment in subsidiaries	10	–	–	–	246,597	254,897	344,801
Investment in associates	11	3,926	–	–	–	–	–
Interest in jointly controlled entities	12	17,324	12,510	10,962	–	–	–
Amount owing by subsidiaries		–	–	–	–	–	1,044,979
Amount owing by associates		–	–	26,124	–	–	–
Amount owing by jointly controlled entities		–	–	187	–	–	187
Sinking funds held by trustees	13	35	8,832	4,256	14	8,810	58
Long term receivables		–	–	10,060	–	–	–
Total non-current assets		906,716	1,200,459	1,863,065	351,632	378,240	1,505,023
Current assets							
Property development costs	7(b)	632,897	778,117	903,116	4,757	–	–
Inventories	14	111,182	112,185	66,539	273	5,687	5,687
Amount owing by subsidiaries	10(a)	–	–	–	1,100,348	974,201	–
Amount owing by associates	11(b)	25,805	25,811	–	–	6	3
Amount owing by jointly controlled entities	12(b)	20,187	24,750	–	15,437	20,000	–
Trade receivables	15	84,898	127,958	215,861	–	–	–
Other receivables, deposits and prepaid expenses	16	168,121	174,197	188,960	39,424	11,869	20,578
Tax recoverable		316	316	314	–	–	–
Cash and bank balances	17	10,458	17,615	12,075	2,455	6,680	154
Assets held for sale	18	223,684	340,179	–	–	–	–
Total current assets		1,277,548	1,601,128	1,386,865	1,162,694	1,018,443	26,422
TOTAL ASSETS		2,184,264	2,801,587	3,249,930	1,514,326	1,396,683	1,531,445

Statements of Financial Position (Cont'd)
As At 31 January 2012

	Note	GROUP As at 31.1.2012 RM'000	GROUP As at 31.1.2011 RM'000 (Restated)	GROUP As at 1.2.2010 RM'000 (Restated)	COMPANY As at 31.1.2012 RM'000	COMPANY As at 31.1.2011 RM'000 (Restated)	COMPANY As at 1.2.2010 RM'000 (Restated)
EQUITY AND LIABILITIES							
Capital and Reserves							
Share capital	19	811,195	682,094	477,757	811,195	682,094	477,757
Treasury shares	20	(493)	(493)	(493)	(493)	(493)	(493)
Reserves	21	(237,752)	(65,666)	131,317	(291,025)	(93,112)	76,107
Equity attributable to owners of the Company		572,950	615,935	608,581	519,677	588,489	553,371
Non-controlling interests		2,587	3,592	4,235	–	–	–
Total equity		575,537	619,527	612,816	519,677	588,489	553,371
Non-current liabilities							
Borrowings	22(a)	98,170	134,213	218,866	98,170	134,213	134,213
Convertible securities	23	80,073	256,330	390,186	80,073	256,330	390,186
Amount owing to subsidiaries		–	–	–	–	–	294,785
Amount owing to jointly controlled entities		–	–	48,756	–	–	–
Long term payables		–	–	78,009	–	–	–
Deferred tax liabilities	24	3,910	18,260	37,765	3,910	18,260	32,966
Provision for liability	25	19,562	41,225	43,614	–	–	–
Total non-current liabilities		201,715	450,028	817,196	182,153	408,803	852,150
Current liabilities							
Trade payables	26	394,618	543,309	698,777	256,228	9,013	10,093
Other payables and accrued expenses	27	539,005	625,955	604,238	57,971	76,860	76,669
Provision for liability	25	7,502	9,196	11,301	–	–	–
Borrowings	22(b)	283,480	336,072	312,869	25,568	27,937	38,828
Amount owing to subsidiaries	10(a)	–	–	–	472,395	285,247	–
Amount owing to jointly controlled entities	12(c)	45,128	43,430	–	–	–	–
Current tax liabilities		137,279	174,070	192,733	334	334	334
Total current liabilities		1,407,012	1,732,032	1,819,918	812,496	399,391	125,924
Total liabilities		1,608,727	2,182,060	2,637,114	994,649	808,194	978,074
TOTAL EQUITY AND LIABILITIES		2,184,264	2,801,587	3,249,930	1,514,326	1,396,683	1,531,445

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

Statements of Comprehensive Income

For The Financial Year Ended 31 January 2012

		GROUP		COMPANY	
	Note	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Revenue	28	637,424	183,395	324	30,000
Cost of sales	29	(603,502)	(182,156)	(326)	(30,000)
Gross profit/(loss)		33,922	1,239	(2)	–
Other income		76,213	58,233	175,677	108
Administrative and other expenses		(192,308)	(145,034)	(315,215)	(102,586)
Finance costs	30	(46,975)	(69,499)	(16,594)	(22,623)
Share of results of associates		(74)	–	–	–
Share of results of jointly controlled entities		4,804	1,308	–	–
Loss before tax	31	(124,418)	(153,753)	(156,134)	(125,101)
Income tax (expense)/credit	32	(2,993)	(13,978)	2,710	–
Loss for the financial year		(127,411)	(167,731)	(153,424)	(125,101)
Other comprehensive (loss)/income					
Exchange differences on translation of foreign entities		(1,191)	14,223	–	–
Total comprehensive loss for the financial year		(128,602)	(153,508)	(153,424)	(125,101)
Loss for the financial year attributable to:-					
Owners of the Company		(126,406)	(167,088)	(153,424)	(125,101)
Non-controlling interests		(1,005)	(643)	–	–
		(127,411)	(167,731)	(153,424)	(125,101)
Total comprehensive loss for the financial year attributable to:-					
Owners of the Company		(127,597)	(152,865)	(153,424)	(125,101)
Non-controlling interests		(1,005)	(643)	–	–
		(128,602)	(153,508)	(153,424)	(125,101)
Loss per share attributable to owners of the Company:-					
- Basic (sen)	33	(3.33)	(5.81)		
- Diluted (sen)	33	(3.33)	(5.81)		

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

Consolidated Statement of Changes in Equity

For The Financial Year Ended 31 January 2012

	Attributable to owners of the Company							
	Non distributable							
GROUP	Share Capital RM'000	Treasury Shares RM'000	Convertible Securities RM'000	Capital Reserves RM'000	Accumulated Losses RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
At 1 February 2010	477,757	(493)	109,179	32,897	(10,759)	608,581	4,235	612,816
Convertible securities converted/redeemed during the financial year	204,337	–	(44,118)	–	–	160,219	–	160,219
Total comprehensive loss for the financial year	–	–	–	14,223	(167,088)	(152,865)	(643)	(153,508)
At 31 January 2011	682,094	(493)	65,061	47,120	(177,847)	615,935	3,592	619,527
Convertible securities converted/redeemed during the financial year	129,101	–	(44,489)	–	–	84,612	–	84,612
Total comprehensive loss for the financial year	–	–	–	(1,191)	(126,406)	(127,597)	(1,005)	(128,602)
At 31 January 2012	811,195	(493)	20,572	45,929	(304,253)	572,950	2,587	575,537

Statement of Changes in Equity

For The Financial Year Ended 31 January 2012

	Non distributable				
Company	Share Capital RM'000	Treasury Shares RM'000	Convertible Securities RM'000	Accumulated Losses RM'000	Total Equity RM'000
At 1 February 2010	477,757	(493)	109,179	(33,072)	553,371
Convertible securities converted/redeemed during the financial year	204,337	–	(44,118)	–	160,219
Total comprehensive loss for the financial year	–	–	–	(125,101)	(125,101)
At 31 January 2011	682,094	(493)	65,061	(158,173)	588,489
Convertible securities converted/redeemed during the financial year	129,101	–	(44,489)	–	84,612
Total comprehensive loss for the financial year	–	–	–	(153,424)	(153,424)
At 31 January 2012	811,195	(493)	20,572	(311,597)	519,677

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

Statements of Cash Flows

For The Financial Year Ended 31 January 2012

	GROUP		COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax	(124,418)	(153,753)	(156,134)	(125,101)
Adjustments for:-				
Assets held for sale write down to fair value less costs to sell	7,775	41,973	–	–
Interest expenses:-				
- borrowings	38,466	57,840	8,085	10,964
- convertible securities	8,509	11,659	8,509	11,659
Impairment loss on:-				
- receivables - trade	4,255	3,902	–	–
- receivables - non trade	12,239	21,403	3,404	8,613
- amount owing by subsidiaries	–	–	288,594	–
- amount owing by associates	20	–	20	–
- amount owing by jointly controlled entities	3	187	3	187
- investment in subsidiaries	–	–	500	90,404
- land held for property development	35,968	9,459	4,328	–
Provision for foreseeable loss	9,235	–	–	–
Provision for liquidated and ascertained damages	12,909	10,000	–	–
Depreciation:-				
- property, plant and equipment	5,371	5,650	101	220
- investment properties	3,485	3,091	–	–
Bad debts written off	–	1,103	–	4
Property, plant and equipment writte off	67	279	–	245
Foreseeable losses no longer required	–	(23,727)	–	–
(Gain)/Loss on disposal of:-				
- property, plant and equipment	–	(4,680)	–	–
- investment properties	–	2,662	–	–
- subsidiaries	23,170	14,469	7,795	–
Gain on convertible securities	(18,897)	–	(18,897)	–
Impairment loss no longer required				
- receivables - trade	(10,625)	(5,301)	–	–
- receivables - non trade	(1,557)	(3,947)	(1,557)	(104)
- subsidiaries	–	–	(154,420)	–
Sub total carried forward	5,975	(7,731)	(9,669)	(2,909)

Statements of Cash Flows (Cont'd)

For The Financial Year Ended 31 January 2012

	GROUP		COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (Cont'd)				
Sub total brought forward	5,975	(7,731)	(9,669)	(2,909)
Reversal of provision for liquidated and ascertained damages	(12,135)	–	–	–
Waiver of debts:-				
- other payables	(29,628)	(42,073)	–	–
Interest income	(1,544)	(879)	(82)	–
Share of results of associates	74	–	–	–
Share of results of jointly controlled entities	(4,804)	(1,308)	–	–
Currency realignment	1,698	(897)	–	–
Operating loss before working capital changes	(40,364)	(52,888)	(9,751)	(2,909)
Changes in working capital				
Property development activities:-				
- land held for property development	(29,911)	153,308	–	–
- property development costs	167,359	2,618	326	–
Subsidiaries balances	–	–	(157,271)	61,240
Inventories	(2,969)	(46,606)	5,414	–
Receivables	(76,567)	59,041	(9,402)	196
Payables	(119,255)	(49,184)	216,606	(889)
Assets held for sale	221,524	–	–	–
Cash generated from operations	119,817	66,289	45,922	57,638
Interest received	1,461	563	–	–
Income taxes paid	–	(1,105)	–	–
Interest paid	(41,345)	(9,506)	(5,165)	(5,807)
Payment for liquidated and ascertained damages	(2,140)	(502)	–	–
Net Cash Generated From Operating Activities	77,793	55,739	40,757	51,831

Statements of Cash Flows (Cont'd)

For The Financial Year Ended 31 January 2012

	GROUP 2012 RM'000	GROUP 2011 RM'000	COMPANY 2012 RM'000	COMPANY 2011 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Net change in associates balances	(14)	313	(14)	(3)
Net proceeds from disposal of:-				
- property, plant and equipment	–	13,649	–	–
- investment properties	–	25,835	–	–
- subsidiaries (Note 10)	7	1	5	–
Net change in jointly controlled entities balances	6,258	(10,076)	(15,439)	(20,000)
Purchase of property, plant and equipment	(1,931)	(3,233)	–	–
Cash outflow arising from disposal of subsidiaries (Note 10)	(4,764)	(445)	–	–
Addition to investment in subsidiaries	–	–	–	(500)
Investment in associates	(4,000)	–	–	–
Addition to investment in jointly controlled entities	(10)	(250)	–	–
Net Cash (Used in)/Generated From Investing Activities	(4,454)	25,794	(15,448)	(20,503)
CASH FLOWS FROM FINANCING ACTIVITIES				
Net repayment of borrowings	(85,096)	(69,882)	(36,672)	(16,186)
Net changes in sinking funds held by trustees	8,797	(4,634)	8,796	(8,810)
Housing development accounts pledged as security values	(65)	7,390	–	–
Interest received	83	316	82	–
Net Cash Used In Financing Activities	(76,281)	(66,810)	(27,794)	(24,996)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(2,942)	14,723	(2,485)	6,332
EFFECTS OF EXCHANGE DIFFERENCES	(27)	(26)	–	–
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	13,255	(1,442)	4,940	(1,392)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR (Note 17)	10,286	13,255	2,455	4,940

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

Notes to the Financial Statements

For The Financial Year Ended 31 January 2012

1. PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

The principal activities of the Company during the financial year were that of the provision of management services, investment holding and property development. The principal activities of the subsidiaries of the Company are stated in Note 36 to the financial statements. There have been no significant changes in the nature of these principal activities during the financial year.

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

The registered office and the principal place of business of the Company is located at Suite 2.12, Level 2, Menara Maxisegar, Jalan Pandan Indah 4/2, Pandan Indah, 55100 Kuala Lumpur.

The financial statements are expressed in Ringgit Malaysia rounded to nearest '000 unless otherwise specified.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 31 May 2012.

2. FUNDAMENTAL ACCOUNTING CONCEPT

During the financial year ended 31 January 2012, the Group and the Company incurred losses for the financial year of RM127,411,000/- and RM153,424,000/- respectively and as of that date, the Group's current liabilities exceeded its current assets by RM129,464,000/-, thereby indicating the existence of an uncertainty which may cast doubt about the Group's and the Company's ability to continue as going concerns.

The directors are of the opinion that the Group's and the Company's ability to continue as going concerns are dependent upon the ability of the Group and the Company to operate profitably from its future property development activities and to improve the net current liabilities position of the Group. As a strategy, the Group will continue to dispose of certain assets, including land, and to enter into joint ventures with reputable companies to develop identified parcels of land to improve its working capital position.

The financial statements of the Group and the Company have been prepared on going concern basis and do not include any adjustments relating to the amounts and classifications relating to the recorded assets and liabilities that might be necessary should the going concern basis of preparation of the Group's and the Company's financial statements be inappropriate.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared under the historical cost convention and comply with the Financial Reporting Standards ("FRSs") and the Companies Act, 1965 in Malaysia.

At the beginning of current financial year, the Group and the Company adopted new and revised FRSs which are mandatory for financial periods beginning on or after 1 February 2011 as describe fully in Note 3.1(a) to the financial statements.

The preparation of financial statements in conformity with FRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reported period. It also requires the directors' best knowledge of current events and actions, and therefore actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5 to the financial statements.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

3. BASIS OF PREPARATION (CONT'D)

3.1 NEW AND REVISED FRSs, AMENDMENTS/IMPROVEMENTS TO FRSs, NEW IC INTERPRETATIONS ("IC Int"), AMENDMENTS TO IC INT AND NEW MALAYSIAN ACCOUNTING STANDARDS BOARD ("MASB") APPROVED ACCOUNTING STANDARDS, MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRSs")

(a) Adoption of Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int

The Group and the Company had adopted the following revised FRSs, amendments/improvements to FRSs, new IC Int and amendments to IC Int that are mandatory for the current financial year:-

<u>Revised FRSs</u>

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations
FRS 127	Consolidated and Separate Financial Statements

<u>Amendments/Improvements to FRSs</u>

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements
FRS 121	The Effects of Changes in Foreign Exchanges Rate
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Presentation
FRS 134	Interim Financial Reporting
FRS 138	Intangible Assets
FRS 139	Financial Instruments: Recognition and Measurement

<u>New IC Int</u>

IC Int 4	Determining Whether an Arrangement contains a Lease
IC Int 12	Services Concession Arrangements
IC Int 16	Hedges of a Net Investment in a Foreign Operation
IC Int 17	Distributions of Non-cash Assets to Owners
IC Int 18	Transfers of Assets from Customers

<u>Amendments to IC Int</u>

IC Int 9	Reassessment of Embedded Derivatives
IC Int 13	Customer Loyalty Programmes

The main effects of the adoption of the above revised FRSs, amendments/improvements to FRSs, new IC Int and amendments to IC Int are summarised below:-

FRS 3 Business Combinations (Revised)

The adoption of the FRS 3 affects the way in which the Group accounts for business combinations. The main changes made in this revised standard were:-

- All the acquisition-related costs incurred by the acquirer in connection with the business combination shall be recognised as expense in the profit or loss in the period in which the costs are incurred;

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

3. BASIS OF PREPARATION (CONT'D)

3.1 NEW AND REVISED FRSs, AMENDMENTS/IMPROVEMENTS TO FRSs, NEW IC INTERPRETATIONS ("IC Int"), AMENDMENTS TO IC INT AND NEW MALAYSIAN ACCOUNTING STANDARDS BOARD ("MASB") APPROVED ACCOUNTING STANDARDS, MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRSs") (CONT"D)

(a) Adoption of Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int (Cont'd)

FRS 3 Business Combinations (Revised) (Cont'd)

- All considerations transferred by the acquirer, including contingent considerations, in a business combination shall be measured at fair value as at the acquisition date. Subsequent changes in the fair value of contingent consideration classified as liabilities are recognised in accordance with FRS 139, FRS 137 or other FRSs, as appropriate;

- An acquirer is no longer permitted to recognise contingencies acquired in a business combination that do not meet the definition of a liability;

- For each business combination, the acquirer must measure any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets. Previously, only the latter was permitted;

- For a business combination achieved in stages, the equity interests held by the acquirer in the acquiree immediately before achieving control are re-measured at its acquisition-date fair value with any corresponding gain or loss recognised in profit or loss; and

- Goodwill arising from the business combination is measured as the difference between the aggregate fair value of consideration transferred, any non-controlling interest in the acquiree, and the fair value at acquisition date of any previously-held equity interest in the acquiree, and the fair value of identifiable assets acquired and liabilities assumed (including contingent liabilities) at acquisition date.

This revised FRS 3 shall be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2010. There is no financial impact on the financial statements of the Group for the current financial year as there were no business combinations during the financial year.

FRS 127 Separate Financial Statements (Revised)

The revised FRS 127 requires that any changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity. When the Group loses control of a subsidiary, any remaining interest retained in the former subsidiary will be measured at fair value and any resulting gain or loss is recognised in profit or loss. Total comprehensive income will be proportionately allocated to the owners of the parent and to the non-controlling interests even if it results in the non-controlling interests having a deficit balance.

The revised FRS 127 shall be applied prospectively to business combinations for which the acquisition date is on or after 1 July 2010. There is no financial impact on the financial statements of the Group for the current financial year as there were no business combinations or changes in the Group's ownership interest in a subsidiary that do not result in the loss of control during the financial year other than disposal of subsidiaries which resulted the Group losses control of subsidiaries as disclosed in Note 10(b) to the financial statements.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

3. BASIS OF PREPARATION (CONT'D)

3.1 NEW AND REVISED FRSs, AMENDMENTS/IMPROVEMENTS TO FRSs, NEW IC INTERPRETATIONS ("IC Int"), AMENDMENTS TO IC INT AND NEW MALAYSIAN ACCOUNTING STANDARDS BOARD ("MASB") APPROVED ACCOUNTING STANDARDS, MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRSs") (CONT'D)

(a) Adoption of Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int (Cont'd)

Amendments to FRS 7 Financial Instruments: Disclosures

Disclosures on fair value and liquidity have been enhanced upon the adoption of this amendment. In particular, financial instruments measured at fair value are disclosed by class in a three-level fair value measurement hierarchy, with specific disclosures related to transfers between levels in the hierarchy and detailed disclosures on level three of the fair value hierarchy. Certain disclosures on liquidity are also modified. The adoption of this amendment resulted in additional disclosures in the financial statements but did not have any financial impact on the Group and the Company.

IC Int 4 Determining Whether an Arrangement Contains a Lease

This IC Int clarifies that when the fulfilment of an arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset, then the arrangement should be accounted for as a lease under FRS 117, even though it does not take the legal form of a lease. This interpretation did not have any financial impact on the Group and the Company.

(b) New and Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int that are issued, not yet effective and have not been early adopted

The Group and Company have not adopted the following new and revised FRSs, amendments/ improvements to FRSs, new IC Int and amendments to IC Int that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:-

		Effective for financial periods beginning on or after
New FRSs		
FRS 9	Financial Instruments	1 January 2015
FRS 10	Consolidated Financial Statements	1 January 2013
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosures of Interests in Other Entities	1 January 2013
FRS 13	Fair Value Measurement	1 January 2013
Revised FRSs		
FRS 119	Employee Benefits	1 January 2013
FRS 124	Related Party Disclosures	1 January 2012
FRS 127	Separate Financial Statements	1 January 2013
FRS 128	Investments in Associates and Joint Ventures	1 January 2013

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

3. BASIS OF PREPARATION (CONT'D)

3.1 NEW AND REVISED FRSs, AMENDMENTS/IMPROVEMENTS TO FRSs, NEW IC INTERPRETATIONS ("IC Int"), AMENDMENTS TO IC INT AND NEW MALAYSIAN ACCOUNTING STANDARDS BOARD ("MASB") APPROVED ACCOUNTING STANDARDS, MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRSs") (CONT'D)

(b) New and Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int that are issued, not yet effective and have not been early adopted (Cont'd)

		Effective for financial periods beginning on or after
Amendments/Improvements to FRSs		
FRS 1	First-time Adoption of Financial Reporting Standards	1 January 2012 and 1 January 2013
FRS 7	Financial Instruments: Disclosures	1 January 2012 and 1 January 2013
FRS 101	Presentation of Financial Statements	1 July 2012
FRS 112	Income Taxes	1 January 2012
FRS 132	Financial Instruments: Presentation	1 January 2014
New IC Int		
IC Int 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to IC Int		
IC Int 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 July 2011

A brief discussion on the above significant new and revised FRSs, amendments/improvements to FRSs, new IC Int and amendments to IC Int are summarised below. Due to the complexity of these new standards, the financial effects of their adoption are currently still being assessed by the Group and the Company.

FRS 9 Financial Instruments

FRS 9 specifies how an entity should classify and measure financial assets and financial liabilities.

This standard requires all financial assets to be classified based on how an entity manages its financial assets (its business model) and the contractual cash flows characteristics of the financial asset. Financial assets are to be initially measured at fair value. Subsequent to initial recognition, depending on the business model under which these assets are acquired, they will be measured at either fair value or at amortised cost.

In respect of the financial liabilities, the requirements are generally similar to of the former FRS 139. However, this standard requires that for financial liabilities designated as at fair value through profit or loss, changes in fair value attributable to the credit risk of that liability are to be presented in other comprehensive income, whereas the remaining amount of the change in fair value will be presented in the profit or loss.

3. BASIS OF PREPARATION (CONT'D)

3.1 NEW AND REVISED FRSs, AMENDMENTS/IMPROVEMENTS TO FRSs, NEW IC INTERPRETATIONS ("IC Int"), AMENDMENTS TO IC INT AND NEW MALAYSIAN ACCOUNTING STANDARDS BOARD ("MASB") APPROVED ACCOUNTING STANDARDS, MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRSs") (CONT'D)

(b) New and Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int that are issued, not yet effective and have not been early adopted (Cont'd)

FRS 10 Consolidated Financial Statements and FRS 127 Separate Financial Statements (Revised)

FRS 10 replaces the consolidation part of the former FRS 127 Consolidated and Separate Financial Statements. The revised FRS 127 will deal only with accounting for investment in subsidiaries, joint ventures and associates in the separate financial statements of an investor and require the entity to account for such investments either at cost, or in accordance with FRS 9.

FRS 10 brings about convergence between FRS 127 and SIC-12, which interprets the requirements of FRS 10 in relation to special purpose entities. FRS 10 introduces a new single control model to identify a parent-subsidiary relationship by specifying that "an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee". It provides guidance on situations when control is difficult to assess such as those involving potential voting rights, or in circumstances involving agency relationships, or where the investor has control over specific assets of the entity, or where the investee entity is designed in such a manner where voting rights are not the dominant factor in determining control.

FRS 11 Joint Arrangements

FRS 11 supersedes the former FRS 131 Interests in Joint Ventures. Under FRS 11, an entity accounts for its interest in a jointly controlled entity based on the type of joint arrangement, as determined based on an assessment of its rights and obligations arising from the arrangement. There are two types of joint arrangement namely joint venture or joint operation as specified in this new standard. A joint venture recognises its interest in the joint venture as an investment and account for its using the equity method. The proportionate consolidation method is disallowed in such joint arrangement. A joint operator accounts for the assets, liabilities, revenue and expenses related to its interest directly.

FRS 12 Disclosures of Interests in Other Entities

FRS 12 is a single disclosure standard for interests in subsidiaries, joint ventures, associated companies and unconsolidated structured entities. The disclosure requirements in this FRS are aimed at providing standardised and comparable information that enable users of financial statements to evaluate the nature of, and risks associated with, the entity's interests in other entities, and the effects of those interests on its financial position, financial performance and cash flows.

FRS 13 Fair Value Measurement

FRS 13 defines fair value and sets out a framework for measuring fair value, and the disclosure requirements about fair value. This standard is intended to address the inconsistencies in the requirements for measuring fair value across different accounting standards. As defined in this standard, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

3. BASIS OF PREPARATION (CONT'D)

3.1 NEW AND REVISED FRSs, AMENDMENTS/IMPROVEMENTS TO FRSs, NEW IC INTERPRETATIONS ("IC Int"), AMENDMENTS TO IC INT AND NEW MALAYSIAN ACCOUNTING STANDARDS BOARD ("MASB") APPROVED ACCOUNTING STANDARDS, MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRSs") (CONT'D)

(b) New and Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int that are issued, not yet effective and have not been early adopted (Cont'd)

Amendments to FRS 112 Income Taxes

The amendments to FRS 112 address the measurement approach for deferred tax assets and liabilities in respect of investment properties which are measured at fair value. The amendment introduces a rebuttable presumption that the investment property is recovered entirely through sale. In such cases, deferred tax assets or liabilities are provided at tax rates applicable when recovering the property entirely through sale. If this presumption is rebutted, deferred tax assets or liabilities are provided based on tax rates applicable when consuming substantially the economic benefits embodied in the property over a period of time (for example via rental income).

FRS 128 Investments in Associates and Joint Ventures (Revised)

This revised FRS 128 incorporates the requirements for accounting for joint ventures into the same accounting standard as that for accounting for investments in associates, as the equity method was applicable for both investments in joint ventures and associates. However, the revised FRS 128 exempts the investor from applying equity accounting where the investment in the associate or joint venture is held indirectly via venture capital organisations or mutual funds and similar entities. In such cases, the entity shall measure the investment at fair value through profit or loss, in accordance with FRS 9.

(c) MASB Approved Accounting Standards, MFRSs

In conjunction with the planned convergence of FRSs with International Financial Reporting Standards as issued by the International Accounting Standards Board on 1 January 2012, the MASB had on 19 November 2011 issue a new MASB approved accounting standards, MFRSs ("MFRSs Framework") for application in the annual periods beginning on or after 1 January 2012.

The MFRSs Framework is mandatory for adoption by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 *Agriculture* and/or IC Int 15 *Agreements for the Construction of Real Estate ("Transitioning Entities")*. The Transitioning Entities are given an option to defer adoption of the MFRSs framework for an additional one year. Transitioning Entities also includes those entities that consolidate or equity account or proportionately consolidate another entity that has chosen to continue to apply the FRSs framework for annual periods beginning on or after 1 January 2012.

Accordingly, the Group and the Company which are Transitioning Entities have chosen to defer the adoption of the MFRSs framework for an additional one year. The Group and the Company will prepare its first MFRSs financial statements using the MFRSs framework for the financial year ending 31 January 2014.

As at 31 January 2012, all FRSs issued under the existing FRSs framework are equivalent to the MFRSs issued under MFRSs framework except for differences in relation to the transitional provisions, the adoption of MFRS 141 *Agriculture* and IC Int 15 *Agreements for the Construction of Real Estate* as well as differences in effective dates contained in certain of the existing FRSs. As such, except those as discussed below, the main effects arising from the transition to the MFRSs Framework has been discussed in Note 3.1(b) to the financial statements. The effect is based on the Group's and the Company's best estimates at reporting date. The financial effect may change or additional effects may be identified, prior to the completion of the Group's and the Company's first MFRSs based financial statements.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

3. BASIS OF PREPARATION (CONT'D)

3.1 NEW AND REVISED FRSs, AMENDMENTS/IMPROVEMENTS TO FRSs, NEW IC INTERPRETATIONS ("IC Int"), AMENDMENTS TO IC INT AND NEW MALAYSIAN ACCOUNTING STANDARDS BOARD ("MASB") APPROVED ACCOUNTING STANDARDS, MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRSs") (CONT'D)

(c) MASB Approved Accounting Standards, MFRSs (Cont'd)

Application of MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards ("MFRS 1")

MFRS 1 requires comparative information to be restated as if the requirements of MFRSs effective for annual periods beginning on or after 1 January 2012 have always been applied, except when MFRS 1 allows certain elective exemptions from such full retrospective application or prohibits retrospective application of some aspects of MFRSs. The Group and the Company are currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. As at the date of authorisation of issue of the financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adoption of MFRS1 cannot be determined and estimated reliably until the process is completed.

MFRS 141 Agriculture

MFRS 141 requires a biological asset shall be measured on initial recognition and at the end of each reporting period at its fair value less costs to sell, except where the fair value cannot be measured reliably. MFRS 141 also requires agricultural produce harvested from an entity's biological assets shall be measured at its fair value less costs to sell at the point of harvest. Gains or losses arising on initial recognition of a biological asset and the agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset shall be included in the profit or loss for the period in which it arises. The Group does not expect any impact on the financial statements arising from the adoption of this standard.

IC Int 15 Agreements for the Construction of Real Estate

IC Int 15 establishes the developer will have to evaluate whether control and significant risks and rewards of the ownership of work in progress, can be transferred to the buyer as construction progresses before revenue can be recognised. The Group is currently assessing the impact of the adoption of this Interpretation.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

4. SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

4.1 SUBSIDIARIES AND BASIS OF CONSOLIDATION

(a) Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Group. Control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is held for sale or distribution. The transaction costs of the investments shall be recognised as expense in the profit or loss in the period in which the costs are incurred.

The accounting policies of subsidiaries are changed when necessary to align them with the policies adopted by the Group.

(ii) Accounting for business combinations

The consolidated financial statements include the financial statement of the Company and its subsidiaries made up to the end of the financial year.

The financial statements of the Company and its subsidiaries are all drawn up to the same reporting date.

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

The Group has changed its accounting policy with respect to accounting for business combinations.

From 1 February 2011 the Group has applied FRS 3, Business Combinations (revised) in accounting for business combinations. The change in accounting policy has been applied prospectively in accordance with the transitional provisions provided by the standard and does not have impact on earnings per share.

<u>**Acquisition on or after 1 February 2011**</u>
For acquisition on or after 1 February 2011, the Group measures goodwill at the acquisition date as:-

- The fair value of the consideration transferred; plus
- The recognised amount of any non-controlling interests in the acquiree; plus
- If the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 SUBSIDIARIES AND BASIS OF CONSOLIDATION (CONT'D)

(a) Basis of Consolidation (Cont'd)

(ii) Accounting for business combinations (Cont'd)

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Acquisition between 1 February 2006 and 31 January 2011

For acquisition between 1 February 2006 and 31 January 2011, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. Any excess of the net fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities of the subsidiaries acquired over the cost of acquisition is recognised immediately in the profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

Acquisitions prior to 1 February 2006

For acquisition prior to 1 February 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the fair values of the net identifiable assets and liabilities.

(iii) Loss of control

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interests holders. Any difference between the Group's share of net assets before and after the change and any consideration received or paid, is adjusted to or against the Group's reserves.

The Group applied FRS 127, Consolidated and Separate Financial Statements (revised) since the beginning of the financial year in accordance with the transitional provisions provided by the standard and does not have impact on earnings per share. Upon the loss of control of a subsidiary, the Group derecognised the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

In the previous years, if the Group retained any interest in the previous subsidiary, such interest was measured at the carrying amount at the date that control was lost and this carrying amount would be regarded as cost on initial measurement of the investment.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 SUBSIDIARIES AND BASIS OF CONSOLIDATION (CONT'D)

(a) Basis of Consolidation (Cont'd)

(iv) Non-controlling interests

Non-controlling interests at the reporting date, being the equity in a subsidiary not attributable directly or indirectly to the owners of the Company, are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the other comprehensive income for the financial year between non-controlling interests and the owners of the Company.

Since the beginning of the financial year, the Group has applied FRS 127, Consolidated and Separate Financial Statements (revised) where losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance. This change in accounting policy is applied prospectively in accordance with the transitional provisions of the standard and does not have impact on earnings per share.

In the previous years, where losses applicable to the non-controlling interests exceed the their interests in the equity of a subsidiary, the excess and any further losses applicable to the non-controlling interests, were charged against the Group's interest except to the extent that the non-controlling interests had a binding obligation to, and was able to, make additional investment to cover the losses. If the subsidiary subsequently reported profits, the Group's interest was allocated with all such profits until the non-controlling interests' share of losses previously absorbed by the Group had been recovered.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted associates are eliminated against the investment to the extent of the Group's interest in the associates. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Goodwill on Consolidation

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but is reviewed for impairment, annually or more frequently for impairment in value and is written down where it is considered necessary.

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.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 SUBSIDIARIES AND BASIS OF CONSOLIDATION (CONT'D)

(b) Goodwill on Consolidation (Cont'd)

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.

4.2 ASSOCIATES

Associates are those entities in which the Group has significant influence, but which it does not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not the power to exercise control over those policies.

Investment in associates is accounted for in the consolidated financial statements using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 4.7 to the financial statements.

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

Under the equity method, the investment in associate is carried in the consolidated statement of financial position at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate. The Group's share of the net profit or loss of the associate is recognised in the consolidated profit or loss. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes.

In applying the equity method, unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of Group's interest in the associate, and the unrealised losses are eliminated to the extent of the costs that can be recovered.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates.

After the application of the equity method, the Group determines whether it is necessary to recognise any impairment loss with respect to the Group's net investment in the associate. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of the net fair value of the associate's identifiable 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 in the period in which the investment is acquired.

On disposal of such investment, the difference between the net disposal proceeds and the carrying amount of the investment in an associate is reflected as a gain or loss on disposal in the consolidated profit or loss.

Notes to the Financial Statements (Cont'd)
For The Financial Year Ended 31 January 2012

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 JOINTLY CONTROLLED ENTITIES

Jointly controlled entities are corporations, partnerships or other entities in which the Group has contractually agreed to share its control with one or more parties, where strategic financial and operating decisions relating to the jointly controlled entity required unanimous consent of the parties.

The Group's interests in jointly controlled entities are accounted for in the consolidated financial statements using the equity method of accounting based on the management financial statements of the jointly controlled entities.

4.4 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 4.7 to the financial statements.

Cost includes expenditure that is directly attributable to the acquisition of the asset. When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The cost of replacing part of an item of property, plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

Property, plant and equipment are depreciated on a straight line basis to write off the cost of each asset to its residual value over the estimated useful lives of the assets concerned. The annual rates used for this purpose are as follows:-

Leasehold land and buildings	2% - 4%
Renovation	10% - 35%
Plant and machinery, tools and equipment, crockery and kitchenware	10% - 35%
Office equipment, furniture and fittings	10% - 20%
Motor vehicles	20%

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at each reporting date. The effects of any revisions of the residual values and useful lives are included in the profit or loss for the financial year in which the changes arise.

Fully depreciated assets are retained in the financial statements until the assets are no longer in use.

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 arising on derecognition of the asset is included in the profit or loss in the financial year the asset is derecognised.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 INVESTMENT PROPERTIES

Investment properties are investment in land and buildings that are held for long term rental yields and/or for capital appreciation.

Investment properties on freehold land are stated at cost less accumulated impairment losses, if any, and are not depreciated as it has an indefinite life. Whereas, other investment properties are stated at cost less accumulated depreciation and impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 4.7 to the financial statements.

Other investment properties are depreciated on a straight line basis to write off the cost of the assets to their residual values over their estimated useful lives at an annual rate of 1% to 2.5%.

On disposal of an investment property, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal, it shall be derecognised from the statement of financial position. The difference between the net disposal proceeds and its carrying amount is charged or credited to the profit or loss in the financial year of the retirement or disposal.

4.6 PROPERTY DEVELOPMENT ACTIVITIES

(i) Land Held for Property Development

Land held for property development consists of land and development costs on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at cost less any accumulated impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 4.7 to the financial statements.

Cost comprises the cost of land and all related costs incurred on activities necessary to prepare the land for its intended use.

Land held for property development is transferred to property development costs and included under current assets when development activities have commenced and are expected to be completed within the normal operating cycle.

(ii) Property Development Costs

Property development costs comprise of costs of acquisition of land and all costs that are directly attributable to development activities or costs that can be allocated on a reasonable basis to these activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the profit or loss by using the stage of completion method. The stage of completion is determined by the proportion of property development costs incurred for the work performed up to the reporting date over the estimated total property development costs to completion. Under this method, profits are recognised as the property development activity progresses.

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.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 PROPERTY DEVELOPMENT ACTIVITIES (CONT'D)

(ii) Property Development Costs (Cont'd)

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

Property development costs not recognised as an expense is recognised as an asset, which is measured at the lower of cost and net realisable value. Upon the completion of development, the unsold completed development properties are transferred to inventories.

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

4.7 IMPAIRMENT OF ASSETS

(i) Impairment of Financial Assets

All financial assets (except for financial assets categorised as fair value through profit or loss, investment in subsidiaries, associates and jointly controlled entities) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

An impairment loss in respect of loans and receivables and held-to-maturity investments is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of available-for-sale financial assets is recognised in the profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss in other comprehensive income is reclassified from equity and recognised to profit or loss.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and 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.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available for sale is not reversed through the profit or loss.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in the profit or loss.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 IMPAIRMENT OF ASSETS (CONT'D)

(ii) Impairment of Non-financial Assets

The Group and the Company assess 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 and the Company make an estimate of the asset's recoverable amount.

For goodwill that has an indefinite useful life and is not available for use, the recoverable amount is estimated at each reporting date or more frequently when indicators of impairment are identified.

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

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

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

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

4.8 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in-first-out basis for finished goods and consumables, and specific identification basis for completed units of unsold developed properties.

The costs of finished goods and consumables comprise the purchase price plus costs incurred to bring the inventories to their present locations and conditions. The cost of unsold properties comprises cost associated with the acquisition of land, direct costs and an appropriate proportion of allocated costs attributable to property development activities.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 ASSETS HELD FOR SALE

Asset is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary.

Immediately before classification as held for sale, the measurement of the assets is brought up-to-date in accordance with FRS 5 Non-current Assets Held for Sale and Discontinued Operations that is at the lower of carrying amount and fair value less costs to sell. Any differences are included in the profit or loss.

4.10 REDEEMABLE CONVERTIBLE SECURED LOAN STOCK ("RCSLS")

RCSLS is regarded as compound instruments consisting of an equity component and a liability component.

At the issue date, the fair value of the liability portion is determined using a market interest rate for an equivalent financial instrument; this amount is carried as liability on the amortised cost basis on conversion or maturity of the instrument. The remainder of the proceeds is allocated to the conversion or maturity of the instrument. The remainder of the proceeds is allocated to the conversation option which is recognised and included in shareholders' equity upon maturity; the value of the conversation does not change in subsequent periods. Attributable transaction costs are apportioned and deducted directly from the liability and equity component based on their carrying amounts as the date of issue.

Under the effective interest rate method, the interest expense on the liability component is calculated by applying the prevailing market interest for an equivalent financial instrument to the instrument at the issue date. The difference between this amount and the interest paid is added to the carrying amount of the RCSLS.

4.11 PROVISIONS FOR LIABILITIES

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

4.12 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past event and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 TAXATION

The tax expense in the profit or loss represents the aggregate amount of current tax and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the reporting date.

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

The carrying amount of deferred tax assets, if any, 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 asset to be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in the profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and current tax liabilities on a net basis.

4.14 EQUITY INSTRUMENT

(i) Ordinary Shares

Ordinary shares are recorded at the nominal value. The consideration in excess of nominal value of shares issued, if any, is accounted for as share premium. Both ordinary shares and share premium are classified as equity.

Dividends on ordinary shares are recognised as liabilities when proposed or declared before the reporting date. A dividend proposed or declared after the reporting date, but before the financial statements are authorised for issue, is not recognised as a liability at the reporting date.

Costs incurred directly attributable to the issuance of the shares are accounted for as a deduction from share premium, if any, otherwise it is charged to the profit or loss. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 EQUITY INSTRUMENT (CONT'D)

(i) Ordinary Shares (Cont'd)

The consideration paid, including attributable transaction costs on repurchased ordinary shares of the Company that have not been cancelled, are classified as treasury shares and presented as a deduction from equity. Shares repurchased are held as treasury shares and are accounted for using the treasury stock method. Under the treasury stock method, the shares repurchased are not cancelled but are held as treasury shares. The treasury shares are carried at cost.

Where treasury shares are distributed as share dividends, the cost of the treasury shares will be applied in the reduction of the share premium account or the distributable reserves, or both, where appropriate.

Where treasury shares are reissued by re-sale in the open market, the difference between the sales consideration and the carrying amount of the treasury shares will be shown as a movement in equity.

(ii) Preference Shares

Preference shares are classified as equity if they are non-redeemable and dividends are discretionary at the option of the issuer. Preference shares are classified as liabilities if they are redeemable on a specific date or at the option of the shareholders and dividends thereon are recognised in the profit or loss as interest expense. Preference shares that are compound instruments are split into liability and equity components. Each component is accounted for separately. Dividends on preference shares are recognised on an accrual basis as a liability and are reported as finance costs in the profit or loss.

4.15 EMPLOYEE BENEFITS

(i) Short Term Employee Benefits

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

(ii) Post-Employment Benefits

The Group contributes to the Employees Provident Fund, the national defined contribution plan. Certain foreign subsidiaries make contributions to their respective countries' statutory pension scheme. The contributions are charged to the profit or loss in the period to which they are related. Once the contributions have been paid, the Group has no further payment obligations.

4.16 FOREIGN CURRENCIES

(i) Functional and Presentation Currency

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

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.16 FOREIGN CURRENCIES (CONT'D)

(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Non-monetary items which are measured at fair values denominated in foreign currencies are translated at the foreign exchange rate ruling at the date when the fair values was determined.

When a gain or loss on a non-monetary item is recognised directly in equity, any corresponding exchange gain or loss is recognised directly in equity. When a gain or loss on a non-monetary item is recognised in the profit or loss, any corresponding exchange gain or loss is recognised in the profit or loss.

(iii) Foreign Operations

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:-

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income.

4.17 BORROWING COSTS

Borrowings are initially recognised based on the proceeds received, net of transaction costs incurred. In the subsequent periods, borrowings are stated at amortised cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings.

Interest, dividends, losses and gains relating to a financial instrument, or a component part, classified as a liability is reported within finance cost in the profit or loss.

Borrowing costs directly attributable to the acquisition and construction of land held for property development, investment properties and other properties, are capitalised as part of the costs of those assets, until such time the assets are substantially ready for their intended use or sale. Borrowing costs incurred on assets under development that take a substantial period of time for completion are capitalised into the carrying value of the assets. Capitalisation of borrowing costs will be suspended when the assets are completed or during the period in which development and construction are stalled.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of funds drawdown from those borrowing facilities.

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

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.18 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Group.

A financial liability is any liability that is contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Group.

Financial instruments are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument. At initial recognition, a financial instrument is recognised at fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction cost that are directly attributable to the acquisition or issuance of the financial instrument.

The Group and the Company categorise the financial instruments as follows:-

(a) Financial assets

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise financial assets that are held for trading or designated upon initial recognition. Financial assets held for trading are derivatives or financial assets acquired principally for the purpose of resale in the near term.

Subsequent to the initial recognition, financial assets classified as fair value through profit or loss is measured at fair value. Any gains or losses arising from the changes in the fair value of financial assets classified as fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial assets classified as fair value through profit or loss excluded foreign exchange gains or losses, interest and dividend income. Such income is recognised separately in the profit or loss as part of other income or other expense.

Financial assets at fair value through profit and loss could be presented as current or non-current. Financial assets that are primarily for trading purposes are presented as current whereas financial assets that are not held for trading purposes are presented as current or non-current assets based on the settlement date.

Held-to-maturity investments

Financial assets classified as held-to-maturity comprise quoted non-derivative financial assets with fixed or determined payments and fixed maturity that the Group has positive intention and ability to hold to maturity.

Subsequent to initial recognition, financial assets classified as held-to-maturity are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as held-to-maturity are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.18 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial assets (Cont'd)

<u>Loans and receivables</u>

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

Subsequent to initial recognition, financial assets classified as loans and receivables are measured at amortised cost using the effective interest method. Interest calculated using the effective interest method is recognised in profit or loss. Gains or losses on the financial assets classified as loan and receivables are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

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

<u>Available-for-sale</u>

Financial assets classified as available-for-sale comprise non-derivative financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories.

Subsequent to initial recognition, financial assets classified as available-for-sale are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised directly in other comprehensive income, except for impairment losses and foreign exchange gains or 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.

Dividends on available-for-sale equity instruments are recognised in the profit or loss when the Group's and the Company's right to receive payment is established.

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 financial assets has expired or is transferred to another party without retaining control or substantially all risks and rewards of the asset.

On derecognition of a financial assets in its entirety, the difference between the carrying amount and the sum of consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in other comprehensive income shall be recognised in profit or loss.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.18 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial liabilities

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprise financial liabilities that are held for trading, derivatives and financial liabilities that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial liabilities classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial liabilities classified as at fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial liabilities classified as at fair value through profit or loss exclude foreign exchange gains or losses, interest and dividend expenses. Such income and expenses are recognised separately in profit or loss as components of other income or other expense.

Other financial liabilities

Financial liabilities classified as other financial liabilities comprise non-derivative financial liabilities that are neither held for trading nor initially designated as at fair value through profit or loss.

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

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

(c) Financial guarantee

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 in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequently 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 the 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.

4.19 CASH AND CASH EQUIVALENTS

For the purpose of statements of cash flows, cash and cash equivalents comprise cash in hand, bank balances, fixed deposits, demand deposits and short term highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value, net of bank overdrafts and deposits pledged to financial institutions.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.20 REVENUE RECOGNITION

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(i) Property development

Revenue from the sale of property development projects is recognised progressively as the project activity progresses and when the agreements of sales have been finalised. The recognition of revenue is based on the percentage of completion method, net of discount, and is consistent with the method adopted for profit recognition. Any expected loss on development project shall be recognised as an expense immediately.

Interest income from late payments by house buyers and forfeiture income are recognised on a receipt basis.

(ii) Sales of inventories and development land

Revenue is recognised when the significant risk and rewards of ownership have been passed to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due and associated costs.

(iii) Revenue from hotel operations and other recreational income

Revenue is recognised upon services rendered and customer's acceptance, net of service taxes and discounts.

(iv) Management fee

Management fee is recognised on an accrual basis, net of service taxes.

(v) Interest income and rental income

Interest income other than interest income from late payment by house buyers and other trade receivables are recognised on an accrual basis unless collectability is in doubt in which recognition will be on a receipt basis. Rental income from investment properties are recognised on an accrual basis.

(vi) Deferred membership income

Deferred membership income represents membership fees from club members. The deferred membership income is recognised evenly as revenue in the profit or loss over the period of the membership license agreements.

Notes to the Financial Statements (Cont'd)
For The Financial Year Ended 31 January 2012

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.21 OPERATING SEGMENTS

Operating segments are defined as components of the Group that:-

(a) engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);

(b) whose operating results are regularly reviewed by the Group's chief operating decision maker in making decisions about resources to be allocated to the segment and assessing its performance; and

(c) for which discrete financial information is available.

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds:-

(a) Its reported revenue, including both sales to external customers and intersegment sales or transfers, is ten (10) per cent more of the combined revenue, internal and external, of all operating segments.

(b) The absolute amount of its reported profit or loss is ten (10) per cent or more of the greater, in absolute amount of:-

(i) The combined reported profit of all operating segments that did not report a loss, and

(ii) The combined reported loss of all operating segments that reported a loss.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Total external revenue reported by operating segments shall constitute at least seventy five (75) per cent of the Group's revenue.

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's financial statements requires management to make judgement, 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 adjustments to the carrying amount of the asset or liability affected in the future. The estimates and judgements are continually evaluated by the directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Judgements in applying accounting policies

In the process of applying the Group's and the Company's accounting policies, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements except for matters discussed below:-

(i) Going concern

As disclosed in Note 2 to the financial statements, judgement is made by the directors whether the Group and the Company will be able to continue as going concerns. The financial statements of the Group and the Company have been prepared on a going concern basis.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(a) Judgements in applying accounting policies (Cont'd)

(ii) Contingent liabilities

As disclosed in Note 4.12 to the financial statements, a contingent liability is not recognised but is disclosed in the notes to the financial statements as it is not probable that on outflow of resources will be required to settle the obligation. The contingent liabilities will be recognised as a provision in statement of financial position and will be charged to profit or loss if the outflow of resources is probable.

(iii) Capitalisation of borrowing costs

As described in Note 4.17 to the financial statements, it is the Group's policy to capitalise borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The directors are satisfied that the capitalisation of borrowing costs on property development projects relate mainly to projects whose activities are currently in progress to prepare the project for its intended sale. All other borrowing costs are recognised as an expense in the profit or loss in the period in which they are incurred.

(iv) Classification between investment properties and property, plant and equipment

Certain properties comprise of a portion that is held to earn rental or for capital appreciation whilst the remaining portion is held for use in the production or supply of goods or services or for administrative purposes. If this portion could be sold separately (or lease out separately as finance lease), the Group would account for the portions separately. If the portion could not be sold separately, it will be classify as an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is required to be made on individual property basis to determine whether such ancillary services are of such significance that a property does not qualify as an investment properties.

(v) Classification of equity and liability components on convertible securities

The Group has recognised the compound instruments which consist of both equity and liability components. At the issuance date of the convertible securities, the fair value of the liability component is determined using a prevailing market interest rate. The judgement is required to be made on the market interest rate used for the classification of equity and liability component.

(vi) Classification between operating lease and finance lease for leasehold land

The Group has developed certain criteria based on FRS 117 Leases in making judgement whether a leasehold land should be classified either as operating lease or finance lease.

Finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an assets and operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership. If the leasehold land meets the criteria of the financial lease, the lease will be classified as property, plant and equipment if it is for own use. Judgements are made on the individual leasehold land to determine whether the leasehold land qualifies as operating lease or finance lease.

The Group has classified the leases as finance leases as they met the criteria of a finance lease under FRS 117.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(a) Judgements in applying accounting policies (Cont'd)

(vii) Classification as assets held for sale

In the previous financial year, the Company entered into a settlement agreement with Menteri Besar Selangor (Incorporated) ("MBI") to dispose of properties of the Group and therefore the Group had reclassified these properties as assets held for sale. The Group is expected to complete the disposals within one year from the date of classification. As at the reporting date, the disposals have yet to be completed. The directors are of the opinion that these assets shall be continued to classify as asset held for sale as the extension of the period to compute the sale beyond one year is caused by the events or circumstances beyond the Group's control and there is sufficient evidence that the Group remains committed to its plan to sell the assets.

As disclose in Note 18 to the financial statements, the Group entered into sale and purchase agreements with various parties to dispose properties of the Group and therefore the Group had reclassified these properties as assets held for sale during the financial year.

(b) 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 as stated below:-

(i) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. More regular reviews are performed if events indicate that this is necessary. This requires an estimation of the recoverable amount of the cash generating units ("CGU") to which goodwill is allocated. The CGU's impairment test was based on fair value less cost to sell. The fair value was derived via professional valuations conducted at the reporting date.

(ii) Useful lives of property, plant and equipment and investment properties

The Group estimates the useful lives of property, plant and equipment and investment properties based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment and investment properties are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of property, plant and equipment and investment properties are based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property, plant and equipment and investment properties would increase the recorded expenses and decrease the non-current assets.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(b) Key sources of estimation uncertainty (Cont'd)

(iii) Impairment of investment in subsidiaries and recoverability of amount owing by subsidiaries

The Company tests investment in subsidiaries for impairment annually in accordance with its accounting policy. More regular reviews are performed if events indicate that this is necessary. Costs of investment in subsidiaries which have ceased operations were impaired up to net assets of the subsidiaries. The impairment made on investment in subsidiaries entails an allowance for impairment to be made to the amount owing by these subsidiaries.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involve uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the Company's tests for impairment of investment in subsidiaries.

(iv) Impairment and estimation of fair value of non-financial assets

The Group determines whether its non-financial assets, which include property, plant and equipment, land held for property development and investment properties are impaired by evaluating the extent to which the recoverable amount of these assets are less than their cost. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the Group's test for impairment of assets.

(v) Property development

The Group recognises property development profits by reference to the stage of completion of the development activity at the reporting date. The stage of completion is determined based on the proportion that the property development costs incurred to date bear to the estimated total costs for the property development. Where it is probable that total property development costs of a development phase will exceed total property development revenue of the development phase, the expected loss on the development phase is recognised as an expense immediately.

Significant judgement is required in the estimation of total property development costs. Where the actual total property development costs is different from the estimated total property development costs, such difference will impact the property development profit or loss recognised.

(vi) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

5. **SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)**

(b) Key sources of estimation uncertainty (Cont'd)

(vii) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(viii) Impairment of receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

(ix) Allowance for write down in inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the carrying value of inventories.

(x) Provision for Liquidated and Ascertained Damages

Provision for liquidated and ascertained damages ("LAD") is in respect of projects undertaken by certain subsidiaries and is recognised for expected LAD claims based on the terms of the applicable sale and purchase agreements. Significant judgement is required in determining the amount of provision for LAD to be made. The Group evaluates the amount of provision required based on past experience, industry norm and the results from continuous dialogues held with the affected purchasers who are seeking indulgence and extension of time to complete the affected projects and waive their LAD claim.

(xi) Estimation of fair value of properties

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:-

(a) current prices in an active market for properties of a different nature, condition or location, adjusted to reflect those differences; or/and

(b) recent prices of similar properties based on less active market, with adjustments to reflect any changes in economic conditions since the date of transactions that occurred at those prices.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

6. PROPERTY, PLANT AND EQUIPMENT

GROUP	Leasehold Land and Buildings* RM'000	Renovation RM'000	Plant and Machinery, Tools and Equipment, Crockery and Kitchenware RM'000	Office Equipment, Furniture and Fittings RM'000	Motor Vehicles RM'000	Total RM'000
Cost						
At 1 February 2010, as previously stated	130,442	12,108	29,662	17,400	5,578	195,190
Effect of adopting Amendment to FRS 117	16,458	–	–	–	–	16,458
As restated	146,900	12,108	29,662	17,400	5,578	211,648
Additions	–	–	2,953	280	–	3,233
Disposals	(10,094)	–	(2,380)	(214)	(27)	(12,715)
Write offs	–	–	(4,388)	(1,987)	–	(6,375)
Exchange difference	571	–	1,966	18	2	2,557
At 31 January 2011	137,377	12,108	27,813	15,497	5,553	198,348
Additions	–	1,162	677	32	60	1,931
Disposals	–	(62)	(500)	–	–	(562)
Write offs	(1,886)	–	(9,281)	(1,690)	(25)	(12,882)
Exchange difference	2,390	–	8,210	75	27	10,702
At 31 January 2012	137,881	13,208	26,919	13,914	5,615	197,537
Accumulated Depreciation						
At 1 February 2010, as previously stated	16,668	6,037	27,276	16,079	5,429	71,489
Effect of adopting Amendment to FRS 117	6,723	–	–	–	–	6,723
As restated	23,391	6,037	27,276	16,079	5,429	78,212
Charge for the financial year	2,640	825	1,633	511	41	5,650
Disposals	(1,308)	–	(2,364)	(47)	(27)	(3,746)
Write offs	–	–	(4,186)	(1,910)	–	(6,096)
Exchange difference	80	–	276	3	–	359
At 31 January 2011	24,803	6,862	22,635	14,636	5,443	74,379
Charge for the financial year	3,377	995	657	304	38	5,371
Disposals	–	(62)	(459)	–	–	(521)
Write offs	(1,882)	–	(9,239)	(1,670)	(24)	(12,815)
Exchange difference	1,000	–	3,436	37	12	4,485
At 31 January 2012	27,298	7,795	17,030	13,307	5,469	70,899
Net Book Value						
At 31 January 2011	112,574	5,246	5,178	861	110	123,969
At 31 January 2012	110,583	5,413	9,889	607	146	126,638

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

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

COMPANY	Leasehold Land and Buildings* RM'000	Office Equipment, Furniture and Fittings RM'000	Renovation RM'000	Total RM'000
Cost				
At 1 February 2010	1,107	411	4,854	6,372
Write offs	–	(411)	(4,121)	(4,532)
At 31 January 2011/2012	1,107	–	733	1,840
Accumulated Depreciation				
At 1 February 2010	501	411	4,205	5,117
Charge for the financial year	28	–	192	220
Write offs	–	(411)	(3,876)	(4,287)
At 31 January 2011	529	–	521	1,050
Charge for the financial year	28	–	73	101
At 31 January 2012	557	–	594	1,151
Net Book Value				
At 31 January 2011	578	–	212	790
At 31 January 2012	550	–	139	689

* The leasehold land has remaining tenure ranges from 11 to 21 years (2011: 12 to 22 years).

(a) Certain leasehold land, buildings and renovation of the Group with a net book value of RM122.31 million (2011: RM117.24 million) are charged as security to financial institutions for revolving credit facilities as disclosed in Note 22(iii) to the financial statements.

(b) Certain leasehold land and buildings of the Group and the Company with a net book value of RM550,000/- (2011: RM578,000/-) are charged as security for convertible securities as disclosed in Note 23(b) to the financial statements.

(c) Certain freehold land of the Group and the Company with a net book value of RM102,000/- (2011: RM102,000/-) are pledged as security to IJM Group for outstanding construction costs payable to IJM Group, a related party as disclosed in Note 38 to the financial statements.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

7. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

(a) Land Held for Property Development

	GROUP		COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
At cost:-				
Freehold land	151,134	229,507	97,353	97,353
Leasehold land	93,120	267,829	–	–
Development costs	745,282	984,167	16,390	16,390
	989,536	1,481,503	113,743	113,743
Accumulated impairment losses	(114,124)	(78,156)	(4,328)	–
Disposal during the year	(11,040)	–	–	–
Disposal of subsidiaries	(24,676)	(105,597)	–	–
Transfer to property development costs (Note 7(b))	(217,531)	(108,299)	(5,083)	–
Transfer to assets held for sale (Note 18)	–	(322,940)	–	–
Carrying amount at 31 January	622,165	866,511	104,332	113,743

(b) Property Development Costs

	GROUP		COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
At cost:-				
Freehold land	123,431	135,632	–	–
Leasehold land	363,213	424,849	–	–
Development costs	3,084,602	3,063,953	–	–
	3,571,246	3,624,434	–	–
Accumulated cost recognised in profit or loss	(3,033,349)	(2,783,612)	(326)	–
Accumulated foreseeable loss recognised in profit or loss	(25,344)	(16,109)	–	–
Transfer from land held for property development (Note 7(a))	217,531	108,299	5,083	–
Transfer to inventories	(546)	(55,132)	–	–
Disposal of subsidiaries	(23,304)	(40,551)	–	–
Transfer to assets held for sale (Note 18)	(73,337)	(59,212)	–	–
Carrying amount at 31 January	632,897	778,117	4,757	–

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

7. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONT'D)

(i) Certain land held for property development and land under development of the Group and the Company are charged as security for credit facilities as disclosed in Note 22(i) and Note 22(ii) to the financial statements as follows:-

	GROUP		COMPANY	
	2012 RM'000	**2011 RM'000**	**2012 RM'000**	**2011 RM'000**
Land held for property development	260,567	260,567	33,923	33,923
Property development costs	42,371	42,371	–	–
	302,938	302,938	33,923	33,923

(ii) Certain land held for property development and land under development of the Group are charged as security for the convertible securities as disclosed in Note 23(a) and Note 23(b) to the financial statements as follows:-

	GROUP	
	2012 RM'000	**2011 RM'000**
Land held for property development	38,976	38,976
Property development costs	26,427	26,427
	65,403	65,403

(iii) Certain title deeds in respect of the land are not registered under the subsidiaries' names as these title deeds will be transferred directly to house buyers upon the sale of the properties.

(iv) Certain land under development of RM12.67 million (2011: RM12.67 million) are charged as security for banking facilities granted to a corporate shareholder, Kumpulan Europlus Berhad.

Certain land under development of the Group amounting to RM5.84 million (2011: RM5.84 million) are pledged as security for the amount due to a corporate shareholder, Kumpulan Europlus Berhad.

Kumpulan Europlus Berhad is a related party as disclosed in Note 38 to the financial statements.

(v) Certain land held for property development and land under development of the Group of RM180.28 million (2011: RM180.28 million) are pledged as security to IJM Group for outstanding construction costs payable to IJM Group, a related party as disclosed in Note 38 to the financial statements.

(vi) Included in the development costs is interest expense capitalised during the financial year for the Group amounting to Nil (2011: RM0.52 million).

(vii) The leasehold land of the Group has remaining lease term of 81 to 89 years (2011: 82 to 90 years).

(viii) Included in property development costs of the Group is an amount of RM4 million represents the cost incurred for the right to develop a land pursuant to a joint venture agreement ("JVA") entered into by a subsidiary, Seaview Plantation Sdn. Bhd. with the joint venture partner. Pursuant to the JVA, the joint venture partner is entitled to a minimum guaranteed amount of RM30 million of which RM4 million has been paid upon execution the JVA. The remaining balance of RM26 million is payable subject to extension of time to be mutually agreed between the parties involved.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

7. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONT'D)

(ix) Included in property development costs of the Group is a development project known as "Sierra Selayang", which will be undertaken via conditional development agreements entered into by two subsidiaries, Zhinmun Sdn. Bhd. and Untung Utama Sdn. Bhd. with the joint venture partner. Pursuant to the conditional development agreements, the joint venture partner shall assume/redeem and/or discharge all obligations and liabilities in relation to the loan and project land which was charged up to a total sum of RM72 million, being the charger redemption sum. This charger redemption sum shall be the development entitlement of the subsidiaries. The execution of the conditional development agreements is pending fulfilment of certain conditions as stipulated in the said agreements.

8. INVESTMENT PROPERTIES

GROUP	Freehold Land RM'000	Buildings RM'000	Total RM'000
Cost			
At 1 February 2010	4,900	226,613	231,513
Write offs	(4,900)	(25,283)	(30,183)
At 31 January 2011	–	201,330	201,330
Transfer to assets held for sale (Note 18)	–	(68,789)	(68,789)
At 31 January 2012	–	132,541	132,541
Accumulated Depreciation			
At 1 February 2010	–	21,110	21,110
Charge for the financial year	–	3,091	3,091
Disposals	–	(1,686)	(1,686)
At 31 January 2011	–	22,515	22,515
Charge for the financial year	–	3,485	3,485
Transfer to assets held for sale (Note 18)	–	(3,265)	(3,265)
At 31 January 2012	–	22,735	22,735
Accumulated Impairment Losses			
At 1 February 2010/2011	–	17,000	17,000
Transfer to assets held for sale (Note 18)	–	(17,000)	(17,000)
At 31 January 2012	–	–	–
Net Book Value			
At 31 January 2011	–	161,815	161,815
At 31 January 2012	–	109,806	109,806

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

8. INVESTMENT PROPERTIES (CONT'D)

The fair value of the investment properties as at the reporting date is as follow:-

Fair Value	Buildings RM'000
At 31 January 2011	176,000
At 31 January 2012	154,330

The investment properties consist of commercial properties which generated rental income and incurred direct operating expense as disclosed in Note 28 and Note 29 to the financial statements respectively.

Investment properties with a net book value of RM54.39 million (2011: RM 104.13 million) are charged as security for Sukuk Al-Ijarah facility as disclosed in Note 22(iv) to the financial statements.

Investment property with a net book value of RM44.36 million (2011: RM46.05 million) are pledged as security to IJM Group for outstanding construction costs payable to IJM Group, a related party as disclosed in Note 38 to the financial statements.

Valuation of investment properties

Investment properties are stated at cost less accumulated depreciation and impairment loss. Fair value of the investment properties have been disclosed in accordance to FRS 140 Investment Properties. The fair value of the investment properties has been determined based on valuations conducted at the reporting date. Valuations are performed by independent valuers.

9. GOODWILL

	GROUP	
	2012 RM'000	2011 RM'000
At cost	28,408	28,408
Less: Accumulated impairment losses	(1,586)	(1,586)
	26,822	26,822

Goodwill on consolidation arose from the investment in subsidiaries which has been allocated to the Group's cash-generating unit ("CGU") of property investment and development segment.

The cash-generating unit's impairment test was based on fair value less costs to sell. The fair value was derived via professional valuations on its investment properties conducted at the reporting period.

The estimated recoverable amount of the property investment and development's CGU is RM72.12 million exceeds the carrying amount of the said CGU of RM65.16 million (including goodwill).

A decrease of ten (10) percentage point in the valuation would have resulted the Group to make a provision for impairment loss of RM1.88 million.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

10. INVESTMENT IN SUBSIDIARIES

	COMPANY 2012 RM'000	COMPANY 2011 RM'000
Unquoted shares at cost	486,711	502,511
Less : Accumulated impairment losses		
At 1 February	(247,614)	(157,210)
Additions	(500)	(90,404)
Disposals	8,000	–
At 31 January	(240,114)	(247,614)
	246,597	254,897

Details of subsidiaries are disclosed in Note 36 to the financial statements.

(a) Amount owing by/(to) subsidiaries

	COMPANY 2012 RM'000	COMPANY 2011 RM'000 (restated)
Amount owing by subsidiaries	1,507,499	1,247,178
Less : Accumulated impairment losses		
At 1 February	(272,977)	(272,977)
Addition	(288,594)	–
Reversal	154,420	–
At 31 January	(407,151)	(272,977)
	1,100,348	974,201
Amount owing to subsidiaries	(472,395)	(285,247)
Amount owing by subsidiaries (net)	627,953	688,954

Amount owing by/(to) subsidiaries, which arose from non-trade transactions, are unsecured, interest free and are repayable on demand.

(b) Disposal of subsidiaries

(i) On 31 December 2011, the Group disposed of:-

- its entire investment in its wholly-owned subsidiary, Expand Factor Sdn. Bhd. consisting of 2,600,000 ordinary share of RM1/- each and 4,000,000 7% Cumulative Redeemable Preference Share of RM1/- each for a total consideration of RM5,001/-; and

- its entire investment in its wholly-owned subsidiary, Sentosa Restu (M) Sdn. Bhd. consisting of 2,600,000 ordinary share of RM1/- each for a total consideration of RM2,000/-.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

10. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Disposal of subsidiaries (Cont'd)

(ii) On 30 January 2012, the Group disposed of:-

- its entire investment in its wholly-owned subsidiary, Ukay Land Sdn. Bhd. consisting of 2,504,427 ordinary share of RM1/- each for a total consideration of RM1/-; and
- its entire investment in its wholly-owned subsidiary, Europlus Construction Sdn. Bhd. consisting of 500,000 ordinary share of RM1/- each for a total consideration of RM1/-.

(iii) In the previous financial year, the Group disposed of its entire equity interest in United Axis Sdn. Bhd. and Lestari Puchong Sdn. Bhd. for cash consideration of RM2/- and RM1,000/- respectively. As a result, Bukit Beruntung Nurseries Sdn. Bhd., the subsidiary of Lestari Puchong Sdn. Bhd. has ceased to become a subsidiary of the Group. In addition, on 3 January 2011, the Group was notified by Companies Commission of Malaysia of the striking off of Izin Saga Sdn. Bhd., a previously dormant 100%-owned subsidiary, from the register under Section 308(4) of the Companies Act, 1965 in Malaysia.

The effects on the financial result of the Group on the above disposals/striking off of subsidiaries in the current and previous financial years are as follow:-

	GROUP	
	2012 RM'000	2011 RM'000
Revenue	17,957	7,316
Cost of sales	(16,304)	(9,635)
Gross profit/(loss)	1,653	(2,319)
Other income	803	692
Administrative and other expenses	(7,059)	(4,815)
Loss before taxation	(4,603)	(6,442)
Taxation	–	–
Loss for the financial period attributable to the Group	(4,603)	(6,442)

The effects on the financial position of the Group on the above disposals/striking off of subsidiaries in the current and previous financial year are as follow:-

	GROUP	
	2012 RM'000	2011 RM'000
Non-current assets	24,717	105,597
Current assets	164,264	104,510
Current liabilities	(165,804)	(195,637)
Net assets disposed	23,177	14,470
Gain on disposal of subsidiaries	(23,170)	(14,469)
Proceeds from disposals	7	1
Less: cash and cash equivalents	(4,764)	(445)
Net cash outflow arising from disposal/strike off of subsidiaries	(4,757)	(444)

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

11. INVESTMENT IN ASSOCIATES

	GROUP 2012 RM'000	GROUP 2011 RM'000
Unquoted shares, at cost	15,895	11,895
Share of post-acquisition reserves	(11,969)	(11,895)
	3,926	–

(a) Details of the associates are as follows:-

Name of Companies	Financial Year End	Effective Equity Interest 2012 %	Effective Equity Interest 2011 %	Principal Activities
Incorporated in Malaysia				
Beruntung Transport City Sdn. Bhd. @	31 January	30.6	30.6	Dormant
Trident Treasure Sdn. Bhd. * ^ ¥	31 December	40	–	Dormant
Incorporated in Hong Kong				
Larut Leisure Enterprise (Hong Kong) Limited *	31 January	50	50	Investment holding
Incorporated in The People's Republic of China				
Jilin Dingtai Enterprise Development Co. Limited * ^	31 December	50	50	Property development
Incorporated in Cambodia				
Cambodia Resources Import-Export Company Limited * #	31 January	49	49	Dormant
Parkgrove (Cambodia) Pte. Ltd. * #	31 January	49	49	Dormant
Noble House Investment (Cambodia) Pte. Ltd. * #	31 January	49	49	Dormant

* Audited by firms other than Messrs. Baker Tilly Monteiro Heng.

@ The auditors' reports of these subsidiaries contain an emphasis of matter paragraph relating to the going concern basis of accounting used in the preparation of the financial statements.

The financial statements and auditor's reports of these associates are not available. The said investments have been fully written down in prior financial years. In view of this, the effect of not equity accounting for investment in associates is not material to the Group.

^ The financial year end of these associates are not conterminous with the Group. As such, for the purpose of applying the equity method of accounting, the financial statements of these associates for the financial year ended 31 December 2011 have been used and appropriate adjustments have been made for the effects of significant transactions between 1 January 2012 to 31 January 2012.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

11. INVESTMENT IN ASSOCIATES (CONT'D)

(a) Details of the associates are as follows:- (Cont'd)

¥ On 6 June 2011 and 7 June 2011, a wholly owned subsidiary of the Group, Talam Premium Development Sdn. Bhd. had acquired 400,000 ordinary shares of RM1/- each and 3,600,000 redeemable preference share of RM0.05 each at a premium of RM0.95 per share in Trident Treasure Sdn. Bhd. for a total consideration of RM4 million, representing in total 40% interest in the paid-up share capital and paid-up redeemable preference share capital in Trident Treasure Sdn. Bhd. respectively.

(b) The amount owing by associates is unsecured, interest free and is repayable on demand.

(c) The Group's aggregate share of the current assets, non-current assets, current liabilities, non-current liabilities, income and expenses of the associates are as follows:-

	GROUP 2012 RM'000	GROUP 2011 RM'000
Assets and liabilities		
Non-current assets	52,113	42,184
Current assets	3,433	3,910
Total assets	55,546	46,094
Non-current liabilities	67,014	60,630
Current liabilities	4,176	3,299
Total liabilities	71,190	63,929
Results		
Loss, including finance costs and tax expense	(3,160)	(2,834)

The Group has not recognised losses relating to the entire investment in associates except for investment in Trident Treasure Sdn. Bhd. as the share of losses exceed the Group's interest in these associates and the Group has no further obligation in respect of these losses.

The Group's cumulative share of unrecognised losses at the reporting date was RM20.63 million (2011: RM18.02 million), of which RM3.08 million (2011: RM2.83 million) was the share of the current year's losses.

12. INTEREST IN JOINTLY CONTROLLED ENTITIES

	GROUP 2012 RM'000	GROUP 2011 RM'000
Unquoted shares, at cost	10,760	10,750
Share of post-acquisition reserves	6,564	1,760
	17,324	12,510

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

12. INTEREST IN JOINTLY CONTROLLED ENTITIES (CONT'D)

(a) Details of the jointly controlled entities, which are incorporated in Malaysia, are as follow:-

Name of Company	Financial Year End	Effective Equity Interest 2012 %	Effective Equity Interest 2011 %	Principal Activities
Astaka Tegas Sdn. Bhd.*#	31 March	50	50	Dormant
Sierra Ukay Sdn. Bhd.*#	31 March	50	50	Property development
Good debut Sdn. Bhd.*#	31 March	50	50	Property development
Cekap Tropikal Sdn. Bhd.*#	31 March	50	50	Property development
Crest Envy Sdn. Bhd.*#	30 June	50	50	Property development

* Audited by firms other than Messrs. Baker Tilly Monteiro Heng.

\# The financial year ends of these jointly controlled entities are not conterminous with the Group. As such, for the purpose of applying the equity method of accounting, the financial statements of these jointly controlled entities for the financial year ended 31 March 2011 and 30 June 2011 have been used and appropriate adjustments have been made for the effects of significant transactions between 1 April 2011 to 31 January 2012 and 1 July 2011 to 31 January 2012 respectively.

(b) The amount owing by jointly controlled entities is unsecured, interest free and is repayable on demand.

(c) Amount owing to jointly controlled entities is unsecured, and repayable on demand and bears interest at rates ranging from 7.30% to 8.60% (2011: 6.55% to 8.30%) per annum.

(d) Amount owing by jointly controlled entities of the Group and Company is an amount of RM20.00 million represents balance of amount receivable in relation to the disposal of a piece of development land in the previous financial year.

(e) On 20 December 2005, a subsidiary, Terang Tanah Sdn. Bhd. has entered into a memorandum of deposit and charge over securities with a joint venture partner, IJM Construction Sdn. Bhd., all the shares held in Sierra Ukay Sdn. Bhd. (both ordinary and preference shares) as a continuing security to the joint venture partner for due repayment of indebtedness on completion of development projects undertaken by the joint venture partner pursuant to a Deferred Payment Agreement signed on the same date.

(f) 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 2012 RM'000	GROUP 2011 RM'000
Assets and liabilities		
Non-current assets	25,809	10,657
Current assets	125,303	109,398
Total assets	151,112	120,055
Non-current liabilities	11,421	25,076
Current liabilities	131,236	89,385
Total liabilities	142,657	114,461
Results		
Profit/(loss), including finance costs and tax expense	2,800	(7)

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

12. INTEREST IN JOINTLY CONTROLLED ENTITIES (CONT'D)

The Group has not recognised losses relating to Good Debut Sdn. Bhd., Cekap Tropikal Sdn. Bhd. and Astaka Tegas Sdn. Bhd. where its share of losses exceeds the Group's interest in these jointly controlled entities and the Group has no further obligation in respect of these losses.

The Group's cumulative share of unrecognised losses at the reporting date was RM8.93 million (2011: RM6.93 million), of which RM2.00 million (2011: RM1.31 million) was the share of the current year's losses.

13. SINKING FUNDS HELD BY TRUSTEES

The sinking funds are held by trustees for the redemption and/or servicing of credit facilities.

14. INVENTORIES

	GROUP		COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
At cost:-				
Completed properties held for sale	10,183	58,473	–	–
Consumables and others	1,194	1,080	–	–
	11,377	59,553	–	–
At net realisable value:-				
Completed properties held for sale	87,424	33,606	273	5,687
Properties under construction held for sale	12,381	19,026	–	–
	99,805	52,632	273	5,687
	111,182	112,185	273	5,687

(i) Included in the inventories of the Group are properties with net carrying value of RM14.01 million (2011: RM29.93 million) which are charged as securities for credit facilities and convertible securities of the Group as disclosed in Note 22(i), Note 22(ii) and Note 23(a) to the financial statements.

(ii) Certain inventories of the Group amounting to RM20.81 million (2011: RM20.81 million) are pledged as security to IJM Group for outstanding construction costs payable to IJM Group, a related party as disclosed in Note 38 to the financial statements.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

15. TRADE RECEIVABLES

	GROUP 2012 RM'000	GROUP 2011 RM'000
Trade receivables	59,927	86,661
Less: Accumulated impairment losses		
At 1 February	(8,967)	(15,712)
Reclasified to other receivables	–	5,346
Disposal of subsidiaries	64	–
Additions	(4,255)	(3,902)
Reversals	10,625	5,301
At 31 January	(2,533)	(8,967)
	57,394	77,694
Accrued billings	27,504	50,264
	84,898	127,958

The analysis of the trade receivables ageing is as follows:-

	Gross 2012 RM'000	Gross 2011 RM'000	Individual Impaired 2012 RM'000	Individual Impaired 2011 RM'000	Nett 2012 RM'000	Nett 2011 RM'000
Not past due	14,162	16,585	–	–	14,162	16,585
1 to 30 days past due	810	10,589	–	–	810	10,589
31 to 60 days past due	1,350	10,610	–	–	1,350	10,610
61 to 90 days past due	1,118	412	–	–	1,118	412
91 to 120 days past due	2,074	428	–	–	2,074	428
More than 121 days past due	40,413	48,037	(2,533)	(8,967)	37,880	39,070
	59,927	86,661	(2,533)	(8,967)	57,394	77,694

No allowance for impairment was made for trade receivables more than 121 days past due mainly due to pending fulfilment of certain condition precedents before payment.

The Group's trade receivables that are impaired at the reporting date are as follows:-

Group	Individually impaired 2012 RM'000	Individually impaired 2011 RM'000
Trade receivables	2,533	8,967
- nominal amounts	(2,533)	(8,967)
	–	–

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

15. TRADE RECEIVABLES (CONT'D)

(a) Included in trade receivables are amounts due from related parties (Note 38) as follows:-

	GROUP	
	2012 RM'000	2011 RM'000
Radiant Pillar Sdn. Bhd.	9,000	9,000
Kumpulan Europlus Berhad and its subsidiaries ("KEB Group")	3,337	6,913

The amount owing by related parties is unsecured, non-interest bearing and is repayable on demand.

(b) The Group's normal trade credit terms ranges from 14 days to 60 days (2011: 14 days to 60 days). Other credit terms are assessed and approved on a case-by-case basis.

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

(d) Based on the Group's historical experience and the Group's assessment of the collectability of trade receivables, the directors believe that no impairment is necessary in respect of trade receivables that are past due but not impaired.

(e) Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that have defaulted on payments.

(f) Included in trade receivables of the Group is an amount of RM1.30 million (2011: RM0.94 million) denominated in Chinese Renminbi.

16. OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES

	GROUP		COMPANY	
	2012 RM'000	2011 RM'000 (restated)	2012 RM'000	2011 RM'000 (restated)
Other receivables	245,865	243,809	59,931	30,536
Less: Accumulated impairment losses				
At 1 February	(81,787)	(70,428)	(18,717)	(10,208)
Reclassified from trade receivables	–	(5,346)	–	–
Additions	(12,239)	(21,403)	(3,404)	(8,613)
Reversals	1,557	3,947	1,557	104
Disposal of subsidiaries	9,605	1,484	–	–
Write offs	–	9,959	–	–
At 31 January	(82,864)	(81,787)	(20,564)	(18,717)
	163,001	162,022	39,367	11,819
Refundable deposits	4,603	11,638	57	50
Prepaid expenses	517	537	–	–
	168,121	174,197	39,424	11,869

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

16. OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES (CONT'D)

(a) Included in other receivables of the Group and the Company are amount owing by a third party of RM24.01 million and RM6.69 million respectively (2011: RM23.59 million and RM6.69 million) pursuant to the issuance of Sukuk Al-Ijarah which is secured by a third party's property, as disclosed in Note 22(iv) to the financial statements.

(b) Included in other receivables of the Group are miscellaneous charges receivable from house purchasers of RM9.76 million (2011: RM9.23 million).

(c) Included in other receivables of the Group and of the Company are amounts due from related parties as follows:-

	GROUP		COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
KEB Group	2,742	8,624	–	822
Radiant Pillar Sdn. Bhd.	–	17	–	–
Pengurusan Projek Bersistem Sdn. Bhd.	227	227	–	–
	2,969	8,868	–	822

The nature of the relationship with the above related parties is disclosed in Note 38 to the financial statements.

The amounts owing by related parties are unsecured, bear interest rate of 8.60% (2011: 7.60%) and are repayable on demand.

(d) Included in other receivables of the Group is an amount of RM14.40 million paid by a subsidiary, Envy Vista Sdn. Bhd. for the acquisition of 100% equity interest in Bintang Dian Sdn. Bhd. The total consideration for this acquisition is RM17.20 million. As at the date of this report, this acquisition has not been completed and is currently pending for the fulfillment of the precedent conditions as stipulated in the agreement.

(e) Included in other receivables of the Group is amount due from certain contractors of the Group totalling RM15.42 million (2011: RM14.21 million). The directors are of the opinion that these receivables were fully recoverable.

(f) Included in other receivables of the Group is an amount of RM4.73 million (2011: RM2.53 million) denominated in Chinese Renminbi.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

17. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2012 RM'000	2011 RM'000 (restated)	2012 RM'000	2011 RM'000 (restated)
Housing development accounts ("HDA")	2,444	3,247	–	–
Cash in hand and bank balances	7,749	13,934	2,455	6,680
Deposits with licensed banks	265	434	–	–
Cash and bank balances	10,458	17,615	2,455	6,680
Less:				
Bank overdrafts (Note 22(b))	–	(4,253)	–	(1,740)
Balances pledged as security to licensed banks - HDA	(172)	(107)	–	–
Cash and cash equivalents	10,286	13,255	2,455	4,940

The housing development accounts of the Group and the Company are maintained pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966. These accounts, which consist of monies received from purchasers, are for the payment of property development costs incurred and are restricted from use in other operations. The surplus monies, if any, will be released to the Company and respective subsidiaries upon the completion of the property development projects and after all property development costs have been fully settled.

Included in cash and bank balances of the Group is an amount of RM0.23 million (2011: RM0.45 million) denominated in Chinese Renminbi.

18. ASSETS HELD FOR SALE

	GROUP	
	2012 RM'000	2011 RM'000
At cost:-		
At 1 February	382,152	–
Transfer from Land Held for Property Development (Note 7(a))	–	322,940
Transfer from Property Development Costs (Note 7(b))	73,337	59,212
Transfer from Investment Properties (Note 8)	68,789	–
Disposals	(221,524)	–
Disposal of subsidiaries	(9,057)	–
At 31 January	293,697	382,152
Less: Accumulated depreciation		
At 1 February	–	–
Transfer from Investment Properties (Note 8)	(3,265)	–
At 31 January	(3,265)	–
Less: Accumulated impairment losses		
At 1 February	(41,973)	–
Transfer from Investment Properties (Note 8)	(17,000)	–
Additions	(7,775)	(41,973)
At 31 January	(66,748)	(41,973)
	223,684	340,179

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

18. ASSETS HELD FOR SALE (CONT'D)

(i) Assets held for sale amounting to RM95.03 million (2011: RM177.17 million) are charged as security for credit facilities and convertible securities of the Group as disclosed in Note 22(ii) and Note 23(b) to the financial statements.

(ii) Assets held for sale amounting to RM40.75 million (2011: Nil) are charged as security for Sukuk Al-Ijarah facility as disclosed in Note 22(iv) to the financial statements.

(iii) Assets held for sale amounting to RM24.61 million (2011: RM124.78 million) are charged as securities for credit facilities granted to a corporate shareholder, Kumpulan Europlus Berhad, a related party as disclosed in Note 38 to the financial statements.

(iv) Certain assets held for sale of RM10.41 million (2011: RM10.41 million) are pledged as security to IJM Group for outstanding construction costs payable to IJM Group, a related party as disclosed in Note 38 to the financial statements.

On 12 March 2010, the Company entered into a settlement agreement with Menteri Besar Selangor (incorporated) ("MBI") to dispose of properties of the Group for a total consideration of RM330,461,378/- and cash payment of RM12,669,690/- to settle a sum of RM241,367,318/- owing to MBI and RM101,763,750/- due to financial institutions and secured creditors.

On 9 April 2010, the Company entered into a supplementary agreement with MBI to dispose additional properties of the Group for a total consideration of RM345,632,918/- to settle a sum of RM150,619,159/- owing to MBI, RM164,500,000/- due to financial institution and secured creditors (collectively known as MBI settlement) and RM30,513,759/- to set off the costs and expenses under the settlement arrangement.

As at 31 January 2012, the Group had disposed of assets held for sale in relation to the MBI Settlement of RM221.52 million during the financial year. The remaining assets held for sale in relation to the MBI Settlement is RM118.66 million (2011: RM340.18 million).

19. SHARE CAPITAL

	GROUP AND COMPANY			
	Number of Shares		Amount	
	2012 '000	2011 '000	2012 RM'000	2011 RM'000
Authorised				
Ordinary shares of RM0.20 each				
At 1 February/At 31 January	8,000,000	8,000,000	1,600,000	1,600,000
Redeemable convertible preference shares of RM0.20 each (RCPS)				
At 1 February/At 31 January	1,500,000	1,500,000	300,000	300,000
Irredeemable convertible preference shares ("ICPS") of RM0.10 each				
At 1 February/At 31 January	1,000,000	1,000,000	100,000	100,000
Total	10,500,000	10,500,000	2,000,000	2,000,000

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

19. SHARE CAPITAL (CONT'D)

	GROUP AND COMPANY			
	Number of Shares		Amount	
	2012 '000	2011 '000	2012 RM'000	2011 RM'000
Issued and paid-up				
Ordinary shares of RM0.20 each				
At 1 February	3,410,472	2,388,782	682,094	477,757
Conversion of RCSLS	417,504	585,027	83,501	117,005
Conversion of RCPS	228,000	436,663	45,600	87,332
At 31 January	4,055,976	3,410,472	811,195	682,094
RCPS of RM0.20 each				
At 1 February	392,304	828,967	19,710	41,648
Converted during the financial year	(228,000)	(436,663)	(11,076)	(21,938)
At 31 January	164,304	392,304	8,634	19,710
Less: Equity component of RCPS reclassified to reserve	–	–	(8,634)	(19,710)
Total	4,220,280	3,802,776	811,195	682,094

(a) During the financial year, 228,000,490 redeemable convertible preference shares ("RCPS") of RM0.20 each were converted into 228,000,490 new ordinary shares of RM0.20 each and 417,503,930 redeemable convertible secured loan stocks ("RCSLS") were converted into 417,503,930 new ordinary shares of RM0.20 each. The issued and paid-up ordinary share capital of the Company was increased from RM682,094,434/- to RM811,195,318/-.

The new ordinary shares issued during the financial year arising from the conversion of the RCPS and RCSLS rank pari passu in all respects with the existing ordinary shares of the Company except that the holders thereof shall not be entitled to any dividends, rights, allotments and/or other distributions where the entitlement date of which precedes the date of allotment of the new ordinary shares of the Company.

(b) The RCPS is classified between the liability component and the equity component, representing the fair value of the conversion component. The main features of the RCPS are disclosed in Note 23 to the financial statements.

20. TREASURY SHARES

	GROUP AND COMPANY			
	Number of Shares		Amount	
	2012 '000	2011 '000	2012 RM'000	2011 RM'000
Ordinary shares of RM0.20 each				
At 1 February/At 31 January	2,464	2,464	(493)	(493)

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

21. RESERVES

	GROUP 2012 RM'000	GROUP 2011 RM'000	COMPANY 2012 RM'000	COMPANY 2011 RM'000
Capital Reserves:-				
Capitalisation of retained profits for bonus issue of ordinary shares by subsidiaries	6,392	6,392	–	–
Redemption of preference shares to ordinary shares	4,809	4,809	–	–
	11,201	11,201	–	–
Foreign exchange reserve	34,728	35,919	–	–
Total capital reserves	45,929	47,120	–	–
Convertible securities	20,572	65,061	20,572	65,061
Accumulated losses	(304,253)	(177,847)	(311,597)	(158,173)
	(237,752)	(65,666)	(291,025)	(93,112)

22. BORROWINGS

	GROUP 2012 RM'000	GROUP 2011 RM'000	COMPANY 2012 RM'000	COMPANY 2011 RM'000
(a) Long term borrowings				
Secured:-				
BaIDS (Note 22(i))	98,170	134,213	98,170	134,213
Term and bridging loans (Note 22(ii))	134,240	161,249	25,568	4,512
	232,410	295,462	123,738	138,725
Less: Amount payable within the next 12 months Term and bridging loans	(134,240)	(161,249)	(25,568)	(4,512)
Amount payable after the next 12 months BaIDS	98,170	134,213	98,170	134,213

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

22. BORROWINGS (CONT'D)

	GROUP 2012 RM'000	GROUP 2011 RM'000	COMPANY 2012 RM'000	COMPANY 2011 RM'000
(b) Short term borrowings				
Secured:-				
Revolving credits (Note 22(iii))				
- Financial institutions	46,053	45,250	–	–
- Related party	18,534	19,318	–	–
Sukuk Al-Ijarah (Note 22(iv))	84,653	84,316	–	–
	149,240	148,884	–	–
Unsecured:-				
Bank overdrafts	–	4,253	–	1,740
Revolving credits				
- Related party	–	21,686	–	21,685
	149,240	174,823	–	23,425
Add: Amount payable within the next 12 months				
Term and bridging loans	134,240	161,249	25,568	4,512
	283,480	336,072	25,568	27,937
Total Borrowings	381,650	470,285	123,738	162,150

The currencies exposure profiles of the Group's and of the Company's borrowings are as follows:-

	GROUP 2012 RM'000	GROUP 2011 RM'000	COMPANY 2012 RM'000	COMPANY 2011 RM'000
Ringgit Malaysia	335,597	425,035	122,847	162,150
Chinese Renminbi	46,053	45,250	–	–
	381,650	470,285	122,847	162,150

(i) Al-Bai Bithaman Ajil Islamic Debt Securities ('BaIDs")

The 10-year BaIDS was issued at 100% of its nominal value on 29 June 2009 and bears the following profit rates:-

Period	Profit rate (per annum)
Year 1 - 3	Not applicable
Year 4 - 5	2%
Year 6 - 8	6%
Year 9	8%
Year 10	9%

The BaIDs of the Company consist of non-interest bearing primary notes together with non-detachable secondary notes. The redemption of the primary notes shall bear made on 100% of its nominal value at maturity date while the redemption of the secondary notes shall be made on a semi-annual basis throughout the tenure of the BaIDs.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

22. BORROWINGS (CONT'D)

(b) Short term borrowings (Cont'd)

During the financial year, an amount of RM36.04 million was cancelled due to early redemption by the Company.

The BaIDs is secured on certain land held for property development, land under development and inventories of the Group as disclosed in Note 7(i) and Note 14(i) to the financial statements.

(ii) The term and bridging loans are secured by a charge over certain land held for property development, land under development, inventories and assets held for sale as disclosed in Note 7(i), Note 8, Note 14(i) and Note 18(i) to the financial statements.

(iii) The revolving credits facility by financial institutions are secured by a fixed and floating charge over leasehold land, buildings and renovation of the Group as disclosed in Note 6(a) to the financial statements.

The revolving credits facility is provided by Pengurusan Projek Bersistem Sdn. Bhd. and is secured by a memorandum of deposit on the entire paid-up share capital of wholly-owned subsidiaries, Seaview Plantation Sdn. Bhd. and Larut Overseas Ventures Sdn. Bhd. Pengurusan Projek Bersistem Sdn. Bhd. is a related party as disclosed in Note 38 to the financial statements.

(iv) Sukuk Al-Ijarah ("Sukuk")

The Sukuk Al-Ijarah facility of RM150 million was issued by Ample Zone Berhad ("Ample Zone"), a 99.99% owned subsidiary during the financial year ended 31 January 2005.

The Sukuk is secured by the following:-

- Certain investment properties and asset held for sales as disclosed in Note 8 and Note 18 (ii) to the financial statements; and
- Other receivables of the Group and the Company as disclosed in Note 16(a) to the financial statements.

The amount has reached maturity on 27 January 2012.

On 25 May 2012, the Sukukholders convened an extraordinary general meeting on which the Sukukholders approved, amongst others, to Ample Zone's proposal ("the Proposal") as follows:-

- Extension of time i.e., to mature on 31 March 2013; and
- Additional collateral by the Group in the form of assignment of sales proceeds of 40 units of shop offices totalling a sum of approximately RM40 million arising from a proposed joint venture with Tesmaya Mayang Sdn. Bhd. as disclosed in Note 37(k) to the financial statements.

(v) The range of effective interest and profit rates during the financial year for borrowings are as follows:-

	GROUP		COMPANY	
	2012	2011	2012	2011
	%	%	%	%
Revolving credits	7.22 - 8.28	8.00 - 9.75	–	9.00 - 9.75
Bank overdrafts	–	7.00 - 9.00	–	7.00 - 9.00
Term and bridging loans	8.00 - 16.00	6.60 - 16.00	8.10	–
Sukuk Al-Ijarah	5.20 - 9.30	5.20 - 9.30	5.20 - 9.30	5.20 - 9.30

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

23. CONVERTIBLE SECURITIES

	GROUP AND COMPANY	
	2012	2011
	RM'000	RM'000
Liability components		
Secured:-		
- RCSLS - A (Note a)	43,742	41,280
- RCSLS - B (Note b)	10,893	14,712
- RCSLS - C (Note c)	–	143,109
- RCSLS - D (Note d)	–	–
RCPS (Note e)	25,438	57,229
	80,073	256,330

During the financial year ended 31 January 2010, the Company had issued:-

(i) Four classes of zero coupon redeemable convertible secured loan stocks ("RCSLS") issued at 100% nominal value, with an aggregate amount of RM356,256,581/-, arising from the issuance of 1,781,282,905 units of RCSLS of RM0.20 each as follows:-

Class	Amount (RM)
RCSLS - A	50,328,000
RCSLS - B	17,924,581
RCSLS - C	171,002,000
RCSLS - D	117,002,000
	356,256,581

Each class of the RCSLS has tenure of five (5) years from the date of issue and is secured on the assets of the Group.

(ii) RM257,402,000/- nominal value of zero dividend five (5) year Redeemable Convertible Preference Share ("RCPS") arising from the issuance of 1,287,010,000 RCPS of RM0.20 each.

The RCSLS-A is unquoted in nature whilst the RCSLS-B, RCSLS-C, RCSLS-D and RCPS are listed on the Main Market of Bursa Malaysia Security Berhad.

		GROUP AND COMPANY	
		2012	2011
		RM'000	RM'000
Note (a)	***Redeemable convertible secured loan stock A of RM0.20 each (RCSLS-A)***		
	At 1 February	41,280	38,950
	Add: Interest recognised	2,462	2,330
	At 31 January	43,742	41,280

There was no conversion or redemption during the financial year.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

23. CONVERTIBLE SECURITIES (CONT'D)

		GROUP AND COMPANY 2012 RM'000	2011 RM'000
Note (b)	***Redeemable convertible secured loan stock B of RM0.20 each (RCSLS-B)***		
	At 1 February	14,712	13,883
	Add: Interest recognised	727	830
	Less: Converted during the financial year	* –	(1)
	Redeemed during the financial year	(4,546)	–
	At 31 January	10,893	14,712

* Represent amount less than RM1,000/-.

There were conversion of 1,300 units of RCSLS-B with a nominal value of M260/- into 1,300 fully paid-up ordinary share in the Company and redemption and cancellation of 27,000,000 units of RCSLS-B with a nominal value of RM5,400,000/- from the proceeds received from disposal of secured assets.

		GROUP AND COMPANY 2012 RM'000	2011 RM'000
Note (c)	***Redeemable convertible secured loan stock C of RM0.20 each (RCSLS-C)***		
	At 1 February	143,109	135,185
	Add: Interest recognised	3,723	7,925
	Less: Converted during the financial year	(73,201)	(1)
	redeemed during the financial year	(73,631)	–
	At 31 January	–	143,109

There were conversion of 417,501,330 units of RCSLS-C with a nominal value of RM83,500,266/- into 417,501,330 fully paid-up ordinary shares of the Company and redemption and cancellation of 437,498,770 units of RCSLS-C with a nominal value of RM87,499,754/- from the proceeds received from disposal of secured assets.

		GROUP AND COMPANY 2012 RM'000	2011 RM'000
Note (d)	***Redeemable convertible secured loan stock D of RM0.20 each (RCSLS-D)***		
	At 1 February	* –	87,882
	Add: Interest recognised	–	2,380
	Less: Converted during the financial year	* –	(90,262)
	At 31 January	–	–

* Represent amount less than RM1,000/-.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

23. CONVERTIBLE SECURITIES (CONT'D)

During the financial year, the nominal value of RCSLS-D of RM260/- consisting of 1,300 units of RCSLS-D was fully converted into 1,300 fully paid-up ordinary share in the Company.

		GROUP AND COMPANY	
		2012 RM'000	2011 RM'000
Note (e)	***Redeemable convertible preference share of RM0.20 each (RCPS)***		
	At 1 February	57,229	114,286
	Add: Interest recognised	1,597	10,607
	Less: Converted during the financial year	(33,388)	(67,664)
	At 31 January	25,438	57,229

During the financial year, there was a conversion of RCPS into 228,000,490 fully paid-up ordinary share in the Company.

Salient features of the RCSLS-A, RCSLS-B, RCSLS-C, RCSLS-D and RCPS are as follow:-

(a) Redeemable Convertible Secured Loan Stock A (Unquoted)

The RCSLS-A was issued at 100% of the nominal value and bears zero coupon rate. The RCSLS-A is issued in registered form and in denomination of RM0.20 each.

The RCSLS-A has a maturity period of five (5) years from the date of issue. Each nominal value of the RCSLS-A can be converted at any time during the conversion period into a fully paid-up new ordinary share of RM0.20 each in the Company.

The RCSLS-A is secured on assets of the Group as disclosed in Note 7(ii) and Note 14(i) to the financial statements. A sinking fund account is created to capture proceeds from the sale of the charged assets to redeem the RCSLS-A. The redemption of the RCSLS-A shall be on semi-annual basis or when the monies in the sinking fund account is equal or in excess of RM500,000/- subject to the availability of funds in the sinking fund account, whichever is earlier.

(b) Redeemable Convertible Secured Loan Stock B (Quoted)

The RCSLS-B was issued at 100% of the nominal value and bears zero coupon rate. The RCSLS-B is issued in registered form and in denomination of RM0.20 each.

The RCSLS-B has a maturity period of five (5) years from the date of issue. Each nominal value of the RCSLS-B can be converted at any time during the conversion period into a fully paid-up new ordinary share of RM0.20 each in the Company.

The RCSLS-B is secured on assets of the Group as disclosed in Note 6(b), Note 7(ii) and Note 18(i) to the financial statements. A sinking fund account is created to capture proceeds from the sale of the charged assets to redeem the RCSLS-B.

The redemption of the RCSLS-B shall be on annual basis subject to the availability of funds in the sinking fund account.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

23. CONVERTIBLE SECURITIES (CONT'D)

(c) Redeemable Convertible Secured Loan Stock C (Quoted)

The RCSLS-C was issued at 100% of the nominal value and bears zero coupon rate. The RCSLS-C is issued in registered form and in denomination of RM0.20 each.

The RCSLS-C has a maturity period of five (5) years from the date of issue. Each nominal value of the RCSLS-C can be converted at any time during the conversion period into a fully paid new ordinary share of RM0.20 each in the Company.

The RCSLS-C is secured on identified assets of the Group. A sinking fund account is created to capture proceeds from the sale of the charged assets to redeem the RCSLS-C.

The redemption of the RCSLS-C shall be on annual basis subject to the availability of funds in the sinking fund account.

(d) Redeemable Convertible Secured Loan Stock D (Quoted)

The RCSLS-D was issued at 100% of the nominal value and bear zero coupon rate. The RCSLS-D is issued in registered form and in denomination of RM0.20 each.

The RCSLS-D has a maturity period of five (5) years from the date of issue. Each nominal value of the RCSLS-D can be converted at any time during the conversion period into a fully paid new ordinary share of RM0.20 each in the Company.

The RCSLS-D is secured on identified assets of the Group. A sinking fund account is created to capture proceeds from the sale of the charged assets to redeem the RCSLS-D.

The redemption of the RCSLS-D shall be on annual basis subject to the availability of funds in the sinking fund account.

(e) Redeemable Convertible Preference Shares (Quoted)

The RCPS has par value of RM0.20 each and bears zero dividend rate.

The RCPS has a maturity period of five (5) years from the date of issue, subject to a further extension of up to a maximum of two (2) years from Year 5 at the option of the Company. Upon maturity, all outstanding RCPS will automatically be converted into new fully paid-up ordinary shares of RM0.20 each in the Company.

Each nominal value of the RCPS can be converted at any time during the conversion period into fully paid-up new ordinary shares of RM0.20 each in the Company.

The RCPS does not carry any right to vote at any general meetings of the Company except with regards to any proposal on the following:-

- To reduce the capital of the Company;
- To dispose of the whole of the Company's property, business and undertaking;
- To wind up the Company; and
- Any proposal that affect the rights attached to the RCPS.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

24. DEFERRED TAX LIABILITIES

	GROUP		COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
At 1 February	18,260	37,765	18,260	32,966
Recognised in the profit or loss (Note 32)				
- current year	(2,710)	–	(2,710)	–
- prior years	–	(4,799)	–	–
	(2,710)	(4,799)	(2,710)	–
Reversal in respect of convertible securities:-				
- converted during the financial year	(6,810)	(14,706)	(6,810)	(14,706)
- redeemed during the financial year	(4,830)	–	(4,830)	–
	(11,640)	(14,706)	(11,640)	(14,706)
At 31 January	3,910	18,260	3,910	18,260

The deferred tax liability is in respect of the following:

	GROUP		COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Deferred tax liability				
Tax effects on:-				
Convertible securities	3,910	18,260	3,910	18,260

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

	GROUP		COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Deductible temporary differences	20,182	24,014	72	66
Unused tax losses	487,085	451,966	3,675	3,312
	507,267	475,980	3,747	3,378
Potential deferred tax assets not recognised @ 25%	126,817	118,995	937	845

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

25. PROVISION FOR LIABILITY

	GROUP	
	2012 RM'000	2011 RM'000
Provision for liquidated and ascertained damages		
At 1 February	50,421	54,915
Additions during the financial year	12,909	10,000
Disposal of subsidiaries	(21,991)	(13,992)
Reversal during the financial year	(12,135)	–
Utilised during the financial year	(2,140)	(502)
	27,064	50,421
Less: Amount payable after the next 12 months	(19,562)	(41,225)
At 31 January	7,502	9,196
Analyse as:-		
Non-current	19,562	41,225
Current	7,502	9,196
	27,064	50,421

Provision for liquidated and ascertained damages is recognised in respect of the delayed projects undertaken by certain subsidiaries. The provision has been recognised for the expected liquidated ascertained damages claims based on the applicable terms and conditions stated in the sale and purchase agreements.

26. TRADE PAYABLES

	GROUP		COMPANY	
	2012 RM'000	2011 RM'000 (restated)	2012 RM'000	2011 RM'000 (restated)
Trade payables	341,952	427,713	256,228	9,013
Progress billings in respect of property development costs	34,077	88,340	–	–
Retention sum	18,589	27,256	–	–
	394,618	543,309	256,228	9,013

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

26. TRADE PAYABLES (CONT'D)

(a) Included in trade payables and retention sum are amounts due to related parties as follows:-

	GROUP		COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Trade Payables				
KEB Group	10,581	9,429	–	–
IJM Group	190,019	145,463	160,518	6,423
	200,600	154,892	160,518	6,423
Retention Sums				
KEB Group	754	833	–	–
IJM Group	–	441	–	–
	754	1,274	–	–
Total	201,354	156,166	160,518	6,423

The amount payable to IJM Group, a related party, is secured over the leasehold land, land held for property development and land under development of the Group and the Company, investment properties, inventories, asset held for sale and the entire equity stake held in a jointly controlled entity as disclosed in Note 6, Note 7, Note 8, Note 12(e), Note 14(ii) and Note 18(iv) to the financial statements.

(b) Included in trade payables of the Group and the Company are amount of RM97.53 million (2011: RM190.16 million) payable to land vendors and Menteri Besar Selangor (Incorporated).

(c) The normal trade credit terms granted to the Group ranges from 30 days to 90 days (2011: 30 days to 90 days).

(d) Included in trade payables of the Group is an amount of RM3.96 million (2011: RM3.60 million) denominated in Chinese Renminbi.

27. OTHER PAYABLES AND ACCRUED EXPENSES

	GROUP		COMPANY	
	2012 RM'000	2011 RM'000 (restated)	2012 RM'000	2011 RM'000 (restated)
Other payables	300,865	415,795	52,499	72,200
Accrued expenses	238,140	210,160	5,472	4,660
	539,005	625,955	57,971	76,860

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

27. OTHER PAYABLES AND ACCRUED EXPENSES (CONT'D)

(a) Included in other payables and accrued expenses of the Group and of the Company are the following:-

	GROUP		COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Accrued interest expenses	122,124	125,003	3,870	3,208
Advances from minority shareholder of subsidiaries (b)	33,862	30,893	–	–
Amount owing to KEB Group (c)	31,111	112,591	11,281	33,994
Amount payable to authorities in relation to development project	14,707	35,401	–	–
Deposit received from a joint venture partner	21,300	21,300	–	–
Deposit received from an associate for disposal of property	19,457	–	–	–
Deposit received for disposal of properties	–	3,662	–	–
Refundable deposit received from purchasers of properties and tenants of complexes	11,552	20,926	–	–

(b) The advance from minority shareholder of subsidiaries is unsecured, interest free and payable on demand.

(c) Amounts owing to a corporate shareholder, Kumpulan Europlus Berhad, is secured over certain land under development of the Group as disclosed in Note 7(iv) to the financial statements, bears interest at the rate of 8.60% (2011: 8.00%) per annum and are payable on demand.

Kumpulan Europlus Berhad is a related party as disclosed in Note 38 to the financial statements.

(d) Included in other payables and accrued expenses of the Group are an amount of RM16.89 million (2011: RM10.11 million) denominated in Chinese Renminbi.

28. REVENUE

	GROUP		COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Property development revenue	178,352	77,516	324	–
Rental income	9,144	9,928	–	–
Revenue from hotel operations	24,211	19,647	–	–
Management fees and charges from third parties	–	267	–	–
Sale of development land	415,300	69,100	–	30,000
Sales of inventories	7,127	4,384	–	–
Others	3,290	2,553	–	–
	637,424	183,395	324	30,000

Notes to the Financial Statements (Cont'd)
For The Financial Year Ended 31 January 2012

29. COST OF SALES

	GROUP		COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Property development costs	258,972	49,244	326	–
Cost of rental	5,145	5,131	–	–
Cost of hotel operations	7,438	6,285	–	–
Cost of development land	321,476	113,456	–	30,000
Cost of inventories sold	6,916	5,585	–	–
Others	3,555	2,455	–	–
	603,502	182,156	326	30,000

30. FINANCE COSTS

	GROUP		COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Interest expenses on:-				
- term and bridging loans	30,837	34,864	4,726	6,544
- other borrowings	2,140	17,207	1,000	2,016
- convertible securities	8,509	11,659	8,509	11,659
- bank overdrafts	105	311	98	136
	41,591	64,041	14,333	20,355
Profit on Islamic debt securities	5,384	5,458	2,261	2,268
	46,975	69,499	16,594	22,623

Included in interest expenses of the Group and the Company are amounts paid or payable to the following related parties:-

	GROUP		COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Pengurusan Projek Bersistem Sdn. Bhd.	1,413	295	–	–
KEB Group	2,814	10,042	869	3,795

The nature of the relationship with the above related parties is disclosed in Note 38 to the financial statements.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

31. LOSS BEFORE TAX

	GROUP		COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Loss before tax is stated after charging/(crediting):-				
Assets held for sale write down to fair value less costs to sell	7,775	41,973	–	–
Auditors' remuneration:-				
- current year	488	420	165	130
- underaccrual in prior years	3	65	–	60
- other services	–	4	–	–
Bad debts written off - receivables	–	1,103	–	4
Depreciation of:-				
- property, plant and equipment	5,371	5,650	101	220
- investment properties	3,485	3,091	–	–
Impairment loss on:-				
- receivables - trade	4,255	3,902	–	–
- receivables - non trade	12,239	21,403	3,404	8,613
- amount owing by subsidiaries	–	–	288,594	–
- amount owing by associates	20	–	20	–
- amount owing by jointly controlled entities	3	187	3	187
- land held for property development	35,968	9,459	4,328	–
- investment in subsidiaries	–	–	500	90,404
Provision for foreseeable loss	9,235	–	–	–
Interest on convertible securities	8,509	11,659	8,509	11,659
Loss on disposal of:-				
- investment properties	–	2,662	–	–
- subsidiaries	23,170	14,469	7,795	–
Provision for liquidated and ascertained damages	12,909	10,000	–	–
Property, plant and equipment written off	67	279	–	245
Rental of office/complex	23	21	–	–
Staff costs:-				
- wages and salaries	9,300	7,998	–	–
- social security	236	378	–	–
- defined contribution	494	636	–	–
- other staff related expenses	1,666	1,578	–	–

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

31. LOSS BEFORE TAX (CONT'D)

	GROUP		COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Gain on disposal of property, plant and equipment	–	(4,680)	–	–
Gain on convertible securities	(18,897)	–	(18,897)	–
Impairment loss on receivables no longer required:-				
- receivables - trade	(10,625)	(5,301)	–	–
- receivables - non trade	(1,557)	(3,947)	(1,557)	(104)
- amount owing by subsidiaries	–	–	(154,420)	–
Provision for foreseeable loss no longer required	–	(23,727)	–	–
Reversal of provision for liquidated and ascertained damages	(12,135)	–	–	–
Interest income	(1,544)	(879)	(82)	–
Rental income	(1,179)	(1,432)	(3)	–
Waiver of debts:-				
- other payables	(29,628)	(42,073)	–	–

32. INCOME TAX EXPENSE/(CREDIT)

	GROUP		COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Income tax:-				
- current financial year	304	4	–	–
- prior financial years	5,399	18,773	–	–
	5,703	18,777	–	–
Deferred tax:-				
- current financial year	(2,710)	–	(2,710)	–
- prior financial years	–	(4,799)	–	–
	(2,710)	(4,799)	(2,710)	–
	2,993	13,978	(2,710)	–

Income tax is calculated at the Malaysian statutory tax rate of 25% (2011: 25%) of the estimated assessable profit for the financial year. The corporate tax rate applicable to the China subsidiary of the Group is 25%. Taxation for other jurisdictions is calculated at the prevailing tax rates in the respective jurisdictions.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

32. INCOME TAX EXPENSE/(CREDIT) (CONT'D)

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

	GROUP		COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Loss before tax	(124,418)	(153,753)	(156,134)	(125,101)
Taxation at Malaysian statutory tax rate of 25% (2011: 25%)	(31,105)	(38,438)	(39,033)	(31,275)
Income not subject to tax	(17,848)	(36,659)	(43,917)	(26)
Expenses not deductible for tax purposes	37,543	50,187	80,148	30,793
Origination of deferred tax assets not recognised in the financial statements	7,822	24,587	92	508
Share of results of associates	(19)	–	–	–
Share of results of jointly controlled entities	1,201	327	–	–
Overprovision of deferred tax in prior financial years	–	(4,799)	–	–
Underprovision of income tax expense in prior financial years	5,399	18,773	–	–
Tax expense/(credit) for the financial year	2,993	13,978	(2,710)	–

33. LOSS PER SHARE

(a) Basic

Basic loss per share is calculated by dividing the loss for the financial year attributable to the owners of the company by the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares held by the Company.

	GROUP	
	2012	2011
Loss for the financial year (RM'000)	(126,406)	(167,088)
Weighted average number of shares (Units'000)	3,801,595	2,877,983
Basic loss per share (sen)	(3.33)	(5.81)

(b) Diluted

The diluted loss per ordinary shares equal to the basic loss per share because the RCPS and RCSLS are anti-dilutive as the market value of the Company's shares are lower than the conversion price of RCPS and RCSLS.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

34. DIRECTORS' REMUNERATION

	GROUP		COMPANY	
	2012 RM'000	**2011 RM'000**	**2012 RM'000**	**2011 RM'000**
Company:-				
Executive directors:-				
- Fees	50	50	50	50
- Salaries	316	316	316	316
- Defined contribution	38	58	38	58
- Other emoluments	49	90	49	90
	453	514	453	514
Non-executive directors:-				
Present Directors:-				
- Fees	100	125	100	125
- Other emoluments	300	433	300	433
Former Directors:-				
- Fees	–	25	–	25
- Other emoluments	5	141	5	141
	405	724	405	724
	858	1,238	858	1,238
Subsidiaries:-				
Salaries	24	8	–	–
Defined contribution	4	1	–	–
Other emoluments	25	14	–	–
	53	23	–	–
	911	1,261	858	1,238
Benefit-in-kinds	6	6	6	6
Total	917	1,267	864	1,244

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

34. DIRECTORS' REMUNERATION (CONT'D)

The numbers of directors of the Company whose total remuneration during the financial year fall within the following bands are as follows:-

	COMPANY 2012 RM'000	COMPANY 2011 RM'000
Executive directors:-		
RM250,001 - RM300,000	1	1
RM200,001 - RM250,000	–	–
RM150,001 - RM200,000	–	1
RM100,001 - RM150,000	1	–
Non-Executive directors:-		
RM150,001 - RM200,000	–	1
RM100,001 - RM150,000	1	–
RM50,000 - RM100,000	3	3
Below RM50,000	–	1
	6	7

35. CONTINGENT LIABILITIES

	GROUP 2012 RM'000	GROUP 2011 RM'000	COMPANY 2012 RM'000	COMPANY 2011 RM'000
Unsecured:-				
Corporate guarantees given to financial institutions for:-				
- credit facilities granted to subsidiaries	–	–	228,411	243,469
- credit facilites granted to jointly controlled entities	10,307	17,869	10,307	17,869
- credit facilities granted to a disposed subsidiary	4,522	1,617	4,522	–
Corporate guarantees given to non-financial institutions for:-				
- purchase of land by subsidiaries	–	–	–	150,266
- purchase of land by a former subsidiary	–	15,514	–	15,514
	14,829	35,000	243,240	427,118
Secured:-				
Assets pledged to financial institutions for credit facilities granted to KEB group	37,276	10,978	–	–
	52,105	45,978	243,240	427,118

No provision for these contingent liabilities have been made in the financial statements of the Group and of the Company as the quantum of the shortfall of which the Group and the Company are liable to make good cannot be presently determined.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

36. SUBSIDIARIES

Details of subsidiaries are as follows:-

Name of Companies	Effective Equity Interest 2012 %	Effective Equity Interest 2011 %	Principal Activities
Incorporated in Malaysia			
Abra Development Sdn. Bhd. ^	100	100	Property development and investment holding
Alam Johan Sdn. Bhd. ^	100	100	Property development
Ample Zone Berhad * ^	100	100	Special purpose vehicle to implement and facilitate an Ijarah Asset Sale and Leaseback Agreement with the issuance of a Private debt security, Sukuk Al-Ijarah
Beautiful Peninsular Sdn. Bhd. ^	70	70	Property development
Biltradex Sdn. Bhd.	100	100	Property development and investment holding
Bukit Khazanah Sdn. Bhd.* ^	99.65	99.65	Property development and investment holding
Capital Advance Corporation Sdn. Bhd. ^	100	100	Investment holding
Cekap Mesra Development Sdn. Bhd.	50.01	50.01	Property development
Classic Fortune Sdn. Bhd. ^	100	100	Property development
Daya Kreatif Sdn. Bhd. ^	100	100	Property development
Envy Vista Sdn. Bhd. ^	100	100	Dormant
Era-Casa Sdn. Bhd. ^	100	100	Investment holding
Europlus Berhad ^	100	100	Investment holding and property development
Europlus Construction Sdn. Bhd. ^	–	100	Property development
Europlus Corporation Sdn. Bhd.	100	100	Property development and investment holding
Expand Factor Sdn. Bhd. ^	–	100	Property development and investment holding
Galian Juta Sdn. Bhd. ^	100	100	Property development
Gemapantas Sdn. Bhd. ^	51	51	Investment holding
G.L. Development Sdn. Bhd.	100	100	Property investment and development

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

36. SUBSIDIARIES (CONT'D)

Name of Companies	Effective Equity Interest 2012 %	2011 %	Principal Activities
Incorporated in Malaysia			
Ideal Synergy Sdn. Bhd. ^	100	100	Property development
Inti Johan Sdn. Bhd. ^	100	100	Property investment and management
Juara Tiasa Sdn. Bhd. ^	100	100	Property investment
Kenshine Corporation Sdn. Bhd.	100	100	Property development
Kolej Aman Bhd. ^	58.46	58.46	Ceased operation
Lambang Wira Sdn. Bhd. ^	100	100	Investment holding
Larut Leisure Enterprise Sdn. Bhd. ^	100	100	Investment holding
Larut Management Services Sdn. Bhd. ^	100	100	Investment holding
Larut Overseas Ventures Sdn. Bhd. ^	100	100	Investment holding
L.C.B. Management Sdn. Bhd. ^	100	100	Provision of management services
Layatama Sdn. Bhd.	100	100	Investment holding
Maxdale (M) Sdn. Bhd. ^	100	100	Investment holding
Maxisegar Construction Sdn. Bhd.	100	100	Property investment, management and development
Maxisegar Education Sdn. Bhd. ^	60	60	Investment holding
Maxisegar Realty Sdn. Bhd. ^	100	100	Dormant
Maxisegar Sdn. Bhd. ^	100	100	Property development and investment holding
Mutual Prosperous Sdn. Bhd. * ^	100	100	Investment holding
New Court Properties Sdn. Bhd. ^	98.04	98.04	Dormant
Noblepace (M) Sdn. Bhd. ^	100	100	Investment holding
Pandan Indah Medical Management Sdn. Bhd. ^	100	100	Ceased operation
Pandan Lake Club Berhad *	99.65	99.65	Operation of a recreational club
Perwira Indra Sakti Management Services Sdn. Bhd. * ¥ Δ	100	100	Dormant

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

36. SUBSIDIARIES (CONT'D)

Name of Companies	Effective Equity Interest 2012 %	2011 %	Principal Activities
Incorporated in Malaysia			
P.I.S. Properties Management Sdn. Bhd. * ¥	100	100	Dormant
Regobase Sdn. Bhd. ^	100	100	Investment holding
Seaview Plantations Sdn. Bhd.	100	100	Property development and investment holding
Saujana Ukay Sdn. Bhd. *	50.82	50.82	Property development
Sentosa Restu (M) Sdn. Bhd. ^	–	100	Property development
Star Base Sdn. Bhd.	96.49	96.49	Property development
Talam Beverage Sdn. Bhd.	99.77	99.77	Ceased operation
Talam General Foods Sdn. Bhd. ^	100	100	Dormant
Talam Industries Sdn. Bhd. ^	100	100	Property development and investment holding
Talam Leisure Development Sdn. Bhd. ^	100	100	Property development and investment holding
Talam Management Services Sdn. Bhd.	100	100	Dormant
Talam Manufacturing Sdn. Bhd. ^	100	100	Investment holding
Talam Medical Centre Sdn. Bhd.	100	100	Dormant
Talam Plantations Sdn. Bhd.	100	100	Investment holding
Talam Properties Sdn. Bhd.	100	100	Property development
Talam Refrigeration Sdn. Bhd.	99.77	99.77	Investment holding
Talam Premium Development Sdn. Bhd. ^	100	100	Investment holding
Talam Tractors Sdn. Bhd. ^	100	100	Dormant
TCB Resources Sdn. Bhd. ^	100	100	Investment holding, provision of management and consultancy services and general trading
Terang Tanah Sdn. Bhd. ^	100	100	Property development
Trans Liberty Sdn. Bhd. ^	100	100	Property development

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

36. SUBSIDIARIES (CONT'D)

Name of Companies	Effective Equity Interest 2012 %	2011 %	Principal Activities
Incorporated in Malaysia			
Ukay Land Sdn. Bhd.	–	100	Property development
Ulu Yam Golf And Country Club Sdn. Bhd. ^	60	60	Dormant
Untung Utama Sdn. Bhd. * ^	100	100	Property development
Venue Venture Sdn. Bhd. *	99.65	99.65	Investment holding, property investment and management
Winax Engineering Sdn. Bhd. ^	100	100	Investment holding
Zhinmun Sdn. Bhd. * ^	100	100	Property development
Zillion Development Sdn. Bhd. ^	100	100	Property investment and development
Agriresources International (HK) Limited * ¥	65	65	Dormant
Larut Consolidated (HK) Limited * ¥	100	100	Investment holding
Larut Talam International Management Services Limited * ¥	99.88	99.88	Dormant
Malim Enterprise (HK) Limited * ¥	100	100	Investment holding
Noble House Investments Limited * ¥	100	100	Investment holding
Parkgrove Limited * ¥	100	100	Investment holding
PPB Investment (HK) Limited * Δ ¥	100	100	Dormant
Talam Corporation (HK) Limited * ¥	100	100	Investment holding
Talam Resources (HK) Limited * ¥	100	100	Investment holding
Incorporated in Singapore			
Crystal Ace Pte. Ltd. * ¥	100	100	Dormant
Incorporated in The People's Republic of China			
Jilin Province Maxcourt Hotel Limited * ^	85	85	Operating and managing a hotel

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

36. SUBSIDIARIES (CONT'D)

* Audited by firms other than Messrs. Baker Tilly Monteiro Heng.

^ The auditors' reports of these subsidiaries contain an emphasis of matter paragraph relating to the going concern basis of accounting used in the preparation of financial statements.

¥ The audited financial statements of these subsidiaries are not available for consolidation and the auditors' report are not available. These subsidiaries are currently dormant or inactive.

Δ Submitted for deregistration with the authorities.

37. SIGNIFICANT AND SUBSEQUENT EVENTS

(a) On 10 January 2005, Ample Zone Berhad ("Ample Zone"), a 99.99% owned subsidiary of the Company, had entered into, inter-alia, an Assets Purchase Agreement and a Trust Deed under the issuance of Sukuk Al-Ijarah ("Sukuk") of RM150 million. It is a condition of the said trust deed that the Company grants an option in favour of the security trustee for the benefit of the Sukukholder. Pursuant to the option agreement, the Company irrevocably and unconditionally grants to the security trustee a right to require the Company at any time during the option period to purchase the assets at the exercise price upon or after the occurrence of a trigger event or an event of default or upon or after failure of the sellers to honour their sale undertakings or purchase undertakings.

On 25 May 2012, the Sukukholders convened an extraordinary general meeting on which the Sukukholders approved, amongst others, to Ample Zone's proposal ("the Proposal") as follows:-

- Extension of time i.e., to mature on 31 March 2013; and
- Additional collateral by the Group in the form of assignment of sales proceeds of 40 units of shop offices totalling a sum of approximately RM40 million arising from a proposed joint venture with Tesmaya Mayang Sdn. Bhd. as disclosed in Note 37(k) to the financial statements, in addition to the pending sale of secured investment properties as disclosed in Note 22(iv) to the financial statements.

(b) On 12 March 2010, the Company entered into a settlement agreement with Menteri Besar Selangor (incorporated) ("MBI") to dispose of properties of the Group for a total consideration of RM330.46 million and cash payment of RM12.70 million to settle a sum of RM241.37 million owing to MBI and RM101.76 million due to financial institutions and secured creditors.

On 9 April 2010, the Company entered into a supplementary agreement with MBI to dispose of additional properties of the Group for a total consideration of RM345.63 million to settle a sum of RM150.62 million owing to MBI, RM164.50 million due to financial institutions and secured creditors (collectively known as MBI settlement) and RM30.51 million to set off the costs and expenses under the settlement agreement.

On 30 March 2011, the shareholders of the Company approved the proposed MBI settlement. The Company agrees to conclude this MBI settlement arrangement within 6 months from the date of the Company's shareholders approval or redemption of liabilities by MBI whichever is earlier.

As at 31 January 2012, the Group had disposed of assets held for sale in relation to the MBI Settlement of RM221.53 million during the financial year. The remaining assets held for sale in relation to the MBI Settlement is RM118.66 million (2011: RM340.18 million).

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

37. SIGNIFICANT AND SUBSEQUENT EVENTS (CONT'D)

(c) On 6 June 2011 and 7 June 2011, a wholly owned subsidiary of the Group, Talam Premium Development Sdn. Bhd. had acquired 400,000 ordinary shares of RM1/- each and 3,600,000 redeemable preference share of RM0.05 each at a premium of RM0.95 per share in Trident Treasure Sdn. Bhd. for a total consideration of RM4 million, representing in total 40% interest in the paid-up share capital and paid-up redeemable preference share capital in Trident Treasure Sdn. Bhd. respectively.

(d) On 17 June 2011, the Company received a public reprimand from Bursa Malaysia Securities Berhad ("BMSB") for breach of paragraph 9.16(1)(a) of the Main Market Listing Requirement ("Main Market LR") due to a favourable variance in its fourth quarterly report for the financial year ended 31 January 2010 (unaudited result) when compared to its audited result in its annual audited account for financial year ended 31 January 2010 of RM1.22 million represent a deviation of 17.20% which exceed the Main Market LR deviation of 10%.

(e) On 23 June 2011, the Company entered into a Sale and Purchase of Land Agreement with Trident Treasure Sdn. Bhd. ("TTSB"), a 40% associate of the Company to dispose of two pieces of vacant leasehold land held under H.S(D) 201980 PT 62420 and H.S(D) 201981 PT 62421 both in Mukim Petaling, Daerah Petaling, Negeri Selangor Darul Ehsan measuring in aggregate 25.88 acres ("the Land") to TTSB, to undertake the development of semi-detached houses, dwelling houses or equivalent on the Land, for a sale consideration of RM39.46 million.

(f) On 8 August 2011, the Company changed its name to Trinity Corporation Berhad from Talam Corporation Berhad.

(g) On 31 December 2011, the Group disposed of:-

- its entire investment in its wholly-owned subsidiary, Expand Factor Sdn. Bhd. consisting of 2,600,000 ordinary share of RM1/- each and 4,000,000 7% Cumulative Redeemable Preference Share of RM1/- each for a total consideration of RM5,001/-; and

- its entire investment in its wholly-owned subsidiary, Sentosa Restu (M) Sdn. Bhd. consisting of 2,600,000 ordinary share of RM1/- each for a total consideration of RM2,000/-.

(h) On 30 January 2012, the Group disposed of:-

- its entire investment in its wholly-owned subsidiary, Ukay Land Sdn. Bhd. consisting of 2,504,427 ordinary share of RM1/- each for a total consideration of RM1/-; and

- its entire investment in its wholly-owned subsidiary, Europlus Construction Sdn. Bhd. consisting of 500,000 ordinary share of RM1/- each for a total consideration of RM1/-.

(i) During the financial year:-

(i) The nominal value of the redeemable convertible preference share ("RCPS") was reduced by RM45,600,098/- representing 228,000,490 units of RCPS by way of conversion to 288,000,490 fully paid-up ordinary shares of RM0.20 each in the Company; and

(ii) The nominal value of the redeemable convertible secured loan stock ("RCSLS") was reduced by RM176,400,540/- representing 882,002,700 units of RCSLS by way of:-

- conversion of 417,503,930 units of RCSLS into 417,503,930 new fully paid-up ordinary share of RM0.20 each in the Company; and

- cancellation of 464,498,770 units of RCSLS representing a total nominal value of RM92,899,754/- due to redemptions from the disposal proceeds of secured assets.

Notes to the Financial Statements (Cont'd)
For The Financial Year Ended 31 January 2012

37. SIGNIFICANT AND SUBSEQUENT EVENTS (CONT'D)

(j) On 14 February 2012, the Company's 1,439,200 redeemable convertible preference shares ("RCPS") of RM0.20 each have been converted into 1,439,200 new ordinary shares of RM0.20 each subsequent to the financial year end.

(k) On 2 March 2012, the Company entered into a joint venture agreement with Temasya Mayang Sdn Bhd ("TMSB") whereby the Company will provide two parcels of vacant leasehold land measuring 18,582 square meters being part of master title DN11211, Lot 20407, Mukim Tanjong Duabelas, Daerah Kuala Langat, Negeri Selangor Darul Ehsan for development by TMSB at a consideration of RM52.12 million.

(l) On 26 April 2012, the Company redeemed and cancelled the nominal value of RM3,079,750/- RCSLS-A out of the aggregate nominal value of RM50,328,000/- RCSLS-A from the proceeds received on sale of properties.

38. SIGNIFICANT RELATED PARTY TRANSACTIONS

During the financial year under review, the significant related party transactions were as follows:-

(a) Transactions with related parties

	GROUP		COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Construction costs paid/payable:-				
- KEB Group	5,000	6,619	–	–
- IJM Group	6,360	22,703	–	–
- Agrocon (M) Sdn. Bhd.	–	340	–	–
Rental income received/ receivable:-				
- Agrocon (M) Sdn. Bhd.	(40)	(26)	–	–
- KEB Group	(182)	(2,180)	–	–
Interest expense paid/payable:-				
(i) Jointly controlled entities:-				
- Sierra Ukay Sdn. Bhd.	694	478	–	–
- Cekap Tropikal Sdn. Bhd.	718	140	–	–
- Good Debut Sdn. Bhd.	372	8	–	–
(ii) Related parties:-				
- Pengurusan Projek Bersistem Sdn. Bhd.	1,412	1,664	–	–
- KEB Group	3,990	10,042	869	3,795

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

38. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(a) Transactions with related parties (Cont'd)

The nature of the relationship with the related parties is as follows:-

Related Parties	Nature of Relationship
Pengurusan Projek Bersistem Sdn. Bhd. ("PPBSB")	PPBSB is a corporate shareholder. Tan Sri Dato' (Dr.) Ir. Chan Ah Chye @ Chan Chong Yoon ("TSDCAC"), a director and substantial shareholder of the Company and his spouse, Puan Sri Datin Thong Nyok Choo ("PSDTNC"), a substantial shareholder of the Company, have substantial financial interest in PPBSB.
Agrocon (M) Sdn. Bhd. ("AMSB")	The sister of TSDCAC, a director and substantial shareholder of the Company, has substantial financial interest in AMSB.
Kumpulan Europlus Berhad and its subsidiaries ("KEB Group")	Kumpulan Europlus Berhad ("KEB") is a corporate shareholder. TSDCAC, a director and substantial shareholder of the Company and his spouse, PSDTNC, a substantial shareholder of the Company, have substantial financial interest in KEB Group.
IJM Corporation Berhad ("IJM") and its subsidiaries ("IJM Group")	IJM is a corporate shareholder by virtue of IJM holding 22.72% in KEB.
Radiant Pillar Sdn. Bhd. ("RP")	RP is a 50% owned associate of IJM and KEB.

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

(b) Key management personnel compensation

The remuneration of key management personnel, which includes the directors' remuneration, is disclosed as follows:-

	GROUP		COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Executive directors:-				
Fees	50	50	50	50
Salaries	316	316	316	316
Defined contribution	38	58	38	58
Other emoluments	49	90	49	90
	453	514	453	514
Included in the staff costs:-				
Key Management Personnel other than Directors:-				
Salaries and other remuneration	236	276	–	–
Defined contribution	27	43	–	–
Other staff related expenses	–	15	–	–
	263	334	–	–
Total	716	848	453	514

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

39. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintain a healthy capital ratio in order to support its business and maximise shareholder value as well as to enable the Group to continue as going concern. To achieve this, the Group ensures optimal capital structure is maintained. The Group periodically reviews and manages its capital structure and makes adjustments to it, in light of changes in economic conditions.

The directors monitor and determine the optimal debt to equity ratio that complies with the debts covenants. No changes were made in the objectives, policies or process during the financial year ended 31 January 2012 and 31 January 2011.

	GROUP		COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Convertible securities	80,073	256,330	80,073	256,330
Borrowings	381,650	470,285	123,738	162,150
	461,723	726,615	203,811	418,480
Less: Cash and bank balances	(10,458)	(17,615)	(2,455)	(6,680)
Net debts	451,265	709,000	201,356	411,800
Equity attributable to owners of the Company	572,950	615,935	519,677	588,489
Gearing ratio (times)	0.79	1.15	0.39	0.70

The Group is also required to comply with the disclosure and necessary capital requirements as prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Group's business and to create value for the shareholders. The operations of the Group and of the Company are exposed to a variety of financial risks, including interest rate risk, operational risk, credit risk, foreign currency risk, liquidity risk, cash flows risk and market risk. The Group assesses the unpredictability of financial market and seeks to minimise the potential adverse effects on the financial performance of the Group. The Group operates within clearly defined guidelines that are approved by the Board of Directors.

Financial risk management is carried out through risks review, internal controls systems, insurance programme and adherence to the Group's financial risk management policies.

The Group's financial risk management policies are as follows:-

(i) 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 rate.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(i) Interest Rate Risk (Cont'd)

The Group borrows in the currency in which its business units operate in. This is a natural hedge against any foreign currency fluctuation. The Group's policy is to borrow principally on a floating rate basis but retain a proportion of fixed rate debt. The objectives for the mix between fixed and floating rate borrowings are set to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall.

Sensitivity analysis for interest rate risk

The following demonstrates the sensitivity of the Group's loss after tax to a reasonably possible change in 50 basis points against interest rate, with all other variables held constant.

	Profit/(loss) for the financial year			
	GROUP		COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
50 basis points higher				
- Borrowings	(994)	(1,260)	(128)	(140)
50 basis points higher				
- Borrowings	994	1,260	128	140

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

The following summarised the carrying amount as at the end of the reporting period and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk.

Group	Note	Within one year RM'000	One to two year RM'000	Two to five years RM'000
2012				
Fixed interest rate				
BaIDs	22	–	–	98,170
Sukuk Al-Ijarah	22	84,653	–	–
Floating interest rate				
Revolving credits	22	64,587	–	–
Term and bridging loan	22	134,240	–	–
2011				
Fixed interest rate				
BaIDs	22	–	–	134,213
Sukuk Al-Ijarah	22	84,316	–	–
Floating interest rate				
Bank overdrafts	22	4,253	–	–
Revolving credits	22	86,254	–	–
Term and bridging loans	22	161,249	–	–

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(i) Interest Rate Risk (Cont'd)

Company	Note	Within one year RM'000	One to two year RM'000	Two to five years RM'000
2012				
Fixed interest rate				
BaIDs	22	–	–	98,170
Floating interest rate				
Term and bridging loans	22	25,568	–	–
2011				
Fixed interest rate				
BaIDs	22	–	–	134,213
Floating interest rate				
Bank overdrafts	22	1,740	–	–
Revolving credits	22	21,685	–	–
Term and bridging loans	22	4,512	–	–

(ii) Operational Risk

The operational risk arises from the daily activities of the Group as a property developer which includes legal, credit, reputation and financing risk and other risks associated to daily running of its business operations.

Such risks are mitigated through proper authority levels of approvals limits, clear reporting structure, segregation of duties, policies and procedures implemented and periodic management meetings.

In dealing with its stewardship, the Board of Directors recognises that effective risk management is an integral part of good business practice.

The Board of Directors will pursue an on-going process of identifying, assessing and managing key business areas, overall operational and financial risks faced by the business units as well as regularly review and enhancing risk mitigating strategies with its appointed and key management personnel.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iii) Credit Risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its third party receivables.

The Group and the Company have adopted a policy of only dealing with creditworthy counterparties. Receivables are monitored on a going basis via company's management reporting procedures and action will be taken for long outstanding debt. Majority of the receivables are from property development segment. The credit risk is limited as the ownership and rights to the properties revert to the Group in the event of default.

Impairment losses

Impairment losses as at year end mainly related to purchasers that defaulted in payments. The Group has taken the necessary steps to recover the outstanding balance through legal prosecutions.

Based on the historical trend, the Group is confident that the allowance for impairment losses as at reporting date are sufficiently covers the risk of default.

The allowance account in respect of trade receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

(iv) 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.

A subsidiary operating in The People's Republic of China has assets and liabilities together with expected cash flows from anticipated transactions denominated in its functional currency that reduce its exposure to foreign exchange.

The Group maintain a natural hedge, where possible, by borrowing in the currency of the country in which the investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investment.

Where the Group's operations are overseas, the funding is sourced from that local currency in which the operations are carried out to hedge against any foreign currency fluctuation.

No sensitivity analysis for foreign currency risk is prepared at the end of reporting period as the Group does not have significant exposure to foreign currency risk.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(v) Liquidity and Cash Flows Risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met on timely basis.

The following summarises the maturity profile of the Group's and of the Company's liabilities at the reporting date on contractual undiscounted repayment obligations:-

Group	On demand/within one year RM'000	One to two year RM'000	Two to five years RM'000	Total RM'000
2012				
Trade and other payables	695,483	–	–	695,483
Borrowings	283,480	–	98,170	381,650
Amount owing to jointly controlled entities	45,128	–	–	45,128
Total undiscounted financial liabilities	1,024,091	–	98,170	1,122,261
2011				
Trade and other payables	959,104	–	–	959,104
Borrowings	336,072	–	134,213	470,285
Amount owing to jointly controlled entities	43,430	–	–	43,430
Total undiscounted financial liabilities	1,338,606	–	134,213	1,472,819

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(v) Liquidity and Cash Flows Risk (Cont'd)

Company	On demand/within one year RM'000	One to two year RM'000	Two to five years RM'000	Total RM'000
2012				
Trade and other payables	308,727	–	–	308,727
Borrowings	25,568	–	98,170	123,738
Total undiscounted financial liabilities	334,295	–	98,170	432,465
2011				
Trade and other payables	81,213	–	–	81,213
Borrowings	27,937	–	134,213	162,150
Total undiscounted financial liabilities	109,150	–	134,213	243,363

Despite the uncertainty in the property development market, the Group will endeavour to undertake all necessary measures to mitigate the adverse effects on the liquidity position of the Group.

The Group will dispose of its excess land, if the need arises, to generate cash and to meet its obligations.

Besides current development projects, cash will be generated by joint venture projects undertaken with other reputable corporations.

The Group will refinance certain loans and borrowings that will fall due in the next twelve months to cushion the repayments of these obligations.

(vi) Market Risk

The market risk arises from changes in the state of domestic property prices, the cost of building materials, availability of labour and other related cost in property development.

The Group concentrates on development projects in careful selected locations and this has resulted in resilience against downswing of the property sector.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

41. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximating of fair value:-

	Note to financial statements
Amount owing by associates	Note 11
Amount owing by/(to) jointly controlled entities	Note 12
Trade and other receivables	Note 15 and Note 16
Trade and other payables	Note 26 and Note 27
Borrowings	Note 22
Convertible securities	Note 23

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:-

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date therefore the fair value hierarchy is not presented.

The carrying amounts of the current portion of borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

The fair values of borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

The following summarises the methods used in determining the fair values of the financial instruments:-

(i) The financial assets and financial liabilities maturing within the next 12 months approximated their fair values due to the relatively short-term maturity of the financial instruments.

(ii) The fair values of the term loans are determined by discounting the relevant cash flows using current interest rates for similar instruments as at the end of the reporting period.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

42. SEGMENTAL INFORMATION

(i) Reporting Format

Segment information is presented in respect of the Group's business segments.

(ii) Business Segments

The Group's operations comprise the following business segments:-

Property investment and development	:	Investment holdings, development of residential and commercial properties.
Hotel and recreation	:	Operate and manage hotel and club and other related services.

(a) Analysis by business segments

	Property investment and development RM'000	Hotel and Recreation RM'000	Elimination RM'000	Total RM'000
At 31 January 2012				
Revenue	627,009	24,538	(14,123)	637,424
Results				
Segment results	(123,410)	(5,738)	–	(129,148)
Share of results of associates	(74)	–	–	(74)
Share of results of jointly controlled entities	4,804	–	–	4,804
Loss before tax				(124,418)
Income tax expense				(2,993)
Loss for the financial year				(127,411)
At 31 January 2011				
Revenue	203,416	19,647	(39,668)	183,395
Results				
Segment results	(153,236)	(1,825)	–	(155,061)
Share of results of jointly controlled entities	1,308	–	–	1,308
Loss before tax				(153,753)
Income tax expense				(13,978)
Loss for the financial year				(167,731)

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

42. SEGMENTAL INFORMATION (CONT'D)

(ii) Business Segments (Cont'd)

(a) Analysis by business segments (Cont'd)

	Property investment and development RM'000	Hotel and Recreation RM'000	Total Before Elimination RM'000	Elimination RM'000	Consolidated RM'000
At 31 January 2012					
Other Information					
Segment assets	2,016,612	146,086	2,162,698	–	2,162,698
Interest in associates	3,926	–	3,926	–	3,926
Interest in jointly controlled entities	17,324	–	17,324	–	17,324
Unallocated assets	–	–	–	–	316
Total assets					**2,184,264**
Segment liabilities	1,364,359	103,179	1,467,538	–	1,467,538
Unallocated liabilities	–	–	–	–	141,189
Total liabilities					**1,608,727**
Capital expenditure	91	1,840	1,931	–	1,931
Depreciation of property, plant and equipment	437	4,934	5,371	–	5,371
Depreciation of investment properties	3,485	–	3,485	–	3,485
Non-cash expenses other than depreciation	104,268	1,373	105,641	–	105,641
At 31 January 2011					
Other Information					
Segment assets	2,672,037	116,724	2,788,761	–	2,788,761
Interest in jointly controlled entities	12,510	–	12,510	–	12,510
Unallocated assets	–	–	–	–	316
Total assets					**2,801,587**
Segment liabilities	1,900,156	89,574	1,989,730	–	1,989,730
Unallocated liabilities	–	–	–	–	192,330
Total liabilities					**2,182,060**
Capital expenditure	6	3,227	3,233	–	3,233
Depreciation of property, plant and equipment	554	5,096	5,650	–	5,650
Depreciation of investment properties	3,091	–	3,091	–	3,091
Non-cash expenses other than depreciation	105,417	20	105,437	–	105,437

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

43. MATERIAL LITIGATION

Save as disclosed below, neither the Group and the Company are engaged in any material litigation, claims or arbitration either as plaintiff or defendant, which has a material effect on the business or financial position of the Group, and the Board of Directors has no knowledge of any proceedings pending or threatened against the Group or of any fact likely to give rise to any proceedings which might materially and adversely affect the business or financial position of the Group:-

(i) Europlus Corporation Sdn. Bhd. ("EC")

The Inland Revenue Board has taken legal actions to claim sums of RM42.90 million from EC, a wholly-owned subsidiary of the Company.

The management is concurrently negotiating with the Inland Revenue Board for an amicable settlement.

The outcome of the legal actions will not have any material effect on the Group's financial position as the tax liabilities have been recognised in the financial statements.

(ii) Europlus Berhad ("EB")

Judgment was obtained by Van Oord Acz Malaysia Sdn. Bhd. ("the Plaintiff") on 7 January 2009 for RM5.43 million against EB, a wholly-owned subsidiary of the Company.

However, the management is negotiating with the Plaintiff for an amicable settlement and is confident of a successful outcome.

(iii) Trinity Corporation Berhad *(formerly known as Talam Corporation Berhad)*

Trinity Corporation Berhad (formerly known as Talam Corporation Berhad) has initiated legal proceedings against Bangkok Bank Berhad ("BBB") for disposing a piece of property that is pledged to BBB for credit facilities granted to a related party, Keuro Leasing Sdn. Bhd., a wholly owned subsidiary of Kumpulan Europlus Berhad. The property, valued at RM48.70 million, is part and parcel of the properties being disposed to Menteri Besar Selangor (Incorporated) ("MBI") under a settlement agreement entered into on 12 March 2010 between the Company and MBI which was made known to BBB. Despite its awareness of this settlement agreement, BBB, had on 7 September 2010, proceeded to auction the property to a purchaser for RM15.00 million which is well below the transacted value with MBI of RM48.70 million.

Based on legal counsel's advice, the Board of Directors of the Company believes that the Company has a reasonably good and valid claim in the legal action being taken. If necessary, the Company will identify a piece of land to replace the abovementioned land to MBI. The disposal of this property will not have any significant impact on the MBI Settlement arrangement.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 January 2012

44. COMPARATIVE FIGURES

The presentation and classification of items in the current year financial statements have been consistent with the previous financial year except that certain comparative amounts have been restated to conform with current year's presentation:-

	Group			
	31.1.2011		1.2.2010	
Group	**As restated RM'000**	**As previously stated RM'000**	**As restated RM'000**	**As previously stated RM'000**
Non-current asset				
Sinking funds held by trustees	8,832	22	4,256	4,198
Current assets				
Amount owing by jointly controlled entities	24,750	4,750	–	–
Other receivables, deposits and prepaid expenses	174,197	194,197	–	–
Cash and bank balances	17,615	26,425	12,075	12,133
Current liabilities				
Trade payables	543,309	345,056	698,777	518,728
Other payables and accrued expenses	625,955	824,208	604,238	784,287

	Company			
	31.1.2011		1.2.2010	
Company	**As restated RM'000**	**As previously stated RM'000**	**As restated RM'000**	**As previously stated RM'000**
Non-current assets				
Sinking funds held by trustees	8,810	–	58	–
Amount owing by subsidiaries	–	–	1,044,979	750,194
Current assets				
Amount owing by subsidiaries	974,201	688,954	–	–
Amount owing by jointly controlled entities	20,000	–	–	–
Other receivables, deposits and prepaid expenses	11,869	31,869	–	–
Cash and bank balances	6,680	15,490	154	212
Non-current liability				
Amount owing to subsidiaries	–	–	294,785	–
Current liabilities				
Trade payables	9,013	2,590	10,093	2,590
Other payables and accrued expenses	76,860	83,283	76,669	84,172
Amount owing to subsidiaries	285,247	–	–	–

Supplementary Information on The Breakdown of Realised and Unrealised Profits or Losses

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the retained profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Malaysia further issued another directive on the disclosure and the prescribed format of presentation.

The breakdown of the accumulated losses of the Group and of the Company as at 31 January 2012 and 31 January 2011, into realised and unrealised profits or losses, pursuant to the directive, is as follow:-

	Group		Company	
	2011 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Total accumulated losses of the Group and its subsidiaries:-				
- Realised	(271,784)	(117,291)	(311,597)	(158,173)
- Unrealised	(27,064)	(50,421)	–	–
	(298,848)	(167,712)	(311,597)	(158,173)
Jointly controlled entities				
- Realised	6,564	1,760	–	–
Associates				
- Realised	(11,969)	(11,895)	–	–
	(304,253)	(177,847)	(311,597)	(158,173)

The determination of realised and unrealised profits or losses is based on 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, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits or losses above is solely complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

Statements By Directors

We, **CHUA KIM LAN** and **LOY BOON CHEN**, being two of the directors of **TRINITY CORPORATION BERHAD** *(formerly known as Talam Corporation Berhad)*, do hereby state that in the opinion of the directors, the financial statements are properly drawn up in accordance with the 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 January 2012 and of the results and cash flows of the Group and of the Company for the financial year ended on that date.

The supplementary information set out on page 126 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, issued by the Malaysian Institute of Accountants.

On behalf of the Board,

CHUA KIM LAN
Director

LOY BOON CHEN
Director

Kuala Lumpur

Date: 31 May 2012

Statutory Declaration

I, **RAW KOON BENG**, being the officer primarily responsible for the financial management of **TRINITY CORPORATION BERHAD** *(formerly known as Talam Corporation Berhad)*, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on page 36 to 125 and the supplementary information set out on page 126 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

RAW KOON BENG

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 31 May 2012.

Before me,

ARSHAD ABDULLAH (W550)
Commissioner for oaths

Independent Auditors' Report

To The Members of Trinity Corporation Berhad

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of **TRINITY CORPORATION BERHAD** *(formerly known as Talam Corporation Berhad)*, which comprise the statements of financial position as at 31 January 2012 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 36 to 125.

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 the Financial Reporting Standards and the Companies Act, 1965 in Malaysia and for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. An audit also includes evaluating the appropriateness of 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 the 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 January 2012 and of their financial performance and cash flows for the financial year then ended.

Emphasis of Matter

Without qualifying our opinion, we draw your attention to Note 2 to the financial statements which discloses the premise upon which the Group and the Company have prepared its financial statements by applying the going concern assumption, notwithstanding the Group and the Company incurred losses for the financial year of RM127,411,000/- and RM153,424,000/- respectively and as of that date, the Group's current liabilities exceeded its current assets by RM129,464,000/-, thereby indicating the existence of an uncertainty which may cast doubt about the Group's and the Company's ability to continue as going concerns.

The directors are of the opinion that the Group's and the Company's ability to continue as going concerns are dependent upon the ability of the Group and the Company to operate profitably from its future property development activities and to improve the net current liabilities position of the Group. As a strategy, the Group will continue to dispose of certain assets, including land, and to enter into joint ventures with reputable companies to develop identified parcels of land to improve its working capital position.

Independent Auditors' Report (Cont'd)

To The Members of Trinity Corporation Berhad
(Incorporated in Malaysia)

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 Companies Act, 1965 in Malaysia to be kept by the Company and its subsidiaries of which we have acted as auditors, have been properly kept in accordance with the Companies Act, 1965 in Malaysia.

(b) Other than those subsidiaries without the financial statements and auditors' reports as disclosed in Note 36 to the financial statements, we have considered the financial statements and the auditors' reports of the remaining subsidiaries of which we have not acted as auditors, which are indicated in Note 36 to the financial statements.

(c) Other than those subsidiaries without the financial statements as disclosed in Note 36 to the financial statements, we are satisfied that the financial statements of the remaining subsidiaries that have been consolidated with the Company's financial statements are in a form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) Other than those subsidiaries with emphasis of matter paragraph in the auditors' reports and those subsidiaries without the auditors' reports as disclosed in Note 36 to the financial statements, the auditors' reports on the financial statements of the remaining subsidiaries did not contain any qualification or any adverse comments made under Section 174(3) of the Companies Act, 1965 in Malaysia.

Other Reporting Responsibilities

The supplementary information set out on page 126 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information 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 ("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 contents of this report.

Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants

Heng Ji Keng
No. 578/05/14 (J/PH)
Partner

Kuala Lumpur

Date: 31 May 2012

List of Top 10 Properties

No.	@ Joint Venture + Registered # Beneficial Owner		Location	Original Land/ Built up area	Remaining acreage	Description/ Proposed development	Date of Acquisition/ Joint Venture/ Completion	Tenure	Expiry	Approximate age of the building (Years)	Net book value/Net carrying value as at 31 January 2012 (RM'000)
1	Europlus Corporation Sdn Bhd	+	Mukim Serendah Daerah Ulu Selangor Bandar Bukit Beruntung Negeri Selangor	2,566.93 acres	626.18	Town ship Development Bukit Beruntung	18/12/1991	Freehold	N/A	N/A	163,188
2	Trinity Corporation Berhad	+	Mukim Serendah Daerah Ulu Selangor Bandar Bukit Sentosa Negeri Selangor	993.99 acres	268.68	Bukit Sentosa III Development of industrial, residential and commercial development	29/10/1994	Freehold	N/A	N/A	209,635
3	Europlus Berhad	+	Mukim Serendah Daerah Ulu Selangor Prima Beruntung Negeri Selangor	249.25 acres	24.07	Town ship Development Prima Beruntung	14/05/1996	Freehold	N/A	N/A	225,684
		+	Mukim Ulu Yam Daerah Ulu Selangor Bandar Bukit Beruntung Negeri Selangor	717 acres	197.22	Residential, Industrial and Bukit Beruntung III	18/12/1991	Freehold	N/A	N/A	
4	Kenshine Corporation Sdn Bhd	@	Mukim Dengkil, Daerah Sepang, Taman Putra Perdana, Puchong Selangor	600 acres	125.63	Development of residential and commercial properties	28/09/1995	99 years Leasehold	19/10/2093	N/A	207,606
5	Maxisegar Sdn Bhd	+	Mukim Batang Berjuntai Daerah Kuala Selangor Negeri Selangor	3,000 acres	1,549.11 * 598.47	Batang Berjuntai	17/01/2001	99 years Leasehold	21/01/2101	N/A	127,193
6	Maxisegar Sdn Bhd	+	Taman Puncak Jalil Bandar Putra Permai Seri Kembangan Selangor	801 acres	69.04	Taman Puncak Jalil	17/01/2001	99 years Leasehold	02/07/2100	N/A	68,091
7	Jilin Province Maxcourt Hotel Limited	+	No. 19, Xian Road Changchun City District of Chaoyang Jilin, China	5,995 sq m 41,584 sq m	N/A	A 4 star 24-storey hotel building	24/12/1999	30 years Leasehold	29/12/2023	12	104,093
8	Galian Juta Sdn Bhd	#	Bandar Saujana Putra Lebuhraya Elite Jenjarom, Selangor	200 acres	79.90	Proposed development of residential and commercial buildings - Saujana Putra	09/01/2001	99 years Leasehold	05/02/2094	N/A	77,727
9	Abra Development Sdn Bhd	+	Menara Maxisegar, Jalan Pandan Indah 4/2, Pandan Indah, 55100 KL	3,900 sq m / 33,778.15 sq m	N/A	Menara Maxisegar 24-storey commercial complex	22/06/1995	99 years Leasehold	03/04/2094	16	54,394
10	Venue Venture Sdn Bhd	#	No. 1, Jalan Perdana 6/10A Pandan Perdana, 55300 KL	10,671 sq m/ 37,693.24 sq m	N/A	Unsold Retail Lots together with the Two Levels Carpark and the Roof Top 7-Storey Shopping Complex	11/12/1997	99 years Leasehold	08/03/2092	16	43,359

* After completion of Selangor State Settlement

Statement on Directors' Interests
In The Company and Related Corporations As At 4 June 2012

ORDINARY SHARES
(Based on Register of Directors' shareholdings as at 4 June 2012)

		No. of Ordinary Shares of RM0.20 each			
		Direct Interest	**%*3**	**Deemed Interest**	**%*3**
The Company					
1.	Tan Sri Dato' (Dr) Ir Chan Ah Chye @ Chan Chong Yoon	40,730,592	1.01	1,252,336,193*1	30.89
2.	Chua Kim Lan	90,039	0.002	28,125*2	0.001
3.	Loy Boon Chen	462,900	0.01	–	–

Notes:

*1 *Deemed interested through his spouse, PSDTNC, his daughter, Chan Siu Wei and by virtue of his interest in Pengurusan Projek Bersistem Sdn Bhd, Prosperous Inn Sdn Bhd, Sze Choon Holdings Sdn Bhd and Kumpulan Europlus Berhad pursuant to Section 134(12)(c) and Section 6A of the Companies Act, 1965 ("Act").*

*2 *Deemed interested through her spouse, Chin Chee Meng pursuant to Section 134(12)(c) of the Act.*

*3 *% shareholding based on voting share capital as at 4 June 2012 of 4,054,779,989.*

Tan Sri Dato' (Dr) Ir Chan Ah Chye @ Chan Chong Yoon, by virtue of his interest in the shares of the Company is also deemed interested in the shares of all the Company's subsidiaries to the extent the Company has an interest.

Save as disclosed above, none of the other Directors of the Company have any interests in the shares of the Company and its related corporations as at 4 June 2012.

Analysis of Shareholdings
As At 4 June 2012

SHARE CAPITAL

Authorised share capital	:	RM2,000,000,000.00 divided into 8,000,000,000 ordinary shares of RM0.20 each, 1,500,000,000 redeemable convertible preference shares of RM0.20 each and 1,000,000,000 irredeemable convertible preference shares of RM0.10 each.
Issued and paid-up share capital	:	RM844,055,912.40 divided into 4,057,415,789 ordinary shares of RM0.20 each and 162,863,773 redeemable convertible preference shares of RM0.20 each.
Class of Shares/Voting Rights	:	There is only one class of ordinary shares with voting rights in the paid-up share capital of the Company. Each share entitles the holder to one vote.
Shares Buy Back	:	The Company had purchased 2,635,800 ordinary shares of RM0.20 each and the shares purchased were retained as treasury shares.

DISTRIBUTION OF ORDINARY SHAREHOLDINGS
(Based on Record of Depositors as at 4 June 2012)

Size of Holdings	No. of Ordinary Shareholders	% of Ordinary Shareholders	No. of Ordinary Shares Held	% of Ordinary Shares Held
1 - 99	1,230	4.99	52,798	0.00
100 - 1,000	2,016	8.18	1,276,631	0.03
1,001 - 10,000	7,932	32.19	37,255,383	0.92
10,001 - 100,000	9,607	38.99	468,760,336	11.56
100,001 - 202,738,998 (*1)(*3)	3,856	15.65	2,404,265,291	59.29
202,738,999 and above (*2)	1	0.00	1,143,169,550	28.19
TOTAL	**24,642**	**100.00**	**4,054,779,989***(3)	**100.00**

NOTES:

(*1) *Less than 5% of the voting share capital*
(*2) *5% and above of the voting share capital*
(*3) *Exclusive of Shares Buy Back*

THIRTY LARGEST ORDINARY SHAREHOLDERS
(Based on Record of Depositors as at 4 June 2012)

Name		No. of Ordinary Shares Held	%
(1)	EB NOMINEES (TEMPATAN) SENDIRIAN BERHAD KUMPULAN EUROPLUS BERHAD	1,143,169,550	28.19
(2)	M.I.T NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PROMINENT XTREME SDN BHD (MG0238-166)	114,310,000	2.82

Analysis of Shareholdings (Cont'd)

As At 4 June 2012

THIRTY LARGEST ORDINARY SHAREHOLDERS (CONT'D)
(Based on Record of Depositors as at 4 June 2012)

Name		No. of Ordinary Shares Held	%
(3)	TASEC NOMINEES (TEMPATAN) SDN BHD TA FIRST CREDIT SDN BHD FOR KUMPULAN EUROPLUS BERHAD	60,000,000	1.48
(4)	TASEC NOMINEES (TEMPATAN) SDN BHD PROMINENT XTREME SDN BHD	56,250,000	1.39
(5)	NG KIT HENG	36,363,636	0.90
(6)	EB NOMINEES (TEMPATAN) SENDIRIAN BERHAD PROMINENT XTREME SDN BHD	32,730,102	0.81
(7)	HDM NOMINEES (ASING) SDN BHD UOB KAY HIAN PTE LTD FOR MICHAEL KOH KOW TEE	30,000,000	0.74
(8)	M & A NOMINEE (TEMPATAN) SDN BHD INSAS CREDIT & LEASING SDN BHD FOR CHAN AH CHYE @ CHAN CHONG YOON	22,094,463	0.54
(9)	TASEC NOMINEES (TEMPATAN) SDN BHD TA FIRST CREDIT SDN BHD FOR PENGURUSAN PROJEK BERSISTEM SDN BHD	20,400,000	0.50
(10)	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)	20,375,000	0.50
(11)	SU MING KEAT	20,000,000	0.49
(12)	LEE AH LIK	19,000,000	0.47
(13)	ONG YENG TIAN @ ONG WENG TIAN	16,227,000	0.40
(14)	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DIMENSIONAL EMERGING MARKETS VALUE FUND	15,950,050	0.39
(15)	CARTABAN NOMINEES (TEMPATAN) SDN BHD DBS VICKERS (HONG KONG) LIMITED FOR CHAI YET LEE	14,030,000	0.35
(16)	RESON SDN BHD	13,811,000	0.34
(17)	GENERAL TECHNOLOGY SDN BHD	13,197,431	0.33
(18)	EB NOMINEES (TEMPATAN) SENDIRIAN BERHAD CHAN AH CHYE @ CHAN CHONG YOON	13,018,086	0.32
(19)	TASEC NOMINEES (TEMPATAN) SDN BHD TA FIRST CREDIT SDN BHD FOR KUMPULAN EUROPLUS BHD (A/C NO 2)	12,874,167	0.32

Analysis of Shareholdings (Cont'd)
As At 4 June 2012

THIRTY LARGEST ORDINARY SHAREHOLDERS (CONT'D)
(Based on Record of Depositors as at 4 June 2012)

Name		No. of Ordinary Shares Held	%
(20)	POS MALAYSIA BERHAD	11,637,000	0.29
(21)	RHB NOMINEES (ASING) SDN BHD UOB KAY HIAN PRIVATE LIMITED FOR TAN POH GEOK	11,000,000	0.27
(22)	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AU KWAN SENG	10,420,000	0.26
(23)	NG CHAI GO	10,000,000	0.25
(24)	TAN SUAN HUAT	10,000,000	0.25
(25)	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SOR AH KEE (CEB)	9,700,000	0.24
(26)	KIM POH HOLDINGS SDN BHD	9,000,000	0.22
(27)	CHOONG YEAN YAW	8,779,300	0.22
(28)	MINISTER OF FINANCE AKAUN JAMINAN PINJAMAN KERAJAAN PERSEKUTUAN	8,600,000	0.21
(29)	HDM NOMINEES (TEMPATAN) SDN BHD UOB KAY HIAN PTE LTD FOR TEH KEE HONG	8,500,000	0.21
(30)	CIMB COMMERCE TRUSTEE BERHAD EXEMPT AN FOR EMPLOYEES PROVIDENT FUND (PCM)	8,011,475	0.20
		1,779,448,260	43.89

SUBSTANTIAL SHAREHOLDERS
(Based on Register of Substantial Shareholders as at 4 June 2012)

	No. of Ordinary Shares of RM0.20 each			
Name of substantial shareholder	Direct Interest	%*4	Deemed Interest	%*4
1. Tan Sri Dato' (Dr) Ir Chan Ah Chye @ Chan Chong Yoon ("TSDCAC")	40,730,592	1.01	1,252,336,193*1	30.89
2. Puan Sri Datin Thong Nyok Choo ("PSDTNC")	600,145	0.02	1,292,466,640*2	31.88
3. Kumpulan Europlus Berhad ("KEURO")	1,222,840,517	30.16	–	–
4. IJM Corporation Berhad ("IJM")	–	–	1,222,840,517*3	30.16

Analysis of Shareholdings (Cont'd)

As At 4 June 2012

NOTES:

*1 *Deemed interested through his spouse, PSDTNC, his daughter, Chan Siu Wei Section pursuant to Section 134(12)(c) of the Companies Act, 1965 ("Act") and by virtue of his interest in Pengurusan Projek Bersistem Sdn Bhd, Prosperous Inn Sdn Bhd, Sze Choon Holdings Sdn Bhd and KEURO pursuant to Section 6A of the Act.*

*2 *Deemed interested through her spouse, TSDCAC, her daughter, Chan Siu Wei pursuant to Section 134(12)(c) of the Act and by virtue of her interest in Pengurusan Projek Bersistem Sdn Bhd, Prosperous Inn Sdn Bhd, Sze Choon Holdings Sdn Bhd and KEURO pursuant to Section 6A of the Act.*

*3 *Deemed interested by virtue of IJM holding 22.72% in KEURO, which in turn holds 30.16% in Trinity Corporation Berhad ("TCB") pursuant to Section 6A of the Act.*

*4 *% shareholding based on voting share capital as at 4 June 2012 of 4,054,779,989.*

Analysis of Redeemable Convertible Preference Shares and Redeemable Convertible Secured Loan Stocks

As At 4 June 2012

REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS")

No. of RCPS Issued	:	1,287,010,000
No. of RCPS Outstanding	:	162,863,773
Conversion Period	:	24 June 2009 to 23 June 2014
Conversion Rights	:	Each registered holder of the RCPS shall have the right to convert at any time during the conversion period of the RCPS into fully paid new ordinary shares of RM0.20 each in TCB at the conversion price of RM0.20 each

DISTRIBUTION OF RCPS HOLDINGS

(Based on Record of Depositors as at 4 June 2012)

Size of Holdings	No. of RCPS Holders	% of RCPS Holders	No. of RCPS Held	% of RCPS Held
1 - 99	4	2.72	203	0.00
100 - 1,000	10	6.80	2,218	0.00
1,001 - 10,000	14	9.52	99,000	0.06
10,001 - 100,000	69	46.94	3,953,863	2.43
100,001 - 8,143,187 (*1)	46	31.29	23,064,971	14.16
8,143,188 and above (*2)	4	2.72	135,743,518	83.35
TOTAL	147	**100.00**	162,863,773	**100.00**

NOTES:

*(*1) Less than 5% of the RCPS Outstanding*
*(*2) 5% and above of the RCPS Outstanding*

THIRTY LARGEST RCPS HOLDERS

(Based on Record of Depositors as at 4 June 2012)

Name		No. of RCPS Held	%
(1)	AL WAKALAH NOMINEES (TEMPATAN) SDN BHD BANK ISLAM MALAYSIA BERHAD	103,373,494	63.47
(2)	TAKAFUL IKHLAS SDN BHD	12,921,687	7.93
(3)	BANK KERJASAMA RAKYAT MALAYSIA BERHAD	10,000,000	6.14
(4)	MIDF AMANAH INVESTMENT BANK BERHAD IVT FOR MIDF AMANAH INVESTMENT BANK BERHAD (ACCOUNT 4)	9,448,337	5.80
(5)	ALLIANCEGROUP NOMINEES (ASING) SDN BHD ALLIANCE INVESTMENT MANAGEMENT BERHAD FOR ALTIMA, INC.	3,778,301	2.32

Analysis of Redeemable Convertible Preference Shares and Redeemable Convertible Secured Loan Stocks (Cont'd)

As At 4 June 2012

THIRTY LARGEST RCPS HOLDERS (CONT'D)
(Based on Record of Depositors as at 4 June 2012)

	Name	No. of RCPS Held	%
(6)	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD ALLIANCE INVESTMENT MANAGEMENT BERHAD FOR ONG SAW PENG	2,835,018	1.74
(7)	AIBB NOMINEES (ASING) SDN BHD ALLIANCE INVESTMENT MANAGEMENT BERHAD FOR WELBERTON INVEST &TRADE CORP	1,889,151	1.16
(8)	CH'NG MEE KOON @ CHONG MEE KOON	1,499,000	0.92
(9)	TEE SEE KIM	1,300,000	0.80
(10)	ALLIANCEGROUP NOMINEES (ASING) SDN BHD ALLIANCE INVESTMENT MANAGEMENT BERHAD FOR LAGMUIR HOLDINGS LTD	1,000,301	0.61
(11)	CHAP KAR KAR	1,000,000	0.61
(12)	WONG AH KAU	587,700	0.36
(13)	CHAN CHEE HONG	470,000	0.29
(14)	MAYBANK NOMINEES (TEMPATAN) SDN BHD LING KAU KING	460,000	0.28
(15)	LIM HAN KONG	451,000	0.28
(16)	CIMB COMMERCE TRUSTEE BERHAD EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD	415,000	0.25
(17)	YEE TECK CHOON	400,300	0.25
(18)	LIM GEOK ENG MARY	400,000	0.25
(19)	TEOH HANG SWE @ JOHN TEOH HANG SOON	350,000	0.21
(20)	CHONG EE CHIA	337,000	0.21
(21)	WONG TIAN PAK	310,000	0.19
(22)	LIM CHEE SING	300,000	0.18
(23)	CHONG EE YANG	279,700	0.17
(24)	CHEAH CHEOW PHENG	260,000	0.16
(25)	LIM MOI @ LIM MOI YIN	256,000	0.16
(26)	HLG NOMINEE (TEMPATAN) SDN BHD HONG LEONG BANK BHD FOR YAP SOON WAH	255,500	0.16

Analysis of Redeemable Convertible Preference Shares and Redeemable Convertible Secured Loan Stocks (Cont'd)

As At 4 June 2012

THIRTY LARGEST RCPS HOLDERS (CONT'D)
(Based on Record of Depositors as at 4 June 2012)

Name		No. of RCPS Held	%
(27)	HOO MAN HIONG	250,000	0.15
(28)	KOH AH KUAN	250,000	0.15
(29)	LIM SAY BENG	236,000	0.14
(30)	FOONG LEK LEK @ FOONG DAW KWONG	230,000	0.14
		155,543,489	95.51

REDEEMABLE CONVERTIBLE SECURED LOAN STOCKS - A ("RCSLS-A")

No. of RCSLS-A Issued	:	251,640,000
No. of RCSLS-A Outstanding	:	236,241,250
Conversion Period	:	29 June 2009 to 27 June 2014
Conversion Rights	:	Each registered holder of the RCSLS-A shall have the right to convert at any time during the conversion period of the RCSLS-A into fully paid new ordinary shares of RM0.20 each in TCB at the conversion price of RM0.20 each.

DISTRIBUTION OF RCSLS-A HOLDINGS
(Based on Register of RCSLS-A as at 4 June 2012)

Size of Holdings	No. of RCSLS-A Holders	% of RCSLS-A Holders	No. of RCSLS-A Held	% of RCSLS-A Held
1 - 99	0	0.00	0	0.00
100 - 1,000	0	0.00	0	0.00
1,001 - 10,000	0	0.00	0	0.00
10,001 - 100,000	0	0.00	0	0.00
100,001 – 11,812,061 (*1)	0	0.00	0	0.00
11,812,062 and above (*2)	1	100.00	236,241,250	100.00
TOTAL	**1**	100.00	**236,241,250**	100.00

NOTES:

*(*1) Less than 5% of the RCSLS-A Outstanding*
*(*2) 5% and above of the RCSLS-A Outstanding*

Analysis of Redeemable Convertible Preference Shares and Redeemable Convertible Secured Loan Stocks (Cont'd)

As At 4 June 2012

LIST OF RCSLS-A HOLDERS
(Based on Register of RCSLS-A as at 4 June 2012)

Name	No. of RCSLS-A Held	%
(1) RHB INVESTMENT BANK BERHAD	236,241,250	100.00
	236,241,250	100.00

REDEEMABLE CONVERTIBLE SECURED LOAN STOCKS - B ("RCSLS-B")

No. of RCSLS-B Issued	:	89,622,905
No. of RCSLS-B Outstanding	:	62,612,905
Conversion Period	:	24 June 2009 to 23 June 2014
Conversion Rights	:	Each registered holder of the RCSLS-B shall have the right to convert at any time during the conversion period of the RCSLS-B into fully paid new ordinary shares of RM0.20 each in TCB at the conversion price of RM0.20 each.

DISTRIBUTION OF RCSLS-B HOLDINGS
(Based on Record of Depositors as at 4 June 2012)

Size of Holdings	No. of RCSLS-B Holders	% of RCSLS-B Holders	No. of RCSLS-B Held	% of RCSLS-B Held
1 - 99	0	0.00	0	0.00
100 - 1,000	0	0.00	0	0.00
1,001 - 10,000	0	0.00	0	0.00
10,001 - 100,000	0	0.00	0	0.00
100,001 - 3,130,644(*1)	0	0.00	0	0.00
3,130,645 and above(*2)	1	100.00	62,612,905	100.00
TOTAL	**1**	**100.00**	**62,612,905**	**100.00**

NOTES:

*(*1) Less than 5% of the RCSLS-B Outstanding*
*(*2) 5% and above of the RCSLS-B Outstanding*

LIST OF RCSLS-B HOLDERS
(Based on Record of Depositors as at 4 June 2012)

Name	No. of RCSLS-B Held	%
(1) EB NOMINEES (TEMPATAN) SENDIRIAN BERHAD EON BANK BERHAD	62,612,905	100.00
	62,612,905	100.00

Notice Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 87th Annual General Meeting of **Trinity Corporation Berhad** (formerly known as Talam Corporation Berhad) ("the Company") will be held at Perdana Ballroom, Pandan Lake Club, Lot 28, Jalan Perdana 3/8, Pandan Perdana, 55300 Kuala Lumpur on Tuesday, 17 July 2012 at 11.30 a.m. for the following purposes:-

AGENDA

AS ORDINARY BUSINESSES

1. To receive the Audited Financial Statements of the Company for the year ended 31 January 2012 and the Reports of the Directors and Auditors thereon. ***(Please refer to Explanatory Note A)***

2. To approve the payment of Directors' fees of RM25,000 for each Director for the year ended 31 January 2012. ***(Resolution 1)***

3. To re-elect the Director, Mr Tsen Keng Yam, who is retiring in accordance with Article 97 of the Articles of Association of the Company. ***(Resolution 2)***

4. To re-elect the Director, Datuk Ng Bee Ken, who is retiring in accordance with Article 97 of the Articles of Association of the Company. ***(Resolution 3)***

5. To re-appoint Messrs Baker Tilly Monteiro Heng as Auditors and to authorise the Directors to fix their remuneration. ***(Resolution 4)***

AS SPECIAL BUSINESSES

6. To consider and, if thought fit, to pass the following Ordinary Resolutions:-

6.1 **Authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965** ***(Resolution 5)***

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed 10 percent of the issued share capital of the Company for the time being, subject always to the approval of all the relevant regulatory bodies being obtained for such allotments and issues."

6.2 **Authority pursuant to Section 132E of the Companies Act, 1965** ***(Resolution 6)***

"THAT pursuant to Section 132E of the Companies Act, 1965, authority be and is hereby given for the Company and each of its subsidiaries to enter into any arrangement or transaction with any Director of the Company or any person connected with such Director to acquire from or dispose to such Director or person connected with such Director any non-cash assets of requisite value that is less than 2% of the total consolidated net assets of the Group at the time of such acquisition or disposal.

Notice Annual General Meeting (Cont'd)

AND THAT such authority shall continue to be in force until:-

(i) the conclusion of the next Annual General Meeting of the Company; or

(ii) the expiration of the period within which the next Annual General Meeting of the Company is required to be tabled pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or

(iii) revoked or varied by resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier."

6.3 **Proposed renewal of shareholders' mandate for existing recurrent related party transactions and new shareholders' mandate for additional recurrent related party transactions of a revenue or trading nature ("Proposed Shareholders' Mandate I")** ***(Resolution 7)***

"THAT, subject always to the Listing Requirements of Bursa Malaysia Securities Berhad, the Company and its subsidiary companies shall be mandated to enter into such recurrent transactions of a revenue or trading nature which are necessary for their day-to-day operations and with those related parties as specified in Section 2.4(1) of the Circular to Shareholders dated 25 June 2012 subject further to the following:-

(i) the transactions are in the ordinary course of business of the Company and its subsidiary companies on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company; and

(ii) disclosure will be made in the Annual Report of the aggregate value of transactions of the Proposed Shareholders' Mandate I conducted during the financial year, including amongst others, the following information:-

(a) the type of the recurrent transactions made; and

(b) the names of the related parties involved in each type of the recurrent transactions made and their relationship with the Company and/or its subsidiaries.

AND THAT such mandate shall commence upon passing of this resolution and shall continue to be in force until:-

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the AGM at which such mandate was passed, at which time it will lapse, unless by a resolution passed at a general meeting, the authority is renewed; or

(ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

(iii) revoked or varied by resolution passed by the shareholders of the Company in a general meeting.

Notice Annual General Meeting (Cont'd)

whichever is the earlier;

AND FURTHER THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate I."

6.4 **Proposed renewal of shareholders' mandate for existing recurrent related party transactions and new shareholders' mandate for additional recurrent related party transactions of a revenue or trading nature ("Proposed Shareholders' Mandate II")** ***(Resolution 8)***

"THAT, subject always to the Listing Requirements of Bursa Malaysia Securities Berhad, the Company and its subsidiary companies shall be mandated to enter into such recurrent transactions of a revenue or trading nature which are necessary for their day-to-day operations and with those related parties as specified in Section 2.4 (2) to (12) of the Circular to Shareholders dated 25 June 2012 subject further to the following:-

(i) the transactions are in the ordinary course of business of the Company and its subsidiary companies on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company; and

(ii) disclosure will be made in the Annual Report of the aggregate value of transactions of the Proposed Shareholders' Mandate II conducted during the financial year, including amongst others, the following information:-

(a) the type of the recurrent transactions made; and

(b) the names of the related parties involved in each type of the recurrent transactions made and their relationship with the Company and/or its subsidiaries.

AND THAT such mandate shall commence upon passing of this resolution and shall continue to be in force until:-

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the AGM at which such mandate was passed, at which time it will lapse, unless by a resolution passed at a general meeting, the authority is renewed; or

(ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

(iii) revoked or varied by resolution passed by the shareholders of the Company in a general meeting.

Notice Annual General Meeting (Cont'd)

whichever is the earlier;

AND FURTHER THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate II."

7. To transact any ordinary business which due notice shall have been given.

BY ORDER OF THE BOARD

RAW KOON BENG
Secretary

Kuala Lumpur
25 June 2012

NOTES:

1. *A member of the Company entitled to attend and vote at the meeting may appoint one (1) proxy to attend and vote in his stead. A proxy need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the members to speak at the meeting.*

2. *The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, under its common seal or the hand of its attorney duly authorised.*

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

4. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.*

5. *All Forms of Proxy must be deposited at the Registered Office of the Company situated at Suite 2.12, Level 2, Menara Maxisegar, Jalan Pandan Indah 4/2, Pandan Indah, 55100 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*

6. *For the purpose of determining members who shall be entitled to attend the Annual General Meeting , the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 10 July 2012. Only depositors whose names appear therein shall be entitled to attend the said meeting or appoint a proxy to attend and vote on their behalf.*

Notice Annual General Meeting (Cont'd)

EXPLANATORY NOTE A

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

EXPLANATORY NOTES TO THE SPECIAL BUSINESSES

1. *Resolution Pursuant to Section 132D of the Companies Act, 1965*

   The proposed Ordinary Resolution 5, if passed, will give authority to the Board Directors to issue and allot ordinary shares from the unissued capital of the Company at any time in their absolute discretion and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier.

   The renewed general mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

   As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the 86th Annual General Meeting held on 27 July 2011 and which will lapse at the conclusion of the 87th Annual General Meeting.

2. *Resolution pursuant to Section 132E of the Companies Act, 1965*

   Section 132E of the Companies Act, 1965 prohibits a company or its subsidiaries from entering into any arrangement or transaction with its directors or persons connected with such directors in respect of the acquisition from or disposal to such directors or connected persons of any non-cash assets of the requisite value without prior approval of the Company in general meeting. According to the Companies Act, 1965, a non-cash asset is considered to be of the requisite value, if at the time of arrangement or transaction, its value is greater than RM250,000.00 or 10% of the Company's net assets, whichever is the lesser, subject to a minimum of RM10,000.00.

   The proposed Ordinary Resolution no. 6, if passed, will authorise the Company and each of its subsidiaries to enter into any arrangement or transaction with a Director of the Company or with a person connected with such a Director to acquire from or dispose to such a Director or person any non-cash assets of the requisite value that is less than 2% of the total consolidated net assets of the Group at the time of such acquisition or disposal.

3. *The detailed information on the Ordinary Resolution no. 7 and 8 pertaining to the proposed renewal of shareholders' mandate for existing recurrent related party transactions and new shareholders' mandate for additional recurrent related party transactions of a revenue or trading nature, is set out in the Circular to Shareholders dated 25 June 2012 which is enclosed together with the Company's 2012 Annual Report.*

Statement Accompanying Notice of Annual General Meeting

(Pursuant to Paragraph 8.27(2) of the Listing Requirements at Bursa Malaysia Securities Berhad)

Details of individuals who are standing for election as Directors

No individual is seeking election as a Director at the forthcoming 87th Annual General Meeting of the Company.

This page has been intentionally left blank

TRINITY CORPORATION BERHAD
(Formerly known as TALAM CORPORATION BERHAD)
(Company No: 1120-H)
(Incorporated in Malaysia)

NO. OF SHARES HELD

FORM OF PROXY

I/We______________________________________(NRIC/Passport/Company No. ____________________)
(Name in full and in block letters)

of____
(Full address)

being a member/members of **TRINITY CORPORATION BERHAD (1120-H)** hereby appoint: __________________________

____(NRIC No. __________________________)
(Name in full and in block letters)

of____
(Full address)

or failing him/her, the Chairman of the Meeting as my/our proxy to vote on my/our behalf at the 87th Annual General Meeting of the Company to be held at the Perdana Ballroom, Pandan Lake Club, Lot 28, Jalan Perdana 3/8, Pandan Perdana, 55300 Kuala Lumpur on Tuesday, 17 July 2012 at 11.30 a.m. and at any adjournment thereof, on the resolutions referred to in the Notice of the Annual General Meeting.

My/our proxy is to vote as indicated below:

NO.	RESOLUTIONS	FOR	AGAINST
	As Ordinary Businesses		
1	To approve the payment of Directors' fees of RM25,000 for each Director for the year ended 31 January 2012.		
2	To re-elect the Director, Mr Tsen Keng Yam who is retiring in accordance with Article 97 of the Articles of Association of the Company.		
3	To re-elect the Director, Datuk Ng Bee Ken who is retiring in accordance with Article 97 of the Articles of Association of the Company.		
4	To re-appoint Messrs Baker Tilly Monteiro Heng as Auditors and to authorise the Directors to fix their remuneration.		
	As Special Businesses		
5	Ordinary Resolution Authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965.		
6	Ordinary Resolution Authority pursuant to Section 132E of the Companies Act, 1965.		
7	Ordinary Resolution Proposed renewal of shareholders' mandate for existing recurrent related party transactions and new shareholders' mandate for additional recurrent related party transactions of a revenue or trading nature ("Proposed Shareholders' Mandate I").		
8	Ordinary Resolution Proposed renewal of shareholders' mandate for existing recurrent related party transactions and new shareholders' mandate for additional recurrent related party transactions of a revenue or trading nature ("Proposed Shareholders' Mandate II").		

(Please indicate with an "X" in the appropriate spaces how you wish your vote to be casted. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he/she thinks fit, or at his/her discretion, abstains from voting).

Signed this__________day of________________2012.

____
Signature/Common Seal of Member

NOTES:

1. *A member of the Company entitled to attend and vote at the meeting may appoint one (1) proxy to attend and vote in his stead. A proxy need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the members to speak at the meeting.*
2. *The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, under its common seal or the hand of its attorney duly authorised.*
3. *Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
4. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.*
5. *All Forms of Proxy must be deposited at the Registered Office of the Company situated at Suite 2.12, Level 2, Menara Maxisegar, Jalan Pandan Indah 4/2, Pandan Indah, 55100 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*
6. *For the purpose of determining members who shall be entitled to attend the Annual General Meeting , the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 10 July 2012. Only depositors whose names appear therein shall be entitled to attend the said meeting or appoint a proxy to attend and vote on their behalf.*

Please fold here

Stamp

The Company Secretary
TRINITY CORPORATION BERHAD **(1120-H)**
Suite 2.12, Level 2, Menara Maxisegar
Jalan Pandan Indah 4/2
Pandah Indah
55100 Kuala Lumpur

Please fold here