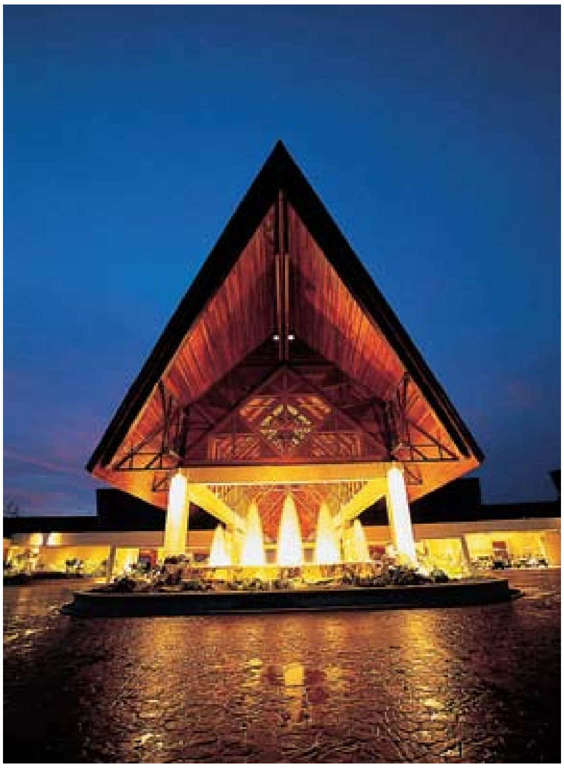
Core BUSINESS



EAST MALAYSIA

KARAMBUNAI PENINSULAR

Karambunai Peninsular is located in the state of Sabah, which is part of the exotic Borneo island. Karambunai Resorts, comprising approximately 1,500 acres of the Karambunai Peninsular is within 30 minutes drive from the city centre of Kota Kinabalu. Karambunai Resorts is blessed with a 6.2 km stretch of pristine sandy beach, lagoons, million year-old rainforest and mangrove reserves.

As the jewel in the crown, Karambunai Resorts will continue to be the focus of the Group's eco-tourism and resort developments. The Nexus Residence Karambunai luxury beachfront villas are the latest development project in Karambunai Resorts and other completed developments include the Nexus Resort Karambunai, the Nexus Golf Resort Karambunai and infrastructure services.

NEXUS RESORT KARAMBUNAI

Nexus Resort Karambunai ("NRK"), a premier 5-star 485-room international multi-award winning resort which is located on Karambunai Peninsular, spreading over 65 acres of prime beach fronting the South China Sea and nestled within a natural haven of tropical beauty and serenity. NRK has won many accolades including the prestigious awards from FIABCI for the Award of Distinction Year 2000 for 'Best Leisure/Resort Development' in Malaysia, the "Top Ten Award" and "Good Food Award" by SAGA Holidays Group for 5 years from 2001 to 2004 and 2006, Malaysian Tourism Awards for 'Excellence in Hotel Services – 5 Star (Resort Hotel)' for Year 2001/2002 and The Minister's Special Award in Year 2003, World Travel Awards for "Malaysia's Leading Golf Resort" for Year 2004 and 2005, Virgin Holidays Gold Award 2006 for "Best Resort in Far East & Australasia", China Golf Award 2006 for "My Favourite Overseas Golf Travel Destination", Expat Lifestyle – Best of Malaysia Awards October 2007 for "Excellence Award for Best Beach Resort and Best Beach", SAGA Holidays for "Top Stay Award" and "Good Food Award" for 2007, Virgin Holidays Silver Award 2007 for "Best Resort in the Far East & Australasia", HAPA (Hospitality Asia Platinum Award) 2007-2008 for "Top 5 HAPA MICE Hotel of the Year", "Top 5 HAPA Golf Resort of the Year" and "Top 10 HAPA Luxury Resort of the Year", Sabah Tourism Awards 2007 for "Winner – Excellence in Hotel Services (3, 4 & 5 Stars)", ASEAN Green Hotel Recognition Award 2008 for "ASEAN Green Hotel Standard Recognition Award 2008 – 2009", "Best Performance – Hotel Internet Revenue Malaysia Market" by Fastbooking Asia Pvt. Ltd., "Top 5 HAPA Signature Leisure & Recreation Resort" in the HAPA (Hospitality Asia Platinum Award) 2008 – 2010 Regional Series and "Top Stay Award" & "Good Food Award" for 2008 by SAGA Holidays.

NEXUS GOLF RESORT KARAMBUNAI

Nexus Golf Resort Karambunai ("NGRK"), an international championship 18-hole golf course in Karambunai Resorts, is designed by renowned golf-course architect Ronald Fream. Operational since 1996, NGRK has established itself as one of the most popular golf courses in Sabah due to its unique location, nestled between the million year-old rainforest and fronting the South China Sea. It has also won a string of awards since its inception including Golf Malaysia Magazine's course poll for "Best Resort Course in Malaysia", "Best Golf Course in East Malaysia" and "One of Malaysia's Three Most Memorable Golf Course in Malaysia".

WEST MALAYSIA

BUKIT UNGGUL ECO-MEDIA CITY & BUKIT UNGGUL COUNTRY CLUB

Bukti Unggul Eco-Media City comprises approximately 1,363 acres, strategically located in the Multimedia Super Corridor within close proximity to the Kuala Lumpur International Airport, Putrajaya and Cyberjaya. Current completed developments include the 18-hole golf course, namely Bukit Unggul Country Club ("BUCC"). It is an 18-hole international golf course with full club facilities. Designed by Ronald Fream, BUCC is well known for its unique mature rainforest environment.

FIRST TRAVEL & TOURS (M) SDN BHD

First Travel & Tours ("FTT") was established since 1977, located within the Golden Triangle of Kuala Lumpur city centre and continues to maintain its reputation as one of the leaders in the travel and tours industry. The business segments of FTT include inbound/domestic tour, chartered flights, incentive groups and ticketing.

SCANPLY INTERNATIONAL WOOD PRODUCT LTD

Scanply trades internationally in timber and wood-based products, particularly garden furniture. Due to its extensive network and experience in the trading of wood-based product business, Scanply has gained a strong reputation and presence in the market.

Our PROJECTS

NEXUS RESIDENCE KARAMBUNAI

Nexus Residence Karambunai features exclusive beachfront villas in a destination that's on par with the world's most luxurious holiday destinations of Hawaii, Bali, Hilton Head, Cancun and Phuket. It is located within the Karambunai Peninsular, next to the Nexus Resort Karambunai, an international award-winning 5-star resort and the Nexus Golf Resort Karambunai, an international championship 18-hole golf course.

Designed by world-renowed Hawaiian architects Wimberly Allison Tong & Goo, the Nexus Residence villas will comprise of approximately 2,000 units of beach-fronting villas that are designed to open up to the 6-km of pristine sandy beach with ocean view that spans the horizon.

The first phase of Nexus Residence, Dillenia Precinct, comprises of 243 units of villas and was launched in 2005. The Dillenia precinct is now partly completed and those units under the leaseback arrangement will operate as the "Villas & Suites at Nexus Resort Karambunai", the premier villas with sea-fronting view that will complement the existing 485-room inventory as a premium product for our hotel guests.

Nexus Residence is also in the planning to launch its second phase in response to market demand.

BANDAR SIERRA

Bandar Sierra comprises of 415 acres of mixed residential and commercial land. It is strategically located in the northern growth corridor of Kota Kinabalu where rapid development is taking place and is within close proximity to University Sabah Malaysia, the new Federal Administrative Centre, Kolej Ibukota Kinabalu, Kota Kinabalu Industrial Park, KK Polytechnic, UiTM and Sabah Medical Centre.

To-date, the completed phases includes Phase 1A & 1B (comprising of double storey link, semi-detached houses, bungalows and shop lots) and Phase 3A1 (apartment units). The new Phase 3A2-1, comprising 192 units of apartments has been recently launched in May 2009 and is receiving encouraging response from buyers. In the coming months, the Group will also launch commercial and residential units to cater towards the growing demand for properties in the northern part of Kota Kinabalu.

Corporate GOVERNANCE STATEMENT

The Board of Directors of Karambunai Corp Bhd is committed to its fiduciary responsibility for sound corporate governance in its business management practices. Accordingly, the Board supports the recommendations advocated in the Malaysian Code on Corporate Governance (the Code) wherein disclosures pursuant to the Code is mandated under paragraph 15.26 of the Bursa Malaysia Securities Listing Requirements.

In particular, the Company has complied with Part 2, "Best Practices in Corporate Governance", of the Code except for individual disclosure of directors' remuneration packages (as detailed in Other Compliances Statement of this Annual Report), whereas the ensuing paragraphs narrates how the Company has applied Part I, "Principles of Corporate Governance", of the Code.

DIRECTORS

The Board

An effective Board leads and control the Company. Board members' judgement has a bearing on strategies, performances, resources and standards. Four (4) Board meetings were held during the financial year ended 31 March 2009 with details of attendance presented under Other Compliances Statement of this Annual Report. In between scheduled meetings and where appropriate, Board decisions may be effected via circular resolutions.

Directors' Training

Subject to individual circumstances, directors are required to attend the Mandatory Accreditation Programme prescribed by Bursa Malaysia Securities Berhad. With the repeal of the Continuing Education Programme, the directors are now subject to a Group Training Programme inclined towards auditing, accounting, regulatory and industry issues.

In particular, an inhouse seminar on "Blue Ocean Strategy" conducted by the Institute of Global Management, was held during the financial year. Some members of the Board also participated at the MAICSA Annual Conference 2008 on corporate & regulatory updates and National Accountants Conference on driving a credible profession & enhancing the value chain.

Apart from the above, Board members are regularly updated on global developments and trends in Corporate Governance principles and best practices besides local regulatory and risk management framework.

Board Balance

The Board currently consists of seven (7) members; comprising four (4) Executive Directors and three (3) Non-Executive Directors. Among the Non-Executive Directors, all three (3) are Independent, hence, more than a third of the Board is independent. Meanwhile, the Board's composition reflects a commitment towards achieving a requisite mix of skills and experience in various business and financial competencies. Executive Directors have direct responsibilities for business operations whereas Non-Executive Directors are responsible for bringing independent, objective judgement to bear on Board decisions. The profiles of the Directors are set out under the Board of Directors' Profile of this Annual Report.

To ensure a balance of power and authority, the roles of Chairman and Chief Executive Officer are distinct and separate. The Board has also formally identified Datuk Wan Kassim bin Ahmed as the Senior Independent Non-Executive Director, to whom concerns may be conveyed.

Supply of Information

All Directors have full and timely access to information, with Board papers distributed in advance of meetings. These Board papers include the agenda and information covering strategic, operational, financial and compliance matters. The Board has unrestricted access to all staff for any information pertaining to the Group's affairs.

Furthermore, Directors have access to the advice and the services of the Company Secretary and under appropriate circumstances may seek independent professional advice at the Company's expense, in furtherance of their duties.

Appointments to the Board

A Nomination Committee with appropriate terms of reference, was established by the Board on 25 February, 2002. The Committee, currently comprising wholly of Independent Non-Executive Directors, are as follows:-

1. Datuk Wan Kassim bin Ahmed (Chairman)
2. Leow Ming Fong @ Leow Min Fong

During the financial year, the full Committee met once on 26/05/2008.

This Committee is responsible, inter alia, for making recommendations to the Board on new nominees for the Board including Board Committees and for assessing directors on an ongoing basis. The Nomination Committee also reviews the Board's required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board.

Re-election

In accordance with the Company's Articles of Association, all Directors are subject to retirement from office at least once in each three (3) years period, but shall be eligible for re-election. This provision, duly amended in an EGM is now not only consistent with the underlying principles of the Code, but also, fully in line with para 7.28 (2) of the Bursa Malaysia Securities Listing Requirements.

DIRECTORS' REMUNERATION

Procedure

A Remuneration Committee with appropriate terms of reference was established by the Board on 25 February, 2002. The Committee, currently comprising a majority of Non-Executive Directors, are as follows:-

1. Datuk Wan Kassim bin Ahmed (Chairman)
2. Leow Ming Fong @ Leow Min Fong
3. Datuk Robin Loh Hoon Loi

During the financial year, the full Committee met once on 26/5/2008.

The Level and Make-up of Remuneration

The Committee's duty is to, inter-alia, make recommendations to the Board on the remuneration framework for all Executive Directors with the underlying objective of attracting and retaining directors needed to run the Company successfully. In particular, the remuneration package is structured to commensurate with corporate and individual performance.

In respect of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken and is a matter for consideration by the Board as a whole. The Non-Executive Directors abstain from discussions pertaining to their own remuneration.

Corporate GOVERNANCE STATEMENT

Disclosure

The details of Directors' Remuneration for the financial year are summarised under the Other Compliances Statement of this Annual Report.

SHAREHOLDERS

Dialogue between Company and Investors

The Company acknowledges the importance of communication with investors. Major corporate developments and events are duly and promptly announced via appropriate communication channels.

In particular, dissemination of information includes the distribution of Annual Reports, announcement of quarterly financial performances, issuance of circulars, press releases and holding of press conferences.

The AGM

The AGM is the principal platform for dialogue with shareholders, wherein, the Board presents the operations and performance of the Group. During the meeting, shareholders are given every opportunity to enquire and comment on matters relating to the Group's business. The Chairman and members of the Board are available to respond to shareholders' queries during this meeting.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board is responsible for ensuring a balanced and understandable assessment of the Company's position and prospects in its quarterly and annual reports. The Audit Committee assists the Board by reviewing the disclosure information to ensure completeness, accuracy and validity. A full Directors' Responsibility Statement is available in this Annual Report.

Internal Control

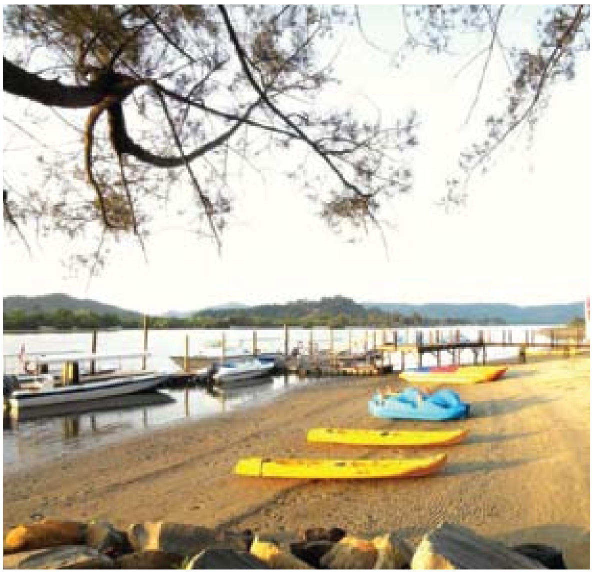
The Statement on Internal Control set out in this Annual Report provides an overview of the Company's approach in maintaining a sound system of internal control to safeguard shareholder's investment and the Company's assets.

Relationship with the Auditors

The Board via the establishment of an Audit Committee, maintains a formal and transparent relationship with the Company's auditors. The role of the Audit Committee in relation to the auditors in particular, and corporate governance in general, are detailed in the Audit Committee Report of this Annual Report.

This statement is made in accordance with a resolution of the Board of Directors dated 31 July 2009.

Statement ON INTERNAL CONTROL



PREAMBLE

Pursuant to paragraph 15.27(b) of the Bursa Malaysia Securities Listing Requirements, the Board is required to include in its Annual Report, a statement on the state of internal control of the Group. In making this Statement on Internal Control, it is essential to specifically address the Principles and Best Practices in the Malaysian Code on Corporate Governance which relate to internal control.

RESPONSIBILITY

The Board has overall stewardship responsibility for the Company's system of internal control and for reviewing its adequacy and integrity to safeguard shareholder's investment and the Company's assets. However, it should be noted that such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

INTERNAL CONTROL SYSTEM

The embedded control system is designed to facilitate achievement of the Group's business objectives. It comprises the underlying control environment, control procedures, communication and monitoring processes which manifest as follows: -

- Organizational structure with well defined lines of responsibility, delegation of authority, segregation of duties and information flow. Besides the predominantly non-executive standing committees such as the Audit, Nomination and Remuneration Committees, the Board is supported operationally by Executive and Management Committees. These committees convene periodically to meet its strategic business agenda thus ensuring that the Board, properly apprised, maintains effective supervision over the entire operations.

- Well documented policies, procedures and standards have been established, periodically reviewed and kept updated in accordance with changes in the operating environment.

- Comprehensive budgeting process for major operating units with periodical monitoring of performance so that major variances are followed up and management action taken.

- Functional limits of authority in respect of revenue and capital expenditure for all operating units. These commitment authority thresholds, working in tandem with budgeting and payment controls, serve to facilitate the approval process whilst keeping potential exposure in check.

Statement ON INTERNAL CONTROL

- Detailed justification and approval process for major projects and acquisitions imposed, to ensure congruence with the Company's strategic objectives.
- Independent appraisals by internal auditors to ensure ongoing compliance with policies, procedures, standards and legislations whilst assessing the effectiveness of the Group's system of financial, compliance and operational controls.

RISK MANAGEMENT FRAMEWORK

Besides primary ownership over effectiveness of the Group's internal control systems, the Board recognises its responsibility over the principal risks of various aspects of the Group's business. For long term viability of the Group, it is crucial to achieve a critical balance between risks incurred and potential returns.

In response to the above challenge, the Group has established an in-house structured risk management framework, thereby laying the foundation for an ongoing process for identifying, evaluating, treating, reporting and monitoring the significant risks faced by the Group.

A Risk Advisory Committee (RAC) comprising senior management personnel responsible, inter alia, for internal policy communications, acquiring risk management skills, developing skills through education and training, and ensuring adequate scale of recognition, rewards and sanctions was set up on 25 February, 2002.

During the financial year, the RAC convened quarterly to monitor the Group's significant risks and to recommend appropriate treatments. The Audit Committee establishes the adequacy and effectiveness of the Group's Risk Management Framework by regularly reviewing the resultant RAC risk registers.

INTERNAL AUDIT

An in-house Internal Audit function supports the Audit Committee, and by extension, the Board, by providing reasonable independent assurance on the effectiveness of the Group's system of internal control.

In particular, Internal Audit appraise and contribute towards improving the Group's risk management and control system and reports to the Audit Committee on a quarterly basis. The internal audit work plan which reflects the risk profile of the Group's major business sectors is routinely reviewed and approved by the Audit Committee.

INTERNAL CONTROL ISSUES

Management maintains an ongoing commitment to strengthen the Group's control environment and processes. During the year, there were no material losses caused by breakdown in internal control.

This statement is made in accordance with a resolution of the Board of Directors dated 31 July 2009 and has been duly reviewed by the external auditors, pursuant to paragraph 15.24 of the Bursa Malaysia Securities Listing Requirements.

Audit COMMITTEE REPORT

PREAMBLE

Pursuant to paragraph 15.16 of the Bursa Malaysia Securities Listing Requirements, the Board is required to prepare an Audit Committee Report for inclusion in its Annual Report.

COMPOSITION

The Group has an established Audit Committee since 19 October 1993. For the financial year, the members of the Audit Committee, their respective designations and directorships are as follows:-

- Datuk Wan Kassim bin Ahmed
  Chairman, Independent Non-Executive Director

- Leow Ming Fong @ Leow Min Fong
  Member, Independent Non-Executive Director

- Tuan Haji Zainal Abidin bin Ali
  Member, Independent Non-Executive Director

After the financial year, the composition of the Audit Committee was affected by the demise of Allahyarham Tuan Haji Zainal Abidin bin Ali on 11/07/09. Consequently, the Board is in the process of filling the above vacancy in compliance with paragraph 15.10 of the Listing Requirements.

TERMS OF REFERENCE

Purpose

The primary objective of the Audit Committee (as a standing-committee of the Board) is to assist the Board in the effective discharge of its fiduciary responsibilities for corporate governance, financial reporting and internal control.

Reporting Responsibilities

The Audit Committee will report to the Board on the nature and extent of the functions performed by it and may make such recommendations to the Board on any audit and financial reporting matters as it may think fit.

Attendance at Meetings

The Head of Finance, the Head of Internal Audit and a representative of the External Auditors should normally attend meetings. The Company Secretary shall be the secretary of the Committee. Other officers may be invited to brief the Committee on issues that are incorporated into the agenda. The Committee should meet with the external auditors, the internal auditors or both without executive board members and employees of the Group present, whenever deemed necessary.

Audit COMMITTEE REPORT

Frequency of Meetings

The Committee will meet as frequently as the Chairman shall decide, with due notice of issues to be discussed and should record its conclusions whilst discharging its duties and responsibilities. The Chairman of the Audit Committee should engage on a continuous basis with senior management, the head of internal audit and the external auditors in order to be kept informed of matters affecting the Group.

Quorum

The quorum for a meeting shall be two (2) members of whom a majority shall be Independent Directors.

Authority

The Audit Committee is authorised by the Board to investigate any activity within its terms of reference. The Committee shall have unrestricted access to both the internal and external auditors and to all employees of the Group. The Committee may, with the approval of the Board, consult legal or other professionals where they consider it necessary to discharge their duties.

Duties

The duties of the Audit Committee include the following:-

- To consider the appointment of the external auditor, the audit fee and any questions of resignation or dismissal;

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

- To review the quarterly and year-end financial statements of the Board, focusing on:-
    - any changes in accounting policies and practices;
    - major judgmental areas;
    - significant adjustments arising from the audit;
    - the going concern assumption;
    - compliance with accounting standards and other legal requirements;

- To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management, where necessary);

- To review the external auditor's management letter and management's response;

- To do the following, in relation to the internal audit function:-
    - review the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
    - review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
    - review any appraisal or assessment of the performance of members of the internal audit function;
    - approve any appointments or termination of senior staff members of the internal audit function; and
    - take cognisance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning;

- To consider any related party transactions and conflict of interest situation that may arise within the Group;

- To consider the major findings of internal investigations and management's response; and

- To consider other topics as defined by the Board.

DETAILS OF MEETINGS

The Audit Committee met four times during the financial year and details of attendances are as follows :-

Directors	Attendances
Datuk Wan Kassim bin Ahmed	4/4
Leow Ming Fong @ Leow Min Fong	4/4
Tuan Haji Zainal Abidin bin Ali	4/4

During the financial year, relevant training attended by the above directors are detailed in the Corporate Governance Statement of this Annual Report.

SUMMARY OF AUDIT COMMITTEE ACTIVITIES

In discharging its responsibilities for the financial year, the Audit Committee, in particular:-

- Reviewed the quarterly and year end financial statements and made recommendations to the Board.
- Deliberated over the internal audit and compliance reports, ensuring recommendations are carried out.
- Reviewed and assisted in the development and implementation of sound and effective internal controls and business systems within the Group.
- Reviewed the Risk Advisory Committee report, ensuring adequacy and effectiveness of the Group's Risk Management Framework.
- Discussed and reviewed with the external auditors the results of their examination, their auditors' report and management letters in relation to the audit and accounting issues arising from the audit.
- Reviewed the Group's compliance with regards to the Bursa Malaysia Securities Listing Requirements and compliance with accounting standards issued by the Malaysian Accounting Standards Board.

SUMMARY OF INTERNAL AUDIT ACTIVITIES

The Audit Committee is supported by an Internal Audit Department which reports directly to the Committee and is independent of the activities they audit. The costs incurred on this function which includes risk management and corporate governance was RM285,900 for the financial year.

During the financial year, the Internal Audit Department conducted, inter alia, the following activities:

- Formulated and agreed with the Audit Committee on the audit plan, strategy and scope of work.
- Reviewed compliance with internal policies, procedures and standards, relevant external rules and regulations, as well as assessed the adequacy and effectiveness of the Group's internal control system.
- Analysed and assessed key business processes, report findings, and made recommendations to improve effectiveness and efficiency.
- Followed up on internal audit recommendations to ensure adequate implementation.
- Advised on the implementation of the Malaysian Code on Corporate Governance, Bursa Malaysia Securities Listing Requirements and other regulatory requirements.
- Performed investigations and special reviews as requested by the Board and Management.
- Facilitated and reviewed the Group's risk management framework for adequacy and effectiveness in tandem with the business environment.

This report is made in accordance with a resolution of the Board of Directors dated 31 July 2009.

Directors' RESPONSIBILITY STATEMENT

PURSUANT TO PARAGRAPH 15.27(A) OF THE BURSA MALAYSIA SECURITIES LISTING REQUIREMENTS

The Directors are required by Malaysian company law to prepare for each accounting period financial statements which give a true and fair view of the state of affairs of the Group and the Company as at the end of the accounting period and of the results of their operations and cashflows for that period.

In preparing the financial statements the Directors are required to select and apply consistently suitable accounting policies and make reasonable and prudent judgements and estimates. Applicable accounting standards also have to be followed and a statement made to that effect in the financial statements, subject to any material departures being disclosed and explained in the notes to the financial statements. The Directors are required to prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business. The Directors are responsible for ensuring proper accounting records are kept which discloses with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1965.

They are also responsible for taking reasonable steps to safeguard the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This statement is made in accordance with a resolution of the Board of Directors dated 31 July 2009.

Other COMPLIANCES STATEMENT

1. DIRECTORS' ATTENDANCE AT BOARD MEETINGS

During the financial year, the Board held four (4) meetings, the attendance of which were as follows:-

Directors	Attendance
1. Tan Sri Datuk Seri Panglima Abdul Kadir bin Haji Sheikh Fadzir	4/4
2. Tan Sri Dr Chen Lip Keong	4/4
3. Datuk Wan Kassim bin Ahmed	4/4
4. Tuan Haji Zainal Abidin bin Ali	4/4
5. Datuk Robin Loh Hoon Loi	4/4
6. Leow Ming Fong @ Leow Min Fong	4/4
7. Chen Yiy Hwuan	3/4
8. Chen Yiy Fon	4/4

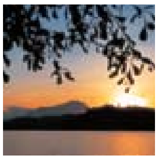
2. DIRECTORS' REMUNERATION

The aggregate remuneration of directors for the financial year is categorised as follows:-

Description	Fees RM	Salaries RM	Others RM	Total RM
Executive	36,000	900,000	120,900	1,056,900
Non- Executive	102,000	-	240,000	342,000
Total	**138,000**	**900,000**	**360,900**	**1,398,900**

The number of directors whose remuneration falls in each successive band of RM50,000 are as follows:-

Range (RM)	Executive	Non-Executive
50,000 & below	1	3
50,001 to 100,000	0	0
100,001 to 150,000	1	0
150,001 to 200,000	0	0
200,001 to 250,000	0	1
250,001 to 300,000	1	0
300,001 to 350,000	0	0
350,001 to 400,000	0	0
400,001 to 450,000	0	0
450,001 to 500,000	0	0
500,001 to 550,000	1	0
Total	**4**	**4**



Other COMPLIANCES STATEMENT

2. DIRECTORS' REMUNERATION (cont'd)

The above disclosure is in compliance with the Bursa Malaysia Securities Listing Requirements. Nevertheless, it represents a departure from the Principles of Corporate Governance of the Code, which prescribes individual disclosure of directors' remuneration packages. The Board is of the opinion that individual disclosure would impinge upon the directors' reasonable right to privacy whilst not significantly enhancing shareholders' information.

3. UTILISATION OF PROCEEDS

As at 31 March 2009, the Company did not raise funds from any corporate proposal during the financial year.

4. SHARE BUY-BACKS

During the financial year, there were no share buybacks by the Company.

5. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

During the financial year, the Company did not issue any Options, Warrants or Convertible Securities.

6. AMERICAN DEPOSITORY RECEIPT (ADR) OR GLOBAL DEPOSITORY RECEIPT (GDR)

During the financial year, the Company did not sponsor any ADR or GDR programme.

7. SANCTIONS AND/OR PENALTIES

There was no sanctions and/or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies.

8. NON - AUDIT FEES

The non-audit fees paid to the external auditors by the Group and the Company for the financial year amount to RM23,000.

9. VARIATION IN RESULTS

There is no material variance between the results for the financial year and the unaudited results previously announced. The Company did not make any release on the profit estimate, forecast or projections for the financial year.

10. PROFIT GUARANTEE

During the year, there was no profit guarantee given by the Company.

11. MATERIAL CONTRACTS

There were no material contracts entered by the Company and its subsidiaries involving directors' and major shareholders' interests other than those disclosed in the financial statements.

12. CONTRACTS RELATING TO LOAN

There were no contracts relating to a loan by the Company in respect of the above said item.

13. REVALUATION POLICY

The Company had not adopted a regular revaluation policy on landed properties.

14. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE NATURE

There were no material recurrent related party transactions of a revenue nature during the year other than those disclosed in the financial statements.

This statement is made in accordance with a resolution of the Board of Directors dated 31 July 2009.

Financial STATEMENTS

For The Financial Year Ended 31 March 2009

Directors' REPORT

The Directors hereby present their report and the audited financial statements of the Group and of the Company for the year ended 31 March 2009.

PRINCIPAL ACTIVITIES

The principal activities of the Company are engaged in investment holdings and provision of management services.

The principal activities of the subsidiary companies are set out in note 7(b) to the financial statements.

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

RESULTS

	Group RM	Company RM
(Loss)/Profit for the year	(35,397,004)	6,937,660
Loss attributable to shareholders:-		
Equity holders of the Company	(35,397,004)	
Minority interest	-	
	(35,397,004)	

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors do not recommend the payment of a final dividend for the current financial year.

RESERVES AND PROVISIONS

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

BAD AND DOUBTFUL DEBTS

Before the income statements and balance sheets 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 provisions for doubtful debts, and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts.

At the date of this report, the Directors of the Group and of the Company are not aware of any circumstances which would require the writing off of bad debts, or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps to ensure that any current assets which were unlikely to realise in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances which 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 would 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 or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person, or

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

No contingent liability or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group or 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 which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

In the opinion of the Directors:-

(i) 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; and

(ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature which are 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

ISSUE OF SHARES

During the financial year, the Company did not make any new issuance of shares.

DIRECTORS OF THE COMPANY

The Directors in office since the date of the last report are:-

TAN SRI DR. CHEN LIP KEONG

DATUK WAN KASSIM BIN AHMED

DATUK ROBIN LOH HOON LOI

TAN SRI DATUK SERI PANGLIMA ABDUL KADIR BIN HAJI SHEIKH FADZIR

TUAN HAJI ZAINAL ABIDIN BIN ALI (Deceased on 11.7.09)

LEOW MING FONG @ LEOW MIN FONG

CHEN YIY HWUAN

CHEN YIY FON

DIRECTORS' SHAREHOLDINGS

The interests of the Directors in office as at the end of the financial year in the shares of the Company during the financial year according to the registers required to be kept under Section 134 of the Companies Act, 1965 are as follows:-

	Number of Ordinary Shares of RM0.50 Each		
Name of Directors	**At 1.4.08**	**Purchased/ (Sold)**	**At 31.3.09**
Direct shareholdings			
Tan Sri Dr. Chen Lip Keong	891,122,516	-	**891,122,516**
Indirect Interest Held Through Persons Connected to Directors In Which The Directors Have Interest			
Chen Yiy Hwuan*	891,122,516	-	**891,122,516**
Chen Yiy Fon*	891,122,516	-	**891,122,516**

* Deemed interest by virtue of shares held by their father, Tan Sri Dr. Chen Lip Keong.

None of the other Directors held any share whether direct or indirect, in the Company during the financial year.

Tan Sri Dr. Chen Lip Keong by virtue of his substantial interest in shares of the Company, is also deemed interested in the shares of the subsidiary companies disclosed in note 7(b) to the financial statements, to the extent the Company has an interest.

SIGNIFICANT EVENTS

Significant events arising during the year are disclosed in note 42 to the financial statements.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than those disclosed as Directors' remuneration in note 33(c) 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 a party to any arrangement whose object is 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 other than the warrants mentioned above.

AUDITORS

The auditors, Messrs. Moore Stephens AC, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 31 July 2009.

DATUK WAN KASSIM BIN AHMED **DATUK ROBIN LOH HOON LOI**

Statement BY DIRECTORS

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

We, the undersigned, being two of the Directors of the Company, state that in the opinion of the Directors, the accompanying financial statements as set out on pages 57 to 123, are drawn up in accordance with the provisions of the Companies Act, 1965 and the Financial Reporting Standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2009 and of the results of the operations, changes in equity and cash flows of the Group and of the Company for the year ended on that date.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 31 July 2009.

DATUK WAN KASSIM BIN AHMED **DATUK ROBIN LOH HOON LOI**

Statutory DECLARATION

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

I, Lim Tiong Jin, being the person primarily responsible for the financial management of the Company, do solemnly and sincerely declare that the financial statements as set out on pages 57 to 123, are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed
at Kuala Lumpur in the Federal Territory
on 31 July 2009

LIM TIONG JIN

Before me

NORDIN HASSAN (W 321)
Commissioner for Oaths

Independent AUDITORS' REPORT

TO THE MEMBERS OF KARAMBUNAI CORP BHD. (Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Karambunai Corp Bhd., which comprise the balance sheets as at 31 March 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 57 to 123.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2009 and of their financial performance and cash flows for the year then ended.

Independent AUDITORS' REPORT

TO THE MEMBERS OF KARAMBUNAI CORP BHD. (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 Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in note 7(b) to the financial statements.

c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in 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) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

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

MOORE STEPHENS AC
Chartered Accountants
AF 001826

CHONG KWONG CHIN
707/04/10 (J/PH)
Partner

Kuala Lumpur
31 July 2009

Balance SHEETS

As At 31 March 2009

	Note	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	**287,298,447**	298,402,234	**504,779**	2,213,693
Prepaid land lease payments	5	**434,489,640**	441,016,922	**-**	3,252,290
Land held for property development	6	**803,621,651**	755,927,650	**-**	-
Investment in subsidiary companies	7	**-**	-	**306,888,727**	304,238,856
Interest in associated companies	8	**124,534**	2,678,604	**-**	500,000
Other investments	9	**520,001**	522,001	**310,000**	310,000
Capital work-in-progress	10	**46,055,952**	54,668,405	**-**	-
Deferred tax assets	11	**9,000**	-	**-**	-
Goodwill	12	**19,059,305**	18,458,856	**-**	-
		1,591,178,530	1,571,674,672	**307,703,506**	310,514,839
Current assets					
Property development costs	13	**54,658,376**	44,324,914	**-**	-
Inventories	14	**4,462,111**	6,339,526	**-**	-
Trade receivables	15	**77,080,709**	94,098,480	**-**	-
Other receivables, deposits and prepayments	16	**39,950,141**	64,084,306	**470,734**	16,834,099
Amount owing by subsidiary companies	17	**-**	-	**1,284,295,042**	1,269,462,509
Amount owing by associated companies	18	**-**	24,584,392	**-**	8,684,392
Tax assets	19	**7,573,591**	857,339	**6,686,485**	-
Cash deposits with licensed banks	20	**4,491,722**	6,885,474	**-**	-
Cash and bank balances		**10,150,714**	11,275,346	**491,316**	109,623
		198,367,364	252,449,777	**1,291,943,577**	1,295,090,623
TOTAL ASSETS		**1,789,545,894**	1,824,124,449	**1,599,647,083**	1,605,605,462

Balance SHEETS

As At 31 March 2009

	Note	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
EQUITY AND LIABILITIES					
Equity					
Share capital	21	**1,015,029,840**	1,015,029,840	**1,015,029,840**	1,015,029,840
Reserves	22	**(209,370,283)**	(173,909,598)	**112,441,790**	105,504,130
Total Equity		**805,659,557**	841,120,242	**1,127,471,630**	1,120,533,970
Non-current liabilities					
Finance lease payables	23	**1,792,927**	2,422,660	**-**	-
Bank borrowings - secured	24	**288,784,565**	270,000,000	**-**	-
Deferred tax liabilities	25	**125,330,997**	122,540,197	**-**	-
Promissory note	26	**-**	138,173,973	**-**	138,173,973
Long term payables	27	**622,180**	622,180	**-**	-
		416,530,669	533,759,010	**-**	138,173,973
Current liabilities					
Promissory note	26	**144,673,973**	-	**144,673,973**	-
Trade payables	28	**116,249,136**	115,898,461	**-**	-
Other payables and accruals	29	**115,452,396**	105,386,042	**11,543,890**	13,980,328
Amount owing to subsidiary companies	17	**-**	-	**315,862,116**	320,600,644
Finance lease payables	23	**2,743,993**	2,884,226	**-**	-
Bank borrowings - secured	24	**47,283,718**	85,455,275	**-**	12,000,000
Provisions	30	**435,135**	444,955	**95,474**	125,864
Taxation		**140,517,317**	139,176,238	**-**	190,683
		567,355,668	449,245,197	**472,175,453**	346,897,519
Total Liabilities		**983,886,337**	983,004,207	**472,175,453**	485,071,492
TOTAL EQUITY AND LIABILITIES		**1,789,545,894**	1,824,124,449	**1,599,647,083**	1,605,605,462

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

Income STATEMENTS

For The Year Ended 31 March 2009

		Group		Company	
		2009	2008	2009	2008
	Note	RM	RM	RM	RM
Revenue	31	**198,390,448**	172,473,661	**12,228,297**	33,874,230
Direct costs	32	**(152,176,147)**	(119,631,805)	**-**	-
Gross profit		**46,214,301**	52,841,856	**12,228,297**	33,874,230
Other operating revenue		**16,271,256**	3,226,820	**7,231,994**	8,147,138
Selling and distribution costs		**(5,832,532)**	(4,274,828)	**-**	-
Administrative costs		**(18,906,355)**	(28,298,660)	**(5,572,756)**	(5,542,300)
Other operating costs		**(36,960,036)**	(23,461,996)	**(10,526,892)**	(349,716)
		(61,698,923)	(56,035,484)	**(16,099,648)**	(5,892,016)
Profit from operations		**786,634**	33,192	**3,360,643**	36,129,352
Finance costs		**(35,897,755)**	(41,785,967)	**(3,130,151)**	(28,880,276)
Share of associated companies results		**(841,092)**	299,644	**-**	-
(Loss)/Profit before taxation	33	**(35,952,213)**	(41,453,131)	**230,492**	7,249,076
Taxation	34	**555,209**	9,370,365	**6,707,168**	(6,707,266)
(Loss)/Profit for the year		**(35,397,004)**	(32,082,766)	**6,937,660**	541,810
Attributable to:-					
Equity holders of the Company		**(35,397,004)**	(32,082,766)		
Minority interest		**-**	-		
Loss attributable to shareholders		**(35,397,004)**	(32,082,766)		
Loss per ordinary share	35	**(0.0174)**	(0.0158)		

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

Consolidated STATEMENT OF CHANGES IN EQUITY

For The Year Ended 31 March 2009

		<—— Non-distributable ——>					
	Share Capital RM	**Share Premium RM**	**Translation Reserve RM**	**Accumulated Losses RM**	**Sub-total RM**	**Minority Interest RM**	**Total Equity RM**
At 1.4.07	1,015,029,840	111,535,799	1,031,516	(254,384,871)	873,212,284	-	873,212,284
Translation loss	-	-	(9,276)	-	(9,276)	-	(9,276)
Expenses recognised directly in equity	-	-	(9,276)	-	(9,276)	-	(9,276)
Loss for the year	-	-	-	(32,082,766)	(32,082,766)	-	(32,082,766)
Total expense recognised for the year	-	-	(9,276)	(32,082,766)	(32,092,042)	-	(32,092,042)
At 31.3.08	1,015,029,840	111,535,799	1,022,240	(286,467,637)	841,120,242	-	841,120,242
Translation gain	-	-	(63,681)	-	(63,681)	-	(63,681)
Expenses recognised directly in equity	-	-	(63,681)	-	(63,681)	-	(63,681)
Loss for the year	-	-	-	(35,397,004)	(35,397,004)	-	(35,397,004)
Total expense recognised for the year	-	-	(63,681)	(35,397,004)	(35,460,685)	-	(35,460,685)
At 31.3.09	**1,015,029,840**	**111,535,799**	**958,559**	**(321,864,641)**	**805,659,557**	**-**	**805,659,557**

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

Statement OF CHANGES IN EQUITY

For The Year Ended 31 March 2009

	Share Capital RM	Non-distributable Share Premium RM	(Accumulated Losses)/ Distributable Retained Earnings RM	Total Equity RM
At 1.4.07	1,015,029,840	111,535,799	(6,573,479)	1,119,992,160
Profit for the year	-	-	541,810	541,810
At 31.3.08	1,015,029,840	111,535,799	(6,031,669)	1,120,533,970
Profit for the year	-	-	6,937,660	6,937,660
At 31.3.09	**1,015,029,840**	**111,535,799**	**905,991**	**1,127,471,630**

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

Cash Flow STATEMENTS

For The Year Ended 31 March 2009

	Note	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Cash Flows from Operating Activities					
(Loss)/Profit before taxation		**(35,952,213)**	(41,453,131)	**230,492**	7,249,076
Adjustments for:-					
Allowance for doubtful debts		**10,849,911**	5,006,162	**815,275**	-
Allowance for doubtful debts no longer required		**(1,505,086)**	(10,371)	**-**	-
Amortisation of upfront fee for a bank facility		**1,841,473**	1,941,748	**-**	1,941,748
Amortisation of prepaid land lease payments		**1,894,554**	1,890,916	**20,797**	57,427
Bad debts written off		**8,834,832**	178,417	**8,241,071**	-
Bad debts recovered		**-**	(376)	**-**	-
Capital work-in-progress written off		**-**	7,620,317	**-**	-
Contract cost written off		**-**	873,349	**-**	-
Depreciation of property, plant and equipment		**10,694,250**	10,855,412	**223,824**	326,227
Deposit written off		**3,039,673**	-	**-**	-
Gain on disposal of property, plant and equipment		**(2,933,278)**	(84,534)	**(3,317,706)**	(33,998)
Gain on disposal of leasehold land		**(4,050,723)**	-	**(3,914,288)**	-
Goodwill written off		**752,089**	9,370	**-**	-
Interest expenses - current year		**31,294,210**	32,234,674	**6,509,800**	19,766,775
- overprovision in prior year		**(3,884,651)**	-	**(3,383,358)**	-
Interest revenue		**(321,913)**	(305,328)	**-**	-
Inventories written off		**28,570**	-	**-**	-
Impairment loss - investment in subsidiary companies		**-**	-	**1,470,546**	9,407
- capital work-in-progress		**8,612,453**	-	**-**	-
- other investment		**2,000**	-	**-**	-
Property development cost written off		**-**	1,938,775	**-**	-
Property, plant and equipment written off		**191,715**	1,792,787	**-**	-
(Utilisation of)/Provision for employee benefits		**(9,820)**	116,683	**(30,390)**	125,864
Unrealised loss on foreign exchange		**265,895**	-	**-**	-
Share of losses/(profits) in associated companies		**841,092**	(299,644)	**-**	-
Operating profit before working capital changes		**30,485,033**	22,305,226	**6,866,063**	29,442,526
Decrease/(Increase) in land and development expenditure and amount due for contract works		**1,402,316**	(4,834,061)	**-**	-
Decrease/(Increase) in inventories		**1,848,845**	(923,161)	**-**	-
Decrease in receivables		**23,563,464**	65,244,816	**7,307,019**	53,908,457
Increase/(Decrease) in payables		**(36,295,484)**	8,159,171	**(244,009)**	(6,903,490)
Cash generated from operations		**21,004,174**	89,951,991	**13,929,073**	76,447,493
Income tax paid		**(2,859,849)**	(14,290,354)	**(170,000)**	(8,790,000)
Interest paid		**(14,946,551)**	(16,342,852)	**(9,800)**	(1,157,521)
Interest received		**321,913**	305,328	**-**	-
Net cash generated from operating activities		**3,519,687**	59,624,113	**13,749,273**	66,499,972

	Note	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Cash Flows from Investing Activities					
Advances to subsidiary companies		**-**	-	**(6,148,141)**	(46,367,850)
Additional investment in subsidiary company	36(A)	**(300,000)**	-	**-**	-
Acquisition of subsidiary companies, net of cash acquired	36(B)	**(2,567,814)**	-	**(3,620,417)**	(8)
Advances to associated companies		**-**	(3,772)	**-**	(3,772)
Placement of cash deposits		**(3,699,475)**	-	**-**	-
Proceeds from disposal of property, plant and equipment		**6,006,684**	86,158	**4,855,620**	34,000
Proceeds from disposal of leasehold land and land held for property development		**8,683,451**	-	**7,145,781**	-
Proceeds from disposal of prepaid land lease and land held for property development		**4,215,831**	-	**-**	-
Purchase of leasehold land		**-**	(35,000,000)	**-**	-
Purchase of property, plant and equipment	37	**(1,480,877)**	(1,953,551)	**(52,824)**	(73,724)
Net cash generated from/(used in) investing activities		**10,857,800**	(36,871,165)	**2,180,019**	(46,411,354)
		14,377,487	22,752,948	**15,929,292**	20,088,618
Cash Flows from Financing Activities					
Repayment to subsidiary companies		**-**	-	**(3,547,599)**	(46,910,427)
Loan from subsidiary company		**-**	-	**-**	26,823,328
Payments of finance lease payables		**(2,144,673)**	(1,961,527)	**-**	(34,950)
Repayment of revolving credits		**-**	-	**(12,000,000)**	-
Repayment of bridging loan and term loans		**(19,386,992)**	(13,088,363)	**-**	-
Net cash used in financing activities		**(21,531,665)**	(15,049,890)	**(15,547,599)**	(20,122,049)
		(7,154,178)	7,703,058	**381,693**	(33,431)
Translation exchange difference		**(63,681)**	(9,276)	**-**	-
Net (decrease)/increase in cash and cash equivalents		**(7,217,859)**	7,693,782	**381,693**	(33,431)
Cash and cash equivalents at beginning of the year		**18,160,820**	10,467,038	**109,623**	143,054
Cash and cash equivalents at end of the year	38	**10,942,961**	18,160,820	**491,316**	109,623

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

Notes To The FINANCIAL STATEMENTS

31 March 2009

1. CORPORATE INFORMATION

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

The registered office and principal place of business of the Company are located at No. 1, Nexus Drive East, Karambunai, Menggatal, 88450 Kota Kinabalu, Sabah.

The Company is principally engaged in the business of investment holdings and provision of management services. The principal activities of the subsidiary companies are set out in note 7(b). There have been no significant changes in the nature of these activities during the year.

The financial statements were authorised for issue in accordance with a Board of Directors' resolution dated 31 July 2009.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with the Financial Reporting Standards ("FRSs") issued by the Malaysian Accounting Standards Board ("MASB") and complied with the provisions of the Companies Act 1965 in Malaysia.

New and revised FRSs, Amendment to FRS and Issues Committee ('IC') Interpretations adopted

On 1 April 2008, the Group and the Company adopted the following FRSs, Amendment to FRS and IC Interpretations mandatory for the financial periods beginning on or after 1 July 2007 issued by MASB:

Amendment to FRS 121	The effects of Changes in Foreign Exchange Rates – Net investment in foreign operation
FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 126	Accounting and Reporting by Retirement Benefits Plans
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities arising from Participating in a Specific Market-Waste Electrical and Electronic Equipment
IC Interpretation 7	Applying the Restatement Approach under FRS 129 Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	Scope of FRS 2

The adoption of these FRSs, Amendment to FRS and IC Interpretations does not have any significant financial impact on the results and the financial position of the Group and the Company.

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (cont'd)

New and revised FRSs, Amendments to FRSs and IC Interpretations not yet effective

The MASB has also issued the following new and revised FRSs, Amendments to FRSs and IC Interpretations that are yet to be effective and have not been adopted in preparing these financial statements.

		For financial periods beginning on or after
Amendments to FRS 1	First-time Adoption of Financial reporting Standards	1 January 2010
Amendments to FRS 2	Share-based Payment: Vesting Conditions and Cancellations	1 January 2010
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments : Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 123	Borrowing Costs	1 January 2010
Amendments to FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions	1 January 2010
IC Interpretation 13	Customer Loyalty Programmes	1 January 2010
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010

The adoption of FRS 8 and 123, amendments to FRS 1 and 127 as well as IC interpretation 10 are not expected to have any significant financial impact on the Group and the Company when the standards become effective.

FRS 4, amendments to FRS 2 and IC Interpretation 9, 11, 13 and 14 are not relevant to the Group and the Company's operations.

The Group and the Company are exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 7 and 139.

(b) Basis of measurement

The measurement bases applied in the preparation of the financial statements include cost, recoverable amount and realisable value. Estimates are used in measuring these values.

(c) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia (RM), which is the Group's and the Company's functional currency. All financial information presented in RM has been rounded to the nearest RM, unless otherwise stated.

Notes To The FINANCIAL STATEMENTS

31 March 2009

2. BASIS OF PREPARATION (CONT'D)

(d) Significant accounting estimates and judgments

Significant areas of estimation, uncertainty and critical judgments used in applying accounting principles that have significant effect on the amount recognised in the financial statements are as follows:-

(i) annual testing for impairment of goodwill - the measurement of the recoverable amount of cash-generating units are determined based on the value-in-use method, which requires the use of cash flow projections based on financial budgets approved by management;

(ii) construction contracts / property development - significant judgment is used in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue (for contracts other than fixed price contracts) and contract costs, as well as the recoverability of the contracts. Total contract revenue also includes an estimation of the recoverable variation works that are recoverable from the customers. In making the judgment, the Group relied on past experience and work of specialists;

(iii) revenue recognition - the percentage-of-completion method requires the Group to estimate the works performed to-date bears as a proportion of the total works to be performed;

(iv) testing for impairment of property, plant and equipment – the measurement of the recoverable amount of cash generating units are determined based on the value in use and resale value;

(v) depreciation of property, plant and equipment - the cost of property, plant and equipment is depreciated on a straight line method over the assets useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 to 50 years. These are common life expectancies applied generally. Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised; and

(vi) provision for doubtful debts – the Group and the Company provide for doubtful debts based on an assessment of the recoverability of the receivables. Provisions are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable in full. Management specifically analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgment to evaluate the adequacy of the provision for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiary companies which are disclosed in Note 7 made up to the end of the financial year.

All intra-group balances, transactions and resulting unrealised gains are eliminated on consolidation. Unrealised losses are eliminated on consolidation unless cost cannot be recovered. Consolidated financial statements reflect external transactions only.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of Consolidation (cont'd)

The financial statements of subsidiary companies acquired or disposed during the financial year are included in the consolidated financial statements based on the purchase method from the effective date of acquisition or up to the effective date of disposal respectively. These assets, liabilities and contingent liabilities assumed of a subsidiary company are measured at their fair values at the date of acquisition and these values are reflected in the consolidated balance sheet.

Any excess of the costs of the acquisition over the Group's interest in fair value of the identifiable assets, liabilities and contingent liabilities assumed represents goodwill. Any excess of the Group's interest in the fair value of identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised in the income statement.

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

The consolidated financial statements are prepared on the basis that excess of losses attributable to minority shareholders over their equity interest will be absorbed by the Group. All profits subsequently reported by the subsidiary companies will be allocated to the Group until the minority shareholders' share of losses previously absorbed by the Group has been recovered.

(b) Subsidiary Company

A subsidiary company is a company in which the Group has the power, directly or indirectly, to exercise control over its financial and operating policies so as to obtain benefits from its activities.

Investment in subsidiary companies, which are eliminated on consolidation, are stated at cost less accumulated impairment losses, if any, in the Company's financial statements. An impairment loss is recognised when there is an impairment in the value of the investments determined on an individual basis and is charged to the income statement as an expense. The difference between net disposal proceeds and its carrying amount is charged or credited to income statement upon disposal of the investment.

(c) Associated Company

An associated company is defined as a company, not being a subsidiary company, in which the Group has a long term equity interest and where it exercises significant influence over the financial and operating policies.

Investments in associated companies are stated at cost less accumulated impairment losses, if any, in the Company's financial statements.

The Group's interest in associated companies is stated at cost plus adjustments for post-acquisition changes in the Group's share of net assets of the associated companies. The Group's share of post-acquisition results of the associated companies is accounted for using the equity method of accounting in the income statement.

The Group's share of post-acquisition losses is restricted to the carrying value of the investment in that associated company. Should the associated company subsequently reports profits, the Group will only resume to recognise its share of profits after its share of profits equals to its share of losses previously not recognised.

Where audited financial statements of the associated companies are not co-terminous with those of the Group, the share of results is based on a limited review on the financial statements performed by auditors of the associated company made up to the financial year end of the Group.

Notes To The FINANCIAL STATEMENTS

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Upon the disposal of interest in the subsidiary company, the related goodwill will be included in the computation of gain or loss on disposal of interest in the subsidiary company in the consolidated income statement.

(e) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that are directly attributable to the acquisition of the asset. Subsequent costs are included in the assets' carrying amount or recognised as separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

Depreciation is calculated on the straight line method to write off the cost of the property, plant and equipment over their estimated useful lives.

The principal annual rates used for this purpose are:-

Office building, factory building, shoplots and hotel building	2% - 4%
Warehouse and jetty	10%
Furniture and fittings	10% - 25%
Plant and machinery	10% - 25%
Computer equipment	10% - 33.3%
Motor vehicles	16.7% - 25%
Partition and renovation	10%
Other equipment	10% - 20%

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

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

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these property, plant and equipment.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Impairment of Assets

The carrying amounts of assets other than inventories, assets arising from construction contracts, deferred tax assets, assets arising from employee benefits and financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of fair value less costs to sell and the value in use, which is measured by reference to discounted future cash flows and is determined on individual asset basis, unless the asset does not generate cash flow that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs to. An impairment loss is recognised whenever the carrying amount of an item of asset exceeds its recoverable amount.

An impairment loss is recognised as an expense in the income statement. However, an impairment loss on revalued assets will be treated as a revaluation deficit to the extent that the loss does not exceed the amount held in revaluation reserve in respect of the same assets.

Any subsequent increase in recoverable amount of an asset, other than goodwill due to a reversal of impairment loss is restricted to the carrying amount that would have been determined (net of accumulated depreciation, where applicable) had no impairment loss been recognised in prior years. The reversal of impairment loss is recognised as revenue in the income statement. However, the reversal of impairment loss on revalued assets will be taken to revaluation reserve to the extent that the reversal does not exceed the amount previously held in revaluation reserve in respect of the same asset.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units ("CGU"), or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis. An impairment loss in respect of goodwill is not reversed.

(g) Capital Work-In-Progress

Capital work-in-progress consists of expenditure incurred on construction of property, plant and equipment which take a substantial period of time to be ready for their intended use.

Capital work-in-progress is stated at cost during the period of construction. No depreciation is provided on capital work-in-progress and upon completion of the construction, the costs will be transferred to property, plant and equipment and investment properties.

(h) Land Held for Property Development

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

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Property Development Costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities. Costs consist of land and construction costs and other development costs including related overheads and capitalised borrowing costs.

When the financial outcome of a development activity can be reliably estimated, development revenue and costs are recognised in the income statement by reference to the stage of completion of development activities at the balance sheet date.

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

Any expected loss on a development project is recognised as an expense immediately.

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

Accrued billings as current assets represent the excess of revenue recognised in the income statement over billings to purchasers. Progress billings as current liabilities represent the excess of billings to purchasers over revenue recognised in the income statement.

(j) Amount Due From/To Customers for Contract Works

Amount due from customers for construction contracts is the net amount of costs incurred plus recognised profits less the sum of recognised losses and progress billings for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings.

Amount due to customers for construction contracts is the net amount of costs incurred plus recognised profits less the sum of recognised losses and progress billings for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

Costs include direct materials, labour, sub-contract costs and attributable construction overheads. Allowance is made for all expected losses on construction contracts.

(k) Inventories

Inventories of raw materials, consumables, finished goods and merchandise are stated at the lower of cost or net realisable value. Cost includes the actual cost of purchase products and incidentals in bringing the inventories into store and for manufactured inventories, they also include labour and relevant production overheads.

Inventories of completed unsold development properties are stated at the lower of cost or net realisable value. Cost is determined on the specific identification basis and includes cost of land, all direct building costs and other related development costs.

In arriving at net realisable value, due allowance has been made for all obsolete and slow-moving items.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Leases

i. Finance Leases

Assets acquired by way of hire purchase or finance lease where the Group assumes substantially all the benefits and risks of ownership are classified as property, plant and equipment.

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the assets and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a periodic constant rate of interest on the remaining balance. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance charge is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The depreciation policy for leased assets is in accordance with that of the depreciable property, plant and equipment as described in Note 3(e).

ii. Operating Leases

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

In the case of a lease of land, the minimum lease payments or the up-front payments made represents prepaid land lease payments and are recognised on a straight-line basis over the lease term.

(m) Borrowings Costs

Interest incurred on borrowings related to capital work-in-progress and property development cost is capitalised during the period when activities to plan, develop and construct these assets are undertaken. Capitalisation of borrowing costs ceases when these assets are ready for their intended use or sale.

Upfront fee for a bank facility is amortise over 6 years.

All other borrowings are recognised in income statement in the period in which they are incurred.

(n) Al-Bai Bithaman Ajil ("ABBA") Facility

Cost of landed properties acquired under the ABBA facility are capitalised in accordance with the Group's policy on land held for property development. The ABBA facility obligations are included in borrowings and the related financing charges are allocated to the income statement on a systematic basis over the period of financing.

(o) Foreign Currencies

(i) Functional and Presentation Currency

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Foreign Currencies (cont'd)

(ii) Foreign Currency Transactions

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

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

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

(iii) Foreign Operations

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

- assets and liabilities for each balance sheet presented are translated at the closing rate prevailing at the balance sheet date;
- income and expenses for each income statement are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- all resulting exchange differences are taken to the foreign currency translation reserve within equity.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the balance sheet date. Goodwill and fair value adjustments which arose on the acquisition of foreign subsidiaries before 1 January 2006 are deemed to be assets and liabilities of the parent company and are recorded in RM at the rates prevailing at the date of acquisition.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Taxation

Taxation in the income statement represents the aggregate amount of current and deferred tax. Current tax is the expected amount payable in respect of taxable income for the year and any adjustments recognised in the year for prior years' tax.

Deferred tax is recognised, using the liability method, on all temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset or liability in a transaction, which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit. Deferred tax is measured at the tax rates that are expected to apply in the period in which the assets are realised or the liabilities are settled.

Deferred tax is recognised in equity when it relates to items recognised directly in equity. When deferred tax arises from business combination that is an acquisition, the deferred tax is included in the resulting goodwill.

Deferred tax assets are recognised only to the extent that there are sufficient taxable temporary differences relating to the same taxation authority to offset or when it is probable that future taxable income will be available against which the assets can be utilised.

(q) Employee Benefits

i. Short Term Benefits

Wages, salaries, social security contributions and bonuses are recognised as expenses in the year in which the associated services are rendered by employees of the Group and of the Company. 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, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

ii. Defined Contribution Plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund. Such contributions are recognised as expenses in the income statement when incurred. Some of the Group's foreign subsidiaries also make contribution to their respective countries' statutory pension schemes.

(r) Provisions

Provisions are recognised when there is a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Revenue Recognition

Revenue from sales of properties under development and from contract works undertaken are recognised in the income statement on the percentage of completion basis where the outcome of the developments and contracts can be reliably estimated. The percentage of completion basis is computed based on proportion of which the development costs and the contract costs incurred for work performed to date bear to the estimated total development and contract costs respectively.

Revenue from sales of finished goods and merchandise and from services are recognised in the income statement when the goods are delivered and services are rendered respectively.

Hotel and golfing revenue is recognised in the income statement on accruals basis.

Interest revenue is recognised on an accruals basis using the effective interest method.

Rental revenue is recognised in the income statement on accruals basis.

Dividend revenue from investment in subsidiary companies, associated companies and other investments is recognised when the right to receive the dividend is established.

Revenue from sale of land and completed landed properties is measured at the fair value of the consideration receivable and is recognised in the income statement when the significant risk and reward of ownership have been transferred to the buyer.

(t) Financial Instruments

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

The recognised financial instruments comprise cash and cash equivalents, trade and other receivables, trade and other payables, lease and hire purchase payables, bank borrowings, promissory note, other non-current investments and ordinary shares. These instruments are recognised in the financial statements when a contract or contractual arrangement has been entered into with the counter-parties.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Financial Instruments (cont'd)

The unrecognised financial instruments comprise financial guarantees given to financial institutions and third party. The financial guarantees would be recognised as liabilities when obligations to pay the counter-parties are assessed as being probable.

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

ii. Other Non-Current Investments
Non-current investments other than investments in subsidiary companies and associated companies, are stated at cost less allowance for diminution in value, if any.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged or credited to the income statement.

iii. Receivables
Receivables are stated at cost less allowance for doubtful debts, if any, which is the anticipated realisable values. Known bad debts are written off and specific allowance is made for those debts considered to be doubtful of collection.

iv. Payables
Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

v. Bank Borrowings
Interest bearing loans, bills payable, promissory note and revolving credit are stated at the amount of proceeds received, net of transaction costs.

The long term loan is stated at the amount of proceeds received.

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

The transaction costs of an equity transaction, other than in the context of a business combination, are accounted for as deduction from equity, net of tax. Equity transaction costs comprise only those external costs directly attributable to the equity transaction which would otherwise have been avoided. Costs of issuing equity securities in connection with a business combination are included in the cost of acquisition.

vii. Long Term Payables
Long term payables are stated based on agreed settlement sum.

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4. PROPERTY, PLANT AND EQUIPMENT

Group	Hotel, Shoplots, Factory & Office Buildings, Warehouse & Jetty RM	Plant & Machinery RM	Furniture & Fittings, Partition & Renovation, Computer & Other Equipment RM	Motor Vehicles RM	Total RM
Cost					
At 1.4.08	314,645,826	18,065,515	47,699,060	7,327,042	387,737,443
Additions	-	189,372	1,914,322	751,890	2,855,584
Disposals	(3,679,238)	(3,499,791)	(3,686,430)	(374,298)	(11,239,757)
Written off	-	(49,959)	(458,159)	(10,730)	(518,848)
At 31.3.09	**310,966,588**	**14,705,137**	**45,468,793**	**7,693,904**	**378,834,422**
Accumulated Depreciation					
At 1.4.08	36,314,144	13,391,054	35,246,047	4,383,964	89,335,209
Charge for the year	6,246,298	150,178	3,470,159	827,615	10,694,250
Disposals	(1,834,246)	(3,464,793)	(2,590,455)	(276,857)	(8,166,351)
Written off	-	(43,769)	(272,638)	(10,726)	(327,133)
At 31.3.09	**40,726,196**	**10,032,670**	**35,853,113**	**4,923,996**	**91,535,975**
Net Carrying Amount					
At 31.3.09	**270,240,392**	**4,672,467**	**9,615,680**	**2,769,908**	**287,298,447**
Cost					
At 1.4.07	316,430,777	16,753,667	46,413,587	6,957,482	386,555,513
Additions	-	1,818,594	1,778,500	660,037	4,257,131
Disposals	-	(334,885)	(293,136)	(290,477)	(918,498)
Written off	(1,784,951)	(171,861)	(199,891)	-	(2,156,703)
At 31.3.08	314,645,826	18,065,515	47,699,060	7,327,042	387,737,443
Accumulated Depreciation					
At 1.4.07	30,024,340	12,943,449	31,973,419	4,819,379	79,760,587
Charge for the year	6,289,804	946,487	3,764,064	(144,943)	10,855,412
Disposals	-	(334,856)	(291,546)	(290,472)	(916,874)
Written off	-	(164,026)	(199,890)	-	(363,916)
At 31.3.08	36,314,144	13,391,054	35,246,047	4,383,964	89,335,209
Net Carrying Amount					
At 31.3.08	278,331,682	4,674,461	12,453,013	2,943,078	298,402,234

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

Company	Buildings RM	Furniture & Fittings, Renovation & Equipment RM	Motor Vehicles RM	Total RM
Cost				
At 1.4.08	3,372,160	1,184,057	1,305,553	5,861,770
Additions	-	40,050	12,774	52,824
Disposals	(3,372,160)	-	(8,550)	(3,380,710)
At 31.3.09	-	1,224,107	1,309,777	2,533,884
Accumulated Depreciation				
At 1.4.08	1,789,286	856,296	1,002,495	3,648,077
Charge for the year	44,960	66,128	112,736	223,824
Disposals	(1,834,246)	-	(8,550)	(1,842,796)
At 31.3.09	**-**	**922,424**	**1,106,681**	**2,029,105**
Net Carrying Amount				
At 31.3.09	**-**	**301,683**	**203,096**	**504,779**
Cost				
At 1.4.07	3,372,160	1,110,333	1,582,367	6,064,860
Additions	-	73,724	-	73,724
Written off	-	-	(276,814)	(276,814)
At 31.3.08	3,372,160	1,184,057	1,305,553	5,861,770
Accumulated Depreciation				
At 1.4.07	1,654,400	775,400	1,168,862	3,598,662
Charge for the year	134,886	80,896	110,445	326,227
Written off	-	-	(276,812)	(276,812)
At 31.3.08	1,789,286	856,296	1,002,495	3,648,077
Net Carrying Amount				
At 31.3.08	1,582,874	327,761	303,058	2,213,693

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

Included in the property, plant and equipment of the Group are assets acquired under hire purchase instalment plans and lease financing as follows:-

	Group 2009 RM	Group 2008 RM
Finance leases		
Cost		
Motor vehicles	**2,998,975**	3,235,160
Plant & machinery	**4,979,764**	7,249,306
Furniture & fittings, partition & renovation, computer & other equipment	**3,118,447**	1,330,182
	11,097,186	11,814,648
Net carrying amount		
Motor vehicles	**1,283,080**	1,509,713
Plant & machinery	**2,592,199**	3,325,251
Furniture & fittings, partition & renovation, computer & other equipment	**1,065,621**	1,239,618
	4,940,900	6,074,582

The hotel property of the Group with net book value of RM266,685,889 (2008 : RM272,828,365) is pledged as securities for banking facility granted to a subsidiary company.

The property, plant and equipment of the Group and of the Company which are pledged for promissory note granted to the Company as mentioned in note 26 are as follows:-

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Cost				
Hotel, shoplots, factory & office buildings, warehouse & jetty	**-**	3,372,160	**-**	3,372,160
Motor vehicles	**1,757,036**	1,819,871	**1,309,777**	1,305,553
Plant & machinery	**4,153,337**	4,153,337	**-**	-
Furniture & fittings, partition & renovation, computer & other equipment	**1,555,003**	1,514,953	**1,224,107**	1,184,057
	7,465,376	10,860,321	**2,533,884**	5,861,770

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

The property, plant and equipment of the Group and of the Company which are pledged for promissory note granted to the Company as mentioned in note 26 are as follows:- (cont'd)

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Net carrying amount				
Hotel, shoplots, factory & office buildings, warehouse & jetty	-	1,582,874	-	1,582,874
Motor vehicles	**305,949**	456,786	**203,096**	303,058
Plant & machinery	**201**	201	-	-
Furniture & fittings, partition & renovation, computer & other equipment	**301,775**	327,853	**301,683**	327,761
	607,925	2,367,714	**504,779**	2,213,693

5. PREPAID LAND LEASE PAYMENTS

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
At beginning of the year	**441,016,922**	407,907,838	**3,252,290**	3,309,717
Add: Additions	-	35,000,000	-	-
	441,016,922	442,907,838	**3,252,290**	3,309,717
Less: Amortisation	**(1,894,554)**	(1,890,916)	**(20,797)**	(57,427)
	439,122,368	441,016,922	**3,231,493**	3,252,290
Less: Disposals	**(4,632,728)**	-	**(3,231,493)**	-
At end of the year	**434,489,640**	441,016,922	-	3,252,290

The long term leasehold land of the Group have an unexpired lease period of more than 50 years.

The long term leasehold land of the Group stated at valuation was revalued by the Directors in year 1984 based on valuation by independent professional valuers on the open market value basis. As allowed by the transitional provision of FRS 117, where the leasehold land had been previously revalued, the unamortised revalued amount of the leasehold land is retained as the surrogate cost of prepaid lease payments and is amortised over the remaining lease term of the leasehold land.

The long term leasehold land of the Group and of the Company totalling RM400,038,660 (2008 : RM406,154,177) and nil (2008 : RM3,252,290) respectively are pledged as securities for promissory note issued by the Company and banking facilities granted to the Group.

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6. LAND HELD FOR PROPERTY DEVELOPMENT

	Group 2009 RM	Group 2008 RM
At cost,		
Leasehold land	**610,331,570**	610,331,570
Add: In respect of subsidiary companies acquired	**40,501,544**	-
Less: Disposals	**(1,705,216)**	-
	649,127,898	610,331,570
Leased land	**47,218,375**	47,218,375
Total land, at cost	**696,346,273**	657,549,945
Development costs		
At beginning of the year	**98,377,705**	97,903,773
Add: In respect of subsidiary companies acquired	**14,397,014**	-
Add: Additions	**1,307,234**	473,932
Less: Disposals	**(2,510,615)**	-
Less: Reversal	**(4,295,960)**	-
At end of the year	**107,275,378**	98,377,705
Total carrying amount of land and development costs	**803,621,651**	755,927,650

Leasehold land, leased land and development costs totalling RM803,621,651 (2008 : RM755,927,650) are pledged as securities for promissory note issued by the Company and banking facilities of the Group and of the Company.

7. INVESTMENT IN SUBSIDIARY COMPANIES

(a)

	Company 2009 RM	Company 2008 RM
Unquoted shares, at cost		
At beginning of the year	**364,935,920**	364,935,912
Add: Transfer from investment in associated companies	**500,000**	-
Add: Additional investments and acquisitions of subsidiary companies	**3,620,417**	8
At end of the year	**369,056,337**	364,935,920
Less: Accumulated impairment losses		
At beginning of the year	**60,697,064**	60,687,657
Add: Additions	**1,470,546**	9,407
At end of the year	**(62,167,610)**	(60,697,064)
	306,888,727	304,238,856

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(b) The subsidiary companies are:-

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest Direct 2009	Direct 2008	Indirect 2009	Indirect 2008
Held By The Company						
Alpha Terrace Sdn. Bhd.	Malaysia	Dormant	**100%**	100%	**-**	-
Arosa Development Sdn. Bhd.	Malaysia	Property development	**100%**	100%	**-**	-
Bukit Unggul Golf and Country Resort Sdn. Bhd. ("BUGCR")	Malaysia	Golf club owner and investment holdings	**75%**	75%	**25%**	25%
FACBAerospace Sdn. Bhd.	Malaysia	Investment holdings	**100%**	100%	**-**	-
FACB Capital Sdn. Bhd.	Malaysia	Investment holdings, consultancy and money lending	**100%**	100%	**-**	-
FACB Construction Sdn. Bhd.	Malaysia	Construction	**100%**	100%	**-**	-
FACB Charter Sdn. Bhd.	Malaysia	Dormant	**100%**	100%	**-**	-
FACB Land Sdn. Bhd. ("FACBLand")	Malaysia	Property development	**100%**	100%	**-**	-
FACB Management Sdn. Bhd.	Malaysia	Dormant	**100%**	100%	**-**	-
FACBNET Sdn. Bhd.	Malaysia	Dormant	**100%**	100%	**-**	-
First Holdings Sdn. Bhd. ("FHSB")	Malaysia	Investment holdings	**100%**	100%	**-**	-
First Multimedia Corporation Sdn. Bhd.	Malaysia	Dormant	**100%**	100%	**-**	-
First Network (M) Sdn. Bhd.	Malaysia	Dormant	**100%**	100%	**-**	-
First Travel And Tours (M) Sdn. Bhd.	Malaysia	Travel & tours agency	**95.69%**	95.69%	**-**	-
Greagawarni Sdn. Bhd.	Malaysia	Project contractor	**100%**	100%	**-**	-
Ikhlas Perdana Sdn. Bhd. ("IPSB")	Malaysia	Investment holdings	**90%**	90%	**-**	-
Karambunai Residence (MM2H) Sdn. Bhd.	Malaysia	Dormant	**100%**	100%	**-**	-
* Norasia Investments Ltd.	Hong Kong	Investment holdings	**100%**	100%	**-**	-

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7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(b) The subsidiary companies are:- (cont'd)

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest Direct 2009	Direct 2008	Indirect 2009	Indirect 2008
Held By The Company (cont'd)						
* Sunnyland Corporation Ltd.	Hong Kong	Dormant	**100%**	100%	-	-
* Sunnyland Industries Ltd.	Hong Kong	Investment holdings	**100%**	100%	-	-
Bukit Unggul Tele-Suburb Sdn. Bhd.	Malaysia	Property development	**100%**	100%	-	-
* Oakes Invest & Finance S.A.	British Virgin Islands	Investment holdings	**100%**	100%	-	-
* Karambunai Corp International Ltd.	Hong Kong	Dormant	**100%**	100%	-	-
* Nexus Hotels and Resorts Limited	Hong Kong	Dormant	**100%**	100%	-	-
* One Travel & Tours Ltd. (f.k.a. Rendezvous Travel Services Co. Ltd.)	British Virgin Islands	Dormant	**100%**	100%	-	-
Beribu Ukiran Sdn. Bhd.	Malaysia	Property development	**100%**	-	-	-
@ CTRM-FACB Consortium Sdn. Bhd.	Malaysia	Property development	**100%**	-	-	-
Held through Arosa Development Sdn. Bhd.						
Arosa Builders Sdn. Bhd.	Malaysia	Construction	-	-	**100%**	100%
Held through Norasia Investment Ltd.						
@ Scanply International Wood Products (Singapore) Pte. Ltd.	Singapore	Trading of wood products	-	-	**100%**	100%
Held through Sunnyland Industries Ltd.						
* Sunnyland Industries & Investments (Yunfu) Ltd.	China	Dormant	-	-	**100%**	100%

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(b) The subsidiary companies are:- (cont'd)

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest Direct 2009	Direct 2008	Indirect 2009	Indirect 2008
Held through First Holdings Sdn. Bhd.						
Karambunai Resorts Sdn. Bhd.	Malaysia	Property development	**-**	-	**100%**	100%
Hartamas Group Bhd.	Malaysia	Hotel resort operations, management and investment holdings	**#42.91%**	#42.91%	**#57.09%**	#57.09%
Held through Hartamas Group Bhd.						
FACB Marketing And Sales Services Sdn. Bhd. ("FMSS")	Malaysia	Property development	**-**	-	**100%**	100%
Held through Ikhlas Perdana Sdn. Bhd.						
^ Composites Technology Development Corporation Sdn. Bhd. ("CTDC")	Malaysia	Property development	**-**	-	**100%**	63%
Held through Bukit Unggul Golf And Country Resort Sdn. Bhd.						
Karambunai Two Golf & Country Club Sdn. Bhd.	Malaysia	Dormant	**-**	-	**100%**	100%
Bukit Unggul Country Club Bhd.	Malaysia	Golf and country club operation and management	**-**	-	**100%**	100%
Held through Karambunai Resorts Sdn. Bhd.						
Dapan Construction Sdn. Bhd.	Malaysia	Construction and project contractor	**-**	-	**100%**	100%
Dapan Holdings Sdn. Bhd.	Malaysia	Property development and sales of quarry stone	**-**	-	**100%**	100%
Karambunai Golf Management Bhd.	Malaysia	Management and operation of golf club	**-**	-	**100%**	100%

Notes To The FINANCIAL STATEMENTS

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7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(b) The subsidiary companies are:- (cont'd)

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest Direct 2009	Effective Equity Interest Direct 2008	Effective Equity Interest Indirect 2009	Effective Equity Interest Indirect 2008
Held through Karambunai Resorts Sdn. Bhd. (cont'd)						
Nexus Vacation Club Bhd.	Malaysia	Marketing of resort membership	-	-	**100%**	100%
Nexus Bay Resort Karambunai Sdn. Bhd.	Malaysia	Property development	-	-	**100%**	100%
Nexus Resort Karambunai Sdn. Bhd.	Malaysia	Resort hotel operation and management	-	-	**100%**	100%
* Nexus Naga S.A.	Panama	Dormant	-	-	**100%**	100%
Nexus Resorts and Hotels International Sdn. Bhd.	Malaysia	Dormant	-	-	**100%**	100%
* Sahara Red Incorporated	British Virgin Island	Investment holdings	-	-	**100%**	100%
Held through Scanply International Wood Products (Singapore) Pte. Ltd.						
Scanply Wood Products (Malaysia) Sdn. Bhd.	Malaysia	Purchasing and sourcing of timber for sale to related company	-	-	**100%**	100%
Held through Nexus Hotels And Resorts Limited						
* Nexus Hotel Phnom Penh Limited	British Virgin Islands	Dormant	-	-	**100%**	100%

* The financial statements of these subsidiary companies are audited for consolidation purposes by the Company's auditors.

\# The equity interests held through the Company, FHSB and FACBLand are 42.91% (2008 : 42.91%), 53.03% (2008 : 53.03%) and 4.06% (2008 : 4.06%) respectively.

@ The financial statements of these subsidiary companies are not audited by the Company's auditors.

^ Equity interest increased from 70% to 100% during the year.

The investment in subsidiary companies relating to the investment in FMSS and BUGCR amounting to RM11,531,299 (2008 : RM11,531,299) are pledged for promissory note of the Company, as mentioned in note 26.

8. INTEREST IN ASSOCIATED COMPANIES

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Unquoted shares, at cost	**625,001**	625,001	**500,000**	500,000
Group's share of post acquisition (loss)/profit	**(467)**	2,053,603	**-**	-
	624,534	2,678,604	**500,000**	500,000
Less: Transfer to investment in subsidiary companies	**(500,000)**	-	**(500,000)**	-
	124,534	2,678,604	**-**	500,000

Represented by:-

	2009 RM	2008 RM
Share of net assets of associated companies	**54,415**	2,607,850
Goodwill	**70,119**	70,754
	124,534	2,678,604

The associated companies, all incorporated in Malaysia, are as follows:-

Name of Company	Principal Activities	Effective Equity Interest Direct 2009	Direct 2008	Indirect 2009	Indirect 2008
Held by the Company					
^ Beribu Ukiran Sdn. Bhd.	Property development	**-**	40%	**-**	-
^ CTRM-FACB Consortium Sdn. Bhd.	Property development	**-**	40%	**-**	-
* Richpool Sdn. Bhd.	Investment holdings	**-**	-	**25%**	25%

* Interest in associated companies included in the consolidated financial statements are based on unaudited management financial statements.

^ Equity interest increased from 40% to 100% during the year.

The summarised financial information of the associated companies are as follows:-

	2009 RM	2008 RM
Total assets	**261,111**	84,020,102
Total liabilities	**43,453**	77,488,086
Operating revenue	**-**	8,634,987
Net (loss)/profits	**(467)**	748,934

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9. OTHER INVESTMENTS

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
At cost;				
Unquoted shares in Malaysia	**1,702,000**	1,702,000	**310,000**	310,000
Less: Impairment losses	**(1,221,999)**	(1,219,999)	**-**	-
	480,001	482,001	**310,000**	310,000
Transferable contribution rights	**140,000**	140,000	**-**	-
Less: Impairment losses	**(100,000)**	(100,000)	**-**	-
	40,000	40,000	**-**	-
	520,001	522,001	**310,000**	310,000

The transferable contribution rights are in respect of rights to memberships of a golf club which are registered in the name of a director of the Company and a former director of a subsidiary company.

10. CAPITAL WORK-IN-PROGRESS

	Group 2009 RM	Group 2008 RM
Development costs,		
At beginning of the year	**54,668,405**	49,773,915
Add: Addition	**-**	12,514,807
Less: Written off	**-**	(7,620,317)
	54,668,405	54,668,405
Less: Impairment loss	**(8,612,453)**	-
At end of the year	**46,055,952**	54,668,405

These are incurred on the development of hotel resorts.

11. DEFERRED TAX ASSETS

	Group 2009 RM	Group 2008 RM
In respect of subsidiary companies acquired	**9,800**	-
Recognised in income statement (note 34)	**(800)**	-
At end of the year	**9,000**	-

This is in respect of deductible temporary differences in respect of expenses.

12. GOODWILL

	Group 2009 RM	2008 RM
Goodwill arising from acquistion of subsidiary companies		
At beginning of the year	**18,458,856**	18,449,834
Additions	**1,352,538**	18,392
Written off	**(752,089)**	(9,370)
At end of the year	**19,059,305**	18,458,856

13. PROPERTY DEVELOPMENT COSTS

	Group 2009 RM	2008 RM
Leasehold land, at cost		
At beginning of the year	**30,099,375**	31,062,940
Add: In respect of subsidiary companies acquired	**4,778,456**	-
Less: Written off	**-**	(963,565)
At end of the year	**34,877,831**	30,099,375
Property development costs		
At beginning of the year	**145,639,318**	105,045,926
Add: In respect of subsidiary companies acquired	**45,230,494**	-
Add: Additions	**7,430,650**	41,568,602
Less: Written off	**-**	(975,210)
At end of the year	**198,300,462**	145,639,318
	233,178,293	175,738,693
Less: Cost recognised as an expense		
- Previous years	**(131,413,779)**	(85,306,350)
- In respect of subsidiary companies acquired	**(39,653,994)**	-
- Current year	**(7,452,144)**	(46,107,429)
Total property development costs	**54,658,376**	44,324,914

Property development costs with carrying value of RM45,530,620 (2008 : RM43,670,816) are pledged as securities for promissory note issued by the Company as mentioned in note 26 and banking facilities of the Group.

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14. INVENTORIES

	Group 2009 RM	Group 2008 RM
At cost;		
Completed development properties	**846,129**	846,129
Consumables	**1,107,255**	1,751,954
Finished goods	**2,487,709**	3,741,443
	4,441,093	6,339,526
At net realisable value;		
Finished goods	**21,018**	-
	4,462,111	6,339,526

15. TRADE RECEIVABLES

	Group 2009 RM	Group 2008 RM
Third parties	**44,855,337**	43,402,647
Assiociated company	**-**	7,745,708
	44,855,337	51,148,355
Less: Allowance for doubtful debts	**(11,192,664)**	(7,182,763)
	33,662,673	43,965,592
Amount due from customers for contract work (note 39)	**43,418,036**	50,132,888
	77,080,709	94,098,480

The Group's normal trade credit term ranges from 14 to 90 days. Other credit terms are assessed and approved on a case-by-case basis.

Included in trade receivables of the Group are:-

(i) bills receivables amounting to RM597,619 (2008 : Nil) and bear interest at rates ranging from 2.93% to 5.00% (2008 : Nil) per annum. The bills receivables are obtained from bank as part of the banking facilities granted to a subsidiary company, secured on the corporate guarantee of the Company and a subsidiary company; and

(ii) amounts of RM15,282 (2008 : RM21,315) owing by a public listed company in which certain directors of the Company are also directors and have substantial financial interest and RM41,607 (2008 : RM75,323) owing by companies in which a director of the Company is also a director and has substantial financial interest.

15. TRADE RECEIVABLES (CONT'D)

The foreign currency exposure profile of trade receivables is as follows:-

	Group 2009 RM	Group 2008 RM
Singapore Dollar	**35,393**	-
United States Dollar	**4,493,603**	2,788,066

16. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Other reveivables	**8,011,643**	29,750,520	**1,491,080**	9,545,932
Less: Allowance for doubtful debts	**(2,595,605)**	(4,718,229)	**(1,223,031)**	(407,756)
	5,416,038	25,032,291	**268,049**	9,138,176
Deposits	**27,350,489**	29,731,068	**202,685**	137,692
Prepayments	**7,183,614**	9,320,947	**-**	7,558,231
	34,534,103	39,052,015	**202,685**	7,695,923
	39,950,141	64,084,306	**470,734**	16,834,099

Included in deposits of the Group is an amount of RM25,050,000 (2008 : RM25,050,000) deposited with an oversea developer for property development project in Karambunai Peninsular that the Group plan to carry out in the near future.

Included in prepayments of the Group is prepayment of upfront fee and bank commissions for a bank facility granted to a subsidiary company amounting to RM6,271,282 (2008 : Nil).

In previous year, included in prepayments of the Group and of the Company was prepayment of upfront fee for a bank facility granted to a subsidiary company amounted to RM7,558,231.

The foreign currency exposure profile of other receivables is as follows:-

	Group 2009 RM	Group 2008 RM
Singapore Dollar	**109,544**	-
United States Dollar	**93,561**	2,939,385
Hong Kong Dollar	**2,089**	2,089
Chinese Renminbi	**-**	16,252
	205,194	2,957,726

17. AMOUNT OWING BY/TO SUBSIDIARY COMPANIES

	Company	
	2009 RM	2008 RM
Amount owing by subsidiary companies	**1,284,295,042**	1,269,462,509
Amount owing to subsidiary companies	**315,862,116**	47,308,971
Loans from subsidiary companies	**-**	273,291,673
	315,862,116	320,600,644

Amount owing by/to subsidiary companies are non-trade in nature, unsecured, interest free, repayable on demand and are to be settled in cash.

In previous year, the loans from subsidiary companies amounted to RM273,291,673 bore interest at rates ranging from 4.25% to 10.00% per annum.

18. AMOUNT OWING BY ASSOCIATED COMPANIES

In previous year, these amounts owing by associated companies were unsecured, interest free, repayable on demand and were settled through the scheme mentioned in note 42(b).

19. TAX ASSETS

This is in respect of tax recoverable from Inland Revenue Board.

20. CASH DEPOSITS WITH LICENSED BANKS

The maturity profile and interest rates of the cash deposits with licensed banks are as follows:-

Group	Interest rate %	Total RM	Current Within 1 Year RM
2009			
Financial assets			
Cash deposits with licensed banks	**0.07 - 3.50**	**4,491,722**	**4,491,722**
2008			
Financial assets			
Cash deposits with licensed banks	2.90 - 4.70	6,885,474	6,885,474

20. CASH DEPOSITS WITH LICENSED BANKS (CONT'D)

The foreign currency exposure profile is as follows:-

	Group 2009 RM	Group 2008 RM
Singapore Dollar	**698,136**	-
United States Dollar	**190,426**	617,002

21. SHARE CAPITAL

	Group/ Company 2009 RM	Group/ Company 2008 RM
Authorised:		
4,000,000,000 ordinary shares of RM0.50 each	**2,000,000,000**	2,000,000,000
Issued and fully paid:		
2,030,059,680 ordinary shares of RM0.50 each	**1,015,029,840**	1,015,029,840

22. RESERVES

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
(Accumulated losses)/Retained earnings	**(321,864,641)**	(286,467,637)	**905,991**	(6,031,669)
Non-distributable				
Share premium	**111,535,799**	111,535,799	**111,535,799**	111,535,799
Foreign exchange translation reserve	**958,559**	1,022,240	**-**	-
	112,494,358	112,558,039	**111,535,799**	111,535,799
	(209,370,283)	(173,909,598)	**112,441,790**	105,504,130

23. FINANCE LEASE PAYABLES

	Group	
	2009	**2008**
	RM	**RM**
Hire purchase payables		
Payable within 1 year		
Total instalment payments	**2,899,969**	3,092,430
Less: Future finance charges	**(169,726)**	(221,954)
Present value of hire purchase liabilities	**2,730,243**	2,870,476
Payable after 1 year but not later than 5 years		
Total instalment payments	**1,918,662**	2,587,785
Less: Future finance charges	**(125,735)**	(165,125)
Present value of hire purchase liabilities	**1,792,927**	2,422,660
	4,523,170	5,293,136
Lease payables		
Payable within 1 year		
Mininum installment payments	**13,971**	13,971
Less: Future finance charges	**(221)**	(221)
Present value of lease payables	**13,750**	13,750
Total principal sum payable		
- within 1 year	**2,743,993**	2,884,226
- after 1 year but not later than 5 years	**1,792,927**	2,422,660
	4 ,536,920	5,306,886

The finance lease payables of the Group bear interest at rates ranging from 1.43% to 10.60% (2008 : 4.32% to 10.31%).

23. FINANCE LEASE PAYABLES (CONT'D)

The maturity profile of hire purchase and lease payables of the Group and of the Company are as follows:-

Group 2009	Current Within 1 Year RM	Non-current Within 1 - 2 Years RM	Within 2 - 3 Years RM	Within 3 - 4 Years RM	Within 4 - 5 Years RM	Sub Total RM	Total RM
Hire purchase payables	**2,730,243**	**975,924**	**541,325**	**241,710**	**33,968**	**1,792,927**	**4,523,170**
Lease payables	**13,750**	**-**	**-**	**-**	**-**	**-**	**13,750**
2008							
Hire purchase payables	2,870,476	1,422,357	685,905	270,333	44,065	2,422,660	5,293,136
Lease payables	13,750	-	-	-	-	-	13,750

24. BANK BORROWINGS - SECURED

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Current				
Term loans (note 40)	**46,633,162**	71,589,659	**-**	-
Bridging loan	**-**	766,758	**-**	-
Revolving credit	**-**	12,000,000	**-**	12,000,000
Bills payables	**650,556**	1,098,858	**-**	-
	47,283,718	85,455,275	**-**	12,000,000
Non-current				
Term loans (note 40)	**288,784,565**	270,000,000	**-**	-
	336,068,283	355,455,275	**-**	12,000,000

In previous year:-

(i) the bridging loan was secured by a fixed charge over the leasehold land of a subsidiary company and a corporate guarantee by the Company; and

(ii) the revolving credit facility was secured on fixed charge over the Company's leasehold land.

24. BANK BORROWINGS - SECURED (CONT'D)

The bills payables facility is secured and supported as follows:-

(a) assignment of export credit insurance policies; and

(b) corporate guarantee of the Company and a subsidiary company.

The interest rates, securities, repayment terms and the maturity profile of the term loans of the Group are disclosed in note 40.

The maturity profile and interest rates for bridging loan, revolving credit and bills payables of the Group and of the Company are as follows:-

Group	Interest Rate %	Total RM	Current Within 1 Year RM
2009			
Bills payables	**2.93 - 5.00**	**650,556**	**650,556**
2008			
Bridging loan	9.50	766,758	766,758
Revolving credit	7.00	12,000,000	12,000,000
Bills payables	5.01 - 7.01	1,098,858	1,098,858
Company			
2008			
Revolving credit	7.00	12,000,000	12,000,000

The foreign currency exposure profile in the year is as follows:-

	Group 2009 RM	Group 2008 RM
Bills payables		
United States Dollar	**650,556**	1,098,858

25. DEFERRED TAX LIABILITIES

	Group	
	2009	**2008**
	RM	**RM**
At beginning of the year	**122,540,197**	125,241,197
Recognised in income statement (note 34)	**2,790,800**	(2,701,000)
At end of the year	**125,330,997**	122,540,197

This is in respect of estimated tax liabilities/(assets) arising from temporary differences as follows:-

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM	**RM**	**RM**	**RM**
Differences between the carrying amount of property, plant and equipment and its tax base	**16,395,000**	15,040,600	**85,700**	88,000
Fair value adjustment in respect of acquisition of subsidiary companies	**112,957,797**	112,957,797	**-**	-
Deductible temporary differences in respect of expenses	**(152,600)**	(590,500)	**(23,900)**	(31,500)
Unrelieved tax losses	**(3,788,100)**	(4,044,500)	**-**	-
Unabsorbed capital allowances	**(81,100)**	(823,200)	**(61,800)**	(56,500)
	125,330,997	122,540,197	**-**	-

The estimated temporary differences for which no deferred tax assets have been recognised in the financial statements are as follows:-

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM	**RM**	**RM**	**RM**
Differences between the carrying amount of property, plant and equipment and its tax base	**9,100**	86,400	**-**	-
Unrelieved tax losses	**230,434,900**	236,096,400	**6,430,700**	12,174,800
Unabsorbed capital allowances	**13,905,600**	14,093,400	**2,531,800**	2,662,500
Deductible temporary differences in respect of expenses and others	**16,054,800**	4,269,700	**-**	-
	260,404,400	254,545,900	**8,962,500**	14,837,300

26. PROMISSORY NOTE – SECURED

	Group/ Company	
	2009	2008
	RM	RM
Non-current		
Promissory note	-	130,000,000
Interest accrual	-	8,173,973
Current		
Promissory note	**130,000,000**	-
Interest accrual	**14,673,973**	-
	144,673,973	138,173,973

The promissory note was issued as partial settlement sum for the redemption of Bonds 2001/2005.

The promissory note which bears interest at a rate of 5% per annum, matures on December 2009 is secured and supported as follows:-

(i) third party first legal charge over the land held for property development and prepaid land lease payments of certain subsidiary companies of the Company;

(ii) debenture comprising fixed and floating charges on all assets of the Company and of certain subsidiary companies of the Company;

(iii) memorandum of deposit and charge over the entire issued and paid-up shares capital of certain subsidiary companies of the Company; and

(iv) purchased guarantee of a director of the Company in accordingly to the settlement agreement on the settlement of the bonds 2001/2005.

The Group and the Company are in negotiation with the financial institution to further extend the repayment of this promissory note. If the negotiation succeeds, this promissory note will be reclassified as non-current liability in the next financial year.

27. LONG TERM PAYABLES

This amount is in respect of lease premium less advances on a subsidiary company's leased land and not expected to be settled within one year.

28. TRADE PAYABLES

	Group 2009 RM	Group 2008 RM
Third parties	**54,210,595**	42,696,536
Progress billings in respect of property development costs	**61,018,381**	63,859,009
	115,228,976	106,555,545
Amount due to customers for contract works (note 39)	**1,020,160**	9,342,916
	116,249,136	115,898,461

The normal trade credit term granted to the Group ranges from 30 to 90 days.

The foreign currency exposure profile of trade payables is as follows:-

	Group 2009 RM	Group 2008 RM
United States Dollar	**4,035,085**	3,384,278

29. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Other payables	**47,016,568**	30,985,354	**2,937,057**	2,306,549
Refundable deposits	**546,272**	1,888,311	**500,501**	1,815,501
Tax penalty and interest accrued	**44,461,831**	35,346,229	**167,772**	272,772
Accruals	**23,427,725**	36,858,295	**7,938,560**	9,277,653
Other payables and accruals	**115,452,396**	105,078,189	**11,543,890**	13,672,475
Amount owing to a director	**-**	307,853	**-**	307,853
	115,452,396	105,386,042	**11,543,890**	13,980,328

29. OTHER PAYABLES AND ACCRUALS (CONT'D)

The foreign currency exposure profile of other payables is as follows:

	Group	
	2009	**2008**
	RM	**RM**
United States Dollar	**27,174**	195,823
Singapore Dollar	**233,567**	-
Hong Kong Dollar	**2,289,851**	2,291,662
Chinese Renminbi	**-**	420,192
	2,550,592	2,907,677

The tax penalty and interest accrued are payable to the Inland Revenue Board. The Company is currently negotiating with the Inland Revenue Board on instalment payments for the settlement of these tax penalty and interest accrued, together with the outstanding tax liability as shown in the financial statements.

Included in other payables of the Group is an amount of RM26,373,382 (2008 : Nil) owing to a third party arising from the novation of amount owing by a newly acquired subsidiary company to the third party. This amount is to be paid by the subsidiary company to the third party, guaranteed by the Company, interest free, repayable on demand and is to be settled in cash.

Included in other payables of the Company is an amount of RM1,398,677 (2008 : RM937,963) owing to a public listed company in which certain directors of the Company are also directors and have substantial financial interest. This amount is unsecured, interest free, repayable on demand and is to be settled in cash.

Included in refundable deposits of the Company is rental deposits received from subsidiary companies amounted to RM37,500 (2008 : RM37,500).

In previous year, the amount owing to a director was non-trade in nature, unsecured, interest free, repayable on demand and was to be settled in cash.

30. PROVISIONS

This is in respect of provision made for short-term accumulating compensated absences for the Group and for the Company.

31. REVENUE

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Attributable revenue from construction contract	**400,472**	969,063	**-**	-
Attributable revenue from development properties	**107,010,479**	65,473,192	**-**	-
Sales of goods and services	**16,586,529**	20,174,472	**-**	-
Hotel and golfing revenue	**74,164,671**	84,982,704	**-**	-
Management fee	**-**	-	**12,000,000**	-
Rental revenue	**228,297**	874,230	**228,297**	874,230
Dividend revenue	**-**	-	**-**	33,000,000
	198,390,448	172,473,661	**12,228,297**	33,874,230

32. DIRECT COSTS

	Group	
	2009	2008
	RM	RM
Attributable construction contract cost	**-**	823,704
Attributable property development costs	**80,052,027**	42,736,945
Cost of sales and services	**72,124,120**	76,071,156
	152,176,147	119,631,805

33. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/Profit before taxation is arrived at after charging/(crediting):-

(a) Other items

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Amortisation of prepaid land lease payments	**1,894,554**	1,890,916	**20,797**	57,427
Amortisation of upfront fee for a bank facility	**1,841,473**	1,941,748	**-**	1,941,748
Allowance for doubtful debts	**10,849,911**	5,006,162	**815,275**	-
Allowance for doubtful debts no longer required	**(1,505,086)**	(10,371)	**-**	-
Auditors' remuneration				
- current year	**298,454**	318,674	**40,000**	38,000
- over provision in prior year	**(5,475)**	-	**-**	-
Bad debt recovered	**-**	(376)	**-**	-

33. (LOSS)/PROFIT BEFORE TAXATION (CONT'D)

(Loss)/Profit before taxation is arrived at after charging/(crediting):- (cont'd)

(a) Other items (cont'd)

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM	**RM**	**RM**	**RM**
Bad debt written off	**8,834,832**	178,417	**8,241,071**	-
Bank guarantee commission	**6,352,397**	7,330,479	**-**	7,330,479
Capital work-in-progress written off	**-**	7,620,317	**-**	-
Contract costs written off	**-**	873,349	**-**	-
Depreciation of property, plant and equipment	**10,694,250**	10,855,412	**223,824**	326,227
Deposits written off	**3,039,673**	-	**-**	-
Goodwill written off	**752,089**	9,370	**-**	-
Impairment loss				
- investment in subsidiary companies	**-**	-	**1,470,546**	9,407
- other investments	**2,000**	-	**-**	-
- capital work-in-progress	**8,612,453**	-	**-**	-
Interest expenses				
- current year	**31,294,210**	32,234,674	**6,509,800**	19,766,775
- over provision in prior year	**(3,884,651)**	-	**(3,383,358)**	-
Interest revenue	**(321,913)**	(305,328)	**-**	-
Inventories written off	**28,570**	-	**-**	-
Leaseback rental	**635,985**	-	**-**	-
Property development cost written off	**-**	1,938,775	**-**	-
Property, plant and equipment written off	**191,715**	1,792,787	**-**	-
(Utilisation of)/Provision for employee benefits	**(9,820)**	116,683	**(30,390)**	125,864
Rental of equipment	**351,038**	151,683	**-**	-
Rental of motor vehicles	**17,009**	22,366	**-**	-
Rental of premises	**1,005,194**	1,014,269	**165,629**	4,000
Dividend revenue	**-**	-	**-**	(33,000,000)
Gain on disposal of leasehold land and land held for property development	**(4,050,723)**	-	**(3,914,288)**	-
Gain on disposal of property, plant and equipment	**(2,933,278)**	(84,534)	**(3,317,706)**	(33,998)
(Gain)/ Loss on foreign exchange				
- realised	**(97,764)**	1,710,149	**-**	-
- unrealised	**265,895**	-	**-**	-
Rental of motor vehicles revenue	**(4,576)**	(33)	**-**	-
Rental of premises revenue	**(94,720)**	(933,100)	**-**	-
Waiver of debts	**-**	-	**-**	(8,112,764)

33. (LOSS)/PROFIT BEFORE TAXATION (CONT'D)

(Loss)/Profit before taxation is arrived at after charging/(crediting):- (cont'd)

(b) Employees Benefits Expenses

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Employees benefits expenses	**29,046,219**	26,582,688	**2,563,969**	2,531,351

Included in employees benefits expenses are:-

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Remuneration of full time directors				
- of the Company	**1,056,900**	924,120	**334,500**	924,120
- of the subsidiary company	**607,703**	-	**-**	-
Contribution to defined contribution plan	**2,165,670**	2,273,867	**240,839**	151,341

(c) Directors' Remuneration

The Directors of the Company in office since the date of last report are as follows:-

Non-Independent Executive Directors

Tan Sri Dr. Chen Lip Keong
Datuk Robin Loh Hoon Loi
Chen Yiy Fon
Chen Yiy Hwuan

Independent Non-Executive Directors

Datuk Wan Kassim bin Ahmed
Tan Sri Datuk Seri Panglima Abdul Kadir bin Haji Sheikh Fadzir
Tuan Haji Zainal Abidin bin Ali (Deceased on 11.7.09)
Leow Ming Fong @ Leow Min Fong

The aggregate amounts of emoluments receivable by directors of the Group and of the Company during the financial year are as follows:-

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Non-Independent Executive Directors				
- Other emoluments	**1,020,900**	924,120	**334,500**	924,120
- Fees	**36,000**	-	**-**	-
Independent Non-Executive Directors				
- Fees	**342,000**	342,000	**342,000**	342,000

34. TAXATION

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Based on result for the year	**3,336,191**	2,172,734	**-**	6,707,266
Origination and reversal of temporary differences (note 11 and 25)	**2,791,600**	(2,701,000)	**-**	-
	6,127,791	(528,266)	**-**	6,707,266
Over provision of taxation in prior year	**(6,633,452)**	(8,842,099)	**(6,707,168)**	-
Reassessment of prior year's tax	**(49,548)**	-	**-**	-
Tax (credit)/expense	**(555,209)**	(9,370,365)	**(6,707,168)**	6,707,266

The reconciliation of the tax amount at statutory tax rate to the Group's and the Company's tax (credit)/expense are as follows:-

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
(Loss)/Profit before taxation	**(35,952,213)**	(41,453,131)	**230,492**	7,249,076
Tax at the Malaysian statutory income tax rate of 25% (2008 : 26%)	**(8,988,100)**	(10,777,800)	**57,600**	1,884,800
Tax effect on non-deductible expenses	**15,388,191**	18,856,434	**3,110,600**	7,093,166
Tax effect on non-taxable revenue	**(2,714,000)**	(2,781,900)	**(1,700,300)**	(2,118,300)
Notional allowance claimed	**8,700**	-	**-**	-
Deferred tax assets not recognised during the year	**3,579,300**	146,800	**-**	-
Utilisation of deferred tax assets not recognised in previous year	**(2,224,300)**	(1,140,100)	**(1,467,900)**	(152,400)
Adjustment on deferred tax resulting from reduction in tax rates	**-**	(4,759,900)	**-**	-
Reassessment of prior year's tax	**(49,548)**	-	**-**	-
(Over)/Underprovision in prior years				
- current taxation	**(6,633,452)**	(8,842,099)	**(6,707,168)**	-
- deferred taxation	**1,078,000**	(71,800)	**-**	-
Tax (credit)/expense	**(555,209)**	(9,370,365)	**(6,707,168)**	6,707,266

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the Section 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the Section 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

34. TAXATION (CONT'D)

The Company did not elect for the irrevocable option to disregard the Section 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the Section 108 balance as at 31 March 2009 and 2008 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act 2007. As at 31 March 2009 and 2008, the Company has sufficient credit in the Section 108 and tax exempt account balances to pay franked dividends out of its entire retained earnings.

The Group and the Company have the following estimated unrelieved tax losses and unabsorbed capital allowances available for set-off against future taxable profits:-

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Unrelieved tax losses	**245,585,700**	262,443,300	**6,431,200**	12,174,800
Unabsorbed capital allowances	**17,327,400**	14,240,900	**2,779,300**	2,888,600
	262,913,100	276,684,200	**9,210,500**	15,063,400

35. LOSS PER ORDINARY SHARE

The basic loss per ordinary share has been calculated based on the Group's loss attributable to shareholders of RM35,397,004 (2008 : RM32,082,766) divided by the number of ordinary share in issue during the financial year of 2,030,059,680 (2008 : 2,030,059,680) ordinary shares of RM0.50 each.

36. ACQUISITION OF SUBSIDIARY COMPANIES

(A) Additional Investment in Subsidiary Company

During the year, a subsidiary company of the Company, IPSB, has acquired the existing 300,000 ordinary shares of RM1 each, representing 30% of the entire issue and paid-up share capital of CTDC, for a total cash consideration of RM300,000.00 from Composites Technology Research Malaysia Sdn. Bhd.. This additional investment has give rise to goodwill to the Group of RM300,000.

(B) Acquisitions of Subsidiary Companies

During the year,

(i) the Company acquired 600,000 ordinary shares of RM1 each, representing 60% of the issued and paid-up share capital of Beribu Ukiran Sdn. Bhd., for a total cash consideration of RM3,160,934; and

(ii) the Company acquired 450,000 ordinary shares of RM1 each, representing 60% of the issued and paid-up share capital of CTRM-FACB Consortium Sdn. Bhd., for a total cash consideration of RM450,000.

36. ACQUISITION OF SUBSIDIARY COMPANIES (CONT'D)

(B) Acquisitions of Subsidiary Companies (cont'd)

In previous year,

(i) the Company incorporated a wholly owned subsidiary company, Rendezvous Travel Services Limited. (now known as One Travel & Tours Ltd.) with an authorised and paid up share capital of 2 ordinary shares of USD1 each;

(ii) the Company acquired 2 ordinary shares of HKD1 each, representing the entire issued and paid-up share capital of Nexus Hotel And Resorts Ltd. for a total cash consideration of HKD2; and

(iii) the Group incorporated a wholly owned subsidiary company, Nexus Hotel Phnom Penh Ltd., with an authorised and paid up share capital of 2 ordinary shares of USD1 each.

(a) Effect of acquisition of subsidiary companies, net of cash acquired

The fair value of the assets and liabilities assumed are as follows:-

	Group	
	2009	**2008**
	RM	**RM**
Land held for property development	**54,898,558**	-
Deferred tax assets	**9,800**	-
Property development costs	**10,354,956**	-
Trade receivables	**5,086,919**	-
Other receivables and deposits	**7,366,159**	-
Cash deposits with a licensed bank	**905,000**	-
Cash and bank balances	**147,603**	1
Trade payables	**(13,104,926)**	-
Other payables and accruals	**(27,178,283)**	-
Amount owing to former holding company	**(33,373,444)**	-
Amount owing to shareholders	**-**	(18,392)
Taxation	**(831,485)**	-
Interest in associated company	**(1,712,978)**	-
Goodwill on consolidation	**1,052,538**	18,392
Total purchase consideration	**3,620,417**	1
Cash and cash equivalents of subsidiary companies acquired	**(1,052,603)**	(1)
Effect of acquisition of subsidiary company, net of cash acquired	**2,567,814**	-

36. ACQUISITION OF SUBSIDIARY COMPANIES (CONT'D)

(b) Effect on Consolidated Income Statement

The effect on the consolidated results of the Group from their effective date of acquisition are as follows:-

	Group 2009 RM	2008 RM
Operating revenue	**2,534,253**	-
Direct operating costs	**(2,259,050)**	-
	275,203	-
Other operating revenue	**10,246**	-
Administrative costs	**(65,540)**	(17,807)
Profit/(Loss) from operations	**219,909**	(17,807)
Finance costs	**(68)**	-
Profit/(Loss) before taxation	**219,841**	(17,807)
Taxation	**(6,076)**	-
Profit/(Loss) for the year	**213,765**	(17,807)

(c) Effect on Consolidated Balance Sheet

The effect on the consolidated financial position of the Group as at year end are as follows:-

	Group 2009 RM	2008 RM
Land held for property development	**10,889,794**	-
Deferred tax assets	**9,000**	-
Investment in subsidiary company	**-**	7
Property development costs	**8,473,658**	-
Amount owing by related companies	**7,659,233**	-
Amount owing by subsidiary company	**-**	9,069
Trade receivables	**3,372,167**	-
Other receivables and deposits	**388,691**	-
Cash deposits with a licensed bank	**2,167,000**	-
Cash and bank balances	**172,210**	1
Amount owing to holding company	**(4,252)**	(26,869)
Trade payables	**(12,052,208)**	-
Other payables and accruals	**(16,315,180)**	(18,392)
Taxation	**(265,492)**	-
	4,494,621	(36,184)

36. ACQUISITION OF SUBSIDIARY COMPANIES (CONT'D)

(c) Effect on Consolidated Balance Sheet (cont'd)

The land held for property development and property development costs as disclosed on the effect of acquisition of subsidiary companies are lower compare to the land held for property developments and property development costs disclosed in the effect on consolidated balance sheet as the land held for property development, together with its property development costs were disposed to a fellow subsidiary company.

37. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

During the year, the Group and the Company acquired property, plant and equipment with aggregate cost of RM2,855,584 (2008 : RM4,257,131) and RM52,824 (2008 : RM73,274) respectively which are satisfied as follows:-

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Hire purchase financing	**1,374,707**	2,303,580	**-**	-
Cash payments	**1,480,877**	1,953,551	**52,824**	73,724
	2,855,584	4,257,131	**52,824**	73,724

38. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following balance sheet amounts:-

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Cash held under housing development accounts	**10,381**	95,905	**-**	-
Cash and bank balances	**10,140,333**	11,179,441	**491,316**	109,623
	10,150,714	11,275,346	**491,316**	109,623
Cash deposits with licensed banks	**4,491,722**	6,885,474	**-**	-
	14,642,436	18,160,820	**491,316**	109,623
Less: Cash deposits under lien	**(3,699,475)**	-	**-**	-
	10,942,961	18,160,820	**491,316**	109,623

38. CASH AND CASH EQUIVALENTS (CONT'D)

Cash and cash equivalents of the Group which are not freely available for the Group's use are as follows:-

(a) cash held under housing development accounts are maintained pursuant to the requirements of the Housing Developers (Housing Development Account) Regulations, 1991;

(b) cash deposits of the Group amounting to RM3,272,118 (2008 : Nil) pledged for bank guarantee facility given to Ministry of Local Government and Housing in respect for the developer's license granted to certain subsidiary companies; and

(c) cash deposits of the Group amounting to RM427,357 (2008 : Nil) pledged for bank guarantee facility granted to certain subsidiary companies.

The foreign currency exposure profile is as follows:

	Group	
	2009	2008
	RM	RM
Cash and cash equivalents		
Australian Dollar	-	923
Canadian Dollar	-	977
Chinese Renminbi	-	417,315
Euro	-	12,621
Hong Kong Dollar	**5,191**	11,203
Japanese Yen	-	960
New Zealand Dollar	-	877
Singapore Dollar	**193,003**	4,391
Sterling Pound	-	882
Swiss Franc	-	944
United States Dollar	-	826,930
	198,194	1,278,023

39. AMOUNT DUE FROM/(TO) CUSTOMERS FOR CONTRACT WORKS

	Group	
	2009	2008
	RM	RM
Contract costs	**105,438,005**	104,004,691
Add: Portion of profit attributable to contract work performed to date	**12,024,448**	11,849,858
	117,462,453	115,854,549
Less: Progress billings	**(75,064,577)**	(75,064,577)
	42,397,876	40,789,972

39. AMOUNT DUE FROM/(TO) CUSTOMERS FOR CONTRACT WORKS (CONT'D)

	Group 2009 RM	Group 2008 RM
Represented by:-		
Amount due from customers for contract works (note 15)	**43,418,036**	50,132,888
Amount due to customers for contract works (note 28)	**(1,020,160)**	(9,342,916)
	42,397,876	40,789,972

The total retention sums included in the progress billings amounted to RM1,691,972 (2008 : RM4,836,810).

40. TERM LOANS – SECURED

	Group 2009 RM	Group 2008 RM
Term Loan I		
7.75% to 8.40% (2008 : 7.75% to 8.40%) term loan	**18,133,162**	18,133,162
Term Loan II		
10% fixed rate term loan repayable commencing April 2004	**-**	5,465,026
Term Loan III		
10% fixed rate term loan repayable commencing September 2002	**-**	29,453,975
Term Loan IV		
10% term loan repayable in full at the end of June 2004	**-**	3,537,496
Term Loan V		
4.25% term loan repayable		
- in 12 half yearly instalments commencing in June 2007	**120,000,000**	135,000,000
- by sale proceeds of Nexus Residence Karambunai project	**150,000,000**	150,000,000
	270,000,000	285,000,000
Term Loan VI (under Al Bai' Bithaman Ajil arrangement)		
7.95% financing charges repayable commencing in June 2008	**43,939,263**	-
Term Loan VII (under Al Bai' Bithaman Ajil arrangement)		
7.95% financing charges repayable commencing in February 2009	**3,345,302**	-
	335,417,727	341,589,659
Repayment due within twelve months (note 24)	**(46,633,162)**	(71,589,659)
Repayment due after twelve months (note 24)	**288,784,565**	270,000,000

40. TERM LOANS – SECURED (CONT'D)

The term loans are secured as follows:-

(a) fixed charges on certain development properties of certain subsidiary companies;
(b) debenture comprising fixed and floating charges over all present and future assets of certain subsidiary companies;
(c) deed of mortgage on the Company's entire investment in the shares of a subsidiary company;
(d) corporate guarantee of the Company and of a subsidiary company;
(e) assignment of debt on a trade balance owing by a subsidiary company;
(f) personal guarantee by a director of the Company;
(g) Syndicated Standby Letter of Credit ("SBLC") for up to RM300 million; and
(h) deed of assignment on all rights, interest and benefits of project revenue accounts, finance service reserve account and project operating account of a subsidiary company opened and maintained with the bank.

The SBLC facility is secured and supported as follow:-

(a) fixed and floating charge over the assets and undertaking of the subsidiary company. However, the Syndicated Lenders shall disclaim all its right over the subsidiary company and the assets including landed properties of the subsidiary company;
(b) charge over shares (and all rights thereto) issued by the subsidiary company, but excluding share currently charged to Malaysian Assurance Alliance and PT Bank Mandiri, amounting to RM5 million and RM42 million shares respectively issued by the subsidiary company;
(c) charge over shares (and all rights thereto) issued by a subsidiary company;
(d) first ranking, fixed charge and registered mortgage by the subsidiary company over the Nexus Resort Karambunai Hotel ("NRKH") with a valuation of RM380 million;
(e) first ranking, third party fixed charge and registered mortgage by a subsidiary company over its land bank in Karambunai with a total valuation not less than RM533 million;
(f) assignment of the rights and benefits of sales proceeds under the Sale and Purchase Agreement entered into between the subsidiary companies with purchasers of the Nexus Residences project;
(g) assignment of all project insurance and proceeds thereof;
(h) assignment of the designated accounts (subsidiary company's revenue and operating account, Nexus Residences project account, Debts Service Reserve accounts);
(i) assignment of the rights title, interest and benefit of the subsidiary companies over the joint venture agreement;
(j) corporate guarantee of the Company; and
(k) corporate guarantee of the subsidiary companies.

The term loans of the Group bear interest at rates ranging from 4.25% to 7.95% (2008 : 4.25% to 10.00%) per annum.

The foreign currency exposure profile is as follows:-

	Group	
	2009 RM	2008 RM
United States Dollar	**18,133,162**	18,133,162

40. TERM LOANS – SECURED (CONT'D)

The maturity profile of term loans for the Group are as follows:-

Group	Current	<—		Non-current		—>		
	Within	Within	Within	Within	Within	After		
	1 Year	1 - 2 Years	2 - 3 Years	3 - 4 Years	4 - 5 Years	5 years	Sub Total	Total
2009	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**
Term loan								
I	**18,133,162**	**-**	**-**	**-**	**-**	**-**	**-**	**18,133,162**
V	**16,500,000**	**19,125,000**	**24,375,000**	**60,000,000**	**150,000,000**	**-**	**253,500,000**	**270,000,000**
VI	**11,550,000**	**10,875,000**	**10,200,000**	**9,525,000**	**1,789,263**	**-**	**32,389,263**	**43,939,263**
VII	**450,000**	**450,000**	**450,000**	**450,000**	**450,000**	**1,095,302**	**2,895,302**	**3,345,302**
2008								
Term loan								
I	18,133,162	-	-	-	-	-	-	18,133,162
II	5,465,026	-	-	-	-	-	-	5,465,026
III	29,453,975	-	-	-	-	-	-	29,453,975
IV	3,537,496	-	-	-	-	-	-	3,537,496
V	15,000,000	16,500,000	19,125,000	24,375,000	60,000,000	150,000,000	270,000,000	285,000,000

41. SIGNIFICANT RELATED PARTIES TRANSACTIONS

(a) Significant intra-group transactions are as follows:-

	Company	
	2009	**2008**
	RM	**RM**
Purchase of air tickets and tour from a subsidiary company	**127,058**	439
Employee benefits expenses allocated to subsidiary companies	**638,015**	727,850
Term loan interest charges by a subsidiary company	**-**	11,868,848
Meals and accomodation charges paid and payable to subsidiary companies	**85,908**	-
Management fee received and receivable from a subsidiary company	**(12,000,000)**	-
Rental received and receivable from subsidiary companies	**(240,000)**	(240,000)
Dividend received from a subsidiary company	**-**	(33,000,000)

Information regarding outstanding balances arising from intra-group transactions as at 31 March 2009 is mentioned in note 17.

41. SIGNIFICANT RELATED PARTIES TRANSACTIONS (CONT'D)

(b) The significant transactions with companies in which certain directors of the Company have substantial financial interests are as follows:-

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Paid and payable to/(Received and receivable from) public listed companies in which certain directors of the Company have substantial financial interest and are also directors				
- Rental of premises	**165,629**	-	**165,629**	-
- Rental revenue	**(108,871)**	(300,000)	**(108,871)**	(300,000)
- Ticketing and tour revenue	(38,804)	(48,008)	**-**	-
Received and receivable from companies in which a director of the Company has substantial financial interest and is also director				
- Ticketing and tour revenue	**(572,144)**	(842,877)	**-**	-
- Office rental revenue	**(15,003)**	(36,006)	**(15,003)**	(36,006)

Information regarding outstanding balances arising from transactions with the public listed company and other companies in which certain directors of the Company have substantial financial interests as at 31 March 2009 is mentioned in note 15 and note 29.

(c) Compensation of key management personnel

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Short-term employee benefits	**1,965,872**	1,185,840	**642,000**	1,185,840
Post employment benefits	**132,731**	80,280	**34,500**	80,280

Included in the total compensation of key management personnel is:-

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Directors' remuneration	**2,098,603**	1,266,120	**676,500**	1,266,120

42. SIGNIFICANT EVENTS

(a) On 4 July 2008, a wholly-owned subsidiary company of the Company, signed a Memorandum of Understanding ("MOU") with Landlovers Korea Co. Ltd. ("LKCL") to form the basis of setting up a joint venture company ("JV Co"). The JV Co will develop parcels of land situated at Karambunai peninsular in the district of Kota Kinabalu, Sabah. The identified parcels of land for the JV Co is Lot 17, 18 and 19 ("Project Land") measuring approximately 66.32 acres where the subsidiary company is the registered proprietor. The JV Co will purchase the Project Land at the agreed consideration sum of RM30 per sq. ft. or approximately RM86,666,976, subject to any revision by the relevant authorities and the terms of the purchase.

On 1 January 2009, both the subsidiary company and LKCL have not executed a formal agreement in relation to the proposed JV Co and consequently the MOU has expired.

(b) On 7 October 2008, the Company acquired 600,000 ordinary shares of RM1 each, representing 60% of the issued and paid-up share capital of BUSB for a total cash consideration of RM3,160,934, from FACB Industries Incorporated Berhad ("FACB II"). The arrangement also includes novation to DHSB of RM33,373,382 being the amount owing by BUSB to FACB II and to be paid by DHSB to FACB II and the repayment thereto to be guaranteed by the Company.

(c) On 4 November 2008, the Company acquired 450,000 ordinary shares of RM1 each, representing 60% of the entire issued and paid-up share capital of CTRM-FACB for a total cash consideration of RM450,000.

(d) On 4 November 2008, a subsidiary company of the Company, IPSB acquired 300,000 ordinary shares of RM1 each, representing 30% of the entire issued and paid-up share capital of CTDC for a total cash consideration of RM300,000.

(e) On 7 December 2007, the Company has agreed to dispose to PTB Horticulture of approximately 8,201.86 square metres of leasehold land, together with a four storey office building with an annexed single storey warehouse and ancillary building in Petaling Jaya for a cash consideration of RM12 million. The disposal was completed during the year.

43. SUBSEQUENT EVENTS

On 24 July 2009, a wholly-owned subsidiary of the Company, FACBLand, had agreed to the terms of and entered into a Sale and Purchase Agreement with Majurama Developments Sdn Bhd ("Majurama"), a wholly-owned subsidiary of Petaling Tin Berhad, in respect of the proposed disposal of approximately 8,790 sq. m. of leasehold land held under H.S. (M) 19319, P.T. 16028, Mukim Petaling, Daerah Petaling, Negeri Selangor for a cash consideration of RM1,655,000 ("Proposed Disposal"). Salient terms of the Sale and Purchase Agreement are as follows:-

- The Sale Consideration will be paid in the following manner:

  (i) 10% of the Sale Consideration as deposit ("Deposit") has been paid by the Purchaser to the Vendor upon the execution of the Agreement;

  (ii) 90% of the Sale Consideration ("Balance Sale Price") shall be paid to the Vendor within 3 months from the date of receipt of the relevant Consents or the date of the Agreement, whichever is later; and

  (iii) in the event the Purchaser is unable to pay the Balance Consideration on the Completion Date, the Vendor shall grant the Purchaser an extension of time of 1 months ("the Extended Completion Period") to pay the Balance Consideration subject to the Purchaser paying the Vendor late payment interest at the rate of eight per centum (8%) per annum on such part of the Balance Consideration outstanding on daily rest will be payable as liquidated damages for the actual number of days of extension.

43. SUBSEQUENT EVENTS (CONT'D)

- The Proposed Disposal is conditional upon the

  (i) the written approval of development order from Majlis Perbandaran Subang Jaya and the written consent of all other relevant authorities, if any to the proposed housing development on the Property ("Development Order");

  (ii) the written consent of the State Authority to allow the transfer of the Property in favour of the Purchaser ("the Consent"); and

  (iii) the written consent from the State Authority to convert the Express Condition in the Title for the Property from Oxidation Pond to Building ("the Conversion Approval").

  (the said Development Order, the Consent and the Conversion Approval shall collectively be called "the relevant Consents") being obtained by the Vendor within six (6) months from the date of the Agreement.

- The Vendor shall be deemed to have delivered possession of the Property upon full payment by the Purchaser of the Sale Consideration.

44. SEGMENT INFORMATION - GROUP

Segment information is presented in respect of the Group's business and geographical segments.

Segment results, assets and liabilities include items directly attributable to segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest-earning assets and revenue, interest bearing loans and expenses and other items that cannot be reasonably allocated to any segment.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year.

Business Segments

The Group comprises the following main business segments:-

Management services, venture capital and investment holdings and others	Investment holding, provision of management services, information technology, consultancy and money lending.
Property development and construction	Property development, construction and project contractor.
Leisure and tourism	Travel and tours agency, golf and country club operation and management and resort hotel operation and management.
Trading	Trading of wood products and purchasing and sourcing of timber for sale.

44. SEGMENT INFORMATION - GROUP (CONT'D)

Geographical Segments

The businesses of the Group are solely operated in Malaysia except for the trading of wood products and purchasing and sourcing of timber for sale which are operated in Asia Pacific.

(a) Primary Reporting Format - Major Business Segments

	Management Services, Venture Capital & Investment Holding & Others RM	Property Development & Construction RM	Leisure & Tourism RM	Trading RM	Eliminations RM	Consolidated RM
2009						
Revenue						
External revenue	13,925,174	190,122,895	75,430,297	15,041,846	(96,129,764)	198,390,448
Inter-segment revenue	(12,993,600)	(81,708,373)	(1,427,791)	-	96,129,764	-
Total revenue	931,574	108,414,522	74,002,506	15,041,846	-	198,390,448
Result						
Segment result	11,136,115	(6,633,077)	(11,033,319)	(1,493,194)	-	(8,023,475)
Interest expenses	(3,128,598)	(14,306,959)	(9,974,002)	-	-	(27,409,559)
Interest revenue	955	311,869	-	9,089	-	321,913
Share of results of associated companies	-	(841,092)	-	-	-	(841,092)
Taxation						555,209
Loss for the year						(35,397,004)
Minority interest						-
Loss attributable to shareholders						(35,397,004)

44. SEGMENT INFORMATION - GROUP (CONT'D)

(a) Primary Reporting Format - Major Business Segments (cont'd)

2009	Management Services, Venture Capital & Investment Holding & Others RM	Property Development & Construction RM	Leisure & Tourism RM	Trading RM	Eliminations RM	Consolidated RM
Other information						
Segment Assets	45,262,357	1,378,128,898	336,781,911	5,688,167	-	1,765,861,333
Interest in associated companies	-	124,534	-	-	-	124,534
Deferred tax assets	-	9,000	-	-	-	9,000
Unallocated corporate assets						23,551,027
Consolidated total assets						1,789,545,894
Segment liabilities	15,600,109	191,576,226	26,407,751	3,711,681	-	237,295,767
Taxation	169,551	134,106,298	6,241,468	-	-	140,517,317
Deferred tax liabilities	-	109,238,697	16,092,300	-	-	125,330,997
Unallocated corporate liabilities						480,742,256
Consolidated total liabilities						983,886,337
Capital expenditure	71,904	977,615	1,794,852	11,213	-	2,855,584
Depreciation of property, plant and equipment	540,803	792,769	9,339,665	21,013	-	10,694,250
Significant non-cash expenses other than depreciation						
Property, plant and equipment written off	6,198	31,159	154,358	-	-	191,715
Amortisation of prepaid land lease payments	432,560	1,431,718	30,276	-	-	1,894,554
Bad debts written off	8,245,373	510,452	79,007	-	-	8,834,832
Allowance for doubtful debts	1,249,262	4,543	9,552,385	43,721	-	10,849,911
Goodwill written off	752,089	-	-	-	-	752,089
Impairment loss on capital work-in-progress	-	8,612,453	-	-	-	8,612,453
Amortisation of upfront fee	-	-	1,841,473	-	-	1,841,473
Allowance for doubtful debts no longer required	11,691	1,399,275	94,120	-	-	1,505,086
Gain on disposal of leasehold land and land held for property development	3,914,288	136,435	-	-	-	4,050,723
Gain on disposal of property, plant and equipment	2,861,824	69,039	2,415	-	-	2,933,278

44. SEGMENT INFORMATION - GROUP (CONT'D)

(a) Primary Reporting Format - Major Business Segments (cont'd)

2008	Management Services, Venture Capital & Investment Holding & Others RM	Property Development & Construction RM	Leisure & Tourism RM	Trading RM	Eliminations RM	Consolidated RM
Revenue						
External revenue	36,211,233	102,500,119	87,103,999	17,948,244	(71,289,934)	172,473,661
Inter-segment revenue	(33,766,880)	(35,401,759)	(2,121,295)	-	71,289,934	-
Total revenue	2,444,353	67,098,360	84,982,704	17,948,244	-	172,473,661
Result						
Segment result	(16,357,706)	(10,278,676)	17,427,132	(614,179)	-	(9,823,429)
Interest expenses	(10,052,213)	(8,549,513)	(13,561,859)	(71,089)	-	(32,234,674)
Interest revenue	171	257,661	19,130	28,366	-	305,328
Share of results of associated companies	-	299,644	-	-	-	299,644
Taxation						9,370,365
Loss for the year						(32,082,766)
Minority interest						-
Loss attributable to shareholders						(32,082,766)
Other information						
Segment Assets	59,178,313	1,343,534,740	361,222,815	7,581,255	-	1,771,517,123
Amount owing by associated companies	-	24,584,392	-	-	-	24,584,392
Interest in associated companies	-	2,678,604	-	-	-	2,678,604
Unallocated corporate assets						25,344,330
Consolidated total assets						1,824,124,449

44. SEGMENT INFORMATION - GROUP (CONT'D)

(a) Primary Reporting Format - Major Business Segments (cont'd)

2008	Management Services, Venture Capital & Investment Holding & Others RM	Property Development & Construction RM	Leisure & Tourism RM	Trading RM	Eliminations RM	Consolidated RM
Segment liabilities	18,548,543	171,308,018	34,315,211	3,486,752	-	227,658,524
Taxation	258,355	132,431,415	6,486,468	-	-	139,176,238
Deferred taxation	7,500	108,893,997	13,638,700	-	-	122,540,197
Unallocated corporate liabilities						493,629,248
Consolidated total liabilities						983,004,207
Capital expenditure	35,723,361	13,198,636	2,849,942	-	-	51,771,939
Depreciation of property, plant and equipment	500,411	749,820	9,548,103	57,078	-	10,855,412
Property, plant and equipment written off	7,835	1,784,952	-	-	-	1,792,787
Amortisation of prepaid land lease payments	194,682	1,665,958	30,276	-	-	1,890,916
Bad debts written off	-	-	131,967	46,450	-	178,417
Allowance for doubtful debts	79,737	4,844,047	82,378	-	-	5,006,162
Goodwill written off	9,370	-	-	-	-	9,370
Amortisation of upfront fee	1,941,748	-	-	-	-	1,941,748
Loss on disposal of property, plant and equipment	33,998	48,996	1,540	-	-	84,534

Inter-segment revenue which are eliminated upon consolidation, are entered in the ordinary course of business and have been established under terms mutually agreed between the parties concerned.

44. SEGMENT INFORMATION - GROUP (CONT'D)

(b) Secondary Reporting Format - Geographical Segments

	Malaysia RM	Asia Pacific RM	Eliminations RM	Consolidated RM
2009				
Total revenue from external customers	**183,348,602**	**15,041,846**	**-**	**198,390,448**
Segments assets	**1,758,570,268**	**7,300,065**	**-**	**1,765,870,333**
Interest in associated companies	**124,534**	**-**	**-**	**124,534**
Unallocated corporate assets				**23,551,027**
Consolidated total assets				**1,789,545,894**
Capital expenditure	**2,844,371**	**11,213**	**-**	**2,855,584**
2008				
Total revenue from external customers	154,525,417	17,948,244	-	172,473,661
Segments assets	1,763,935,868	7,581,255	-	1,771,517,123
Amount owing by associated companies	24,584,392	-	-	24,584,392
Interest in associated companies	2,678,604	-	-	2,678,604
Unallocated corporate assets				25,344,330
Consolidated total assets				1,824,124,449
Capital expenditure	51,771,939	-	-	51,771,939

All inter-segment revenue comprises inter-segment sales which were priced at cost plus a percentage profit mark-up.

45. MATERIAL LITIGATIONS

Group

(i) A minority shareholder of a subsidiary company ("Petitioners") has presented a legal petition against the subsidiary company, the Company and a director of the Company to wind-up the subsidiary company pursuant to Section 181 of the Companies Act, 1965, on allegation that the affairs of the subsidiary company were being conducted in a manner oppressive to him and in disregard of his interest as shareholder.

The Petitioner's solicitor has applied to the High Court to set a hearing date for the case. It is now pending for the High Court to fix a hearing date for the case.

No provision has been made for possible losses arising from the above legal proceedings as the legal proceedings are still in process.

(ii) The PT Bank Mandiri (Persero) Tbk, Singapore branch ("the Petitioner") has presented a winding up petition ("the Petition") against the Company. The Company is a corporate guarantor for the loan granted to a wholly-owned subsidiary company of the Company. The subject amount being claimed is USD5,357,151 inclusive of interest.

The High Court of Sabah and Sarawak at Kota Kinabalu had on 20 June 2007 dismissed the winding-up petition filed by the Petitioner with costs and further ordered that the said Petitioner pay damages to be assessed to the Company.

On 2 July 2007, the Petitioner has applied for an appeal to the Court of Appeal against the decision made by the High Court in dismissing their petition with damages on 20 June 2007. The Court of Appeal has fixed the date of hearing for the Petitioner's appeal on 25 May 2009.

The Court of Appeal of Sabah and Sarawak at Kota Kinabalu had on 25 May 2009 dismissed the Petitioner's appeal and made a court order that the decision made by the High Court on 20 June 2007 in dismissing their Petition with damages is to be maintained.

No provision has been made for possible losses arising from the above legal proceedings as it has been fully accounted for in the Group's financial statements, although the amount is being disputed.

46. CONTINGENT LIABILITIES – UNSECURED

	Company	
	2009	2008
	RM	RM
Corporate guarantee given by the Company to financial institutions and third parties for banking and outstanding credit facilities of the subsidiary companies	**362,441,665**	342,688,355

47. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The main risks and corresponding management policies arising from the Group's normal course of business are as follows:-

i. Foreign Exchange Risk

The Group is exposed to foreign currency risk as a result of its normal trade activities when the currency denomination differs from its functional currencies. Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

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

	Functional Currency of Group Companies	
	Ringgit Malaysia RM	Singapore Dollar RM
Net financial assets/(liabilities) held in non-functional currencies		
At 31 March 2009		
Hong Kong Dollar	**(2,282,571)**	**-**
Singapore Dollar	**-**	**104,373**
United States Dollar	**(18,133,162)**	**762,911**
	(20,415,733)	**867,284**
At 31 March 2008		
Australian Dollar	923	-
Canadian Dollar	977	-
Renminbi	13,375	-
Euro	12,621	-
Hong Kong Dollar	(2,278,370)	-
Japanese Yen	960	-
New Zealand Dollar	877	-
Singapore Dollar	4,391	-
Sterling Pound	882	-
Swiss Franc	944	-
United States Dollar	(18,132,187)	1,974,447
	(20,374,607)	1,974,447

47. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (cont'd)

ii. Interest Rate Risk

The Group's exposure to interest rate risk relates to interest bearing financial assets and financial liabilities.

- Interest bearing financial assets
  Cash on deposits with licensed banks are short term in nature and are not held for speculative purposes but are placed to satisfy conditions for bank guarantee and borrowing facilities granted to the Group and for better yield returns than cash at banks.

- Interest bearing financial liabilities
  Interest bearing financial liabilities included term loans, bridging loan, revolving credits, bills payable, promissory note and hire purchase and lease payables.

The Group manages its interest exposure by maintaining of prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and the nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

iii. Credit Risk

The Group's exposure to credit risk arises from its receivable and the maximum risk associated with the recognised financial assets is the carrying amounts as presented in the balance sheet.

The Group has a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

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

iv. Liquidity and Cash Flow Risks

The Group actively manages its operating cash flows and availability of funding so as to ensure that all repayment and funding needs are met.

As part of overall prudent liquidity management, the Group maintains sufficient level of cash to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position.

(b) Fair Values

The methods and assumptions used to estimate the fair values of the following classes of financial assets and liabilities are as follows:-

i. Cash and Cash Equivalents

The carrying amounts approximate fair values due to the relatively short term maturities of these financial assets.

ii. Long Term Payables

The carrying amount of long term payables is reasonable estimate of fair values because they are based on agreed settlement sum.

47. FINANCIAL INSTRUMENTS (CONT'D)

(b) Fair Values (cont'd)

iii. Trade and Other Receivables and Payables

The carrying amounts of trade receivables and payables are subject to normal trade credit terms. The carrying amounts of these receivables and payables are reasonable estimate of fair values due to the relatively short term maturities of these financial assets and liabilities.

iv. Lease and Hire Purchase Payables

The fair values of lease and hire purchase are estimated using discounted cash flow analysis, based on current lending rates for similar types of borrowing arrangement.

v. Borrowings

The carrying amounts of promissory note, bridging loan, revolving credit and bills payables approximate fair values due to the relatively short term maturities of these financial liabilities.

The fair values of term loans is estimated using discounted cash flow analysis, based on current lending rates for similar types of borrowing arrangements.

The carrying amounts of financial assets and liabilities recognised in the balance sheet approximate to their fair values except for the following:-

	Group		Company	
	Carrying Amount RM	Fair Values RM	Carrying Amount RM	Fair Values RM
2009				
Financial Asset				
Other investment	**520,001**	**# -**	**310,000**	**# -**
Financial Liabilities				
Term loans	**335,417,727**	**283,796,830**	**-**	**-**
Hire purchase and lease payables	**4,536,920**	**4,493,308**	**-**	**-**

47. FINANCIAL INSTRUMENTS (CONT'D)

(b) Fair Values (cont'd)

The carrying amounts of financial assets and liabilities recognised in the balance sheet approximate to their fair values except for the following:- (cont'd)

	Group		Company	
	Carrying Amount RM	Fair Values RM	Carrying Amount RM	Fair Values RM
2008				
Financial Asset				
Other investment	522,001	# -	310,000	# -
Financial Liabilities				
Term loans	341,589,659	382,467,895	-	-
Promissory note	138,173,973	144,480,669	138,173,973	144,480,669
Hire purchase and lease payables	5,306,886	5,340,885	-	-

It is not practical to estimate the fair value of golf club membership and unquoted shares in other investments due to the lack of quoted market prices and the inability to estimate fair value without incurring excessive costs.

The nominal amount and fair value of financial instruments not recognised in the Company's balance sheets are as follows:-

	Nominal Value RM	Fair Values RM
2009		
Contingent liabilities	**362,441,665**	**# -**
2008		
Contingent liabilities	342,688,355	# -

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

Group PROPERTIES

31 March 2009

Location	Area (Hectares)	Description	Tenure	Year of Expiry	Age of Building	Carrying Value RM'000
CL. 045091174 Mukim Menggatal Kota Kinabalu Sabah	242.81	Resort Development	Leasehold: 999 years	2897	–	817,562
CL. 045091174 Mukim Menggatal Kota Kinabalu Sabah	420.80	Resort Development	Leased: 99 years	2093	–	286,767
Lots P.T. 2180 2181 & 2182 Mukim of Dengkil District of Sepang Selangor	551.59	Resort Development	Leasehold: 99 years	2087	–	375,230
H.S. (D) 38228 Lot P.T. 6 Mukim Ampang District of Ulu Langat Selangor	0.05	Mixed Development	Leasehold: 99 years	2078	–	767
Country Lease No. 015414972 Mile 13 Tuaran Road District of Kota Kinabalu Sabah	168.06	Mixed Development	Leasehold: 999 years	2905	–	93,026

Shareholders' INFORMATION

As At 31 July 2009

Authorised Share Capital	:	RM2,000,000,000.00 divided into 4,000,000,000 ordinary shares of RM0.50 each
Issued & Fully Paid-up	:	RM1,015,029,840.00 divided into 2,030,059,680 ordinary shares of RM0.50 each
Class of Shares	:	Ordinary Shares of RM0.50 each
Voting Rights	:	Every member present in person or by proxy has one (1) vote on a show of hands and on a poll, every member present in person or by proxy has one (1) vote for each share he holds

Size of Holdings	No. of Shareholders	%	No. of Shares	%
1-99	400	0.676	16,232	0.001
100 -1,000	11,812	19.956	11,551,723	0.569
1,001 - 10,000	35,044	59.205	162,283,295	7.994
10,001 - 100,000	10,679	18.042	342,489,865	16.871
100,001 to less than 5% of issued shares	1,253	2.117	622,596,082	30.669
5% and above of issued shares	3	0.005	891,122,483	43.896
TOTAL	**59,191**	**100.000**	**2,030,059,680**	**100.000**

TOP THIRTY SHAREHOLDERS AS AT 31 JULY, 2009

	Name of Shareholders	No. of Shares	%
1.	CIMB Group Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Chen Lip Keong*	483,794,566	23.832
2.	HSBC Nominees (Tempatan) Sdn Bhd *Exempt an for JPMorgan Chase Bank, National Association (Chen Lip Keong)*	253,481,763	12.486
3.	Chen Lip Keong	153,846,154	7.578
4.	AIBB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Batu Bara Resources Corp Sdn Bhd*	23,446,900	1.155
5.	Thzew Bee Choo	21,907,000	1.079
6.	Citigroup Nominees (Asing) Sdn Bhd *Exempt an for OCBC Securities Pte Ltd*	20,180,015	0.994
7.	HSBC Nominees (Asing) Sdn Bhd *HSBC-FS for Asian Emerging Countries Fund*	13,839,000	0.682
8.	HDM Nominees (Asing) Sdn Bhd *DBS Vickers Secs (S) Pte Ltd for River Estates Incorporated*	10,000,000	0.493
9.	Quah Kay Leong	10,000,000	0.493
10.	TCL Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Ng Chai Hock*	8,065,000	0.397

Shareholders' INFORMATION

As At 31 July 2009

TOP THIRTY SHAREHOLDERS AS AT 31 JULY, 2009 (cont'd)

	Name of Shareholders	No. of Shares	%
11.	CIMSEC Nominees (Asing) Sdn Bhd *Exempt an for CIMB-GK Securities Pte Ltd*	7,442,568	0.367
12.	Teh Hean It	6,842,100	0.337
13.	Citigroup Nominees (Asing) Sdn Bhd *CBNY for DFA Emerging Markets Fund*	6,839,800	0.337
14.	Mayban Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Khoo Beng Chuan*	6,020,500	0.297
15.	Affin Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Chung Kin Chuan*	6,000,000	0.296
16.	Yeoh Kean Hua	5,600,000	0.276
17.	Ng Chee Peng	5,600,000	0.276
18.	Citigroup Nominees (Asing) Sdn Bhd *CBNY for DFA Emerging Markets Small Cap Series*	5,564,900	0.274
19.	Citigroup Nominees (Tempatan) Sdn Bhd *Uni. Asia Life Assurance Berhad (Life Fund)*	5,260,300	0.259
20.	How Ley Hun	5,000,000	0.246
21.	How Lea Peng	5,000,000	0.246
22.	Lim Lee Seng	4,950,000	0.244
23.	Lee Chin Yong	4,710,700	0.232
24.	Quantum Symbol Sdn Bhd	4,650,000	0.229
25.	HSBC Nominees (Asing) Sdn Bhd *Exempt an for the Bank of New York Mellon*	3,970,400	0.196
26.	Lembaga Tabung Angkatan Tentera	3,619,000	0.178
27.	Lim Kim Hock	3,500,000	0.172
28.	HLG Nominee (Asing) Sdn Bhd *Exempt an for UOB Kay Hian Pte Ltd (A/c Clients)*	3,461,094	0.170
29.	Song Phaik Gim	3,250,000	0.160
30.	HSBC Nominees (Asing) Sdn Bhd *Exempt an for JPMorgan Chase Bank, National Association (Singapore)*	3,050,000	0.150
	TOTAL	**1,098,891,760**	**54.131**

SUBSTANTIAL SHAREHOLDINGS
REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 31 JULY, 2009

Name of Substantial Shareholder	Direct No. of Ordinary Shares held	%	Indirect No. of Ordinary Shares held	%
Tan Sri Dr Chen Lip Keong	891,122,516 [a]	43.90	-	-

(a) Held through CIMB Group Nominees (Tempatan) Sdn Bhd and HSBC Nominees (Tempatan) Sdn Bhd

Directors' SHAREHOLDINGS

As At 31 July 2009

	Name of Directors	Number of Shares Direct	Deemed	Percentage of Issued Capital
1.	Tan Sri Datuk Sri Panglima Abdul Kadir bin Haji Sheikh Fadzir	-	-	-
2.	Tan Sri Dr Chen Lip Keong	(a) 891,122,516	-	43.90
3	Datuk Wan Kassim bin Ahmed	-	-	-
4.	Datuk Robin Loh Hoon Loi	-	-	-
5.	Chen Yiy Fon	-	-	-
6.	Leow Ming Fong @ Leow Min Fong	-	-	-
7.	Chen Yiy Hwuan			

Notes :

(a) Held through CIMB Group Nominees (Tempatan) Sdn Bhd and HSBC Nominees (Tempatan) Sdn Bhd

Request FORM

KARAMBUNAI CORP BHD (6461-P)
(Incorporated in Malaysia)

Dear Shareholders,

Please complete your particulars below and return this form through mail or fax to +6088 412 111 or +603 7958 8013 should you wish to receive a hardcopy of the Annual Report 2009 of Karambunai Corp Bhd. You may also contact Mr Goh Chin Koon at Tel No. +603 7968 1001 or Ms Candice Lo at Tel No. +088-499 934 or email your request to cosec@karambunaicorp.com

The hardcopy of the Annual Report will be posted to you within four (4) market days from the date of receipt of your verbal or written request.

Particulars of Shareholders

Name of Shareholder
I/C No./Passport No. or Company No.
CDS Account No.
Correspondence Address
Telephone Number

Dated this ______________ day of ______________, 2009

____
Signature

Fold Here

AFFIX STAMP

THE COMPANY SECRETARIES

KARAMBUNAI CORP BHD
1 NEXUS DRIVE EAST, KARAMBUNAI
PPM NO 200 MENGGATAL
88450 KOTA KINABALU
SABAH, MALAYSIA

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Proxy FORM

KARAMBUNAI CORP BHD (6461-P)
(Incorporated in Malaysia)

Number of Shares		CDS Account No.	

I/We, ____
(Please use block letters)

of ____
(Full address)

being a member/members of KARAMBUNAI CORP BHD hereby appoint ______________________

NRIC ____________________ of ______________________________ or failing him/her

______________________ NRIC ____________________ of ______________________

______________________ or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Forty-Third Annual General Meeting of the Company to be held at The Cocktail Lounge, Nexus Golf Resort Karambunai, No. 2, Nexus Drive West, Karambunai, off Jalan Sepangar, Menggatal, 88450 Kota Kinabalu, Sabah, Malaysia on Tuesday, 29 September 2009 at 10.00 a.m. and any adjournment thereof.

Please indicate with "X" in the space provided below how you wish your votes to be cast on the resolutions specified in the Notice of the Annual General Meeting. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his discretion.

No.	Ordinary Resolutions	FOR	AGAINST
1	Adoption of Audited Financial Statements and Reports		
2	Approval of Directors' fees		
3	Re-election of Datuk Robin Loh Hoon Loi as Director		
4	Re-election of Leow Ming Fong @ Leow Min Fong as Director		
5	Re-appointment of Tan Sri Datuk Seri Panglima Abdul Kadir Bin Haji Sheikh Fadzir as Director		
6	Re-appointment of Messrs Moore Stephens AC as Auditors		
7	Authority pursuant to Section 132D of the Companies Act, 1965		

Signed this ____________________ day of ____________________, 2009

____
Signature/Seal of Shareholder

____
Telephone No. (during office hours)

NOTES:

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend and vote, in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149 (1)(b) of the Companies Act, 1965 shall not apply.
2. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specified the proportions of his shareholdings to be represented by each proxy.
3. The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorised in writing, or if such appointor is a corporation, either under seal, or the hand of an officer or attorney duly authorised.
4. The instrument appointing a proxy and the power of attorney or other authority (if any) under which the instrument is signed or a notarily certified copy of that power or authority, shall be deposited at the Company's Registered Office, No. 1, Nexus Drive East, Karambunai, Menggatal, 88450 Kota Kinabalu, Sabah, Malaysia not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting.

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AFFIX STAMP

THE COMPANY SECRETARIES

KARAMBUNAI CORP BHD
1 NEXUS DRIVE EAST, KARAMBUNAI
PPM NO 200 MENGGATAL
88450 KOTA KINABALU
SABAH, MALAYSIA

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Nexus Resort Karambunai Sdn Bhd (130571-M)
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Sabah, Malaysia
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F: +6088-412 020
E: info@nexusresort.com

Karambunai Corp Bhd (6461-P)
No 1, Nexus Drive East, Karambunai
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