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DIRECTORS

Tan Sri Dato' Seri (Dr) Aseh bin Hj Che Mat
(Independent Non-Executive Chairman)
P.S.M.. S.P.S.K., S.S.A.P., S.P.T.J., S.P.D.K., D.P.C.M., D.S.A.P., D.I.M.P., K.M.N., A.M.N.

Tang King Hua
(Managing Director)

Lim Kong Yow
(Executive Director)

Dato' Surin Upatkoon
(Non-Independent Non-Executive Director)
D.S.P.N.

Lawrence Lim Swee Lin
(Independent Non-Executive Director)

Dato' Shahbudin bin Imam Mohamad
(Independent Non-Executive Director)
D.S.A.P., D.I.M.P., S.A.P., J.S.N., P.J.K..

Dato' Yogesvaran a/l T. Arianayagam
(Independent Non-Executive Director)
D.I.M.P.

Tan Chor Teck
(Independent Non-Executive Director)

AUDIT COMMITTEE

Dato' Yogesvaran a/l T. Arianayagam
Independent Non-Executive Director

Dato' Shahbudin bin Imam Mohamad
Independent Non-Executive Director

Tan Chor Teck
Independent Non-Executive Director

NOMINATION COMMITTEE

Dato' Yogesvaran a/l T. Arianayagam
Independent Non-Executive Director

Dato' Shahbudin bin Imam Mohamad
Independent Non-Executive Director

Tan Chor Teck
Independent Non-Executive Director

REMUNERATION COMMITTEE

Tan Chor Teck
Independent Non-Executive Director

Dato' Yogesvaran a/l/ T. Arianayagam
Independent Non-Executive Director

Dato' Surin Upatkoon
Non-Independent Non-Executive Director

SECRETARY

Lim Kong Yow
MIA 4979

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

846, Jalan Raya
14209 Sungei Bakap
Seberang Perai Selatan, Penang
Tel No: 04-585 8188 Fax No: 04-585 8199

REGISTRARS

Metra Management Sdn Bhd (62169-A)
30.02, 30th Floor, Menara Multi-Purpose, Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel : 03-2698 3232 Fax : 03-2698 0313

AUDITORS

Ernst & Young (AF 0039)
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur

DOMICILE

Malaysia

LEGAL FORM AND PLACE OF INCORPORATION

A public listed company incorporated in Malaysia under the Companies Act, 1965 and limited by shares

PRINCIPAL BANKERS

OCBC Bank (Malaysia) Berhad
CIMB Bank Berhad

SOLICITORS

Ghazi & Lim

STOCK EXCHANGE LISTING

Main Board of Bursa Malaysia Securities Berhad
Stock Name: MWE
Stock Code : 3921

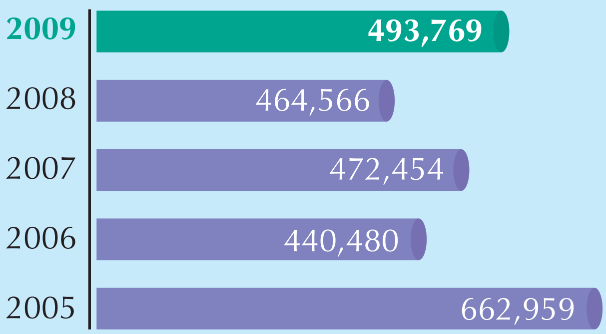
WEBSITE

www.mweh.com.my

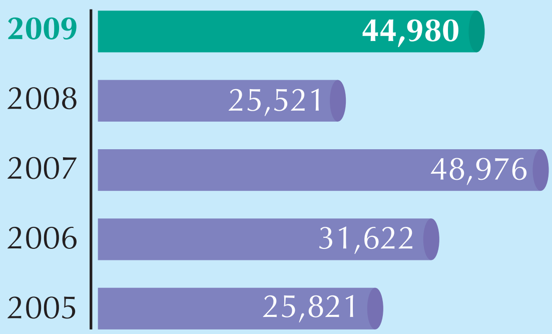
5 Years' Group Financial Highlights

	2009 (RM'000)	2008 (RM'000)	2007 (RM'000)	2006 (RM'000)	2005 (RM'000)
Revenue	**493,769**	464,566	472,454	440,480	662,959
Profit Before Tax	**44,980**	25,521	48,976	31,622	25,821
Paid-up capital	**231,559**	231,559	231,559	231,559	231,559
Shareholders' Funds	**332,569**	315,988	314,969	293,003	280,223
Total Assets	**543,968**	519,444	494,461	500,356	618,382
Net Assets per share (sen)	**144**	137	136	127	121
Earnings per share (sen)	**14**	8	18	11	7
Net Dividend per share (sen)	**8**	6	7	8	5

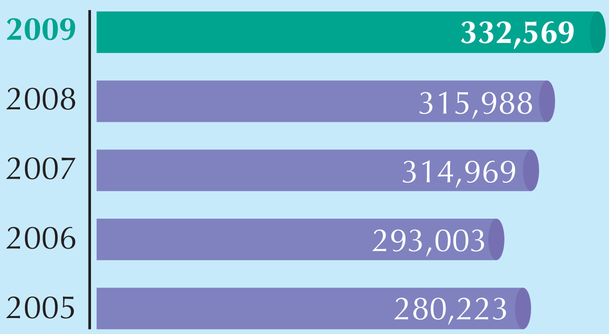
REVENUE
(RM'000)



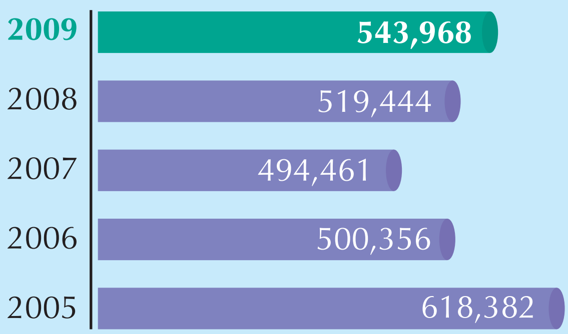
PROFIT BEFORE TAX
(RM'000)



SHAREHOLDERS' FUND
(RM'000)



TOTAL ASSETS
(RM'000)



Corporate Structure

MWE HOLDINGS BERHAD
(5713-D)

- ELECTRONICS DIVISION
- PLANTATION DIVISION
- LEISURE DIVISION
- INDUSTRIAL DIVISION
- GARMENTS DIVISION
- PROPERTIES DIVISION
- CORPORATE/ SERVICES DIVISION
- INTERNATIONAL DIVISION

- 100% Davex Holdings Berhad
  - 40% Specific Form Sdn Bhd *
  - 93% Davex (Malaysia) Sdn Bhd
    - 60% Specific Form Sdn Bhd *
      - 100% Realistic Returns Sdn Bhd *
    - 100% Davex Engineering (M) Sdn Bhd
    - 100% Davex Australia Pty Ltd
    - 100% Davex Singapore Pte Ltd
  - 51% Round and Round Pte Ltd
  - 44% PI International Holdings Ltd ^
  - 36% Advanced Mobile Services & Solutions Sdn Bhd ^
  - 69% Phili-Orient Lines (Penang) Sdn Bhd
    - 100% Phili-Orient Airfreight (Penang) Sdn Bhd
      - 51% Phili-Orient Airfreight (Malaysia) Sdn Bhd
    - 49% Phili-Orient Airfreight (Malaysia) Sdn Bhd
  - 60% VXL Alliance Sdn Bhd
  - 68% Daviscomms (S) Pte Ltd
    - 100% Daviscomms (Malaysia) Sdn Bhd
- 100% Fauzi-Lim Plantation Sdn Bhd
- 100% Etika Gangsa Sdn Bhd
- 100% Taka Worldwide Trading Sdn Bhd
- 100% MWE Golf & Country Club Berhad
- 90% Alu-Paste & Pigments Sdn Bhd
  - 53% Quasar Industrial Vehicles Sdn Bhd
- 100% MWE Weaving Mills Sdn Bhd
- 100% MWE Spinning Mills Sdn Bhd
  - 100% MWE Textile Industries Sdn Bhd
  - 100% United Sweethearts Garment (Vietnam) Co., Ltd
- 100% United Sweethearts Garment Sdn Bhd
  - 20% CNT Garments Sdn Bhd ^
- 90% MWE Advanced Structure Sdn Bhd
  - 70% MWE Cedar Homes Sdn Bhd
- 100% MWE Properties Sdn Bhd
  - 100% Melati Mewah Sdn Bhd
    - 100% Melati Mewah Property Services Sdn Bhd
    - 100% Versatile Development Sdn Bhd
  - 100% MWE Precast Concrete Sdn Bhd
  - 100% Metra PMC Sdn Bhd
  - 100% Prime Achiever Sdn Bhd
  - 70% MWE Development Sdn Bhd
  - 60% MWE Tiravest Sdn Bhd
  - 60% Jurangjaya Sdn Bhd
    - 100% Lup Ching Holdings Sdn Bhd #
  - 51% MWE Macadam Sdn Bhd
  - 50% Ribuan Wangsa Sdn Bhd ^
  - 50% Weld Quay Development Sdn Bhd ^
  - 40% Island Garden Development Sdn Bhd ^
- 100% Ganda Pesona Sdn Bhd
- 100% Alam Perdana Sdn Bhd #
- 70% Bay Potential Sdn Bhd #
- 30% Premier Capital Holdings Sdn Bhd ^
- 100% Metra Management Sdn Bhd
  - 100% Metra Nominees Sdn Bhd
- 100% First Cosmopolitan Sdn Bhd
  - 100% Devanna Limited

*	In the process of members' voluntary winding-up
^	Associate Company
#	In the process of striking-off

Directors' Profile

TAN SRI DATO' SERI (DR) ASEH BIN HJ CHE MAT
(Independent Non-Executive Chairman)

Tan Sri Aseh, aged 59, a Malaysian, was appointed to the Board of MWE Holdings Berhad ("MWE") on 23 July 2008 as an Independent Non-Executive Director and subsequently on 28 July 2008 as Non-Independent Non-Executive Chairman. Tan Sri Aseh obtained his Bachelor of Economics (Honours) degree from the University of Malaya in 1974 and obtained his Masters in Public Administration degree from the University of Southern California, USA in 1984. In year 2007, Tan Sri Aseh received his PhD in International Relations from the Lim Kok Wing University of Creative Technology, Cyberjaya.

Upon his graduation in 1974, Tan Sri Aseh joined the Ministry of Finance as Assistant Secretary. Prior to his retirement in October 2007 as Secretary General of the Ministry of Home Affairs, he held various positions in the civil service, ranging from Principal Assistant Secretary in the Education Services Commission, serving Sarawak and Sabah for 7 years from 1977 to 1981, and other various positions in the Ministry of Home Affairs before being appointed Deputy Director-General of Immigration Malaysia and thereafter, Director-General of Immigration Malaysia.

Tan Sri Aseh is active in community services and is currently the Chairman of RELA Cooperative, Chairman of FAM Monitoring and Integrity Committee, President of Rifle Association Malaysia, President of Tiara Golf & Country Club, Melaka Advisor of PAPITA (Singer Association of Malaysia) and Chairman of the Parents and Teachers Association (PIBG) of SMK Putrajaya since 2001. Tan Sri Aseh was also active in the Administrative and Diplomatic Service (ADS) and was its longest serving President.

Particulars of other directorships in public companies:-

Pos Malaysia Berhad (Chairman)
Stemlife Berhad (Chairman)
Lion Diversified Holdings Berhad

Tan Sri Aseh does not hold any shares in MWE or its subsidiaries.

DATO' SURIN UPATKOON
(Non-Independent Non-Executive Director)

Dato' Surin, aged 61, a Thai national, was appointed to the Board of MWE on 29 July 1976. Dato' Surin is currently the Managing Director of Multi-Purpose Holdings Berhad, Chairman of Magnum Corporation Sdn Bhd and Magnum 4D Berhad respectively.

Dato' Surin has vast working experience in the textile manufacturing industry business, and has played a key role in the expansion and development of MWE Group of Companies. He was first appointed the Managing Director of MWE Spinning Mills Sdn Bhd on 30 November 1974, taking charge of its day-to-day operations. Subsequently, he was appointed the Managing Director of MWE Weaving Mills Sdn Bhd.

Dato' Surin is actively involved in community services for the benefit of education and charity. He is a Trustee of the Chang Ming Thien Foundation and Magnum Foundation, a Director of Kuen Cheng Girls' High School and also Vice President of Penang Table Tennis Association. He also sits on the boards of several public and private limited companies.

Dato' Surin does hold substantial shareholding in MWE. Details of his shareholdings are set out in the Directors' Report for the year ended 31 December 2009. He is deemed to have interest in shares in all the subsidiaries to the extent MWE has an interest.

TANG KING HUA
(Managing Director)

Malaysian, aged 52, was appointed as an Executive Director of MWE on 2 February 2000 and subsequently as a Managing Director on 28 August 2002. Mr. Tang graduated with a Bachelor degree in Industrial Engineering from Canada Technical University of Nova Scotia in 1982. He started his career in 1983 by working in a multi-national electronics company overseeing quality control, production and engineering functions.

His vast experience in the field of electronics had enabled him to spearhead the pioneer team in setting-up a company called Eastrade Electronics (M) Sdn Bhd. Currently, Mr. Tang is the Managing Director of Davex Group of Companies and he oversees the overall profitability and viability of the Group. He is responsible for the identification and penetration of any new and potential markets for the Group both locally and overseas.

Mr. Tang does have shares in MWE and its subsidiaries. Details of his shareholdings in MWE and its subsidiaries are set out in the Directors' Report for the year ended 31 December 2009.

LIM KONG YOW
(Executive Director)

Malaysian, aged 55, was appointed to the Board of MWE on 11 December 2001. Mr. Lim obtained his professional qualifications from Chartered Institute of Management Accountants (United Kingdom) in 1982 and is a member of Malaysian Institute of Accountants. He has more than 20 years of working experience in the field of audit, accounting, management, tax and secretarial services.

Mr. Lim started his career by working in Multi-Purpose Holdings Berhad attached to Internal Audit Department for 2 years before moving to Hong Leong Group of Companies. In December 1989, he joined MWE Group of Companies as a Group Chief Accountant and was later promoted to Group Financial Controller. He is principally involved in the accounting, administration, financial functions and management of the MWE Group. He sits on the boards of several private limited companies.

Mr. Lim does have shares in MWE. Details of his shareholdings in MWE are set out in the Directors' Report for the year ended 31 December 2009.

LAWRENCE LIM SWEE LIN
(Independent Non-Executive Director)

Malaysian, aged 53, was appointed to the Board of MWE on 1 August 1989. Mr. Lim holds a Bachelor of Arts degree in Economics (Honours) from the University of Sheffield and a Masters degree in Business Administration from University of Manchester, United Kingdom.

He is currently the Chief Executive Officer of Magnum Corporation Sdn Bhd and Executive Director of Magnum 4D Berhad. Prior to this, Mr. Lim was with a leading merchant bank in Malaysia where he was principally involved in syndications, debt securitisation and project financing. In addition, he sits on the boards of a number of private and public limited companies both in Malaysia and overseas.

Mr. Lim does have shares in MWE. Details of his shareholdings in MWE are set out in the Directors' Report for the year ended 31 December 2009.

DATO' SHAHBUDIN BIN IMAM MOHAMAD
(Independent Non-Executive Director)

Malaysian, aged 68, was appointed to the Board of MWE on 14 September 2000. Dato' Shahbudin graduated with a Bachelor of Arts degree from University of Malaya in 1966.

He spent over 31 years of his career with the Malaysian Government holding various positions such as Assistant Secretary of Malaysian Home & Foreign Service in the Ministry of Labour, Assistant Secretary of Establishment Division in the Public Service Department, Principal Assistant Secretary in the Ministry of Defence, Deputy Secretary-General in the Ministry of Energy, Telecom & Post, Deputy Director Budget in the Treasury, The Honourable State Secretary in Pahang and lastly as a Deputy Secretary General - Operation in the Ministry of Finance before he retired in 1997.

Dato' Shahbudin also sits on the board of another public listed company, Bonia Corporation Berhad. He also sits on the boards of several private limited companies.

Dato' Shahbudin does not hold any shares in MWE or its subsidiaries.

TAN CHOR TECK
(Independent Non-Executive Director)

Malaysian, aged 48, was appointed to the Board of MWE on 14 September 2000. Mr. Tan graduated with a degree in Law & Arts from the Melbourne University in 1984. He started his career by working on various projects in Sydney before returning to Malaysia in 1996 where he had been involved in residential property development and management.

Currently, Mr. Tan sits on the boards of several private limited companies that are involved in property development and property management.

Mr. Tan does have shares in MWE. Details of his shareholdings in MWE are set out in the Directors' Report for the year ended 31 December 2009.

DATO' YOGESVARAN A/L T. ARIANAYAGAM
(Independent Non-Executive Director)

Malaysian, aged 58, was appointed to the Board of MWE on 1 July 2008. Dato' Yogesvaran is a Fellow of the Chartered Institute of Management Accountant, UK, a Chartered Accountant with Malaysian Institute of Accountants and an Associate Member of the British Institute of Management, UK.

Dato' Yogesvaran started his career as a Management Accountant with British Steel Corporation, England in 1974. Upon his return to Malaysia in 1976, he joined Aseambankers Malaysia Berhad and was the Senior Manager and Head of the Corporate Finance Division. In 1984, he left Aseambankers Malaysia Berhad and joined Sampoorna Holdings Berhad as its Chief Executive Officer. In November 1989, he joined Murnivest Sdn Bhd as Managing Director and currently he is the Managing Director of Asian Pac Management Sdn Bhd, a position he holds since January 2003. Dato' Yogesvaran brings along 30 years of experience in Corporate Finance, Financial Management and in Mergers and Acquisitions.

Dato' Yogesvaran also sits on the boards of Perisai Petroleum Teknologi Berhad, a public listed company, Multi-Purpose Insurans Berhad, Sampoorna Holdings Berhad and several private limited companies in Malaysia, Singapore and India.
Dato' Yogesvaran does not hold any shares in MWE or its subsidiaries.

Particulars of Directors

Name	Nationality	Details of membership in Board Committees	Family relationship with any director and / or major shareholder of MWE	Conflict of interest with MWE	Convictions for offences within the past 10 years other than traffic offences
Tan Sri Dato' Seri (Dr) Aseh bin Hj Che Mat *(Appointed on 23 July 2008)*	Malaysian/ Malay	-	NIL	NIL	NIL
Tang King Hua *(Appointed on 2 February 2000)*	Malaysian/ Chinese	-	NIL	NIL	NIL
Lim Kong Yow *(Appointed on 11 December 2001)*	Malaysian/ Chinese	-	NIL	NIL	NIL
Dato' Surin Upatkoon *(Appointed on 29 July 1976)*	Thai	RC	NIL	NIL	NIL
Lawrence Lim Swee Lin *(Appointed on 1 August 1989)*	Malaysian/ Chinese	-	NIL	NIL	NIL
Dato' Shahbudin bin Imam Mohamad *(Appointed on 14 September 2000)*	Malaysian/ Malay	AC &NC	NIL	NIL	NIL
Tan Chor Teck *(Appointed on 14 September 2000)*	Malaysian/ Chinese	AC, NC & RC	NIL	NIL	NIL
Dato' Yogesvaran a/l T. Arianayagam *(Appointed on 1 July 2008)*	Malaysian/ Indian	AC, NC & RC	NIL	NIL	NIL

Chairman's Statement

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of the Group and the Company for the financial year ended 31 December 2009.

FINANCIAL PERFORMANCE

The Group has performed well despite numerous challenges faced and negative effects arising from the global economic crisis in year 2009.

For the year under review, the Group's revenue grew by 6%, totalling RM493.8 million as compared to RM464.6 million recorded in the previous year.

In tandem with the growth in revenue, profit before tax rose by 76% to RM45.0 million as compared to previous year of RM25.5 million. The increase in profit was largely attributed to strong performances from both Garments and Electronics Divisions. Share of result of associates and gain from investments also contributed to better performance of the Group.

At the company level, profit before tax of RM28.4 million was recorded as compared to a loss before tax of RM13.7 million in the previous year. The fine performance was primarily due to higher dividend income received from subsidiaries.

DIVIDEND

During the year, the Board declared an interim dividend of 4% tax exempt (Year 2008: 3% tax exempt) amounting to RM9.2 million and was paid to shareholders on 30 December 2009.

The Board is also recommending a final dividend of 4% tax exempt for the financial year ended 31 December 2009 (Year 2008: 3% tax exempt) totalling RM9.2 million, subject to shareholders' approval at the forthcoming Annual General Meeting to be convened on 3 June 2010.

Together with the interim dividend paid, the total dividend payment for the financial year 2009 will be 8% tax exempt (2008: 6% tax exempt).

REVIEW OF OPERATIONS

Garments Division

The Garments Division performed better than anticipated and for the year under review, the division recorded an increase in profit before tax to RM22.8 million as compared to RM8.8 million in the previous year, while revenue increased by 11% to RM151.2 million from RM136.5 million previously.

The sterling performance of the division was principally contributed by both local and overseas garments operations. Combined profit before tax for the year under review was reported at RM16.8 million as compared to RM8.1 million in the previous year. The commendable profit was attributable to higher sale volume and various cost cutting measures undertaken by the division which includes implementation of LEAN manufacturing method and tight control on raw materials consumption.

The division will continuously strengthen its production efficiency and build larger capacity base through special product partnership with satellite factories in Vietnam. With the gradual recovery of the US economy, the division is optimistic that exports to the US markets would be further increased in the year 2010.

Electronics Division

The Electronics Division reported fine performance which saw its revenue rose by 5% from RM253.0 million to RM264.7 million for the year under review. Profit before tax increased in tandem to RM29.4 million as compared to RM27.3 million in the previous year. The marked improvement in both revenue and profit before taxation was contributed primarily by the Lighting Section.

The Lighting Section performed well by chalking up revenue to RM178.3 million compared to RM148.0 million in the previous year. Profit before tax increased by 34% to RM29.1 million as compared to RM21.7 million in the previous year. The strengthening of Singapore Dollar against Ringgit Malaysia also contributed to better results of the section.

Our Pagers Section undertaken through Daviscomm Group reported a lower revenue of RM55.2 million, a decrease of 19% compared to RM67.8 million in the previous year. Consequently, profit before tax reduced from RM4.6 million to RM2.0 million for the year under review. The lower profit was largely due to a drop in pager orders from its major customers.

The Freight Section continued to operate under difficult market conditions despite measures taken in year 2009 to reduce operating costs, termination of contract workers and close scrutiny over purchases. The section recorded revenue of RM32.5 million, reflecting a decrease of 17% against RM39.2 million in the previous year. For the same period, profit before tax was lower at RM0.2 million as compared to profit before tax of RM0.9 million recorded in previous year. The lower profit was mainly due to lower trade volume and increased freight costs brought by the economic slowdown.

Properties Division

The Properties Division reported revenue of RM48.4 million as compared to RM35.9 million in the previous year. The loss before tax was lower, at RM2.1 million compared to RM8.5 million recorded in the previous year. The higher loss registered in year 2008 was mainly due to allowance for doubtful debts and cost overruns for its development projects.

The overall office rental and occupancy rate in Penang had shown a slight decrease for the current financial year. Our MWE Plaza, an office building in Penang recorded a marginal drop of 0.5% to 89.5% in its occupancy rate.

Leisure Division

Monterez Golf & Country Club ("MGCC") recorded a slight decrease in revenue for the year under review, mainly due to lower consumer spending.

The revenue posted by MGCC was RM6.9 million against RM7.1 million in the previous year. However, the loss before tax was reduced to RM1.1 million compared to RM2.6 million in the previous year.

The construction of a 24-lane bowling alley is currently in progress and MGCC anticipates that the club's business activities would be enhanced with the completion of this new facility by the middle of this year. At the same time, innovative sales and marketing activities will be embarked by MGCC to further expand its membership base.

Plantation Division

The Plantation Division entered its second year of operations in 2009 with lower revenue of RM6.0 million as compared to RM6.6 million reported in the previous year (2008 : only 9 months of operating results included). At the same period, loss before tax was RM3.9 million as compared to RM0.6 million recorded in previous year.

The loss sustained was primarily due to a lower crop yield and low fresh fruit bunches ("FFB") prices. High operating costs also contributed to the loss for the year.

Industrial Division

During the year under review, Quasar Industrial Vehicles Sdn Bhd ("QIV"), our subsidiary involved in the distribution of commercial vehicles reported lower revenue of RM14.9 million as compared to RM21.7 million in the previous year. Consequently, it reported loss before tax of RM0.1 million against previous year's profit before tax of RM1.5 million, mainly due to lower sale of vehicles and spare parts.

The year 2009 saw the introduction of China Dongfeng brand of heavy commercial vehicles by QIV. Active sales and marketing events were held to promote Dongfeng vehicles and the initial sales were reported to be encouraging. QIV is confident that the sales of Dongfeng vehicles would help to generate higher revenue in year 2010.

PROSPECTS

The year 2009 began with the world facing unprecedented financial crisis with major economies heading towards deep recession. However, towards the third quarter of 2009, world economy has shown sign of recovery, and as a result, recession was averted.

Although the global economy is on its recovery path, we expect the year 2010 to be filled with new challenges. We take cognizance of the prevailing uncertainties in the ever competitive environment and will continue to rationalise our operations to further enhance production and management efficiency.

We remain cautious and are prepared to ride the new wave of challenges and take on additional synergistic businesses by relying on our strong foundation that we have built over the years.

APPRECIATION

On behalf of the Board of Directors, I would like to extend my sincere appreciation to the Management and all employees of MWE for their hard work and commitment over the past year. My utmost gratitude to our valued shareholders, business associates, customers, government agencies and bankers for their confidence and unwavering support.

Lastly, I thank my fellow Board Members for their dedication and continued support.

TAN SRI DATO' SERI (DR) ASEH BIN HAJI CHE MAT
Chairman
21 April 2010

Corporate Social Responsibility Statement

Success and sustainability of a business can no longer be assured by profit maximisation in today's business environment. Stakeholders are now more discerning about social roles played by the corporate citizens, especially in respect of the impact of business on the community, market place, work place and environment. As a result, business organisations have increasingly become aware of the importance to focus beyond compliance with laws to respond to the dynamic economic, social and environmental changes.

The Board of MWE Group acknowledges the significance of Corporate Social Responsibility ("CSR") and views CSR as an extension to the Group's efforts in promoting a strong corporate governance culture. MWE Group is committed to being a responsible member of the community via its conduct of business in an ethical manner, through its recognition of and positive response to society priorities, and through its meeting and exceeding regulatory expectations. This commitment guides the Group's CSR programme and underscores its obligations towards all stakeholders comprising customers, consumers, employees, shareholders, business partners, the Government and the various communities in which the Group's businesses operate in.

Over the financial year under review, MWE and its subsidiaries has continued to undertake social activities by delivering support in the form of time, energy, human resources and finance to the society.

COMMUNITY

The Group plays its role as a socially responsible corporate citizen in the community through various activities held with the aim of caring for the well being of the society at large.

During the year, the Group continued to involve in various community activities including organising social visits to children with special need centre, orphanage and old folks' home. In addition, MWE Group had also contributed both in monies and in-kind to the underprivileged and needy children such as Association Y.R.J.S. Handicapped Children's Home, Pusat Penjagaan Kanak-Kanak Cacat, Tabung Perayaan Yayasan Islam Kelantan – Kejohanan Sukan sekolah-sekolah Agama Malaysia (KESSUMA) ke 10, PKAYP & Miskin Rumah Kasih Kg. Ulu Inas, various religious temples and not forgetting the donation to various primary and secondary schools in order to assist the schools to carry out the maintenance and repairing works on the buildings for the schools. Apart from this, we have reached out to victims of natural disasters. This is evidenced by our donations to typhoon and earthquake victims in Taiwan, Indonesia, Vietnam and Philippines through Mercy Humanitarian Fund.

The Group had also participated in the sponsorship of sport events including Penang Table Tennis Tournament 2009 in collaboration with Majlis Sukan Negeri Pulau Pinang.

WORKPLACE

MWE Group recognizes the importance of our human capital and the role our personnel have in the overall success of the Group. Developing our human capital remains our core priority as we recognize that competent employees form the foundation and backbone of our successful conglomerate.

Employees are continuously provided with training and development opportunities to equip them with the relevant skills, knowledge and experience. The benefits provided for employees include hospitalization and personal accident insurance coverage.

In addition to developing the skills of our personnel, it is also a priority for the Group to support the well-being of our employees. During the year, USG Recreation Club has organised "Team Bonding & Building Activities" for the overall well-being and fostering close relationships with all employees in Malaysia and Vietnam so to create a sense of belonging amongst them. All these activities are expected to promote stronger bond among the staff and to unite all staff as one.

The Group also emphasised on health and safety aspects at the workplace and continues to roll out its ongoing Occupational Health and Safety ("OHS") initiatives which include OHS training, the implementation of a central controlled safe work permit, fire evacuation drills, periodic checks, certification audits by regulatory authorities and hazardous work controls. All of these initiatives helped the Group to reduce the number of accidents and workdays lost during the year.

ENVIRONMENT

As an environmental socially responsible corporate citizen, the Group undertook several initiatives in preserving the environment including upgrading its IT infrastructure on its move to a paperless environment, reducing the usage of papers via electronic communication and recycling paper waste as well as contributing through donations to the environmental programmes.

Continuous initiatives are carried out and practiced throughout the organization in aid of preserving the environment including:-

- Communication via emails to reduce usage of papers on letter or memos.
- Document management system in place to store documents electronically in pursuit of paperless environment.
- Staff are encouraged to print double-sided to reduce usage of papers.

MARKET PLACE

To be socially responsible in the economic boundaries it operates by maintaining high integrity at the market place through ethical business conduct, good corporate governance practices and enhancement of the shareholders' value through exceptional management accounting practices. In achieving the corporate goals, the Group will not compromise its ethical values to provide fair and equitable opportunities to the stakeholders.

Directors' Responsibility Statement

The Board is responsible for ensuring that the financial statements of the Group gives a true and fair view of the state of affairs of the group and of the Company in accordance with applicable and approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 subject to any explanations and material departures disclosed in the notes to the financial statements.

The Directors hereby confirm that appropriate accounting policies have been consistently applied and supported by reasonable and prudent judgements and estimates in the preparation of the financial statements.

Continuing Corporate Disclosure

Share Buybacks

During the financial year ended 31 December 2009, there were no re-purchase of shares of the Company.

Options, Warrants or Convertible Securities

No options, warrants or convertible securities were exercised during the financial year.

Imposition of Sanctions/Penalties

There were no material sanctions and/or penalties imposed on the Company and its subsidiary companies, directors or management by the relevant regulatory bodies.

Non-audit Fees

There were no non-audit fees paid to the external auditors for the financial year ended 31 December 2009.

Profit Estimate, Forecast or Projection

There were no variances of ten percent (10%) or more between the results for the financial year and the unaudited results and the profit forecast previously made or released by the Company.

Profit Guarantee

During the financial year, there were no profit guarantees given by the Company.

Material Contracts involving Directors/Substantial Shareholders' interests

During the year, there were no material contracts on the Company and its subsidiaries involving directors or substantial shareholders' interest.

Contracts Relating to Loans

There were no contracts relating to loans by the Company in respect of the material contracts involving directors' and major shareholders' interests.

Revaluation of Landed Properties

The Company does not have a revaluation policy on landed properties.

American Depository Receipt (ADR) or Global Depository Receipt (GDR) Programme

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

The Board of Directors of MWE Holdings Berhad appreciates the importance of adopting the principles and best practices in corporate governance as set out in the Malaysian Code on Corporate Governance ("the Code"). The Board will maintain a transparent disclosure of the manner and extent that the Company has applied the said principles and best practices.

1. THE BOARD OF DIRECTORS

The Board & Board Balance

The Board is responsible for the overall governance of the Group and the Board discharges these responsibility through compliance with the relevant rules, regulations and guidelines to adopt the best practices in the Malaysian Code of Corporate Governance.

The composition of the Board reflects a balance with a mix of technical, administrative and business experiences that has been vital to the direction of the Group.

Currently, the Board has eight (8) members, comprising one (1) Independent Non-Executive Chairman, one (1) non-independent & non-executive director, four (4) independent & non-executive directors, one (1) managing director and one (1) executive director. The number of independent & non-executive directors make up more than one third (1/3) of the memberships of the Board and their presence provided fair and independent view to the Board.

The respective roles of Chairman, the Managing Director and Executive Director are clearly defined, so as to ensure that there is a balance of power and authority. The Chairman is responsible for ensuring Board effectiveness and conduct, whilst the Managing Director and Executive Director have overall responsibility for the operating units, organisational effectiveness and implementation of Board policies and decisions.

The Board also delegates specific responsibilities to various committees such as Audit Committee, Remuneration Committee and Nomination Committee to assist in discharging their duties. The brief profiles of all directors are given in pages 6 to 8. The management functions have been delegated to the managing and executive directors. The delegation of authority by the Board enables the Board to achieve operational efficiency and yet maintain control over major policies and decisions.

The Board has nominated Tan Sri Dato' Seri (Dr) Aseh bin Hj Che Mat, the Chairman of the Board, to whom any concerns of shareholders or investors may be conveyed.

The Board operates in an open environment in which opinions and information are freely exchanged and in these circumstances any concerns need not be focused on a single director as all members of the Board fulfill this role individually and collectively.

Board Meetings

The Board met five (5) times during the year 2009, whereat it reviewed and approved various issues including the Group's quarterly financial results, the performance of the subsidiaries, the business plan and strategy of the Group and corporate proposals. The Board also reviewed the adequacy of the Group's internal control system, identified addressed principal risks in the Group's through the powers delegated to the Audit Committee.

The details of attendance of each Director at the Board of Directors' Meetings held during the financial year ended 31 December 2009 are set out as follows:-

Directors	Attendance
Tan Sri Dato' Seri (Dr) Aseh bin Hj. Che Mat	5/5
Tang King Hua	5/5
Lim Kong Yow	5/5
Dato' Surin Upatkoon	5/5
Lawrence Lim Swee Lin	5/5
Dato' Shahbudin bin Imam Mohamad	4/5
Dato' Yogesvaran a/l T. Arianayagam	5/5
Tan Chor Teck	5/5

The agenda for Board meetings, together with the detailed reports and proposition papers to be tabled at the Board meetings, are circulated to all the Directors for their perusal and consideration prior to each Board meeting.

All matters arising, deliberation and conclusions of the Board meetings are clearly and accurately recorded in the minutes of meetings by the Company Secretary, confirmed by the Board and signed as a correct record by the Chairman of meeting.

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

Supply of Information

All Directors have unrestricted access to information relating to the Group's operations in the discharge of their duties and may require to be provided with further information on the Board Meeting agenda item.

The Directors are regularly updated by the Company Secretary on the regulatory requirements in discharging their duties and responsibilities.

The Company Secretary attends all Board meetings and ensures that accurate and adequate records of the proceedings and decision made during the Board meetings are properly kept.

The Directors have full access to the senior management and the advice and services of the Company Secretary. In addition, the Directors may also seek independent professional advice, at the Company's expense, if any.

Appointment to the Board

Any proposed appointment of new director to the Board will be deliberated at the Nomination Committee to ensure that the process of nominating and appointing new members to the Board is fair and transparent. Currently, the Committee comprises the following members:-

1. Dato' Yogesvaran a/l T. Arianayagam (Independent Non-Executive Director)
2. Dato' Shahbudin bin Imam Mohamad (Independent Non-Executive Director)
3. Tan Chor Teck (Independent Non-Executive Director)

The Board, through the Nomination Committee, reviews annually its required mix of skills and experience and other qualities, including core competencies of all Directors to ensure the effectiveness of the Board as a whole and the committees of the Board.

Re-election of Directors

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

In accordance with the Company's Articles of Association, all Directors are subject to election at the first Annual General Meeting after their appointment.

The Articles also provide that at least one third (1/3) of the Directors, or, if their number is not a multiple of three (3), the number nearest to but not exceeding one-third (1/3) shall retire from office at each Annual General Meeting and offer themselves for re-election by rotation at each Annual General Meeting.

Directors who are appointed by the Board are subject to re-election at the next Annual General Meeting held following their appointment.

Directors' Training

All Directors of the Company have attended the Mandatory Accreditation Programme conducted by the Approved Organiser. The Directors will continue to undergo other relevant training programmes to further enhance their knowledge on a continuous basis in compliance with Practice Note 5 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad on the Continuing Education Programme.

During the financial year ended 31 December 2009, all the directors have attended their training programme on "From Good Governance to Great Branding" conducted by RAM Holdings Berhad except for Dato' Shahbudin bin Imam Mohamad who has attended his training programme on "The EVA Approach to Value Creation" and "Risk Management : Challenges and Opportunities" organized by Permodalan Nasional Berhad.

Directors' Remuneration

The Remuneration Committee currently comprises the following members:-

1. Dato' Yogesvaran a/l T. Arianayagam (Independent Non-Executive Director)
2. Tan Chor Teck (Independent Non-Executive Director)
3. Dato' Surin Upatkoon (Non-independent and Non-Executiive Director)

The Committee is entrusted with the responsibility of developing the policy on Executive Directors' remuneration package and recommending to the Board the remuneration and compensation of Managing Director and Executive Directors.

The determination of the remuneration package of the Non-Executive Directors shall be a matter for the Board as a whole, with the Director concerned abstaining from deliberation and voting on decisions in respect of his remuneration.

Directors' fees are approved by the shareholders together with the Audited Financial Statements of the Company at the Annual General Meeting.

The aggregate remuneration of the Directors of the Company, inclusive of Directors' fees, for the financial year ended 31 December 2009 are as follows:-

	Directors' Fees (RM)	**Salary (RM)**	**Other Emoluments (RM)**	**Total (RM)**
Executive Directors	73,000	1,119,934	609,900	1,802,834
Non-Executive Directors	208,000	120,000	81,500	409,500
Total	281,000	1,239,934	691,400	2,212,334

The number of Directors of the Company who served during the financial year and whose total remuneration from the Group falling within the respective bands are as follows:-

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
Up to 50,000	-	4
50,001 - 100,000	1	1
200,001 - 300,000	-	1
400,001 - 500,000	1	-
1,200,001 - 1,300,000	1	-

2. RELATIONS WITH SHAREHOLDERS AND INVESTORS

The Company recognises the importance of maintaining accountability and transparency to its shareholders through regular and timely dissemination of information to shareholders of the Company via annual report and financial statements, circulars to shareholders, quarterly financial reports and various announcements made during the year. These will enable the shareholders, investors and members of the public to have an overview of the Group's performance and operations to facilitate informed investment decisions.

Care has been taken to ensure that no market sensitive information, such as corporate proposals, financial results or other material information is disseminated to any party without first making an official announcement to Bursa Malaysia Securities Berhad.

Shareholders and members of the public can obtain the Company's latest announcements via the Bursa Malaysia Securities Berhad website at www.bursamalaysia.com and Company website at www.mweh.com.my.

3. ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board holds responsible to provide and present to its shareholders, a balanced and understandable assessment of the Group's financial performance and prospects at the end of each financial year, through its annual financial statements, quarterly and half-yearly announcement of results to shareholders as well as the Chairman's Statement and review of operations in the annual report.

The Directors consider that in preparing the financial statements, the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates. All accounting standards which the Board considers to be applicable have been followed, subject to any explanations and material departures disclosed in the notes to the financial statements.

Audit Committee

The composition, terms of reference and activities of the Audit Committee are set out in the Audit Committee Report.

In addition to the duties and responsibilities set out under its terms of reference, the Audit Committee acts as a forum for discussion of internal control issues and contributes to the Board's review of the effectiveness of the Company's internal control and risk management systems.

Internal Controls

The Group outsourced its internal audit function to a professional services firm to provide the Audit Committee and the Board with the assurance they require pertaining to the adequacy and effectiveness of internal control and governance systems. The internal audit's role is to provide independent reports on the organisation's management, records, accounting policies and controls to the Board.

The internal audit function reports directly to the Audit Committee and its findings and recommendations are communicated to the Board.

The Board acknowledges that it is responsible for maintaining a sound system of internal controls, which provides reasonable assessment of effective operations, internal financial controls and compliance with laws and regulations as well as with internal procedures and guidelines. A statement on Internal Control of the Group is set out on Page 25 of the Annual Report.

The external auditors have reviewed this Statement on Internal Control for inclusion in the annual report of the Group for the year ended 31December 2009 and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and integrity of internal controls within the Group.

Relationship with the Auditors

The Audit Committee meets with the Group's external auditors at least twice a year to review the scope and adequacy of the audit process, the annual financial statements and their audit finding. The Audit Committee also meets with the external auditors whenever it deemed necessary.

The external auditors will report to the Audit Committee and the Management on any weaknesses in the internal control systems and any non-compliance of accounting standards that come to their attention in the course of their audit.

Audit Committee

Dato' Yogesvaran a/l T. Arianayagam
Independent Non-Executive Director

Dato' Shahbudin bin Imam Mohamad
Independent Non-Executive Director

Tan Chor Teck
Independent Non-Executive Director

TERMS OF REFERENCE

The terms of reference of the Audit Committee have been amended and revised in consistent with the current Listing Requirements of the Bursa Malaysia Securities Berhad.

OBJECTIVES:-

i. assist in the fiduciary duties of the Board in matters pertaining to business ethics, policies, financial management, internal control, accounting policies and financial reporting of the Company and its subsidiaries;

ii. maintain and enhance a line of communication and independence between the Group and the external auditors; and

iii. ensure a system of internal control which will mitigate the likelihood of fraud or error.

COMPOSITION OF AUDIT COMMITTEE

The members of the Audit Committee shall be appointed by the Board from amongst its members which shall fulfill the following requirements:-

i. the Audit Committee shall be composed of no fewer than three (3) members;

ii. all members of the Audit Committee shall be non-executive directors and the majority of the Audit Committee must be independent directors; and

iii. at least one member of the Audit Committee:-

    a) must be a member of the Malaysian Institute of Accountants; or

    b) if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years' working experience and:-

        - must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or

        - must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.

    c) fulfill such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.

The Board must ensure that no alternate director is appointed as a member of the Audit Committee.

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

In the event of any vacancy in the Audit Committee resulting in the non-compliance of the above requirements, the Board must fill the vacancy within three (3) months.

AUTHORITY

The Audit Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to cooperate with any request made by the committee.

The Audit Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

The Audit Committee members shall meet with the external auditors at least twice (2) a year, excluding the attendance of the executive members of the committee, whenever deemed necessary.

FUNCTIONS AND RESPONSIBILITIES

The functions and responsibilities of the Audit Committee shall include the following:-

1. review the following and report the same to the Board of Directors of the Company:-
    a) the audit plan with the external auditors;
    b) evaluation of the system of internal controls with the external auditors;
    c) audit report with the external auditors;
    d) the assistance given by the employees of the Company to the external auditors;
    e) the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
    f) the internal audit programme, processes, the results of the internal audit programme, processes or investigations undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
    g) the quarterly results and year end financial statements, prior to the approval by the Board of Directors, focusing particularly on:-
        - changes in or implementation of major accounting policy changes;
        - significant and unusual events; and
        - compliance with accounting standards and other legal requirements;
    h) any related party transactions and conflict of interest situations that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
    i) any letter of resignation from the external auditors of the Company; and
    j) whether there is reason (supported by grounds) to believe that the Company's external auditors are not suitable for re-appointment;
2. the engagement of Internal Audit Services Provider;
3. recommend the nomination of a person or persons as external auditors;
4. promptly report to the Bursa Malaysia Securities Berhad on a matter reported by it to the Board which has not been satisfactorily resolved resulting in a breach of the Listing Requirements of the Bursa Malaysia Securities Berhad; and
5. perform any other function that may be agreed upon by the Committee and the Board.

MEETINGS AND REPORTING PROCEDURES

Meeting shall be held at least four (4) times a year, however, additional meetings may be called at any time at the Audit Committee Chairman's discretion or if requested by any Audit Committee members, the management, internal or external auditors.

The quorum shall consist of a majority of Committee members who must be independent directors.

In the absence of the Chairman of the Committee, the members of the Committee present shall elect one of the independent directors to chair the meeting. A resolution put to vote shall be decided by a majority of votes of the members present, each member having one vote.

Other directors and employees may be invited to attend any particular Audit Committee meeting, except for those portions of the meeting where their presence may be considered inappropriate, as determined by the Chairman.

The Secretary shall be responsible in conjunction with the Chairman, for drawing up the agenda and circulating it to the committee members prior to each meeting. The Secretary will also be responsible for keeping the minutes of meetings for the Committee, and circulating them to the Committee members and to other members of the Board as the Committee deems necessary.

The Company Secretary will act as the Secretary of the Committee.

The Committee convened five (5) meetings during the financial year ended 31 December 2008 and the attendance record is as follows:-

	26/2/2009	23/4/2009	27/5/2009	20/8/2009	25/11/2009
Dato' Yogesvaran a/l T. Arianayagam	✓	✓	✓	✓	✓
Dato' Shahbudin bin Imam Mohamad	-	✓	✓	✓	✓
Mr. Tan Chor Teck	✓	✓	✓	✓	✓

ACTIVITIES

During the year under review, the Audit Committee undertook the following activities:-

- Reviewed and approved the annual internal audit plan for year 2009.
- Reviewed the quarterly unaudited financial results announcements before recommending them for the Board's approval. The review and discussions were conducted with the Group Financial Controller and Finance Manager of the Company.
- Reviewed the audited financial statements for the financial year ended 31 December 2009 with the external auditors prior to submission to the Board for their consideration and approval.
- Reviewed the internal audit reports of the Company's subsidiaries, highlighting the audit issues, recommendations and management's response.
- Reviewed significant related party transactions entered into by the Group.
- Reviewed the revised Audit Committee Chapter in compliance with the Listing Requirements of the Bursa Malaysia Securities Berhad.

INTERNAL AUDIT FUNCTION

The group outsourced its internal audit function to a reputable professional services firm with international affiliation, which is independent from the activities of the Company and reports directly to the Committee, who in turn decides on the remit of the internal audit function.

Its principal responsibility is to provide independent assessments of the Group's internal control systems to ensure adequate, efficient and effective compliance with systems and standard operating procedures in each of the operations in the Group and the scope encompasses the audits of all the companies within the Group over a period of two (2) years per cycle. The Audit Committee has received several reports from the Internal Auditors on the audit work, recommendations and management's responses prior to the Committee meetings. During the year, it had carried out the audits according to the audit plan, which had been approved by the Audit Committee.

The final internal audit reports undertaken during the year were forwarded to the Management for necessary corrective and preventive actions as recommended. The Management is responsible for ensuring that the actions are implemented within the required time frame.

Statement On Internal Control

The Board is pleased to make the following disclosures pursuant to Paragraph 15.27 (b) of the Bursa Malaysia Securities Berhad Listing Requirements, which requires the Board of Directors of public listed companies to include in its annual report "a statement about the state of internal control of the listed issuer as a group".

Board Responsibility

The Board recognises its overall responsibility in promoting good corporate governance and maintaining a sound system of internal control and the need to regularly review its adequacy and integrity. Such system covers not only financial controls but also operational and compliance controls. In view of the limitations inherent in any system of internal control, such a system is designed to manage risk within tolerance levels, rather than eliminate the risk of failure to achieve business objectives. Hence, such system by its nature can only provide reasonable and not absolute assurance against material misstatement, financial loss or fraud.

The Board is of the view that the system of internal control in place for the year under review, and up to the date of approval of the annual report and financial statement, is sound and sufficient to safeguard the shareholders' investment, the interests of customers, regulators and employees, and the Company's assets.

Risk Management Framework

Risk Management is seen as an integral part of the Group's business operations by the Board. The Group has in place an ongoing process for identifying, evaluating and managing the significant risks faced by the Group throughout the financial year under review. Senior management will assess and appraise the cost and benefits of any investment or significant expenditure, its impact on the Group and its financial implications prior to any decision.

This ongoing process is undertaken at all the major subsidiaries of the Group, as well as collectively on a Group basis. The risk management processes and actions taken by the Management are regularly reviewed by the Board.

Assurance on Internal Control to the Board

The responsibility for reviewing the adequacy and integrity of the internal control systems has been delegated by the Board to the Audit Committee. In turn, the Audit Committee assesses the adequacy and integrity of the internal control systems through independent reviews conducted via reports it received from the external auditors, internal auditors and management.

The Group outsourced its internal audit function to a professional services firm to provide the Audit Committee and the Board with the assurance they require pertaining to the adequacy and effectiveness of internal control. During the financial year, the internal audit function reviewed internal controls in key activities of the Group according to the annual internal audit plan approved by the Audit Committee. The internal audit adopts a risk-based approach and the audit plan is prepared based on the risk profiles of the Group's major businesses. Opportunities for improving the system of internal control were identified and presented to the Audit Committee via internal audit reports, whilst Management formulated the relevant action plans to implement them.

In addition, the internal audit function also carried out follow-up visits to ensure recommendations for improvement on the internal control system are satisfactorily implemented. Although a number of internal control weaknesses were identified, none of the weaknesses have resulted in any material losses or contingencies that would require separate disclosure in this annual report.

The Board currently does not regularly review the internal control systems of its associates, as the Board does not have any direct control over their operations. Notwithstanding this, the Group's interest is served through representation on the Board of the associates. This representation also provides the Board with information for timely decision-making on the continuity of the Group's investments based on the performances of the associates.

Key Elements of Internal Control

The other key elements of the Company's internal control systems are:-

1. A well defined organisational structure with clear lines of accountability and a documented delegation of authority that sets out the decisions that need to be taken and the appropriate authority levels of management including matters that require the Board's approval.

2. The Audit Committee reviews the quarterly financial reports, annual financial statements and the internal audit report on a periodic basis.

3. Discussions with Management were held to deliberate on the actions that are required to be taken to address internal control matters identified by the outsourced internal audit function.

4. A comprehensive business planning and budgeting process which establishes plans and targets against which performances are monitored on an on-going basis. The business planning process of the Group determines business objectives, examines strengths, weaknesses, opportunities, threats and key business risks, from which action plans are formulated thereon.

Conclusion

The Board is committed towards operating a sound system of internal control and effective risk management practices throughout the Group. The Board is also cognizant of the fact that the Group's system of internal control and risk management practices must continuously evolve to meet the changing and challenging business environment. As such, the Board will, when necessary, put in place appropriate action plans to rectify any potential weaknesses or further enhance the system of internal control.

Financial Statements - 31 December 2009

Directors' Report
For The Year Ended 31 December 2009

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2009.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries and associates are disclosed in Notes 9 and 11 to the financial statements respectively.

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

RESULTS

	Group RM	Company RM
Profit for the year	34,658,207	27,332,900
Attributable to:		
Equity holders of the Company	33,045,398	27,332,900
Minority interests	1,612,809	-
	34,658,207	27,332,900

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

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

DIVIDENDS

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

	RM
(a) In respect of the financial year ended 31 December 2008:	
(i) Interim dividend paid on 26 February 2009 - 3% tax exempt	6,936,120
(ii) Final dividend paid on 3 August 2009 - 3% tax exempt	6,936,120
	13,872,240

	RM
(b) In respect of the financial year ended 31 December 2009:	
Interim dividend paid on 30 December 2009	
- 4% tax exempt	9,248,162

The directors now recommend the payment of a final dividend of 4% tax exempt amounting to RM9,248,162 for the financial year ended 31 December 2009, subject to approval of the shareholders at the forthcoming annual general meeting ("AGM").

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any shares or debentures during the financial year.

REPURCHASE OF SHARES

At the extraordinary general meeting of the Company held on 6 June 2005, the shareholders approved the share buy-back of up to 10% of the issued and paid-up share capital of the Company. The authority from the shareholders has been renewed at each of the subsequent AGMs of the Company and was last renewed on 2 June 2009. This authority will expire at the conclusion of the forthcoming AGM of the Company.

The directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

There were no repurchase of shares during the financial year under review. The Company repurchased 355,000 ordinary shares in the year 2005 for a total consideration of RM234,841 from the open market at prices ranging from RM0.65 to RM0.67 per share.

The repurchase transactions were financed by internally generated funds. The repurchased shares are being held as treasury shares and carried at cost in accordance with the requirements of Section 67A of the Companies Act, 1965. There has been no sale or cancellation of such shares to date.

At 31 December 2009, the total number of treasury shares held by the Company is 355,000 ordinary shares.

DIRECTORS

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

Tan Sri Dato' Seri (Dr) Aseh bin Hj Che Mat
Dato' Surin Upatkoon
Tang King Hua
Lim Kong Yow
Lawrence Lim Swee Lin
Dato' Shahbudin bin Imam Mohamad
Tan Chor Teck
Dato' Yogesvaran a/l T Arianayagam

In accordance with the Company's Articles of Association, Dato' Surin Upatkoon and Mr Tang King Hua retire from the board at the forthcoming AGM and, being eligible, offer themselves for re-election.

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement, to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full time employee of its related corporation as shown in Note 42 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

DIRECTORS' INTERESTS

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

	<----------- Number of ordinary shares of RM1.00 each ----------->			
	At 1.1.2009	**Acquired**	**Sold**	**At 31.12.2009**
The Company				
Direct Interest:				
Dato' Surin Upatkoon	786,630	-	-	786,630
Tang King Hua	10,030,800	-	-	10,030,800
Lim Kong Yow	48,000	-	-	48,000
Lawrence Lim Swee Lin	424,000	-	-	424,000
Tan Chor Teck	350,000	-	-	350,000
Deemed Interest:				
Dato' Surin Upatkoon	72,100,939	3,000,000	-	75,100,939
Tang King Hua	2,181,700	-	-	2,181,700
Lim Kong Yow	4,000	-	-	4,000
Lawrence Lim Swee Lin	3,052,800	-	-	3,052,800
Tan Chor Teck	9,719,680	-	-	9,719,680

By virtue of his interests in shares in the Company, Dato' Surin Upatkoon is deemed to have interests in shares in all the subsidiaries to the extent the Company has an interest.

None of the other directors held any shares or had any interests in shares in the related corporations of the Company during the financial year, except for the interests in shares held by Mr Tang King Hua in the following subsidiaries:

	<----------- Number of ordinary shares of RM1.00 each ----------->			
	At 1.1.2009	Acquired	Sold	At 31.12.2009
Subsidiary - Davex (Malaysia) Sdn Bhd				
Direct Interest	127,000	-	-	127,000
Subsidiary - Phili-Orient Lines (Penang) Sdn Bhd				
Direct Interest	60,392	-	-	60,392

	<----------- Number of ordinary shares of RM1.00 each ----------->			
	1.1.2009	Acquired	Sold	31.12.2009
Subsidiary - VXL Alliance Sdn Bhd				
Direct Interest	-	100,000	-	100,000

	<---------------------- Number of ordinary shares -------------------->			
	1.1.2009	Acquired	Sold	31.12.2009
Subsidiary - Daviscomms (S) Pte Ltd				
Direct Interest	24,000	-	-	24,000

OTHER STATUTORY INFORMATION

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

   (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

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

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

   (i) the amount written off for 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; and

   (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

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

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

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

  (i) any material 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 material contingent liability of the Group or of the Company which has arisen since the end of the financial year other than as disclosed in Note 45 to the financial statements.

(f) In the opinion of the directors:

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

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

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 21 April 2010.

Tang King Hua **Lim Kong Yow**

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

We, Dato' Surin Upatkoon and Tang King Hua, being two of the directors of MWE Holdings Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 36 to 109 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2009 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 21 April 2010.

Tang King Hua

Lim Kong Yow

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

I, Lim Kong Yow, being the director primarily responsible for the financial management of MWE Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 36 to 109 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed Lim Kong Yow
at Kuala Lumpur, Federal Territory
on 21 April 2010.

Lim Kong Yow

Before me,

M. Sivanason (W590)
Commissioner for Oaths

Independent Auditors' Report
To The Members Of MWE Holdings Berhad

Report on the financial statements

We have audited the financial statements of MWE Holdings Berhad, which comprise the balance sheets as at 31 December 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 36 to 109.

Directors' responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

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

Report on other legal and regulatory requirements

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

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 9 to the financial statements that have been included in the consolidated financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

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

Other matters

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

Ernst & Young
AF: 0039
Chartered Accountants

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

Kuala Lumpur, Malaysia
21 April 2010

Balance Sheets
31 December 2009

	Note	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Assets					
Non-current assets					
Property, plant and equipment	3	68,275,416	70,969,773	-	-
Investment properties	4	65,162,500	59,918,000	-	-
Biological assets	5	10,925,335	11,539,429	-	-
Prepaid lease payments	6	51,104,504	51,018,302	-	-
Goodwill	7	14,829,066	21,123,720	-	-
Land held for property development	8	29,971,290	36,276,883	-	-
Investment in subsidiaries	9	-	-	242,182,249	243,872,455
Amount due from subsidiaries	10	-	-	153,833,361	156,821,118
Investment in associates	11	32,677,153	28,129,425	1	1
Other investments	12	34,378,699	22,077,965	26,108,946	13,381,487
Deferred tax assets	13	688,792	607,138	-	-
		308,012,755	301,660,635	422,124,557	414,075,061
Current assets					
Inventories	14	71,291,852	68,356,523	-	-
Property development costs	15	8,438,043	2,463,043	-	-
Gross amount due from customers	16	2,502,186	7,713,536	-	-
Trade and other receivables	17	100,510,847	90,974,338	154,501	4,500
Amount due from associates	18	3,330,730	3,354,413	-	-
Current tax receivable		2,760,665	2,894,906	928,976	712,607
Cash and bank balances	19	47,121,251	42,027,042	252,548	839,656
		235,955,574	217,783,801	1,336,025	1,556,763
Total assets		543,968,329	519,444,436	423,460,582	415,631,824

	Note	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Equity and liabilities					
Equity attributable to equity holders of the Company					
Share capital	20	231,559,015	231,559,015	231,559,015	231,559,015
Reserves	21	101,244,365	84,663,894	32,464,704	28,252,206
Treasury shares	22	(234,841)	(234,841)	(234,841)	(234,841)
		332,568,539	315,988,068	263,788,878	259,576,380
Minority interests		29,312,239	27,854,999	-	-
Total equity		361,880,778	343,843,067	263,788,878	259,576,380
Non-current liabilities					
Hire purchase and finance lease liabilities	24	2,142,276	1,832,977	-	-
Borrowings	25	18,676,039	4,804,829	18,400,000	4,346,408
Amount due to subsidiaries	10	-	-	103,053,682	118,978,347
Deferred tax liabilities	13	2,889,500	2,331,502	-	-
Deferred income	26	14,437,139	14,656,272	-	-
		38,144,954	23,625,580	121,453,682	123,324,755
Current liabilities					
Gross amount due to customers	16	5,397,440	4,749,572	-	-
Trade and other payables	27	93,411,346	90,580,886	5,752,148	5,730,689
Amount due to associates	18	52,607	55,668	-	-
Hire purchase and finance lease liabilities	24	1,205,085	1,180,625	-	-
Borrowings	25	38,799,185	50,162,087	32,465,874	27,000,000
Current tax payable		5,076,934	5,246,951	-	-
		143,942,597	151,975,789	38,218,022	32,730,689
Total liabilities		182,087,551	175,601,369	159,671,704	156,055,444
Total equity and liabilities		543,968,329	519,444,436	423,460,582	415,631,824

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

Income Statements
For The Year Ended 31 December 2009

	Note	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Continuing operations					
Revenue	28	493,768,765	464,565,629	33,788,659	25,434,639
Cost of sales	29	(381,364,474)	(371,681,167)	-	-
Gross profit		112,404,291	92,884,462	33,788,659	25,434,639
Other income	30	15,174,466	9,451,176	2,097,302	2,591,730
Administrative expenses		(66,556,993)	(59,586,680)	(5,539,657)	(18,707,709)
Selling and marketing expenses		(15,168,839)	(16,066,868)	-	-
Operating profit		45,852,925	26,682,090	30,346,304	9,318,660
Finance costs	31	(3,935,510)	(3,983,265)	(1,977,961)	(2,048,366)
Fair value adjustment on investment properties		(1,905,500)	3,296,758	-	-
Gain/(loss) from investments	32	983,934	(737,410)	45,454	(20,970,667)
Share of profit of associates		3,984,200	262,490	-	-
Profit/(loss) before tax	33	44,980,049	25,520,663	28,413,797	(13,700,373)
Income tax expense	34	(10,321,842)	(4,083,747)	(1,080,897)	(852,252)
Profit/(loss) for the year from continuing operations		34,658,207	21,436,916	27,332,900	(14,552,625)
Discontinued operations					
Loss for the year from discontinued operations	35	-	(32,491)	-	-
Profit/(loss) for the year		34,658,207	21,404,425	27,332,900	(14,552,625)
Attributable to:					
Equity holders of the Company		33,045,398	18,916,194	27,332,900	(14,552,625)
Minority interests		1,612,809	2,488,231	-	-
		34,658,207	21,404,425	27,332,900	(14,552,625)
Earnings per ordinary share attributable to equity holders of the Company (sen):					
Basic, for profit for the year	36	14.29	8.18		
Net dividend per ordinary share	37	10.00	6.92	10.00	6.92

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

Consolidated Statement Of Changes In Equity
For The Year Ended 31 December 2009

	<---- Attributable to equity holders of the Company ---->								
	Share capital (Note 20) RM	Share premium (Note 21) RM	Exchange translation reserve (Note 21) RM	Capital reserve (Note 21) RM	Distributable retained earnings RM	Treasury shares (Note 22) RM	Total RM	Minority interests RM	Total equity RM
At 1 January 2008	231,559,015	23,586,099	5,353,021	754,156	53,951,379	(234,841)	314,968,829	30,086,588	345,055,417
Transfer to capital reserve	-	-	-	400,000	(400,000)	-	-	-	-
Transfer from exchange translation reserve	-	-	243,011	-	(243,011)	-	-	-	-
Net (loss)/gain recognised directly in equity									
- Exchange translation differences	-	-	(1,897,637)	-	-	-	(1,897,637)	331,137	(1,566,500)
Profit for the year	-	-	-	-	18,916,194	-	18,916,194	2,488,231	21,404,425
Total recognised income and expense for the year	-	-	(1,897,637)	-	18,916,194	-	17,018,557	2,819,368	19,837,925
Acquisition of shares in subsidiaries	-	-	-	-	-	-	-	(2,999,488)	(2,999,488)
Dividends paid									
- Dividends of the Company (Note 37)	-	-	-	-	(15,999,318)	-	(15,999,318)	-	(15,999,318)
- Dividends of subsidiaries	-	-	-	-	-	-	-	(2,051,469)	(2,051,469)
At 31 December 2008	231,559,015	23,586,099	3,698,395	1,154,156	56,225,244	(234,841)	315,988,068	27,854,999	343,843,067

	<---- Attributable to equity holders of the Company ---->									
	Share capital (Note 20) RM	Share premium (Note 21) RM	Exchange translation reserve (Note 21) RM	Capital reserve (Note 21) RM	Revaluation reserve (Note 21) RM	Distributable retained earnings RM	Treasury shares (Note 22) RM	Total RM	Minority interests RM	Total equity RM
At 1 January 2009	231,559,015	23,586,099	3,698,395	1,154,156	-	56,225,244	(234,841)	315,988,068	27,854,999	343,843,067
Revaluation surplus on investment property	-	-	-	-	4,848,548	-	-	4,848,548	-	4,848,548
Deferred tax liability relating to revaluation surplus on investment property	-	-	-	-	(1,212,137)	-	-	(1,212,137)	-	(1,212,137)
Net gain recognised directly in equity										
- Exchange translation differences	-	-	3,019,064	-	-	-	-	3,019,064	308,853	3,327,917
Profit for the year	-	-	-	-	-	33,045,398	-	33,045,398	1,612,809	34,658,207
Total recognised income and expense for the year	-	-	3,019,064	-	-	33,045,398	-	36,064,462	1,921,662	37,986,124
Acquisition of shares in subsidiaries	-	-	-	-	-	-	-	-	208,778	208,778
Dividends paid										
- Dividends of the Company (Note 37)	-	-	-	-	-	(23,120,402)	-	(23,120,402)	-	(23,120,402)
- Dividends of subsidiaries	-	-	-	-	-	-	-	-	(673,200)	(673,200)
At 31 December 2009	231,559,015	23,586,099	6,717,459	1,154,156	3,636,411	66,150,240	(234,841)	332,568,539	29,312,239	361,880,778

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

Statement Of Changes In Equity
For The Year Ended 31 December 2009

	Share capital (Note 21) RM	Share premium (Note 22) RM	Distributable retained earnings RM	Treasury shares (Note 23) RM	Total RM
At 1 January 2008	231,559,015	23,586,099	35,218,050	(234,841)	290,128,323
Loss for the year, representing total recognised income and expense for the year	-	-	(14,552,625)	-	(14,552,625)
Dividends paid (Note 37)	-	-	(15,999,318)	-	(15,999,318)
At 31 December 2008	231,559,015	23,586,099	4,666,107	(234,841)	259,576,380
Profit for the year, representing total recognised income and expense for the year	-	-	27,332,900	-	27,332,900
Dividends paid (Note 37)	-	-	(23,120,402)	-	(23,120,402)
At 31 December 2009	231,559,015	23,586,099	8,878,605	(234,841)	263,788,878

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

Cash Flow Statements
For The Year Ended 31 December 2009

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Cash flows from operating activities				
Profit/(loss) before tax	44,980,049	25,520,663	28,413,797	(13,700,373)
Adjustments for:				
Depreciation of property, plant and equipment	7,911,770	7,354,680	-	-
Gain on disposal of property, plant and equipment	(5,485,844)	(944,075)	-	-
Property, plant and equipment written off	33,732	2,365,112	-	-
Fair value adjustment on investment properties	1,905,500	(3,296,758)	-	-
Amortisation of biological assets	614,094	460,571	-	-
Amortisation of prepaid lease payments	850,102	714,637	-	-
(Gain)/loss from investments (Note 32)	(983,934)	737,410	(45,454)	20,970,667
Share of profit of associates	(3,984,200)	(262,490)	-	-
Impairment of goodwill	6,510,719	3,115,516	-	-
Write-down of inventories	2,063,890	570,645	-	-
Reversal of inventories written-down	-	(1,549,898)	-	-
Provision for doubtful debts	2,030,670	4,485,922	3,983,659	17,350,000
Reversal of provision for doubtful debts	(399,161)	(727,548)	(20,000)	-
Bad debts written off	424,449	127,794	2,082	11,777
Unrealised foreign exchange gain	(4,924,186)	(761,218)	-	-
Realised exchange translation reserve	-	(2,342,774)	-	-
Dividend income	(1,913,458)	(1,389,327)	(33,788,658)	(25,434,639)
Interest income	(709,213)	(1,015,838)	(2,077,302)	(2,591,730)
Interest expenses	3,600,566	3,730,046	1,977,961	2,048,366
Hire purchase and finance lease term charges	334,944	331,132	-	-
Operating profit/(loss) before working capital changes	52,860,489	37,224,202	(1,553,915)	(1,345,932)
Changes in inventories	(1,906,113)	(9,883,662)	-	-
Changes in property development costs	330,593	(8,784,120)	-	-
Changes in receivables	9,738,383	15,800,514	(150,001)	3,709,421
Changes in payables	(3,751,870)	12,464,353	21,459	(851,760)
Changes in trade line borrowings	(14,275,196)	(488,690)	-	-
Cash generated from/(used in) operations	42,996,286	46,332,597	(1,682,457)	1,511,729
Interest received	709,213	1,015,838	2,077,302	2,591,730
Interest paid	(3,600,566)	(3,730,046)	(1,977,961)	(2,048,366)
Tax (paid)/refunded	(11,061,213)	(5,426,919)	502,668	1,868,533
Net cash generated from/(used in) operating activities				
- Continuing operations	29,043,720	38,191,470	(1,080,448)	3,923,626
- Discontinued operations (Note 35)	-	1,271,249	-	-
	29,043,720	39,462,719	(1,080,448)	3,923,626

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Cash flows from investing activities				
Purchase of property, plant and equipment	(7,388,720)	(6,024,212)	-	-
Purchase of prepaid lease payments	(1,518,211)	-	-	-
Purchase of shares in subsidiaries	-	(4,270,579)	(658,946)	(72,320,786)
Purchase of shares in associates	-	(1,150,124)	-	-
Purchase of other investments	(12,947,374)	-	(12,947,374)	-
Proceeds from disposal of subsidiary	-	-	1	-
Proceeds from disposal of property, plant and equipment	287,809	1,087,211	-	-
Proceeds from disposal of investment properties	850,000	2,410,000	-	-
Acquisition of subsidiaries, net of cash (Note 38)	27,910	(38,175,986)	-	-
Disposal of subsidiary, net of cash (Note 39)	589,133	-	-	-
Proceeds from liquidation of subsidiaries (Note 40)	-	10	-	-
Proceeds from disposal of other investments	2,614,520	355,157	2,614,520	-
Redemption of preference shares in an investee company	-	1,000,000	-	-
Placement of fixed and time deposits pledged	(966)	(1,329,641)	-	-
Net (advances)/repayments from subsidiaries	-	-	(977,984)	32,482,309
Dividends received from subsidiaries	-	-	30,550,400	23,441,375
Dividends received from other investments	1,913,458	1,059,223	1,438,324	1,059,223
Net cash (used in)/generated from investing activities	(15,572,441)	(45,038,941)	20,018,941	(15,337,879)
Cash flows from financing activities				
Repayment of bank borrowings	(1,250,249)	(7,585,017)	-	(7,500,000)
Repayment of hire purchase and finance lease instalments	(1,369,298)	(1,121,519)	-	-
Hire purchase and finance lease term charges paid	(334,944)	(331,132)	-	-
Capital injection by minority shareholders	300,000	-	-	-
Bank borrowings raised	19,000,000	21,171,000	19,000,000	19,500,000
(Repayment to)/Advances from subsidiaries	-	-	(15,924,665)	13,229,573
Dividends paid to shareholders	(23,120,402)	(15,999,318)	(23,120,402)	(15,999,318)
Dividends paid to minority interests	(673,200)	(2,051,469)	-	-
Net cash (used in)/generated from financing activities	(7,448,093)	(5,917,455)	(20,045,067)	9,230,255

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM	**RM**	**RM**	**RM**
Net increase/(decrease) in cash and cash equivalents	6,023,186	(11,493,677)	(1,106,574)	(2,183,998)
Effects of foreign exchange rate changes	170,811	75,223	-	-
	6,193,997	(11,418,454)	(1,106,574)	(2,183,998)
Cash and cash equivalents at beginning of year	37,889,708	48,674,178	839,656	3,023,654
Effects of changes in exchange rates	(86,957)	633,984	-	-
	37,802,751	49,308,162	839,656	3,023,654
Cash and cash equivalents at end of year	43,996,748	37,889,708	(266,918)	839,656
Represented by:				
Fixed deposits not pledged	14,872,178	3,070,017	-	-
Cash on hand and at banks	30,313,857	37,022,775	252,548	839,656
Bank overdrafts	(1,189,287)	(2,203,084)	(519,466)	-
	43,996,748	37,889,708	(266,918)	839,656

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

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). The registered office of the Company is located at 846, Jalan Raya, 14209 Sungei Bakap, Seberang Perai Selatan, Penang.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries and associates are disclosed in Note 9 and 11 respectively. There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 21 April 2010.

2. Significant accounting policies

2.1 Basis of preparation

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

The financial statements are presented in Ringgit Malaysia (RM).

2.2 Summary of significant accounting policies

(a) New Standards and Interpretations that are not yet effective

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

Effective for financial period beginning on or after 1 July 2009

FRS 8	Operating Segments

Effective for financial period beginning on or after 1 January 2010

FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements (revised)
FRS 123	Borrowing Costs (Revised)
FRS 139	Financial Instruments: Recognition and Measurement

Amendments to FRS 1 and First Time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2: Share Based Payment: Vesting Conditions and Cancellations
Amendments to FRS 132: Financial Instruments: Presentation
Amendments to FRS 139: Financial Instruments: Recognition and Measurement and Amendments to FRS 7: Financial Instruments: Disclosures
TR i – 3: Presentation of Financial Statements of Islamic Financial Institutions
Amendments to FRSs 'Improvements to FRSs (2009)'

IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions

Effective for financial period beginning on or after 1 July 2010

FRS 3	Business Combinations (revised)
FRS 127	Consolidated and Separate Financial Statements (amended)
Amendments to FRS 2	Share Based Payment
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 138	Intangible Assets
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 15	Agreements for the Construction of Real Estate
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation

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

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

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

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

The changes by FRS 3 (revised) and FRS127 (amended) will be applied prospectively and only affect future acquisition or loss of control of subsidiaries and transactions with non-controlling interests.

FRS 8: Operating Segment

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

FRS 101: Presentation of Financial Statements (revised)

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

FRS 123: Borrowing Costs (Revised)

The Group's current accounting policies are consistent with the provision of FRS 123 Borrowing Costs (Revised).

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

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

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

In accordance with the respective transitional provisions, the Group and the Company are exempted from disclosing the possible impact to the financial statements upon the initial application.

Amendments to FRSs 'Improvements to FRSs (2009)'

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

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

- FRS 8 Operating Segments: Clarifies that segment information with respect to total asset is required only if they are included in measures of segment profit or loss that are used by the 'chief operating decision maker'.

- FRS 101 Presentation of Financial Statements: Clarifies that financial instruments classified as held for trading in accordance with FRS 139 Financial Instruments: Recognition and Measurement are not automatically presented as current in the balance sheet.

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

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

- FRS 116 Property, Plant and Equipment: The amendment replaces the term "net selling price" with "fair value less costs to sell". It also clarifies that items of property, plant and equipment held for rental that are routinely sold in the ordinary course of business after rental, are transferred to inventory when rental ceases and they are held for sale.

- FRS 117 Leases: Clarifies on the classification of leases of land and buildings. The Group is still assessing the potential implication as a result of the reclassification of its unexpired land leases as operating or finance leases. For those land element held under operating leases that are required to be reclassified as finance leases, the Group shall recognise a corresponding asset and liability in the financial statements which will be applied retrospectively upon initial application. However, in accordance with the transitional provision, the Group is permitted to reassess lease classification on the basis of the facts and circumstances existing on the date it adopts the amendments; and recognise the asset and liability related to a land lease newly classified as a finance lease at their fair values on that date; any difference between those fair values is recognised in retained earnings. The Group is currently in the process of assessing the impact of this amendment.

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

- FRS 123 Borrowing Costs: The definition of borrowing costs is aligned with FRS 139 by referring to the use of effective interest rate as a component of borrowing cost.

- FRS 127 Consolidated and Separate Financial Statements: The amendment clarifies that when a parent entity accounts for a subsidiary at fair value in accordance with FRS 139 in its separate financial statements, this treatment continues when the subsidiary is subsequently classified as held for sale.

- FRS 139 Financial Instruments: Recognition and Measurement: Clarifies that changes in circumstances relating to derivatives are not reclassifications and therefore may be either removed from, or included in, the 'fair value through profit or loss' classification after initial recognition. It also clarifies on the scope exemption for business combination contracts. The amendments remove the reference in FRS 139 to a 'segment' when determining whether an instrument qualifies as a hedge and requires the use of the revised effective interest rate when remeasuring a debt instrument on the cessation of fair value hedge accounting. It also provides additional guidance on determining whether loan prepayment penalties result in an embedded derivatives that needs to be separated. In addition, the amendments state that the gains or losses on a hedged instrument should be reclassified from equity to profit or loss during the period that the hedged forecast cash flows impact profit or loss.

- FRS 140 Investment Property: Property under construction or development for future use as an investment property is classified as investment property. Where the fair value model is applied, such property is measured at fair value. If fair value cannot be reliably determined, the investment under construction will be measured at cost until such time as fair value can be determined or construction is complete. The amendment also includes changes in terminology in the Standard to be consistent with FRS 108. The change will be applied prospectively.

IC Interpretation 15: Agreements for the construction of real estate

In applying IFRIC 15, the Group is required to recognise the revenue from property development activities on a completion basis. The impact of IFRIC 15 cannot be reasonably estimated, due to the uncertainties surrounding the expectation of future sales and fluctuation of development cost.

(b) Subsidiaries and basis of consolidation

(i) Subsidiaries

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

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

(ii) Basis of Consolidation

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

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

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

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

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

(c) Associates

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

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

Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes. In applying the equity method, unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

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

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

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

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

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

(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.

(e) Property, plant and equipment and depreciation

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

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

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

Buildings	1% - 2%
Plant and machinery	7.5% - 40%
Motor vehicles	10% - 30%
Furniture, fixtures and equipment	2% - 50%

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

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

(f) Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

(g) Biological assets

Biological assets comprise initial oil palm plantation development expenditure and subsequent replanting expenditure incurred for land clearing and upkeep of trees to the point of maturity. Such expenditure is capitalised and is amortised at maturity of the crop over the estimated useful life of 22 years.

(h) Leases

Classification

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and building elements of a lease of land and buildings are considered separately for the purposes of lease classification.

All leases that do not transfer substantially all the risks and rewards are classified as operating leases, except that property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease.

(i) Finance leases - assets acquired under hire purchase and finance lease arrangements

Assets financed by hire purchase and finance lease arrangements which transfer substantially all the risks and rewards of ownership to the Group, are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. On initial recognition, assets acquired by way of hire purchase and finance lease are stated at an amount equal to the lower of their fair values and the present values of the minimum hire purchase and finance lease payments at the inception of the hire purchase and finance lease agreements. The property, plant and equipment capitalised are depreciated on the same basis as owned assets referred to in Note 2.2(e).

In calculating the present value of the minimum hire purchase and finance lease payments, the discount rate is the interest rate implicit in the hire purchase and finance lease agreements, if this is practicable to determine, if not, the Group's incremental borrowing rates are used.

(ii) Operating leases

The Group as lessee

Lease payments under operating leases are recognised as an expense on a straight line basis over the lease term. The aggregate benefits of incentives provided by the lessors, if any, are recognised as a reduction of rental expense over the lease term on a straight line basis.

Land which normally has an indefinite economic life and held under a leasehold title to which the title is not expected to pass to the Group by the end of the lease term, is treated as an operating lease. The minimum lease payments or payments made up-front on entering into or acquiring a leasehold land are accounted as prepaid lease payments and whenever necessary, such payments are allocated between land and building elements in proportion of their fair values for leasehold interests in land element and building element of the lease at the inception of the lease.

The prepaid lease payments are amortised on a straight line basis over the lease periods of between 30 to 99 years. Any gains or losses on surrender or disposal of the leasehold land are recognised in the income statement in the financial year in which they arise.

The Group as lessor

Assets leased out under operating leases are presented on the balance sheet as investment properties. Rental income from operating leases is recognised on a straight line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are included as part of the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

(i) Land held for property development and property development costs

(i) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified under non-current assets and is stated at cost less accumulated impairment loss. The policy for the recognition and measurement of impairment loss is in accordance with Note 2.2(n).

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.

(ii) Property development costs

Property development costs comprise land and development costs which include costs directly attributable to the development activities and other costs that can be allocated on a reasonable basis to such activities as well as interest expenses incurred during the period of development.

Property development costs on properties sold are recognised as an expense in the period in which they are incurred. Property development costs which are not recognised as an expense, are recognised as an asset and are measured at the lower of cost and net realisable value.

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

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

(j) Other investments

Other investments are stated at cost less any impairment losses. An impairment loss is made if the directors are of the opinion that there is a decline in the value of such investments which is other than temporary. The impairment loss, if any, is charged to the income statement. On disposal of an investment, the difference between net disposal proceeds and its carrying amount is included in the income statement.

(k) Inventories

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

Cost is determined principally on the weighted average, first-in first-out and specific identification bases appropriate to the type of inventory. Cost comprises the landed cost of goods purchased and in the case of work-in-progress and finished goods, cost comprises direct materials, direct labour, other direct charges and an appropriate proportion of factory overheads.

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

(l) Construction contracts

The Group's construction contracts comprise fixed price contracts and where their outcome can be reasonably estimated, revenue is recognised on the percentage of completion method. The stage of completion is determined by the proportion that contract costs incurred to date bear to estimated total costs, and for this purpose, only those costs that reflect actual contract work performed are included as costs incurred.

Costs that relate directly to a contract and which are incurred in securing the contract are also included as part of contract costs if they can be separately identified and measured reliably and it is probable that the contract will be obtained. All contract costs incurred are recognised as an expense in the period in which they are incurred.

Where it is probable that the total costs will exceed total revenue, the foreseeable loss is immediately recognised in the income statement irrespective of whether contract work has commenced or not, or the stage of completion of contract activity, or the amounts of profits expected to arise on other unrelated contracts.

On the balance sheet, contracts work-in-progress are reflected either as gross amounts due from or due to customers, where a gross amount due from customers is the surplus of (i) costs incurred plus profits recognised under the percentage of completion method over (ii) recognised foreseeable losses plus progress billings. A gross amount due to customers is the surplus of (ii) over (i).

(m) Non-current assets held for sale and discontinued operations

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

On initial classification as held for sale, a non-current asset is measured at the lower of its carrying amount and fair value less costs to sell. Immediately before the initial classification of the asset as held for sale, the carrying amount of the asset is measured in accordance with applicable FRSs.

An impairment loss is recognised in the income statement for any initial or subsequent write-down of the asset to its fair value less costs to sell. Subsequent increase in fair value less costs to sell is recognised as a gain in the income statement to the extent any cumulative impairment loss that has been recognised previously in the income statement.

A component of the Group is classified as a discontinued operation when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations, is part of a single co-ordinated major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale.

(n) Impairment of assets

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

For goodwill that have an indefinite useful life, the recoverable amount is estimated at each balance sheet date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, 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.

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

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

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

(o) Financial instruments

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

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

(i) Cash and cash equivalents

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

(ii) Other non-current investments

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

(iii) Marketable securities

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

(iv) Trade receivables

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

(v) Trade 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.

(vi) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

(vii) Equity instruments

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

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

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

(p) Foreign currencies

(i) Functional and presentation currency

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

(ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated 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 retranslated.

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

Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the retranslation 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.

(q) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and the Company and when the revenue can be measured reliably, on the following bases:

(i) Sale of goods

Sale of goods are measured at the fair values of the considerations received or receivable, net of returns and discounts and are recognised in the income statement when significant risks and rewards of ownership have been transferred to the customers.

(ii) Services rendered

Revenue from services rendered is measured at fair value of the consideration received or receivable and is recognised on an accrual basis when services are rendered.

(iii) Construction contracts

Revenue from construction contracts is recognised on the percentage of completion method where the outcome of the contracts can be reliably estimated.

Revenue from construction contracts represents the proportionate contract value on construction contracts attributable to the percentage of contract work performed during the financial year.

When the outcome of a construction contract cannot be reasonably estimated, revenue is recognised only to the extent of contract costs incurred that are expected to be recoverable.

(iv) Rental income

Rental income is recognised on a time proportion basis over the lease term.

(v) Sale of development properties

Property development revenue is recognised in the income statement using the percentage of completion method, which is applied in circumstances where the outcome of the development activities can be reliably estimated. The stage of completion is estimated by the proportion of cost incurred to-date bear to estimated total costs, and for this purpose only those costs that reflect actual development work performed are included as costs incurred to-date.

Where the outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable.

(vi) Dividend income

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

(vii) Interest income

Interest income is recognised on a time proportion basis using the effective interest rate applicable.

(viii) Licence fees

Licence fees in respect of club membership received by a subsidiary are recognised on time proportion basis over the licence period commencing from the respective dates of signing the licence agreements to 31 August 2089. Licence fees received and receivable which relate to the unexpired licence period are reflected in the consolidated balance sheet as deferred income.

(r) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

(s) Employees benefits

(i) Short term benefits

Salaries, wages, allowances, bonuses and social security contributions are recognised as an expense in the financial year in which the services are rendered by the employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlements to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur. Non-monetary benefits such as medical care, housing and other staff related expenses are charged to the income statement as and when incurred.

(ii) Defined contribution plans

The Group has various post-employment benefit schemes in accordance with local conditions and practices in the countries in which it operates. These benefits are called defined contribution plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"), whereas companies in other countries will make contributions to the respective local pension funds. Such contributions are recognised as an expense in the income statement in the financial year to which they relate.

(iii) Termination benefits

Employee termination benefits are recognised only either after an agreement is in place with the appropriate employee representatives specifying the terms of redundancy or after individual employees have been advised of the specific terms.

(t) Income tax

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

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

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

(u) Provisions

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

2.3 Significant accounting estimates and judgements

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

3. **Property, plant and equipment**

	Freehold land RM	Buildings RM	Plant and machinery RM	Motor vehicles RM	Furniture, fixtures and equipment RM	Capital work-in-progress RM	Total RM
Group							
At 31 December 2009							
At cost							
At 1 January 2009	568,665	67,498,996	58,229,309	10,396,988	31,324,164	22,588	168,040,710
Acquisition of a subsidiary	-	-	-	-	51,778	-	51,778
Disposal of a subsidiary	(126,493)	(761,119)	(1,659,796)	(142,227)	(998,267)	-	(3,687,902)
Additions	-	786,799	2,928,471	2,772,302	1,381,590	1,214,726	9,083,888
Disposals	(442,172)	(954,321)	(57,977)	(574,245)	(181,316)	-	(2,210,031)
Write-off	-	-	(2,831,836)	(197,115)	(2,514,616)	-	(5,543,567)
Reclassified to investment properties	-	(4,003,336)	-	-	-	-	(4,003,336)
Exchange differences	-	(68,244)	267,201	430,386	317,047	-	946,390
At 31 December 2009	-	62,498,775	56,875,372	12,686,089	29,380,380	1,237,314	162,677,930
Accumulated depreciation							
At 1 January 2009	-	14,789,058	49,752,236	6,256,931	26,272,712	-	97,070,937
Acquisition of a subsidiary	-	-	-	-	14,032	-	14,032
Disposal of a subsidiary	-	(131,899)	(1,654,528)	(142,221)	(752,882)	-	(2,681,530)
Charge for the year	-	1,087,168	3,238,436	1,829,111	1,757,055	-	7,911,770
Disposals	-	(838,526)	(56,032)	(533,162)	(180,346)	-	(1,608,066)
Write-off	-	-	(2,815,540)	(189,649)	(2,504,646)	-	(5,509,835)
Reclassified to investment properties	-	(1,433,791)	-	-	-	-	(1,433,791)
Exchange differences	-	(19,532)	178,218	247,632	232,679	-	638,997
At 31 December 2009	-	13,452,478	48,642,790	7,468,642	24,838,604	-	94,402,514
Net carrying amount							
At 31 December 2009	-	49,046,297	8,232,582	5,217,447	4,541,776	1,237,314	68,275,416

	Freehold land RM	Buildings RM	Plant and machinery RM	Motor vehicles RM	Furniture, fixtures and equipment RM	Capital work-in-progress RM	Total RM
Group							
At 31 December 2008							
At cost							
At 1 January 2008	572,865	69,520,333	56,435,758	8,919,339	31,153,308	-	166,601,603
Acquisition of a subsidiary	-	223,037	125,256	1,032,663	58,764	-	1,439,720
Additions	-	336,789	1,879,715	2,286,886	1,918,234	22,588	6,444,212
Disposals	(4,200)	(127,888)	(236,312)	(1,540,090)	(36,792)	-	(1,945,282)
Write-off	-	(2,694,902)	(118,814)	-	(1,700,471)	-	(4,514,187)
Exchange differences	-	241,627	143,706	(301,810)	(68,879)	-	14,644
At 31 December 2008	568,665	67,498,996	58,229,309	10,396,988	31,324,164	22,588	168,040,710
Accumulated depreciation							
At 1 January 2008	-	13,797,080	46,791,584	5,906,746	26,212,214	-	92,707,624
Acquisition of a subsidiary	-	135,606	53,821	794,833	39,891	-	1,024,151
Charge for the year	-	1,316,086	3,131,160	1,262,385	1,645,049	-	7,354,680
Disposals	-	(5,994)	(227,613)	(1,537,001)	(31,538)	-	(1,802,146)
Write-off	-	(500,926)	(96,346)	-	(1,551,803)	-	(2,149,075)
Exchange adjustments	-	47,206	99,630	(170,032)	(41,101)	-	(64,297)
At 31 December 2008	-	14,789,058	49,752,236	6,256,931	26,272,712	-	97,070,937
Net carrying amount							
At 31 December 2008	568,665	52,709,938	8,477,073	4,140,057	5,051,452	22,588	70,969,773

During the financial year, the Group acquired property, plant and equipment amounting to RM9,083,888 (2008 : RM6,444,212) of which RM1,695,168 (2008 : RM420,000) was financed under hire purchase and finance lease arrangements.

(a) The property, plant and equipment of the Group acquired under hire purchase and finance lease are as follows:

	Group 2009 RM	Group 2008 RM
At net carrying amount		
Plant and machinery	2,383,866	2,001,320
Motor vehicles	2,202,391	2,537,076
	4,586,257	4,538,396

Details of the terms and conditions of the hire purchase and finance lease arrangments are disclosed in Note 24.

(b) The property, plant and equipment pledged as securities for banking and other credit facilities granted to the Group are as follows:

	Group	
	2009	**2008**
	RM	**RM**
At net carrying amount		
Freehold land	-	442,172
Buildings	32,758,429	36,468,982
Plant and machinery	425,410	350,951
Motor vehicles	1,105,163	935,609
Furniture, fixtures and equipment	584,243	554,992
	34,873,245	38,752,706

4. Investment properties

	Group	
	2009	**2008**
	RM	**RM**
At 1 January	59,918,000	58,600,000
Reclassified from		
- prepaid lease payments	581,907	-
- building	2,569,545	-
Revaluation surplus	4,848,548	-
Disposals	(850,000)	(1,978,758)
Fair value adjustments	(1,905,500)	3,296,758
At 31 December	65,162,500	59,918,000

Investment properties consist of:

Freehold land and buildings	41,048,500	42,666,000
Long term leasehold land and buildings	24,114,000	17,252,000
	65,162,500	59,918,000

The fair values of the investment properties at the end of the financial year, are arrived at by reference to market evidence of transaction prices for similar properties and are performed by registered valuers having appropriate recognised professional qualification and recent experiences in the locations and category of properties being valued.

The Group determines whether a property qualifies as an investment property, and has developed certain criteria based on FRS 140 in making that judgement.

In making its judgement, the Group considers whether a property generates cash flows largely independently of other assets held by the Group. Owner-occupied properties generate cash flows that are attributable not only to the property, but also to other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for use in the production or supply of goods and services or for administrative purposes.

If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately.

If the portions could not be sold separately, the property is accounted for as an investment property only if an insignificant portion is held for use in the production and supply of goods and services or for administrative purposes.

Judgement is also made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

The investment properties of certain subsidiaries pledged as securities for bank borrowings granted to the Company are as follows:

	2009 **RM**	**2008** **RM**
At net carrying amount		
Freehold land and buildings	32,948,500	34,530,000
Long term leasehold land and buildings	21,521,000	13,800,000
	54,469,500	48,330,000

5. Biological assets

	Group	
	2009 **RM**	**2008** **RM**
Oil palm plantation development expenditure		
Cost		
At 1 January / At 31 December	12,000,000	12,000,000
Accumulated amortisation		
At 1 January	460,571	-
Amortisation for the year	614,094	460,571
At 31 December	1,074,665	460,571
Net carrying amount		
At 31 December	10,925,335	11,539,429

6. Prepaid lease payments

	Long term leasehold land RM	Short term leasehold land RM	Total RM
Group			
At 31 December 2009			
Cost			
At 1 January 2009	50,157,216	5,809,627	55,966,843
Addition	1,518,211	-	1,518,211
Reclassified to investment properties	-	(802,375)	(802,375)
At 31 December 2009	51,675,427	5,007,252	56,682,679
Accumulated amortisation			
At 1 January 2009	3,805,903	1,142,638	4,948,541
Charge for the year	753,691	96,411	850,102
Reclassified to investment properties	-	(220,468)	(220,468)
At 31 December 2009	4,559,594	1,018,581	5,578,175
Net carrying amount			
At 31 December 2009	47,115,833	3,988,671	51,104,504
At 31 December 2008			
Cost			
At 1 January 2008	22,157,216	5,809,627	27,966,843
Acquisition of subsidiaries	28,000,000	-	28,000,000
At 31 December 2008	50,157,216	5,809,627	55,966,843
Accumulated amortisation			
At 1 January 2008	3,214,009	1,019,895	4,233,904
Charge for the year	591,894	122,743	714,637
At 31 December 2008	3,805,903	1,142,638	4,948,541
Net carrying amount			
At 31 December 2008	46,351,313	4,666,989	51,018,302

The long term leasehold land of a subsidiary with a net carrying amount of RM15,595,696 (2008 : RM15,788,434) is presently licensed to another subsidiary for 97 years which commenced on 1 September 1992 for the purpose of management of a golf course and a clubhouse.

The leasehold land which are pledged as securities for banking and other credit facilities granted to the Group are as follows:

	2009 RM	2008 RM
At net carrying amount		
Long term leasehold land	16,275,377	17,473,574
Short term leasehold land	-	581,907
	16,275,377	18,055,481

7. Goodwill

	Group 2009 RM	2008 RM
Cost		
At 1 January	30,185,501	22,424,439
Acquisition of a subsidiary	216,065	6,488,716
Disposal of a subsidiary	(272,895)	-
Increase in effective interests in a subsidiary	-	1,272,346
At 31 December	30,128,671	30,185,501
Accumulated impairment losses		
At 1 January	9,061,781	5,946,265
Disposal of a subsidiary	(272,895)	-
Impairment loss recognised	6,510,719	3,115,516
At 31 December	15,299,605	9,061,781
Net carrying amount		
At 31 December	14,829,066	21,123,720

(a) Impairment test for cash-generating unit ("CGU") containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which comprise properties, lighting, plantation and other operating divisions at which the goodwill is monitored. Full impairment loss is made on goodwill of any CGU which is expected to make losses and where the future potential revival of such unit is uncertain.

(b) Key assumptions used in value-in-use calculations

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a five year period. Cashflow beyond 5 years period are extrapolated.

(c) Sensitivity to changes in assumptions

With regard to the assessment of value-in-use, the management believes that no reasonable possible changes in any key assumptions would cause the carrying values of respective CGUs to materially exceed their recoverable values.

8. Land held for property development

	Freehold land RM	Leasehold land RM	Total RM
Group			
2009			
Land at cost			
At 1 January	24,093,181	2,956,168	27,049,349
Additions	-	-	-
Transfer to property development costs (Note 15)	(6,086,400)	-	(6,086,400)
At 31 December	18,006,781	2,956,168	20,962,949
Development costs			
At 1 January	2,345,940	6,881,594	9,227,534
Additions	36,125	-	36,125
Transfer to property development costs (Note 15)	(44,473)	(210,845)	(255,318)
At 31 December	2,337,592	6,670,749	9,008,341
	20,344,373	9,626,917	29,971,290
2008			
Land at cost			
At 1 January	16,089,857	2,956,168	19,046,025
Additions	8,003,324	-	8,003,324
At 31 December	24,093,181	2,956,168	27,049,349
Development costs			
At 1 January	2,016,422	7,027,449	9,043,871
Additions	329,518	-	329,518
Transfer to property development costs (Note 15)	-	(145,855)	(145,855)
At 31 December	2,345,940	6,881,594	9,227,534
	26,439,121	9,837,762	36,276,883

9. Investment in subsidiaries

	Company 2009 RM	Company 2008 RM
Unquoted shares at cost	267,272,448	269,822,453
Less: Accumulated impairment losses	(25,090,199)	(25,949,998)
	242,182,249	243,872,455

The subsidiaries, all of which are incorporated in Malaysia, except where indicated, are as follows:

Subsidiaries of the Company	Principal activities	Proportion of ownership interest 2009 %	Proportion of ownership interest 2008 %
Alam Perdana Sdn Bhd **,^	Inactive	100	100
Alu-Paste & Pigments Sdn Bhd *	Investment holding	90	90
Bay Potential Sdn Bhd **, ^	Inactive	70	70
Davex Holdings Berhad *	Investment holding	100	100
First Cosmopolitan Sdn Bhd *	Investment holding	100	100
Ganda Pesona Sdn Bhd *	Provision of accounting, secretarial and insurance agency services	100	100
Metra Management Sdn Bhd *	Provision of share registration, management and secretarial services	100	100
MWE Advanced Structure Sdn Bhd *	Building construction	90	90
MWE Golf & Country Club Berhad *	Management of a golf course and clubhouse and the provision of landscaping services	100	100
MWE Optical Holdings Sdn Bhd **, #	Investment holding	-	55
MWE Properties Sdn Bhd *	Property investment and development, contracting and management agency services	100	100
MWE Spinning Mills Sdn Bhd *	Investment holding	100	100
MWE Weaving Mills Sdn Bhd *	Inactive	100	100

Subsidiaries of the Company	Principal activities	Proportion of ownership interest 2009 %	2008 %
United Sweethearts Garment Sdn Bhd *	Manufacturing and sale of garments	100	100
Fauzi-Lim Plantation Sdn Bhd *	Manage and operate oil palm plantation	100	100
Etika Gangsa Sdn Bhd *	Dormant	100	100
Taka Worldwide Trading Sdn Bhd *	Dormant	100	100
Subsidiary of Alu-Paste & Pigments Sdn Bhd			
Quasar Industrial Vehicles Sdn Bhd *	Assembling and distributing of trucks	53	53
Subsidiaries of Davex Holdings Berhad			
Davex (Malaysia) Sdn Bhd *	General importer and supplier of electrical fittings, manufacturing and assembling of all range of electrical cable trunkings and lightings	93	93
Daviscomms (S) Pte Ltd (incorporated in the Republic of Singapore) **	Design, manufacturing and distribution of telecommunication products	68	68
Phili-Orient Lines (Penang) Sdn Bhd *	Provision of sea freight forwarding services	69	69
Round and Round Pte Ltd ** (incorporated in the Republic of Singapore)	Importing and exporting of electronic power conversion products	51	51
VXL Alliance Sdn Bhd **	Provision of transportation and logistics services	60	-
Subsidiaries of Davex (Malaysia) Sdn Bhd			
Davex Australia Pty Ltd ** (incorporated in Australia)	Manufacturer, wholesaler and importer of electrical goods	100	100
Davex Engineering (M) Sdn Bhd *	Manufacturing and assembling of a range of electrical cable trunkings and lightings	100	100
Davex Singapore Pte Ltd ** (incorporated in the Republic of Singapore)	Trading in electrical products and provision of engineering services	100	100

Subsidiaries of the Company	Principal activities	Proportion of ownership interest 2009 %	2008 %
Subsidiary of Daviscomms (S) Pte Ltd			
Daviscomms (Malaysia) Sdn Bhd *	Contract manufacturing of electronic products	100	100
Subsidiaries of Phili-Orient Lines (Penang) Sdn Bhd			
Phili-Orient Airfreight (Penang) Sdn Bhd *	Provision of international air and sea freight forwarding services	100	100
Subsidiary of Phili-Orient Airfreight (Penang) Sdn Bhd			
Phili-Orient Airfreight (Malaysia) Sdn Bhd *	Provision for air and sea freight forwarding services	100	100
Subsidiary of First Cosmopolitan Sdn Bhd			
Devanna Limited * (incorporated in British Virgin Islands)	Investment holding	100	100
Subsidiary of Metra Management Sdn Bhd			
Metra Nominees Sdn Bhd *	Provision of nominee services	100	100
Subsidiary of MWE Advanced Structure Sdn Bhd			
MWE Cedar Homes Sdn Bhd *	Inactive	70	70
Subsidiaries of MWE Optical Holdings Sdn Bhd			
MWE Optimia JV Sdn Bhd **, #	Trading in opthalmic products	-	100
MWE Optical Trading Sdn Bhd **, #	Trading in optical products, coating and manufacturing of lenses	-	100
Shu Tong Mow Contact Optical Sdn Bhd **, #	Trading in opthalmic products	-	100

Subsidiaries of the Company	Principal activities	Proportion of ownership interest 2009 %	2008 %
Subsidiaries of MWE Properties Sdn Bhd			
Jurangjaya Sdn Bhd **	Property development and property management	60	60
Melati Mewah Sdn Bhd *	Property investment and development	100	100
Metra PMC Sdn Bhd *	Provision of property management services	100	100
MWE Development Sdn Bhd **, ^	Property development	70	70
MWE Macadam Sdn Bhd *	Building construction	51	51
MWE Precast Concrete Sdn Bhd **	Inactive	100	100
MWE Tiravest Sdn Bhd *	Property development	60	60
Prime Achiever Sdn Bhd **	Rental of properties	100	100
Subsidiary of Jurangjaya Sdn Bhd			
Lup Ching Holdings Sdn Bhd **, ^	Property development	100	100
Subsidiary of Melati Mewah Sdn Bhd			
Melati Mewah Property Services Sdn Bhd *	Provision of property managment services	100	100
Subsidiaries of MWE Spinning Mills Sdn Bhd			
MWE Textile Industries Sdn Bhd *	Manufacturing and sale of dyed knitted fabrics, dyeing and finishing of woven fabrics	100	100
United Sweethearts Garment (Vietnam) Co Ltd ** (incorporated in Vietnam)	Production of garment products for export	100	100
USJ Embroidery Sdn Bhd **, ^^	Dormant	-	100

^ Filed for striking off pursuant to Section 308 of the Companies Act, 1965

^^ Struck off from the register on 7 December 2009

Disposed during the year

* Audited by Ernst & Young, Malaysia

** Audited by firms other than Ernst & Young

At 31 December 2009, impairment losses on value of investment in certain subsidiaries were made based on their net tangible asset values at 31 December 2009. After analysing the past performance of these subsidiaries, the management considered the value of investment in these subsidiaries was not expected to be recoverable in the near future.

The management reviews the carrying amount of the investment in subsidiaries at each balance sheet date to determine whether there is any indication of impairment. The management's assessment on whether there is an indication is based on external and internal sources of information as well as based on indicative values (value-in-use) calculations. If such indication exists, the recoverable amount of the investment is estimated to determine the impairment loss on the value of such investment.

The recoverable amount is determined based on value-in-use calculations using the approved cash flow projections by the management. Management believes that no reasonable possible changes in any of the key assumptions above would cause the carrying values of the investment in subsidiaries to exceed their recoverable amounts.

10. Amount due from/(to) subsidiaries

	Company	
	2009 RM	2008 RM
Amount due from subsidiaries	168,109,053	174,171,118
Less: Provision for doubtful debts	(14,275,692)	(17,350,000)
	153,833,361	156,821,118
Amount due to subsidiaries	(103,053,682)	(118,978,347)

The amount due from/(to) subsidiaries are unsecured and repayable on demand.

Included in the amount due from subsidiaries is an amount of RM165,173,453 (2008 : RM150,682,305) earning effective interest rates of between 0.50% and 6.36% (2008 : 0.50% and 7.68%) per annum and the balance is non-interest bearing.

11. Investments in associates

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Unquoted shares at cost	21,270,314	21,360,266	16,747,096	16,747,096
Less: Accumulated impairment losses	-	-	(16,747,095)	(16,747,095)
	21,270,314	21,360,266	1	1
Group's share of post-acquisition reserves and profit	11,406,839	6,769,159	-	-
	32,677,153	28,129,425	1	1

	Group 2009 RM	Group 2008 RM
Represented by:		
Attributable share of net assets of associates	32,677,153	28,129,425

The share of loss in certain associates have been discontinued in the previous financial years as the share of loss had exceeded the carrying amount of the investments. The share of loss for the current year and cumulative loss not recognised are as follows:

	Group 2009 RM	Group 2008 RM
Share of loss not recognised		
- in the current year	(623,194)	(19,908)
- cumulatively	(4,787,594)	(4,164,400)

The associates, all of which are incorporated in Malaysia, except where indicated, are as follows:

Name of associates	Principal activities	Proportion of ownership interest 2009 %	Proportion of ownership interest 2008 %
Held by the Company:			
Premier Capital Holdings Sdn Bhd	Investment holding	30	30
Held through subsidiaries:			
PI International Holdings Ltd (incorporated in British Virgin Islands)	Investment holding	44	44
Advanced Mobile Services & Solutions Sdn Bhd	Investment holding	36	36
Island Garden Development Sdn Bhd	Housing development	40	40
Ribuan Wangsa Sdn Bhd	Property development	50	50
Weld Quay Development Sdn Bhd	Property development and investment holding	50	50
CNT Garments Sdn Bhd	Sewing contractor of textiles and garments	20	20

The financial statements of the above associates are coterminous with those of the Group, except for Premier Capital Holdings Sdn Bhd which has a financial year end of 31 March. For the purpose of applying the equity method of accounting, the financial statements of Premier Capital Holdings Sdn Bhd for the year ended 31 March 2009 have been used and appropriate adjustments have been made for the effects of significant transactions between 31 December 2009 and that date.

The summarised financial information of the associates are as follows:

	2009 RM	2008 RM
Assets and liabilities		
Current assets	181,519,640	109,705,017
Non-current assets	31,744,553	25,243,408
Total assets	213,264,193	134,948,425
Current liabilities	180,185,378	114,750,452
Non-current liabilities	3,831,718	1,834,602
Total liabilities	184,017,096	116,585,054
Results		
Revenue	258,606,042	337,622,680
Profit for the year	8,860,975	223,289

12. Other investments

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Shares quoted in Malaysia at cost	23,885,915	15,144,048	23,885,915	15,144,048
Less: Accumulated impairment losses	-	(1,770,669)	-	(1,770,669)
	23,885,915	13,373,379	23,885,915	13,373,379
Shares quoted outside Malaysia at cost	11,167	8,105	11,167	8,105
Unquoted shares at cost	36,802,370	34,590,509	17,415,781	15,203,920
Less: Accumulated impairment losses	(26,441,103)	(26,012,928)	(15,203,917)	(15,203,917)
	10,361,267	8,577,581	2,211,864	3
Membership in a golf and country club, at cost	300,634	297,012	-	-
Less: Accumulated impairment losses	(180,284)	(178,112)	-	-
	120,350	118,900	-	-
	34,378,699	22,077,965	26,108,946	13,381,487

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Market value				
- shares quoted in Malaysia	45,557,276	13,650,408	45,557,276	13,650,408
- shares quoted outside Malaysia	104,130	53,754	104,130	53,754
	45,661,406	13,704,162	45,661,406	13,704,162

The directors review the carrying amounts of other investments at each balance sheet date to determine whether there is any indication of impairment. The directors' assessment on whether there is an indication is mainly based on the latest available financial statements of these investee companies. If such indication exists, the recoverable amounts of these investments are estimated based on the sources of information available to directors to determine impairment loss of these investments.

13. Deferred tax

	Group 2009 RM	Group 2008 RM
At 1 January	(1,724,364)	(5,408,715)
Deferred tax liability relating to revaluation of investment properties	(1,212,137)	-
Acquisition of a subsidiary	-	(422,080)
Recognised in income statement (Note 34)	570,789	4,242,065
Exchange differences	165,004	(135,634)
At 31 December	(2,200,708)	(1,724,364)
Presented after appropriate offsetting as follows:		
Deferred tax assets	688,792	607,138
Deferred tax liabilities	(2,889,500)	(2,331,502)
	(2,200,708)	(1,724,364)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

	Property, Plant and Equipment RM	Land Held For Property Development RM	Investment Properties RM	Unused Tax Losses & Unabsorbed Capital Allowances RM	Others RM	Total RM
Deferred tax assets of the Group:						
At 1 January 2009	607,138	-	-	-	-	607,138
Recognised in income statement	(84,339)	-	-	-	-	(84,339)
Exchange differences	165,993	-	-	-	-	165,993
At 31 December 2009	688,792	-	-	-	-	688,792
At 1 January 2008	594,310	-	-	-	-	594,310
Recognised in income statement	144,605	-	-	-	-	144,605
Exchange differences	(131,777)	-	-	-	-	(131,777)
At 31 December 2008	607,138	-	-	-	-	607,138
Deferred tax liabilities of the Group:						
At 1 January 2009	(3,620,917)	(943,761)	-	2,088,015	145,161	(2,331,502)
Recognised in income statement	2,524,748	14,161	-	(2,074,074)	190,293	655,128
Revaluation of investment properties	-	-	(1,212,137)	-	-	(1,212,137)
Exchange differences	(989)	-	-	-	-	(989)
At 31 December 2009	(1,097,158)	(929,600)	(1,212,137)	13,941	335,454	(2,889,500)
At 1 January 2008	(5,376,863)	(987,908)	-	188,000	173,746	(6,003,025)
Acquisition of a subsidiary	(422,080)	-	-	-	-	(422,080)
Recognised in income statement	2,181,883	44,147	-	1,900,015	(28,585)	4,097,460
Exchange differences	(3,857)	-	-	-	-	(3,857)
At 31 December 2008	(3,620,917)	(943,761)	-	2,088,015	145,161	(2,331,502)

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

	Group	
	2009	2008
	RM	RM
Unused tax losses	47,310,844	49,726,372
Unabsorbed capital allowances	14,594,857	14,160,555
Other deductible temporary differences	15,449,393	12,398,676
	77,355,094	76,285,603

14. Inventories

	Group	
	2009	2008
	RM	RM
Finished goods	26,197,293	18,845,531
Raw materials	22,604,016	21,685,719
Work-in-progress	9,464,045	12,953,135
Consumable stores and spares	7,551,744	9,371,634
Commercial trucks held for sale	4,131,364	3,349,453
Inventories of completed development units	1,343,390	2,151,051
	71,291,852	68,356,523

Inventories are stated at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of committed sales prices.

Inventories are reviewed on a regular basis and the Group will write-down excess or obsolete inventories based primarily on historical trends and management estimates of expected and future product demand and related pricing.

Demand levels, technological advances and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories which are specifically affected by such factors, and additional write-down for slow moving inventories may be required.

Inventories pledged to banks for banking facilities granted to certain subsidiaries are as follows:

	Group	
	2009	2008
	RM	RM
Finished goods	19,207,217	12,545,466
Consumable stores and spares	7,283,098	9,257,368
Commercial trucks held for sale	4,131,364	3,349,453
Raw materials	-	300,010
	30,621,679	25,452,297

15. Property development costs

	Group 2009 RM	Group 2008 RM
At 1 January		
- Leasehold land, at cost	16,443,832	16,443,832
- Development costs	77,317,051	73,847,799
	93,760,883	90,291,631
Add:		
Development costs incurred	460,525	3,323,397
Transfer from land held for property development (Note 8)		
- freehold land	6,086,400	-
- development costs	255,318	145,855
	100,563,126	93,760,883
Less: Costs recognised as an expense in the income statement		
- Recognised in previous financial years	(91,297,840)	(88,423,552)
- Recognised during the year (Note 29)	(827,243)	(2,874,288)
	(92,125,083)	(91,297,840)
At 31 December	8,438,043	2,463,043

The Group recognises property development activities based on the percentage of completion method. The stage of completion of the property development activities is determined by the proportion of the actual development costs incurred to-date bear to estimated total costs.

Significant judgement is required in estimating the total costs of a development project and subsequent revision to such costs to complete the project, as well as to determine the extent of the development project and the recoverability of the development project. In making these judgements, management relies on past experience and the work of industry specialists.

16. Gross amount due from/(to) customers

	Group 2009 RM	Group 2008 RM
Cost of contracts	298,329,157	224,153,367
Attributable profits/(loss) recognised to-date	7,687,373	(1,010,178)
	306,016,530	223,143,189
Less: Progress billings to-date	(308,911,784)	(220,179,225)
	(2,895,254)	2,963,964

	Group 2009 RM	Group 2008 RM
Represented by:		
Gross amount due from customers	2,502,186	7,713,536
Gross amount due to customers	(5,397,440)	(4,749,572)
	(2,895,254)	2,963,964
Retention sums receivable from customers included in trade receivables	5,845,536	8,935,636

The Group recognises construction contracts based on the percentage of completion method. The stage of completion of the construction contracts is determined by the proportion that actual contract costs incurred on work performed to date bear to the estimated total costs.

Significant judgement is required in estimating the total costs of a contract and subsequent revisions to such costs to complete the contract, as well as to determine the extent of the development project and the recoverability of the contract. In making these estimates, management relies on past experience and the work of industry specialists.

17. Trade and other receivables

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Trade receivables				
Third parties	89,875,065	84,755,395	-	-
Accrued billing in respect of property development cost	782,657	-	-	-
	90,657,722	84,755,395	-	-
Less: Provision for doubtful debts	(9,778,123)	(8,949,429)	-	-
Trade receivables, net	80,879,599	75,805,966	-	-
Other receivables				
Third parties	21,194,636	15,423,911	150,001	-
Less: Provision for doubtful debts	(5,177,375)	(5,212,295)	-	-
Other receivables, net	16,017,261	10,211,616	150,001	-
Deposits	1,586,637	2,933,476	4,500	4,500
Prepayments	2,027,350	2,023,280	-	-
	100,510,847	90,974,338	154,501	4,500

Trade receivables comprise amounts receivable from progress billings made to customers on contract works performed, sale of goods and services rendered to customers, sale of development properties, rental receivable from tenants and retention sums receivable.

Trade receivables are granted credit periods of 7 to 120 days except that retention sums are receivable upon the expiry of the defect liability periods of the respective construction contracts. The defect liability periods of the construction contracts are between 12 and 18 months.

Other receivables, deposits and prepayments are from the normal business transactions of the Group. Included in the other receivables of the Group is an amount of RM5,220,000 (2008: Nil) receivable from the disposal of freehold land of one of the subsidiaries.

The collectibility of receivables is assessed on an ongoing basis. Provision for doubtful debts is made for any receivables considered to be doubtful of collection.

The provision for doubtful debts is made based on a review of all outstanding amounts as at the balance sheet date. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the creditworthiness and the past collection history of each customer. If the financial condition of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional provision may be required. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

18. Amount due from/(to) associates

The amount due from/(to) the associates are unsecured, non-interest bearing and repayable on demand.

19. Cash and bank balances

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM	**RM**	**RM**	**RM**
Cash on hand and at banks	30,313,857	37,022,775	252,548	839,656
Deposits with				
- Licensed banks in Malaysia	10,913,115	3,696,367	-	-
- Foreign banks	5,894,279	1,307,900	-	-
	47,121,251	42,027,042	252,548	839,656

Included in cash and bank balances of the Group are the following monies for specific purposes:

- amounts of RM78,009 (2008 : RM2,738,344) maintained in a housing development accounts by certain subsidiaries in accordance with Part III, Section 7A of the Housing Development (Control and Licensing) Act 1966 (Act 118) & Regulations.

- amounts of RM7,614 (2008 : RM10,732) placed in Building Maintenance Account pursuant to Part IV, Section 16 of the Building and Common Property (Maintenance and Management) Act 2007 (Act 663) and Schedule III, Clause 5 of the Deed of Covenants entered into between two subsidiaries (Developers) and the purchasers.

- amounts of RM9,659 (2008 : RM2,459) placed in trust accounts pursuant to Clauses 11.01, 12.02 and 13.01 of the Trust Deed entered into by two subsidiaries with AmTrustee Berhad and Licensees of Monterez Golf & Country Club Bhd.

The effective interest rates of the deposits are as follows:

	Group		Company	
	2009	2008	2009	2008
	%	%	%	%
Licensed banks in Malaysia	1.00 - 3.70	2.00 - 3.70	-	-
Foreign banks	4.00 - 10.00	4.00	-	-

All the deposits have maturity periods of less than one year.

Fixed deposits amounting to RM1,935,216 (2008 : RM1,934,250) of the Group are pledged as securities for bank guarantees and other credit facilities granted to the Group.

Included in fixed deposits of the Group are the following trust accounts for specific purposes:

- amounts of RM113,438 (2008 : RM54,077) placed in trust accounts pursuant to Clauses 12.02 and 13.01 of the Trust Deed entered into by two subsidiaries with AmTrustee Berhad and Licensees of Monterez Golf & Country Bhd.

- amounts of RM28,392 (2008 : RM101,713) placed in Building Maintenance Account pursuant to Part IV, Section 16 of the Building and Common Property (Maintenance and Management) Act 2007 (Act 663) and Schedule III, Clause 5 of the Deed of Covenant entered into between two subsidiaries (Developers) and the purchasers.

20. Share capital

	Number of ordinary shares of RM1 each		Amount	
	2009	2008	2009	2008
			RM	RM
Authorised:				
At 1 January/December 2009	500,000,000	500,000,000	500,000,000	500,000,000
Issued and fully paid:				
At 1 January/December 2009	231,559,015	231,559,015	231,559,015	231,559,015

21. Reserves

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Non-distributable				
Share premium account	23,586,099	23,586,099	23,586,099	23,586,099
Exchange translation reserve	6,717,459	3,698,395	-	-
Capital reserve	1,154,156	1,154,156	-	-
Revaluation reserve	3,636,411	-	-	-
	35,094,125	28,438,650	23,586,099	23,586,099
Distributable				
Retained earnings	66,150,240	56,225,244	8,878,605	4,666,107
	101,244,365	84,663,894	32,464,704	28,252,206

The capital reserve represents the bonus shares issued by certain subsidiaries from the capitalisation of subsidiaries' post-acquisition reserves.

22. Treasury shares

	2009	2008
	RM	RM
At 1 January/31 December	234,841	234,841

The Company repurchased 355,000 ordinary shares in the year 2005 at a total consideration of RM234,841 from the open market at prices ranging from RM0.65 to RM0.67 per share.

The repurchased shares are being held as treasury shares and carried at cost in accordance with the requirements of Section 67A of the Companies Act, 1965. Treasury shares have no rights to voting, dividend and participation in other distribution.

At 31 December 2009, the number of treasury shares held is 355,000 (2008 : 355,000) ordinary shares.

23. Retained earnings

As at 31 December 2009, the Company has tax exempt profits available for distribution of approximately RM15,897,000 (2008 : RM16,245,000) of its retained earnings as tax exempt dividends, subject to the agreement of the Inland Revenue Board.

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 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

The Company did not elect for the irrevocable option to disregard the 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the 108 balance as at 31 December 2009 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act 2007. As at 31 December 2009, the Company has sufficient credit in the 108 balance to pay franked dividends amounting to RM278,000 (2008 : RM278,000) out of its retained earnings. If the balance of the retained earnings of RM8,600,605 (2008 : RM4,388,107) were to be distributed as dividends, the Company may distribute such dividends under the single tier system.

24. Hire purchase and finance lease liabilities

	Group	
	2009	2008
	RM	RM
Future minimum lease payments:		
Not later than 1 year	1,378,393	1,338,467
Later than 1 year and not later than 5 years	1,793,246	1,938,897
Later than 5 years	550,340	27,937
Total future minimum lease payments	3,721,979	3,305,301
Less: Future finance charges	(374,618)	(291,699)
Present value of finance lease liabilities	3,347,361	3,013,602
Analysis of present value of finance lease liabilities:		
Not later than 1 year	1,205,085	1,180,625
Later than 1 year	2,142,276	1,832,977
	3,347,361	3,013,602

The effective interest rates of the hire purchase and finance lease liabilities are between 2.22% and 10.48% (2008 : 2.29% and 8.12%) per annum.

25. Borrowings

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Short term borrowings				
Secured:				
Bankers' acceptances and trust receipts	705,000	3,376,000	-	-
Bank overdrafts	469,642	1,533,704	-	-
Revolving credit	26,500,000	21,171,000	26,000,000	19,500,000
Term loans	5,989,564	7,591,323	5,946,408	7,500,000
	33,664,206	33,672,027	31,946,408	27,000,000

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Unsecured:				
Bankers' acceptances and trust receipts	3,115,334	14,520,680	-	-
Bank overdrafts	719,645	669,380	519,466	-
Revolving credit	1,300,000	1,300,000	-	-
	5,134,979	16,490,060	519,466	-
	38,799,185	50,162,087	32,465,874	27,000,000
Long term borrowings				
Secured:				
Term loans	18,676,039	4,804,829	18,400,000	4,346,408
Total borrowings				
Bankers' acceptances and trust receipts	3,820,334	17,896,680	-	-
Bank overdrafts	1,189,287	2,203,084	519,466	-
Revolving credit	27,800,000	22,471,000	26,000,000	19,500,000
Term loans	24,665,603	12,396,152	24,346,408	11,846,408
	57,475,224	54,966,916	50,865,874	31,346,408

The effective interest rates per annum of the bank borrowings are as follows:

	Group		Company	
	2009 %	2008 %	2009 %	2008 %
Bankers' acceptances and trust receipts	0.88 - 3.32	3.20 - 7.50	-	-
Bank overdrafts	5.55 - 7.50	3.20 - 10.95	6.95 - 7.50	-
Revolving credit	4.15 - 5.65	5.15 - 7.51	4.15 - 5.20	5.15 - 5.73
Term loans	3.25 - 6.45	3.75 - 8.75	4.25 - 5.20	5.15 - 5.20

The secured bankers' acceptances, trust receipts, bank overdrafts and revolving credit of the Group and of the Company are secured by certain assets of the Group as disclosed in Note 3(b), Note 4, Note 6 and Note 14.

The term loans of the subsidiaries are secured by freehold and leasehold properties as well as fixed and floating charges over the assets of these subsidiaries. Term loans of one of the subsidiaries was secured by corporate guarantee of the Company in previous financial year.

The term loans of the Company are secured by the following:

(a) Third party fixed charge over the leasehold lands, buildings and investment properties of certain subsidiaries and investment properties as disclosed in Note 3(b), Note 4 and Note 6.

(b) Charge over all shares of Fauzi-Lim Plantation Sdn Bhd.

Other information on financial risks of borrowings are disclosed in Note 48.

26. Deferred income

Deferred income represents club membership licence fees received in advance by a subsidiary. The licence fees received are recognised in the income statement on a time proportion basis over the licence period.

27. Trade and other payables

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Trade payables				
Third parties	43,843,862	43,916,489	-	-
Progress billings in respect of property development cost	1,395,227	2,501,537	-	-
	45,239,089	46,418,026	-	-
Other payables				
Other payables	14,740,124	15,174,404	5,315,589	5,316,079
Deposits	3,961,941	3,115,528	-	-
Accruals	29,470,192	25,872,928	436,559	414,610
	48,172,257	44,162,860	5,752,148	5,730,689
	93,411,346	90,580,886	5,752,148	5,730,689

(a) Trade payables and progress billings

Trade payables comprise amounts outstanding from trade purchases, sub-contractors claims on contract works performed and retention sums payable. Progress billings on development properties represent excess of billings to purchasers of development properties over revenue recognised in the income statement.

The normal credit periods granted by trade suppliers and sub-contractors are between 14 and 120 days, whereas retention sums are normally payable upon the expiry of the defect liability periods of the respective construction contracts. The defect liability periods of the construction contracts are between 12 and 18 months.

(b) Other payables, deposits and accruals

Other payables, deposits and accruals are from the normal business transactions of the Group.

Included in other payables of the Company and of the Group is an amount of RM5,250,000 (2008 : RM5,250,000) which represents interest free refundable deposit received from a corporation in relation to the appointment of the said corporation as the developer and project manager for the development of a piece of leasehold land held by a subsidiary and also to act as a club manager for Monterez Golf & Country Club Bhd. To-date, the terms of the appointment have yet to be finalised.

28. Revenue

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Sale of goods	404,675,327	379,971,131	-	-
Rendering of services	40,723,320	47,834,283	-	-
Contract revenue	39,775,685	27,652,716	-	-
Rental income from				
- investment properties	4,590,749	4,342,109	-	-
- others	23,473	38,670	-	-
Revenue from sale of development properties	2,066,752	3,337,393	-	-
Dividend income	1,913,459	1,389,327	33,788,659	25,434,639
	493,768,765	464,565,629	33,788,659	25,434,639

29. Cost of sales

	Group 2009 RM	Group 2008 RM
Cost of goods sold	306,671,537	289,830,426
Cost of services rendered	35,627,594	43,147,723
Construction contract costs	35,976,858	33,545,862
Direct operating costs relating to rental income of investment properties	2,261,242	2,282,868
Cost of development properties sold (Note 15)	827,243	2,874,288
	381,364,474	371,681,167

30. Other income

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Reversal of inventories written down	-	1,549,898	-	-
Bad debts recovered	131,572	124,644	-	-
Deposit forfeited	7,905	47,765	-	-
Reversal of provision for doubtful debts	399,161	727,548	20,000	-
Gain on disposal of property, plant and equipment	5,487,965	944,075	-	-
Gain on liquidation of subsidiaries	-	10	-	-
Gain on foreign exchange				
- realised	1,088,452	288,337	-	-
- unrealised	5,666,499	775,331	-	-
Interest income from				
- subsidiaries	-	-	2,061,649	2,506,297
- others	709,213	1,015,838	15,653	85,433
Realised exchange translation reserve	-	2,342,774	-	-
Rental income	530,591	1,248,903	-	-
Other income	1,153,108	386,053	-	-
	15,174,466	9,451,176	2,097,302	2,591,730

31. Finance costs

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Interest expense on				
- Bank borrowings	3,587,301	3,695,105	1,977,961	2,048,366
- Hire purchase and finance lease liabilities	334,944	331,132	-	-
- Others	13,265	34,941	-	-
	3,935,510	4,061,178	1,977,961	2,048,366
Less: Interest expense classified in cost of sales	-	(77,913)	-	-
	3,935,510	3,983,265	1,977,961	2,048,366

32. (Gain)/loss from investments

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Negative goodwill on acquisition of subsidiaries	-	(372,583)	-	-
Loss/(gain) on disposal of				
- subsidiary	982,496	-	458,951	-
- investment properties	-	(431,242)	-	-
- investment in an associate	-	3,395	-	-
- quoted investments	(623,936)	-	(623,936)	-
- unquoted investments	-	(355,154)	-	-
Impairment loss of investment in subsidiaries	-	-	1,890,200	19,199,998
Impairment loss of other investment				
- quoted investment	-	1,770,669	-	1,770,669
- unquoted investments	1,599,000	122,325	-	-
Impairment loss of other investments written back				
- quoted investments	(1,770,669)	-	(1,770,669)	-
- unquoted investments	(1,170,825)	-	-	-
	(983,934)	737,410	(45,454)	20,970,667

33. Profit/(loss) before tax

The following amounts have been included in arriving at proft/(loss) before tax:

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Employee benefits expense (Note 41)	72,139,920	68,945,077	27,000	27,500
Provision for doubtful debts	2,030,670	4,485,922	3,983,659	17,350,000
Amortisation of biological assets (Note 5)	614,094	460,571	-	-
Amortisation of prepaid lease payments (Note 6)	850,102	714,637	-	-
Auditors' remuneration				
- current year	420,890	389,453	35,000	35,000
- under/(over) provision in prior year	250	(1,060)	2,000	2,000
Bad debts written off	424,449	127,794	2,082	11,777
Depreciation of property, plant and equipment (Note 3)	7,911,770	7,354,680	-	-
Impairment of goodwill (Note 7)	6,510,719	3,115,516	-	-
Write-down of inventories	2,063,890	570,645	-	-
Net (gain)/loss on foreign exchange				
- realised	2,970,881	1,794,114	-	-
- unrealised	(4,924,186)	(761,218)	-	-
Operating leases				
- rental of equipment	50,020	51,927	-	-
- rental of land	3,866,125	2,339,099	-	-
- rental of machinery	1,057,800	1,395,749	-	-
- rental of premises	3,497,596	2,806,738	-	-
- rental of vehicles	681,597	99,015	-	-
Property, plant and equipment written off	33,732	2,365,112	-	-
Reversal of provision for doubtful debts	(399,161)	(727,548)	(20,000)	-
Bad debts recovered	(131,572)	(124,644)	-	-
Net gain on disposal of property, plant and equipment	(5,485,844)	(944,075)	-	-
Gross dividend income from				
- subsidiaries	-	-	(31,875,200)	(24,045,312)
- investments quoted in Malaysia	(1,910,397)	(1,386,372)	(1,910,397)	(1,386,372)
- investments quoted outside Malaysia	(3,061)	(2,955)	(3,061)	(2,955)
Interest income from				
- subsidiaries	-	-	(2,061,649)	(2,506,297)
- others	(709,213)	(1,015,838)	(15,653)	(85,433)
Rental income from				
- investment properties	(4,590,749)	(4,342,109)	-	-
- others	(554,064)	(1,287,573)	-	-
Realised exchange translation reserve	-	(2,342,774)	-	-
Reversal of write-down of inventories	-	(1,549,898)	-	-

34. Income tax expense

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Current income tax				
- Malaysian income tax	6,549,201	5,937,488	983,000	822,000
- Foreign tax	3,427,694	2,898,709	-	-
	9,976,895	8,836,197	983,000	822,000
Under/(overprovision) in prior years				
- Malaysian income tax	906,976	(511,317)	97,897	30,252
- Foreign tax	8,760	932	-	-
	10,892,631	8,325,812	1,080,897	852,252
Deferred tax (Note 13)				
- Relating to origination and reversal of temporary differences	(357,266)	(4,542,193)	-	-
- (Over)/underprovision in prior years	(213,523)	300,128	-	-
	(570,789)	(4,242,065)	-	-
Total income tax expense	10,321,842	4,083,747	1,080,897	852,252

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

Pursuant to Paragraph 2B, Schedule 1 of the Income Tax Act, 1967 that was introduced with effect from the year of assessment 2009, the Group and the Company no longer qualified for the preferential rate applicable for Malaysian resident company with paid up capital of RM2.5 million or less of 20% on the first RM500,000 chargeable income. The current year income tax rate is 25%.

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

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Profit/(loss) before tax (excluding share of results of associates)	40,995,849	25,258,173	28,413,797	(13,700,373)
Taxation at Malaysian statutory tax rate of 25% (2008 : 26%)	10,248,962	6,567,125	7,103,449	(3,562,097)
Expenses not deductible for tax purposes	4,740,171	4,089,608	1,125,432	10,063,062
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	1,203,891	3,130,144	-	-
Income not subject to tax	(3,986,438)	(2,187,573)	(7,245,881)	(5,678,965)
Utilisation of previously unrecognised deductible temporary differences	(936,518)	(5,747,484)	-	-
Tax effect of differences in tax rate	(1,650,439)	(1,557,816)	-	-
Total income tax expense carried forward	9,619,629	4,294,004	983,000	822,000

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Total income tax expense brought forward	9,619,629	4,294,004	983,000	822,000
Under/(over) provision of tax expense in prior years	915,736	(510,385)	97,897	30,252
(Over)/underprovision of deferred tax in prior years	(213,523)	300,128	-	-
Income tax expense for the year	10,321,842	4,083,747	1,080,897	852,252

35. Discontinued operations

The Group had discontinued the operations of MWE Textile Industries Sdn Bhd which continued incurring losses due to low profit margins. The discontinuation of the operations of dyed knitted fabrics was completed in year 2008.

An analysis of the result of discontinued operations and the result recognised on the remeasurement of assets of disposal group is as follows:

	Group	
	2009	2008
	RM	RM
Revenue	-	-
Expenses	-	(29,690)
Loss from operations	-	(29,690)
Finance costs	-	(2,801)
Loss before tax of discontinued operations	-	(32,491)
Income tax expense	-	-
Loss for the year from discontinued operations	-	(32,491)

The following amounts have been included in arriving at loss before tax of discontinued operations:

	Group	
	2009	2008
	RM	RM
Reversal of provision for doubtful debts	-	55,712

The cash flows attributable to the discontinued operations are as follows:

	Group	
	2009	2008
	RM	RM
Operating cash flows	-	1,271,249

36. Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the year of RM33,045,398 (2008 : RM18,916,194) attributable to ordinary equity holders of the Company by 231,204,015 (2008 : 231,204,015) number of ordinary shares in issue during the financial year, excluding treasury shares held by the Company.

	2009 RM	2008 RM
Number of ordinary shares at 31 December	231,559,015	231,559,015
Less: Number of treasury shares held at 31 December	(355,000)	(355,000)
	231,204,015	231,204,015

37. Dividends paid

	Company	
	2009 RM	2008 RM
Recognised during the year:		
Interim dividend for 2008 : 3% tax exempt on 231,204,015 ordinary shares (3 sen per ordinary share)	6,936,120	-
Interim dividend for 2007 : 1% tax exempt and 3% less 26% tax on 231,204,015 ordinary shares (1 sen and 2.22 sen per ordinary share)	-	7,444,769
Final dividend for 2008 : 3% tax exempt on 231,204,015 ordinary shares (3 sen per ordinary share)	6,936,120	-
Final dividend for 2007 : 5% less 26% tax on 231,204,015 ordinary shares (3.7 sen per ordinary share)	-	8,554,549
Interim dividend for 2009 : 4% tax exempt on 231,204,015 ordinary shares (4 sen per ordinary share)	9,248,162	-
	23,120,402	15,999,318
Net dividend per ordinary share (sen)	10.00	6.92

On 25 November 2009, the directors declared an interim dividend of 4% tax exempt amounting to RM9,248,162 (4 sen per ordinary share) in respect of the financial year ended 31 December 2009 which was paid on 30 December 2009.

At the forthcoming annual general meeting, a final dividend of 4% tax exempt amounting to RM9,248,162 in respect of the financial year ended 31 December 2009 will be proposed for approval by shareholders of the Company. The proposed final dividend is payable in respect of all ordinary shares in issue at the date of the financial statements, excluding those ordinary shares held as treasury shares under share buy-back.

These financial statements do not reflect the proposed final dividend which will be accounted for in the shareholders' equity as an appropriation of retained earnings in the financial year in which the dividends are paid.

38. Analysis of acquisition of subsidiaries

(a) During the financial year, the subsidiary of the Company, Davex Holdings Bhd acquired 60% equity interest representing 150,000 ordinary shares of RM1 each in the issued and paid-up share capital of VXL Alliance Sdn Bhd ("VXL") for a consideration of RM79,233. The principal activity of VXL is provision of transportation and logistics services.

(b) In the previous financial year, the Company acquired

(i) the entire issued and paid-up share capital of Fauzi-Lim Plantation Sdn Bhd ("FLP") representing 5,000,000 ordinary shares of RM1 each, for a total purchase consideration of RM34,707,300. The principal activity of FLP is to manage and operate oil palm plantation.

(ii) the entire issued and paid-up share capital, representing 2 ordinary shares of RM1 each and 3 ordinary shares of RM1 each in Etika Gangsa Sdn Bhd and Taka Worldwide Trading Sdn Bhd respectively, for a total purchase consideration of RM1,810,012 and RM1,810,015 respectively. Each of the above companies is having lease rights over 66 years on 500 acres of agricultural land for cultivation of oil palm plantation.

The acquisitions are accounted for using the acquisition method of accounting. Goodwill and negative goodwill arising from the acquisitions are as follows:

	2009 RM	2008 RM
Goodwill on acquisition of		
- VXL Alliance Sdn Bhd	216,065	-
- Fauzi-Lim Plantation Sdn Bhd	-	6,488,716
	216,065	6,488,716
Negative goodwill on acquisition of		
- Etika Gangsa Sdn Bhd	-	186,240
- Taka Worldwide Trading Sdn Bhd	-	185,088
	-	371,328

The effects of acquisition of these subsidiaries on the consolidated net profit, the consolidated financial position and the consolidated cash flow statement are as follows:

(i) Effect on consolidated net profit

	2009 RM	2008 RM
Revenue	2,982,372	6,551,337
Cost of sales	(2,077,727)	(5,775,995)
Gross profit	904,645	775,342
Other income	995	29,507
Administrative expenses	(762,495)	(936,257)
Profit/(loss) from operations	143,145	(131,408)
Finance costs	(62,126)	(41,142)
Profit/(loss) before tax	81,019	(172,550)
Income tax expense	-	(34,362)
Profit/(loss) after tax	81,019	(206,912)
Minority interest	(32,408)	-
Increase/(decrease) in Group's net profit	48,611	(206,912)

(ii) Effect on consolidated financial position

	2009 RM	2008 RM
Non-current assets	1,146,616	39,993,950
Current assets	1,009,815	1,255,418
Non-current liabilities	(428,311)	(644,285)
Current liabilities	(1,125,155)	(9,030,159)
Minority interest	(241,186)	-
Net liabilities/(assets) held prior to acquisition	228,054	(32,209,939)
Increase/(decrease) in Group's share of net assets	589,833	(635,015)

(iii) Effect on consolidated cash flow statement

	2009 RM	2008 RM
Non-current assets	37,746	40,415,570
Current assets	1,105,372	205,924
Non-current liabilities	-	(487,998)
Current liabilities	(1,279,950)	(7,923,557)
Goodwill on acquisition	216,065	6,488,716
Negative goodwill on acquisitions	-	(371,328)
Purchase consideration	79,233	38,327,327
Less: Cash and cash equivalents	(107,143)	(151,341)
	(27,910)	38,175,986

39. Analysis of disposal of a subsidiary

During the financial year, the Company disposed its entire shareholding of 2,750,000 ordinary shares of RM1 each in MWE Optical Holdings Sdn Bhd, representing 55% equity interest for a total cash consideration of RM1.

The effects of disposal of the subsidiary on the consolidated net profit, the consolidated financial position and the consolidated cash flow statement are as follows:

(i) Effect on consolidated net profit

	2009 RM	2008 RM
Gross revenue	1,338,268	-
Cost of sales	(676,920)	-
Gross profit	661,348	-
Other income	74,310	-
Administrative expenses	(738,494)	-
Loss from operations	(2,836)	-
Finance costs	(327,685)	-
Loss before tax	(330,521)	-
Tax expense	-	-
Loss after tax	(330,521)	-
Minority interest	-	-
Decrease in Group's net profit	(330,521)	-

(ii) Effect on consolidated financial position

	2009 RM	2008 RM
Non-current assets	1,006,368	-
Current assets	1,186,869	-
Non-current liabilities	(102,482)	-
Current liabilities	(8,605,176)	-
Decrease in Group's share of net liabilities	(6,514,421)	-

(iii) Effect on consolidated cash flow statement

	2009 RM	2008 RM
Non-current assets	1,006,368	-
Current assets	1,186,869	-
Non-current liabilities	(151,300)	-
Current liabilities	(1,059,440)	-
Loss on disposal of subsidiary	(982,496)	-
Sale proceed	1	-
Add: Cash and cash equivalents	589,132	-
Net cash flow on disposal	589,133	-

40. Analysis of liquidation of subsidiaries

(a) In December 2009, the subsidiary of the Company, USJ Embroidery Sdn Bhd had been struck off from the Register of Companies Commission of Malaysia pursuant to Section 308 of the Companies Act, 1965.

(b) In the previous financial year, Specific Form Sdn Bhd and Realistic Returns Sdn Bhd, which are subsidiaries of the Company were placed under members' voluntary liquidation.

The effects of liquidation of these subsidiaries on the consolidated net profit, the consolidated financial position and the consolidated cash flow statement are as follows:

(i) Effect on the consolidated net profit

	2009 RM	2008 RM
Loss before tax	(9,898)	(7,631)
Income tax	(294)	(81)
Decrease in Group's net profit	(10,192)	(7,712)

(ii) Effect on consolidated financial position

	2009 RM	2008 RM
Current assets	196,639	41,744
Current liabilities	-	(6,660)
Decrease in Group's share of net assets	196,639	35,084

(iii) Effect on consolidated cash flow statement

	2009 RM	2008 RM
Current assets	196,639	41,754
Current liabilities	-	(6,660)
Net capital distribution payable on liquidation	196,639	35,094
Less: Capital distribution receivable included in other receivables	(196,639)	(35,084)
Net cash flows on liquidation	-	10

41. Employee benefits expense

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Wages and salaries	60,910,395	56,636,883	27,000	27,500
Contribution to defined contribution plan	4,857,646	4,769,594	-	-
Other benefits	6,371,879	7,538,600	-	-
	72,139,920	68,945,077	27,000	27,500

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM7,560,953 (2008 : RM6,145,855) and RM70,500 (2008 : RM97,000) respectively as further disclosed in Note 42.

42. Directors' remuneration

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Executive directors' remuneration:				
Fees				
- current year's provision	414,781	484,825	65,000	90,000
- overprovision in prior year	(22,750)	(320,000)	-	-
Other emoluments	7,168,922	5,981,030	5,500	7,000
	7,560,953	6,145,855	70,500	97,000
Non-executive directors' remuneration:				
Fees				
- current year's provision	208,000	221,750	200,000	148,750
- underprovision in prior year	-	-	7,250	-
Other emoluments	201,500	180,500	21,500	20,500
	409,500	402,250	228,750	169,250
Total directors' remuneration	7,970,453	6,548,105	299,250	266,250

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

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Executive:				
Salaries and other emoluments	1,214,720	1,215,531	5,500	7,000
Fees	73,000	98,000	65,000	90,000
Bonus	361,358	309,745	-	-
Defined contribution plan	153,756	150,300	-	-
	1,802,834	1,773,576	70,500	97,000
Non-executive:				
Salaries and other emoluments	141,500	140,500	21,500	20,500
Fees				
- current year's provision	208,000	221,750	200,000	148,750
- underprovision in prior year	-	-	7,250	-
Bonus	60,000	40,000	-	-
Defined contribution plan	-	-	-	-
	409,500	402,250	228,750	169,250
	2,212,334	2,175,826	299,250	266,250

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

	Number of directors	
	2009	**2008**
Executive directors' remuneration:		
RM50,001 - RM100,000	1	-
RM100,001 - RM200,000	-	1
RM400,001 - RM500,000	1	1
RM1,100,001 - RM1,200,000	-	1
RM1,200,001 - RM1,300,000	1	-
Non-executive directors' remuneration:		
RM0 - RM50,000	4	5
RM50,000 - RM100,000	1	1
RM200,001 - RM300,000	1	1

43. Related party disclosures

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

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM	**RM**	**RM**	**RM**
Interest charged to subsidiaries	-	-	2,061,649	2,506,297
Accounting fees charged by a subsidiary	-	-	360,000	360,000
Management fees charged by a subsidiary	-	-	240,000	240,000
Secretarial fees charged by a subsidiary	-	-	131,682	126,950
Workmanship charged by an associate	1,345,354	1,695,531	-	-

44. Operating lease arrangements

The Group as lessee

(a) Non-cancellable leases

(i) Lease of office premises

The Group leases a number of office premises under non-cancellable leases for its operations. These leases have an average tenure of 1 to 3 years, with an option to renew the current leases after the expiry of the respective dates. Changes in lease payments, if any, after the expiry dates, are negotiated between the Group and the lessors which will normally reflect market conditions. None of the leases includes contingent rentals.

(ii) Lease of land

The Group also leases agricultural land under non-cancellable operating leases for the purpose of cultivating them into oil palm plantation. These leases have lease period of 66 years expiring in 2065 and 2074, with an option to renew the leases for a further 33 years upon expiry of the current leases. Changes in lease payments upon the expiry of these leases will be negotiated between the Group and the lessors, which are expected to be based on the prevailing market conditions.

None of the leases of land includes contingent rentals, except for the lease of agricultural land of a subsidiary which is payable half yearly in advance, is determined using an agreed formula at the inception of the lease. The variable factor in the formula is the average market price of oil palm fresh fruit bunches ("FFB") of the preceding year. Thus, the future annual lease payments for the land are expected to vary according to the average market price of FFB of the preceding year.

(b) Cancellable leases

The Group also leases certain equipment under cancellable operating lease agreements. The Group is required to give a 2 months notice for the termination of these agreements.

The future aggregate minimum lease payments of the Group under non-cancellable operating leases are as follows:

	Group	
	2009	**2008**
	RM	**RM**
Future minimum lease payments		
Not later than one year	5,278,362	5,481,867
Later than one year and not later than five years	15,915,910	18,239,299
Later than five years	175,072,419	199,765,108
	196,266,691	223,486,274

The Group as lessor

The Group has entered into commercial property leases to earn rental income from its investment properties. These leases have remaining non-cancellable lease terms of 1 to 3 years at year end. All leases include a clause to enable revision of the rental charge after the expiry dates, based on prevailing market conditions. The Group does not have any significant contingent rental arrangements.

45. Contingent liabilities

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM	**RM**	**RM**	**RM**
Unsecured:				
Corporate guarantees given to banks for credit facilities granted to subsidiaries	-	-	17,039,612	31,780,496
Recourse against a subsidiary in respect of loans granted by a financial institution to members of Monterez Golf and Country Club Bhd to finance licence fees payable by the latter to the said subsidiary	181,175	178,051	-	-
Letter of demand in respect of liquidated and ascertained damages for delay in completion of construction works and remedial works on defective workmanship claimed against a subsidiary	10,067,784	10,067,784	-	-
	10,248,959	10,245,835	17,039,612	31,780,496

46. Capital commitments

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM	**RM**	**RM**	**RM**
Capital expenditure				
Approved and contracted for:				
Property, plant and equipment	198,707	-	-	-
	198,707	-	-	-

47. Financial instruments

(a) Financial risk management objectives and policies

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

(b) Interest rate risk

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

The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk.

(c) Liquidity risk

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from internally generated funds and financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

(d) Credit risk

The Group's credit risk is primarily attributable to trade receivables. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Head of Credit Control. Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

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

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial assets.

(e) Foreign currency risk

At 31 December 2009, the foreign currency amounts to be received and paid, and the contractual exchange rate of the Group's outstanding forward contracts are as follows:

	Its equivalent in	Average contractual rate RM	Settlement period within 1 year RM
Forward contracts on trade payables			
- USD1,030,000	3,564,957	3.4611	3,564,957
- EURO215,172	1,063,510	4.9426	1,063,510

The net unrecognised loss on foreign currency forward contracts at 31 December 2009 for trade payables amounted to RM89,401.

(f) Fair values

The carrying amounts of the financial assets and liabilities of the Group and of the Company at 31 December 2009 approximated their fair values except as stated below:-

	Group		Company	
	Carrying amounts RM	Fair values RM	Carrying amounts RM	Fair values RM
Other investments				
- Marketable securities	23,897,082	45,661,406	23,897,082	45,661,406
- Unquoted shares	10,361,267	*	2,211,864	*

* It is not practical to estimate the fair values of these investments due to lack of quoted market values and the inability to estimate fair values without incurring excessive costs. These investments are carried at their original costs less accumulated impairment losses.

(g) Currency exposure

2009	Riggit Malaysia RM	United States Dollar RM	Singapore Dollar RM	Euro RM	Australian Dollar RM	Sterling Pound RM	Hong Kong Dollar RM	Indian Rupee RM	Vietnam Dong RM	Others RM
	<------------				Transaction Currencies					------------>
Functional currencies of the Group										
Other Investments										
United States Dollar	5,250,000	-	2,899,400	-	-	-	-	-	-	-
Trade and other receivables										
Ringgit Malaysia	-	9,350,547	781,389	-	823,008	1,305,128	-	-	-	-
Singapore Dollar	-	4,347,333	-	-	-	-	-	-	-	-
United States Dollar	55,934	-	-	-	-	-	-	-	-	-
Cash and bank balances										
Ringgit Malaysia	-	963,617	171,576	35	1,776,065	482,075	-	-	-	903
Singapore Dollar	-	4,042,482	-	28,328	-	-	81,265	-	-	-
United States Dollar	879	-	-	-	-	-	-	-	2,390,939	-
Trade and other payables										
Ringgit Malaysia	-	2,568,388	1,509,255	1,532,118	18,409	5,013	10,787	13,567	-	24,434
Singapore Dollar	-	663,376	-	-	-	-	-	-	-	-
United States Dollar	3,392	-	-	-	-	-	-	-	-	-
Borrowings										
Ringgit Malaysia	-	3,115,334	-	-	-	-	-	-	-	-

	<---Transaction Currencies									--->
2008	**Riggit Malaysia RM**	**United States Dollar RM**	**Singapore Dollar RM**	**Euro RM**	**Australian Dollar RM**	**Sterling Pound RM**	**Hong Kong Dollar RM**	**Indian Rupee RM**	**Vietnam Dong RM**	**Others RM**
Functional currencies of the Group										
Other Investments										
United States Dollar	5,250,000	-	1,728,575	-	-	-	-	-	-	-
Trade and other receivables										
Ringgit Malaysia	-	8,049,560	593,448	20,821	614,814	1,315,487	-	-	-	-
Singapore Dollar	-	2,931,812	-	-	-	-	-	-	-	-
United States Dollar	6,749	-	-	-	-	-	-	-	-	-
Cash and bank balances										
Ringgit Malaysia	-	6,287,051	84,462	35	1,566,826	-	-	-	-	1,557
Singapore Dollar	-	1,415,511	-	786,830	-	-	-	-	-	-
United States Dollar	3,362	-	-	-	-	-	-	-	2,410,213	-
Trade and other payables										
Ringgit Malaysia	-	1,645,240	486,961	4,134,902	16,966	22,362	173,140	111,084	-	9,754
Singapore Dollar	-	3,315,282	-	759,771	-	-	-	-	-	-
Borrowings										
Ringgit Malaysia	-	14,520,680	-	-	-	-	-	-	-	-

48. Segment information

(a) Primary reporting format - business segment

The Group's operations comprise the following business segments:

(i)	Garments	- Manufacturing and sale of garments
(ii)	Properties	- Property investment, construction and development
(iii)	Lighting and pagers	- Manufacturing and assembling of electrical lightings and telecommunication products
(iv)	Plantation	- Manage and operate oil palm plantation
(v)	Other operations	- Assembling and distributing of trucks, investment holding, management of a golf course, trading in optical products, freight forwarding and warehousing services
(vi)	Discontinued operations	- Manufacturing and sale of dyed knitted fabrics

Transactions between segments were entered into in the normal course of business and were established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. The effects of such inter-segmental transactions are eliminated on consolidation.

	<-------------------	-------------------	Continuing operations	-------------------	-------------------	------------------>		
Year ended 31 December 2009	Garments RM	Properties RM	Lighting and pagers RM	Plantation RM	Other operations RM	Group total RM	Discontinued operations RM	Total RM
Revenue								
Sales	151,243,464	48,452,916	233,574,875	6,038,149	60,246,871	499,556,275	-	499,556,275
Less: Inter-segment sales	-	(2,427,230)	-	-	(3,360,280)	(5,787,510)	-	(5,787,510)
External sales	151,243,464	46,025,686	233,574,875	6,038,149	56,886,591	493,768,765	-	493,768,765
Results								
Segment operating profit/(loss)	23,896,034	(1,856,347)	31,282,884	(3,875,452)	2,916,525	52,363,644	-	52,363,644
Unallocated expenses						(6,510,719)	-	(6,510,719)
Operating profit						45,852,925	-	45,852,925
Add/(less):								
Finance costs						(3,935,510)	-	(3,935,510)
Fair value adjustment on investment properties						(1,905,500)	-	(1,905,500)
Gain from investments						983,934	-	983,934
Share of profit/(loss) of associates	17,390	(975,116)	-	-	4,941,926	3,984,200	-	3,984,200
Profit before tax						44,980,049	-	44,980,049
Less: Income tax expense						(10,321,842)	-	(10,321,842)
Profit for the year						34,658,207	-	34,658,207

Year ended 31 December 2008	<---------- Garments RM	Properties RM	Continuing operations Lighting and pagers RM	Plantation RM	Other operations RM	----------> Group total RM	Discontinued operations RM	Total RM
Revenue								
Sales	136,493,043	35,909,709	215,822,413	6,551,337	73,880,652	468,657,154	-	468,657,154
Less: Inter-segment sales	-	(382,058)	-	-	(3,709,467)	(4,091,525)	-	(4,091,525)
External sales	136,493,043	35,527,651	215,822,413	6,551,337	70,171,185	464,565,629	-	464,565,629
Results								
Segment operating profit/(loss)	10,122,386	(11,399,255)	26,610,204	(131,408)	4,595,679	29,797,606	(29,690)	29,767,916
Unallocated expenses						(3,115,516)	-	(3,115,516)
Operating profit/(loss)						26,682,090	(29,690)	26,652,400
Add/(less):								
Finance costs						(3,983,265)	(2,801)	(3,986,066)
Fair value adjustment on investment properties						3,296,758	-	3,296,758
Loss from investments						(737,410)	-	(737,410)
Share of profit/(loss) of associates	17,559	(150,350)	-	-	395,281	262,490	-	262,490
Profit/(loss) before tax						25,520,663	(32,491)	25,488,172
Less: Income tax expense						(4,083,747)	-	(4,083,747)
Profit/(loss) for the year						21,436,916	(32,491)	21,404,425

Year ended 31 December 2009	<---Continuing operations: Garments RM	Properties RM	Lighting and pagers RM	Plantation RM	Other operations RM	Group total RM--->	Discontinued operations RM	Total RM
Other information								
Segment assets	69,820,734	144,290,148	120,782,257	40,380,589	117,738,925	493,012,653	-	493,012,653
Associates	84,986	2,474,001	-	-	30,118,166	32,677,153	-	32,677,153
	69,905,720	146,764,149	120,782,257	40,380,589	147,857,091	525,689,806	-	525,689,806
Unallocated assets						18,278,523	-	18,278,523
Total assets						543,968,329	-	543,968,329
Segment liabilities	12,905,489	30,578,514	38,454,013	2,741,887	28,618,629	113,298,532	-	113,298,532
Unallocated liabilities						68,789,019	-	68,789,019
Total liabilities						182,087,551	-	182,087,551
Capital expenditure								
- Property, plant and equipment	966,390	810,247	3,785,453	281,450	3,240,348	9,083,888	-	9,083,888
- Prepaid lease payments	-	-	-	-	1,518,211	1,518,211	-	1,518,211
Depreciation	1,940,390	285,025	2,948,849	243,120	2,494,386	7,911,770	-	7,911,770
Amortisation of biological assets	-	-	-	614,094	-	614,094	-	614,094
Amortisation of prepaid lease payments	11,542	212,825	29,831	480,082	115,822	850,102	-	850,102
Impairment loss on goodwill						6,510,719	-	6,510,719

Year ended 31 December 2008	<-------- Garments RM	Properties RM	Continuing operations Lighting and pagers RM	Plantation RM	Other operations RM	Group total RM -------->	Discontinued operations RM	Total RM
Other information								
Segment assets	57,563,831	154,535,925	99,417,400	41,249,368	113,922,723	466,689,247	-	466,689,247
Associates	67,596	3,449,117	-	-	24,612,712	28,129,425	-	28,129,425
	57,631,427	157,985,042	99,417,400	41,249,368	138,535,435	494,818,672	-	494,818,672
Unallocated assets						24,625,764	-	24,625,764
Total assets						519,444,436	-	519,444,436
Segment liabilities	8,504,918	33,966,579	32,836,770	1,706,911	33,027,220	110,042,398	-	110,042,398
Unallocated liabilities						65,558,971	-	65,558,971
Total liabilities						175,601,369	-	175,601,369
Capital expenditure - Property, plant and equipment	1,407,121	91,992	2,744,449	612,699	1,587,951	6,444,212	-	6,444,212
Depreciation	1,940,328	337,527	2,695,245	179,922	2,201,658	7,354,680	-	7,354,680
Amortisation of biological assets	-	-	-	460,571	-	460,571	-	460,571
Amortisation of prepaid lease payments	26,463	212,825	29,830	360,062	85,457	714,637	-	714,637
Impairment loss on goodwill						3,115,516	-	3,115,516

(b) Secondary reporting format - geographical segment

The Group operates mainly in Malaysia and the Asia Pacific. In determining the geographical segments of the Group, revenue is based on the geographical location of customers. Total assets and capital expenditure are based on the geographical locations of the assets.

		<---- Capital expenditure ---->		
	Revenue RM	Property, plant & equipment RM	Prepaid lease payment RM	Total assets RM
2009				
Malaysia	298,265,708	7,308,849	1,518,211	381,212,413
Asia Pacific	195,503,057	1,775,039	-	103,580,992
Others	-	-	-	8,219,248
	493,768,765	9,083,888	1,518,211	493,012,653
Associates				32,677,153
Unallocated assets				18,278,523
				543,968,329
2008				
Malaysia	287,872,645	4,826,451	-	377,360,038
Asia Pacific	176,692,984	1,617,761	-	82,321,765
Others	-	-	-	7,007,444
	464,565,629	6,444,212	-	466,689,247
Associates				28,129,425
Unallocated assets				24,625,764
				519,444,436

All inter-segment transactions have been carried out in the normal course of business and have been established under negotiated terms.

49. Subsequent events

(i) During the financial year, Melati Mewah Sdn Bhd, the subsidiary of the Company has entered into a Share Sale Agreement for the acquisition of the entire issued and paid-up capital of Versatile Development Sdn Bhd ("VDSB") representing 450,000 ordinary shares of RM1 each, for a total purchase consideration of RM9,271,800. The principal activity of VDSB is property development. The acquisition will be completed in year 2010.

(ii) A subsidiary of the Company, Phili-Orient Lines (Penang) Sdn Bhd ("POLPG") had been served with a winding-up petition pursuant to Section 218(1)(f) and (i) of the Companies Act, 1965 by two shareholders of the Company on 27 September 2007. The petition had been filed in the High Court of Pulau Pinang on 11 September 2007. An application to strike out the petition has been filed by the solicitors of POLPG. The Court heard both parties submissions recently and had dismissed the application to strike out the petition. POLPG had filed an appeal to the Court of Appeal on 1 March 2010. There is no hearing date at this moment. POLPG's solicitors are confident that they will be able to strike out the said petition on grounds that it is frivolous and vexatious.

Properties Held By The Group

Particulars of Titles	Tenure	Land Area	Description/ Existing Use	Net Book Value as at 31.12.09 (RM)	Approximate Age of Building	Year of Acquisition
H.S.(D) 138972 to 139228, P.T. 3065 to 3320 Mukim of Bukit Raja Daerah Petaling Selangor Darul Ehsan	Leasehold (99 years – expiring on 04.12.2090)	209 acres	Golf course & Clubhouse and residential development	55,413,203	15 years	1992
Lot 818, Seksyen 19 Bandar Georgetown Daerah Timur Laut Penang	Freehold	37,703 sq. ft.	20 storey out of 25 storey office block with 1 basement car park – office & for rental	32,948,500	13 years	1990
HS (D) 429, PT 3644 Mukim Relai Daerah Jajahan Gua Musang Kelantan	Leasehold (66 years – expiring on 27.07.2065)	5,000 acres	Agricultural land	23,329,314	-	2008
Lot 529, Seksyen 19 Bandar Kuala Lumpur Wilayah Persekutuan	Leasehold (99 years – expiring on 1.1.2079)	13,407 sq. m.	45 units of penthouses and condominiums for sale & rental	17,405,000	16 years	1991
P.T. No. 38, H.S. M 11362 & P.T. 7105, H.S.(D) 16056, Bandar Kulim, P erusahaan Kulim, Daerah Kulim, Kedah	Leasehold (60years – expiring on 20.04.2048)	37,347 sq. m.	Factory building	8,000,000	21 years	1988
Lot 1233, Grant (1st Grade) 11818 Section 1, Georgetown, Daerah Timur Laut, Penang	Freehold	61,323 sq. ft.	Office building	7,800,000	16 years	1988
Lot 886, Geran No. 12563 Seksyen 3 Bandar Georgetown Daerah Timur Laut, Penang	Freehold	50,720 sq. ft.	Land for development	6,130,873	-	2007
Geran 25978 & 26200 Lot 4019 & 4478, Mukim Setapak Daerah Kuala Lumpur Wilayah Persekutuan	Freehold	3422 sq. m.	Land for development	6,120,594	-	2006
H.S.(D) 37849 P.T. No. 474, Mukim 6 Daerah Seberang Perai Tengah Penang	Leasehold (60 years – expiring on 23.09.2052)	5.88 acres	Office and factory building	5,925,535	11 years	1992
PM 440, Lot 186 Mukim of Bandar Selayang, Dearah Gombak Selangor Darul Ehsan	Leasehold (99 years – expiring on 5.9.2074)	8625 sq. m.	Office and factory building	4,600,539	18 years	1990

Analysis of Shareholdings
As At 15 April 2010

Class of security	:	Ordinary Shares of RM1.00 each
Authorised Share Capital	:	RM500,000,000
Tota Issue and Paid up capital	:	RM231,559,015
Voting right	:	1 vote per share
Number of shareholders	:	8,545

Size of Holdings	No. of Holders	% of Holders	No. of Shares	% of Shares
1 – 99	72	0.84	1,937	0.00
100 – 1,000	2,377	27.82	2,268,416	0.98
1,001 – 10,000	5,154	60.32	20,573,726	8.89
10,001 – 100,000	840	9.83	20,624,940	8.91
100,001 – 11,577,951	99	1.16	102,356,974	44.20
11,577,952 and above	3	0.03	85,733,022	37.02
Total	8,545	100.00	231,559,015	100.00

Directors' Shareholding

Name	No. of shares held*			
	Direct	%*	Indirect	%*
Dato' Surin Upatkoon	786,630	0.34	75,100,939 (a)	32.48
Tang King Hua	10,030,800	4.34	2,181,700 (b)	0.94
Lim Kong Yow	48,000	0.02	4,000 (c)	^
Lawrence Lim Swee Lin	424,000	0.18	3,052,800 (d)	1.32
Tan Chor Teck	350,000	0.15	9,719,680 (e)	4.20
Tan Sri Dato' Seri (Dr) Aseh bin Hj Che Mat	-	-	-	-
Dato' Shahbudin bin Imam Mohamad	-	-	-	-
Dato' Yogesvaran a/l T. Arianayagam	-	-	-	-

* *Excluding a total of 355,000 MWE shares bought back by MWE and retained as treasury shares.*
^ *Insignificant.*
(a) *Deemed interested through his spouse and by virtue of Section 6A(4) of the Companies Act, 1965 held through Pinjaya Sdn Bhd, Casi Management Sdn Bhd and Multi-Purpose Holdings Berhad.*
(b) *Deemed interested through his spouse and by virtue of Section 6A(4) of the Companies Act, 1965 held through Idea Kosmo Sdn Bhd.*
(c) *Held through his spouse.*
(d) *Deemed interested by virtue of Section 6A(4) of the Companies Act, 1965 held through Zenbell Holdings Sdn Bhd and Zenbell (Selangor) Sdn Bhd.*
(e) *Deemed interested through his family members and by virtue of Section 6A(4) of the Companies Act, 1965 held through Simansu Sdn Bhd.*

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name of shareholders	No. of shares held	% of shares
1.	PINJAYA SDN BHD	39,196,722	16.93
2.	A.A. ANTHONY NOMINEES (ASING) SDN BHD *Qualifier : Pledged Securities Account for Greenland Timber Industries Pte Ltd*	25,487,600	11.01
3.	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD *Qualifier : Pledged Securities Account for Pinjaya Sdn Bhd*	21,048,700	9.09
4.	INTER-PACIFIC EQUITY NOMINEES (ASING) SDN BHD *Qualifier : Driscoll Shipping Ltd*	11,500,000	4.97
5.	A.A. ANTHONY NOMINEES (ASING) SDN BHD *Qualifier : Pledged Securities Account for Citibase Limited*	11,362,100	4.91
6.	MAYBAN NOMINEES (TEMPATAN) SDN BHD *Qualifier : Pledged Securities Account for Pinjaya Sdn Bhd*	10,656,000	4.60
7.	MAYBAN NOMINEES (TEMPATAN) SDN BHD *Qualifier : Pledged Securities Account for Tang King Hua*	9,164,500	3.96
8.	CIMSEC NOMINEES (TEMPATAN) SDN BHD *Qualifier : CIMB for Simansu Sdn Bhd*	8,058,000	3.48
9.	MULTI-PURPOSE INSURANS BHD	7,982,300	3.45
10.	A.A. ANTHONY NOMINEES (TEMPATAN) SDN BHD *Qualifier : Pledged Securities Account for MCC Credit Sdn Bhd*	3,481,200	1.50
11.	MULTI-PURPOSE HOLDINGS BERHAD	3,000,000	1.29
12.	CIMSEC NOMINEES (TEMPATAN) SDN BHD *Qualifier : CIMB Bank for Tang King Hua*	2,866,300	1.24
13.	ZENBELL HOLDINGS SDN BHD	2,765,800	1.19
14.	A.A. ANTHONY NOMINEES (TEMPATAN) SDN BHD *Qualifier : for New Kota Credit Sendirian Berhad*	2,730,500	1.18
15.	IDEA KOSMO SDN BHD	2,067,500	0.89
16.	NG KWENG THEAM	1,725,600	0.75
17.	KAM LOONG MINING SDN BHD	1,543,700	0.67
18.	TAN TOH HUA	1,041,400	0.45
19.	YEAP LEONG PENG	1,025,000	0.44

THIRTY (30) LARGEST SHAREHOLDERS (Cont'd)

No.	Name of shareholders	No. of shares held	% of shares
20.	ABM HOLDINGS SDN BHD	887,400	0.38
21.	MAYBAN SECURITIES NOMINEES (TEMPATAN) SDN BHD *Qualifier : Pledged securities account for Raja Zainal Abidin Bin Raja Hussin*	809,000	0.35
22.	CIMSEC NOMINEES (ASING) SDN BHD *Qualifier:Danaharta Managers Sdn Bhd for Surin Upatkoon*	788,392	0.34
23.	GOLDEN BAY HOLDING SDN BHD	743,000	0.32
24.	PACIFIC & ORIENT INSURANCE CO BERHAD	652,200	0.28
25.	SUWINI BINGEI	552,017	0.24
26.	A.A. ANTHONY NOMINEES (ASING) SDN BHD *Qualifier : Pledged Securities Account for Claire Foong Ling Chin*	500,000	0.22
27.	ANG HOCK LAI	494,800	0.21
28.	KEY DEVELOPMENT SDN BERHAD	476,900	0.21
29.	TIAH THEE SENG	452,800	0.20
30.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *Qualifier : Pledged Securities Account for Lawrence Lim Swee Lin*	415,000	0.18
	Total	173,474,431	74.93

SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest No. of Shares	%*	Indirect Interest No. of Shares	%*
Pinjaya Sdn Bhd	70,901,422	30.67	-	-
Greenland Timber Industries Pte Ltd	25,487,600	11.02	-	-
Dato' Surin Upatkoon	786,630	0.34	75,100,939(a)	32.48
Tang King Hua	10,030,800	4.34	2,181,700(b)	0.94

Notes:

* *Excluding a total of 355,000 MWE shares bought back by MWE and retained as treasury shares as at 17 April 2008.*

(a) *Deemed interested through his spouse and by virtue of Section 6A(4) of the Companies Act, 1965 held through Pinjaya Sdn Bhd, Casi Management Sdn Bhd and Multi-purpose Holdings Berhad.*

(b) *Deemed interested through his spouse and by virtue of Section 6A(4) of the Companies Act, 1965 held through Idea Kosmo Sdn Bhd.*

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING of the Company will be held at the Company's Registered Office at 846, Jalan Raya, 14209 Sungei Bakap, Seberang Perai Selatan, Pulau Pinang on Thursday, 3 June 2010 at 10.30 a.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the year ended 31 December 2009 and the Reports of the Directors and Auditors thereon. (Please refer to Note A)

2. To declare a final dividend of 4% tax exempt for the financial year ended 31 December 2009. **(Resolution 1)**

3. To re-elect the following Directors who are retiring under the respective Articles of the Articles of Association of the Company:-

   (i) Dato' Surin Upatkoon - Article 109 **(Resolution 2)**
   (ii) Mr Tang King Hua - Article 109 **(Resolution 3)**

4. To approve the payment of Directors' fees of RM260,000 in respect of the year ended 31 December 2009 (2008 : RM246,000). **(Resolution 4)**

5. To appoint Messrs Ernst & Young as Auditors of the Company and to authorize the Diretors to fix their remuneration. **(Resolution 5)**

6. **As Special Business:**
   To consider and, if thought fit, pass the following Ordinary and Special Resolutions:

   i) ORDINARY RESOLUTION 1
   RENEWAL OF AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

   "**THAT** pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to issue new ordinary shares in the Company, from time to time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued and paid-up share capital of the Company for the time being and the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional new ordinary shares so issued on the Bursa Malaysia Securities Berhad ("Bursa Securities") **AND THAT** such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." **(Resolution 6)**

   ii) ORDINARY RESOLUTION 2
   RENEWAL OF THE PROPOSED SHARE BUY-BACK

   "**THAT**, subject to compliance with Section 67A of the Companies Act, 1965 and the Listing Requirements of Bursa Securities, the Company be and is hereby authorised to utilise not exceeding the total retained profits and/or share premium account of the Company based on the audited financial statements for the financial year ended 31 December 2009 of RM8,878,605 and RM23,586,099 respectively, to purchase on Bursa Securities up to 23,155,901 ordinary shares of RM1.00 each of the Company which together with the 355,000 ordinary shares of RM1.00 each already purchased earlier and retained as treasury shares, represent 10% of the total issued and paid-up share capital of 231,559,015 ordinary shares of RM1.00 each **AND THAT** upon completion of the purchase by the Company of its own shares, the Directors of the Company be and are hereby authorised to:-

(a) cancel the shares purchased; or
(b) retain the shares purchased as treasury shares for distribution as dividends to the shareholders of the Company and/or resell on the Bursa Securities; or
(c) retain part of the shares purchased as treasury shares and cancel the remainder.

Whereby an announcement regarding the intention of the Directors of the Company in relation to the proposed treatment of the shares purchased and rationale thereof has been made to Bursa Securities **AND THAT** such authority from the shareholders would be effective immediately upon passing of this Ordinary Resolution and the aforesaid authority from shareholders will expire at the conclusion of the next Annual General Meeting ("AGM") unless the authority is renewed by ordinary resolution passed at the said AGM (either unconditionally or subject to condition), or upon the expiration of the period within which the next AGM is required by law to be held or if earlier revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting whichever occurs first, but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the guidelines issued by Bursa Securities or any other relevant authority **AND THAT** authority be and is hereby given to the Directors of the Company to take all such steps as are necessary including the opening and maintaining of a central depositories account(s) under the Securities Industry (Central Depositories) Act, 1991, and entering into all other agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations, and/or amendments (if any) as may be imposed by the relevant authorities from time to time and to do all such acts and things as the said Directors may deem fit and expedient in the best interest of the Company." **(Resolution 7)**

iii) SPECIAL RESOLUTION
PROPOSED AMENDMENT TO THE COMPANY'S ARTICLE OF ASSOCIATION

"**THAT** the existing Article 135 of the Company's Articles of Association be deleted in its entirety and replaced with the following new Article 135:-

New Article 135
Any dividend payable in cash in respect of shares may be paid by cheque or warrant and sent through the post directed to the registered address of the member or person entitled or the Company shall through a service provider engaged by the Company to pay cash dividend by way of telegraphic transfer or electronic transfer or remittance to such account designated by such member or the person entitled to such payment based on the Record of Depositors and account information provided by Bursa Depository from time to time." **(Resolution 8)**

7. To transact any other ordinary business of which due notice shall have been given.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT the final dividend of 4% tax exempt in respect of the financial year ended 31 December 2009, if approved by shareholders, will be paid on 3 August 2010 to depositors registered in the Record of Depositors at the close of business on 23 July 2010.

A Depositor shall qualify for entitlement only in respect of:

(a) shares transferred into the Depositor's Securities Account before 4.00 p.m. on 23 July 2010 in respect of ordinary transfers; and

(b) shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board

LIM KONG YOW (MIA 4979)
Company Secretary
12 May 2010
Penang

Notes:

A. This Agenda is meant for discussion only. The provisions of Section 169 of the Companies Act, 1965 and the Articles of Association of the Company require that the audited financial statements and the Reports of the Directors and Auditors thereon be laid before the Company at its Annual General Meeting. As such this Agenda item is not a business which requires a resolution to be put to the vote by shareholders.

1. A member of the Company entitled to attend and vote at the Meeting, is entitled to appoint a proxy or two proxies to attend and vote instead of him. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy. A member of the Company who is an authorised nominee as defined under the Central Depositories Act, 1991 may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. A proxy need not be a member of the Company.

2. The form of proxy in the case of an individual shall be signed by the appointor or his attorney and in the case of a corporation, must be executed under seal or under the hand of an officer or attorney duly authorised.

3. The instrument appointing a proxy must be deposited at the Company's Registered Office at 846, Jalan Raya, 14209 Sungei Bakap, Seberang Perai Selatan, Pulau Pinang not less than 48 hours before the time appointed for holding the Meeting.

EXPLANATORY NOTES

Renewal of Authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965
The Proposed Resolution 6, is a renewal of the General Mandate for the Directors to issue and allot shares and if passed, will give the Directors of the Company, from the date of the above Annual General Meeting, authority to issue and allot shares from the unissued capital of the Company for such purposes as the Directors deem fit and in the interest of the Company. The authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

As at the date of this Notice, no new shares in the Company were issued pursuant to the authority granted to the Directors at the Annual General Meeting held on 2 June 2009 and which will lapse at the conclusion of the Annual General Meeting held on 3 June 2010.

The General Mandate sought will provide flexibility to the Company of any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions. At this juncture, there is no decision to issue new shares. If there should be a decision to issue new shares after the general mandate is obtained, the Company will make an announcement in respect of the purpose and utilisation of proceeds arising from such issue.

Renewal of the Proposed Share Buy-Back
The Proposed Resolution 7, if passed, will empower the Directors of the Company to buy back and/or hold from time to time shares of the Company not exceeding ten percent (10%) of the issued and paid-up share capital of the Company. This authority will, unless revoked or varied by the Company at a General Meeting, expire at the next annual general meeting

The details of the Renewal of the Proposed Share Buy-Back is set out in the Statement to Shareholders dated 12 May 2010 which is despatched together with the Company's 2009 Annual Report.

Proposed Amendment to the Company's Article of Association
The Proposed Resolution 8, if passed, will enable the Company to electronically pay the cash dividend entitlements directly into the shareholders bank account instead of making payment via bank cheques.

Statement Accompanying Notice of Annual General Meeting

(Pursuant to Paragraph 8.28(2) of the Listing Requirements of the Bursa Malaysia Securities Berhad)

1. Directors who are standing for re-election and re-appointment at the Annual General Meeting of the Company

(i) Dato' Surin Upatkoon
(ii) Tang King Hua

Details of Directors who are standing for re-election are set out in the Directors' Profile appearing on pages 6 to 8 of the Annual Report.

2. Details of attendance of Directors at Board Meetings

There were five (5) Board meetings held during the financial year ended 31 December 2009. Details of attendance of the Directors are set out in the Statement on Corporate Governance appearing on page 17 of the Annual Report.

3. Place, Date and Time of Annual General Meeting

The Annual General Meeting of the Company shall be held at 846, Jalan Raya, 14209 Sungei Bakap, Seberang Perai Selatan, Pulau Pinang on Thursday, 3 June 2010 at 10.30 a.m.

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MWE HOLDINGS BERHAD (5713-D)
(Incorporated in Malaysia)
Registered Office : 846 Jalan Raya, 14209 Sungei Bakap,Seberang Perai Selatan, Penang

FORM OF PROXY

Number of Shares held	CDS Account No.
	- -

"A" I/We, ... Tel No : ....
(FULL NAME IN BLOCK CAPITALS)

NRIC No : .... (old) .... (new) / Co. Reg No ....

of ....
(ADDRESS)

being a member / members of MWE HOLDINGS BERHAD, hereby appoint ....

.... NRIC No: ....
(FULL NAME IN CAPITALS) (NEW & OLD IC NOS.)

of ....
(ADDRESS)

or failing whom .... NRIC No: ....
(FULL NAME IN CAPITALS) (NEW & OLD IC NOS.)

of ....
(ADDRESS)

or failing whom, THE CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at the Company's Registered Office at 846, Jalan Raya, 14209 Sungei Bakap, Seberang Perai Selatan, Penang on Thursday, 3 June 2010 at 10.30 a.m. and at any adjournment thereof.

"B" Where it is desired to appoint a second proxy, this section must also be completed, otherwise it should be deleted.

I/We, ... Tel No : ....
(FULL NAME IN BLOCK CAPITALS)

NRIC No : .... (old) .... (new) / Co. Reg No ....

of ....
(ADDRESS)

being a member / members of MWE HOLDINGS BERHAD, hereby appoint ....

.... NRIC No: ....
(FULL NAME IN CAPITALS) (NEW & OLD IC NOS.)

of ....
(ADDRESS)

or failing whom .... NRIC No: ....
(FULL NAME IN CAPITALS) (NEW & OLD IC NOS.)

of ....
(ADDRESS)

or failing whom, THE CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at the Company's Registered Office at 846, Jalan Raya, 14209 Sungei Bakap, Seberang Perai Selatan, Penang on Thursday, 3 June 2010 at 10.30 a.m. and at any adjournment thereof.

The proportions of my/our holding to be represented by my/our proxies are as follows:

First Proxy "A"	%
Second Proxy "B"	%
	100%

In case of a vote taken by a show of hands, *First Proxy "A" / Second Proxy "B" shall vote on my / our behalf.

My / Our proxy / proxies shall vote as follows:

		First Proxy "A"		Second Proxy "B"	
NO.	**RESOLUTION**	**FOR**	**AGAINST**	**FOR**	**AGAINST**
1.	To approve the payment of Final Dividend of 4% tax exempt for the financial year ended 31 December 2009.				
2.	To re-elect Dato' Surin Upatkoon as Director of the Company.				
3.	To re-elect Mr Tang King Hua as Director of the Company.				
4.	To approve the payment of Directors' fees.				
5.	To appoint Messrs Ernst & Young as Auditors of the Company for the financial year ending 31 December 2010 and to authorise the Directors to determine their remuneration.				
6.	To authorise the Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965.				
7.	To approve the renewal of Proposed Share Buy-Back.				
8.	To approve the amendment to the Company's Article of Association.				

* Please indicate with an "X" in the spaces provided how you wish your votes to be cast. (If you do not do so, the Proxy will vote or abstain from voting at his discretion)

Dated this .... day of .... 2010.

…………………………………….... ....

Signature of Witness Signature of Shareholder (s) / Common Seal
Name:
Address:
Occupation:

Notes:

1. *A member of the Company entitled to attend and vote at the Meeting, is entitled to appoint a proxy or two proxies to attend and vote instead of him. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy. A member of the Company who is an authorised nominee as defined under the Central Depositories Act, 1991 may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. A proxy need not be a member of the Company.*

2. *The form of proxy in the case of an individual shall be signed by the appointor or his attorney and in the case of a corporation, must be executed under seal or under the hand of an officer or attorney duly authorised.*

3. *The instrument appointing a proxy must be deposited at the Company's Registered Office at 846, Jalan Raya, 14209 Sungei Bakap, Seberang Perai Selatan, Penang not less than 48 hours before the time appointed for holding the Meeting.*

Fold this flap for sealing

Then fold here

Affix
Stamp

The Company Secretary

MWE HOLDINGS BERHAD

846 Jalan Raya

14209 Sungei Bakap

Seberang Perai Selatan, Penang

1st fold here