PASDEC HOLDINGS BERHAD
(Company No. 367122-D)

ANNUAL REPORT 2009

VISION

To be a progressive and an excellent organisation.

MISSION

To be an esteemed organisation in property development and to invest in other business which could contribute the best return to the investors, customers and employees through and efficient and responsible management.

CONTENTS

INTRODUCTION

Pasdec Holdings Berhad ("PASDEC") is a leading property developer in Pahang listed on the Main Board of the Bursa Malaysia Securities Berhad (Stock Code: 6912) under the property counter since 27 October 1997.

PASDEC is responsible for coordinating and marketing Pahang's vast resources to create new opportunity for growth and prosperity. Its present authorised and paid up capital is RM500 million and RM205.9 million respectively.

As an investment holding company, the principal activities of PASDEC through its subsidiaries include property development, project management, trading of building materials, engaging in construction business, manufacturing of bricks and facilities and resort management.

PASDEC's constantly expanding investment portfolio is channelled through numerous subsidiary companies and joint ventures.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fourteenth (14th) Annual General Meeting of PASDEC HOLDINGS BERHAD will be held at **Meranti 1, Hyatt Regency Kuantan Resort, Telok Chempedak, 25050 Kuantan, Pahang Darul Makmur** on Monday, 21 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 together with the reports of the Directors and Auditors thereon. **(Resolution 1)**

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

   a) Dato' Sri Khalid bin Mohamad Jiwa **(Resolution 2)**
   b) Dato' Abdullah bin A. Rasol **(Resolution 3)**

3. To consider and if thought fit, to pass the following Ordinary Resolution in accordance with Section 129 of the Companies Act, 1965:-

   "That pursuant to Section 129(6) of the Companies Act, 1965 Dato' Mohamed Amin bin Haji Daud, who is over the age of seventy (70) years, be re-appointed as Director of the Company to hold office until the next Annual General Meeting". **(Resolution 4)**

4. To approve Directors' fees for the year ended 31 December 2009. **(Resolution 5)**

5. To re-appoint Messrs. Hanafiah Raslan & Mohamad as Auditors and to authorise the Directors to fix their remuneration. **(Resolution 6)**

6. To consider any other business of which due notice shall have been given.

By Order Of The Board,

SHAKERAH ENAYETALI
Company Secretary

Kuantan
26 May 2010

NOTES :

1. A member entitled to attend and vote at the meeting may appoint not more than two proxies to attend and vote in his stead, but such appointment shall be invalid unless he specifies the proportions of his holdings for each proxy. A proxy may, but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

2. A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 may appoint at least one proxy but not more than two proxies in respect of each securities account.

3. The instrument appointing a proxy must be signed by the appointer or his attorney duly authorised in writing or if the appointer is a corporation either under common seal or under the hand of an attorney or an officer duly authorised.

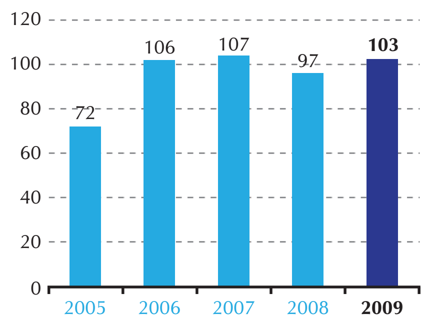
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 14th Floor, Menara Teruntum, Jalan Mahkota, 25000 Kuantan, Pahang Darul Makmur, not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

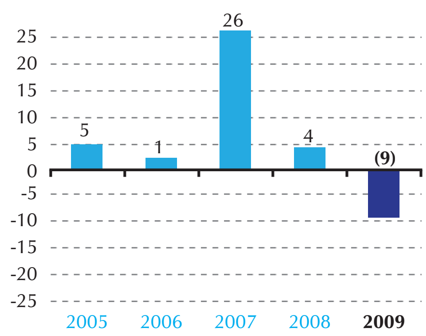
1. The respective profiles of the Directors who are standing for re-election and re-appointment under Item 2 and 3 respectively of the Notice of Fourteenth Annual General Meeting are set out in the Profile of Directors on pages 8 to 12 of this Annual Report. Their interests in the securities of the Company and its subsidiaries are disclosed on page 99 of this Annual Report.

GROUP FINANCIAL SUMMARY

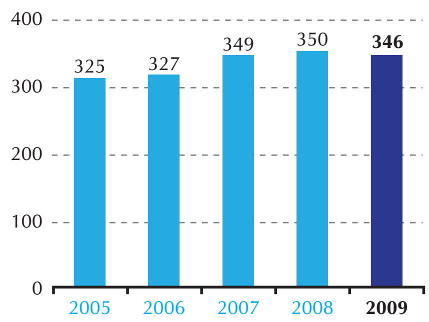
TURNOVER
(RM'million)



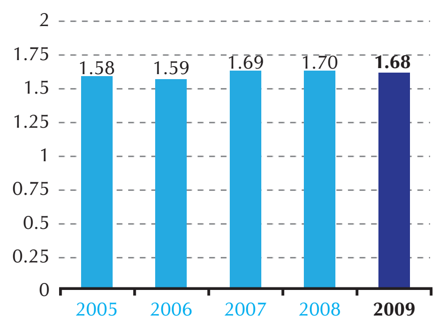
PROFIT/(LOSS) FOR THE YEAR
(RM'million)



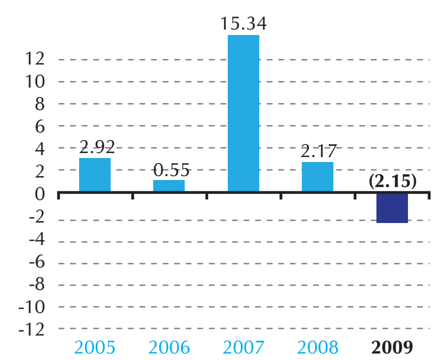
NET ASSETS
(RM'million)



NET ASSETS PER SHARE
(RM)



EARNINGS/(LOSS) PER SHARE
(SEN)



Year Ended 31 December

	2005	**2006**	**2007**	**2008**	**2009**
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	72,001	105,659	107,229	97,175	103,181
Profit/(Loss) After Taxation	5,339	1,251	26,404	3,579	(8,706)
Net Assets	324,749	326,576	348,984	350,399	345,979
Net Assets Per Share (RM)	1.58	1.59	1.69	1.70	1.68
Earnings/(Loss) Per Share (Sen)	2.92	0.55	15.34	2.17	(2.15)

CORPORATE STRUCTURE

PASDEC HOLDINGS BERHAD
(Company No. 367122-D)

- 100% Pasdec Corporation Sdn. Bhd.
  - 100% Pasdec Putra Sdn. Bhd.
  - 40% Pasdec Cempaka Sdn. Bhd.
  - 40% Genting View Resort Development Sdn. Bhd.
  - 20% Prima Prai Sdn. Bhd.
- 100% Kuantan Tembeling Resort Sdn. Bhd.
- 100% Pasdec Land Sdn. Bhd.
- 100% Pasdec Mega Sdn. Bhd.
- 100% Sumbangan Sakti Sdn. Bhd.
- 100% Mutiara Pasdec Sdn. Bhd.
  - 100% Pahang Aircraft Industries Sdn. Bhd.
  - 100% Pasdec Trading Sdn. Bhd.
- 100% Pasdec Bina Sdn. Bhd.
  - 100% Kuantan Bricks Sdn. Bhd.
- 70% Pasdec Pintas Sdn. Bhd.
- 70% Bentong Aquarium & Sanctuary Park Sdn. Bhd.
- 51% Kimdec Corporation Sdn. Bhd.

Property Development/ Management
Construction
Trading
Others
Manufacturing

CORPORATE INFORMATION

BOARD OF DIRECTORS

YAB DATO' SRI HAJI ADNAN BIN HAJI YAAKOB
Non-Independent Non-Executive Chairman

YH DATO' ABDUL GHANI BIN SULAIMAN
Non-Independent Non-Executive Deputy Chairman

YH DATO' HAJI LIAS BIN MOHD NOOR
Non-Independent Non-Executive Director

YH DATO' HAMDAN BIN JAAFAR
Non-Independent Non-Executive Director

YH DATO' HAJI MOHAMAD NOR BIN ALI
Non-Independent Non-Executive Director

YH DATO' MOHAMED AMIN BIN HAJI DAUD
Senior Independent Non-Executive Director

YH DATO' SRI KHALID BIN MOHAMAD JIWA
Independent Non-Executive Director

YH DATO' ABDULLAH BIN A.RASOL
Independent Non-Executive Director

CHIEF EXECUTIVE OFFICER

MOHD KHAIRUDDIN HJ. ABDUL MANAN

REGISTERED OFFICE

Tingkat 14, Menara Teruntum,
Jalan Mahkota, 25000 Kuantan,
Pahang Darul Makmur
Telephone : 09-513 3888
Facsimile : 09-514 5988

REGISTRAR

Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium,
Jalan Damanlela, Pusat Bandar Damansara,
Damansara Heights, 50490 Kuala Lumpur
Telephone : 03-2084 9000
Facsimile : 03-2094 9940

COMPANY SECRETARY

SHAKERAH ENAYETALI

AUDITORS

Hanafiah Raslan & Mohamad
Public Accountants

PRINCIPAL BANKERS

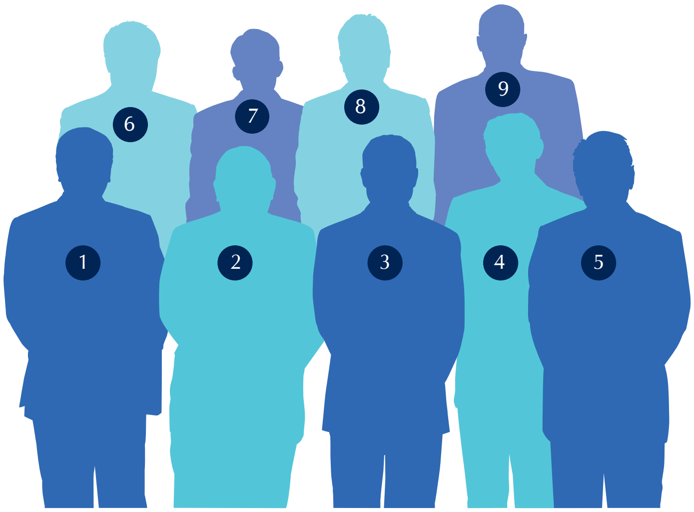
CIMB Bank Berhad
RHB Bank Berhad
AM Bank Berhad
EON Bank Berhad

STOCK EXCHANGE LISTING

Main Board of Bursa Malaysia Securities Berhad

Building Our Core Strength

BOARD OF DIRECTORS



1. Dato' Haji Lias bin Mohd. Noor
2. Dato' Abdul Ghani bin Sulaiman
3. Dato' Sri Haji Adnan bin Haji Yaakob
4. Dato' Hamdan bin Jaafar
5. Dato' Mohamed Amin bin Haji Daud
6. Dato' Abdullah bin A. Rasol
7. Dato' Haji Mohamad Nor bin Ali
8. Dato' Sri Khalid bin Mohamad Jiwa
9. Mohd Khairuddin Hj Abdul Manan (President/Chief Executive Officer)

PROFILE OF DIRECTORS

DATO' SRI HAJI ADNAN BIN HAJI YAAKOB

Chairman
Non-Independent Non-Executive Director

Dato' Sri Haji Adnan bin Haji Yaakob, a Malaysian, aged 60, was appointed as Chairman and Director of Pasdec Holdings Berhad on 21 January 2003. He holds a B.A (Hons) and Diploma In Education from University of Malaya.

A well-known politician, he is a member of the Pahang State Legislative Assembly representing the Pelangai Constituency since 1986. Dato' Sri Haji Adnan has been the Chief Minister of Pahang since May 1999. He is also the Chairman of the State Executive Council of Pahang and holds portfolios in various committees.

Dato' Sri Haji Adnan is the Chairman of Mentiga Corporation Berhad and state owned agencies such as Perbadanan Kemajuan Negeri Pahang (PKNP), Pahang State Foundation, Amanah Saham Pahang (ASPA), Kumpulan Permodalan Bumiputera Pahang (KUMIPA), Lembaga Kemajuan Perusahaan Pertanian (LKPP) and Perbadanan Perpustakaan Awam Pahang (PPAP).

He does not have any family relationship with any other director and/or major shareholder, nor any conflict of interest with Pasdec Holdings Berhad. He has not been convicted for any offences (other than traffic offences) within the past 10 years.

DATO' ABDUL GHANI BIN SULAIMAN

Deputy Chairman
Non-Independent Non-Executive Director

Dato' Abdul Ghani bin Sulaiman, a Malaysian, aged 67, was appointed as Deputy Chairman and Director of Pasdec Holdings Berhad on 22 April 2003. He graduated with a degree in Bachelor of Arts (Honours) from the University of Malaya in 1968 and served as an Officer of the Malaysian Administrative and Diplomatic Service in various government agencies. Subsequently, he obtained his Diploma in Development Administration from Manchester University, United Kingdom in 1976, after which he continued to hold various posts in government agencies including the post of Malacca State Financial Officer, Sarawak State Development Officer, General Manager of Penang Regional Development Authority (PERDA) and Director of Pay and Allowance Division, Public Services Department, Malaysia.

Dato' Abdul Ghani went on to serve as the State Secretary of Pahang in 1996 before retiring in 1998. Presently, he is the Deputy Chairman of Pahang State Appeal Board and Chairman of a few other private companies. He is the Chairman of the Remuneration Committee of Pasdec Holdings Berhad.

He does not have any family relationship with any other director and/or major shareholder, nor any conflict of interest with Pasdec Holdings Berhad. He has not been convicted for any offences (other than traffic offences) within the past 10 years.

PROFILE OF DIRECTORS (CONTINUED)

DATO' HAJI LIAS BIN MOHD NOOR

Non-Independent Non-Executive Director

Dato' Haji Lias bin Mohd Noor, a Malaysian, aged 59, was appointed to the Board on 19 August 2002. He is a B.A (Econs) (Hons) graduate of Universiti Kebangsaan Malaysia. In 1993, he attended the Stanford Executive Program at Stanford University, USA and later in 2000 earned an MBA from Universiti Kebangsaan Malaysia.

He is the Chief Executive Officer of Perbadanan Kemajuan Negeri Pahang (PKNP). Prior to being promoted to his present post on 1 January 2003, he was the Acting Chief Executive Officer and Deputy General Manager of PKNP. He also sits on the Board of Astana Golf Resort Berhad and Pascorp Paper Industries Berhad. Dato' Haji Lias is the Chairman of the Executive Committee and a member of the Nomination Committee and Remuneration Committee of Pasdec Holdings Berhad.

He does not have any family relationship with any other director and/or major shareholder, nor any conflict of interest with Pasdec Holdings Berhad. He has not been convicted for any offences (other than traffic offences) within the past 10 years.

DATO' HAMDAN BIN JAAFAR

Non-Independent Non-Executive Director

Dato' Hamdan bin Jaafar, a Malaysian aged 59, and an Economics Graduate from University Malaya, was appointed to the Board on 14 November 1995. Upon graduation in 1974, he joined Perbadanan Kemajuan Negeri Pahang (PKNP) as an Administrative Officer.

He served in various departments within the PKNP Group and went on to become the Deputy General Manager before being promoted to Chief Executive of PKNP, a post which he held from 1994 to 2001. He was appointed as an Executive Director of Pasdec Holdings Berhad in December 1996 and subsequently in November 2001, he was seconded to Pasdec Holdings Berhad as the Group Managing Director where he served until early January 2005 before being called back to PKNP until his retirement in 2007. Presently, he is running his own business. His experience ranges from township and real estate development to major socio-economic development in Pahang. Dato' Hamdan is also a member of the Audit Committee and Tender Committee of Pasdec Holdings Berhad.

He does not have any family relationship with any other director and/or major shareholder, nor any conflict of interest with Pasdec Holdings Berhad. He has not been convicted for any offences (other than traffic offences) within the past 10 years.

PROFILE OF DIRECTORS (CONTINUED)

Non-Independent Non-Executive Director

Dato' Haji Mohamad Nor bin Ali, a Malaysian, aged 64, was appointed to the Board on 22 August 2002. Having graduated from University of Malaya with a B.A (Hons) Sociology in 1969, Dato' Haji Mohamad Nor went on to take his Diploma in Management Science, and subsequently earned an MBA (Investments) and MBO from Northrop University, USA. He is a Fellow of Canadian Comprehensive Auditing Foundation (CCAF) since 1986.

He has vast experience in the audit field having served in the Public Sector as Director of Audit in various states including Pahang, Terengganu, Johor and Selangor. He was the Assistant Auditor General in 1996 before being promoted to Deputy Auditor General, a post he held until his retirement in 2001. Presently, he is running his own academy as the President of Modern Intellectual Development Academy. He is Chairman of the Tender Committee and a member of the Executive Committee and Remuneration Committee of Pasdec Holdings Berhad.

He does not have any family relationship with any other director and/or major shareholder, nor any conflict of interest with Pasdec Holdings Berhad. He has not been convicted for any offences (other than traffic offences) within the past 10 years.

DATO' HAJI MOHAMAD NOR BIN ALI

Senior Independent Non-Executive Director

Dato' Mohamed Amin bin Haji Daud, a Malaysian, aged 72, was appointed to the Board on 30 April 1997. He is a Barrister-at-law of the Honorable Society of Middle Temple and was called to the English Bar in November 1971. Upon returning to Malaysia, he joined Messrs Ibam Sdn. Bhd. in 1972 as Company Secretary and was later promoted to Deputy General Manager of the same company. Subsequently, he went on to set-up his own law practice with two other lawyers in Kuantan.

He was a Member of Parliament of Pekan, Pahang from 1982 to 1986 and Rompin, Pahang from 1986 to 1990. He served as the Deputy Speaker of Dewan Rakyat Malaysia from 1986 until 1990. He was the Chairman of Lembaga Kemajuan Pahang Tenggara from 1986 until 1995 and Chairman of Kuantan Port Authority from 1985 until 1987. Dato' Mohamed Amin serves as Chairman of the Audit Committee and the Nomination Committee and a member of the Remuneration Committee of Pasdec Holdings Berhad.

He does not have any family relationship with any other director and/or major shareholder, nor any conflict of interest with Pasdec Holdings Berhad. He has not been convicted for any offences (other than traffic offences) within the past 10 years.

DATO' MOHAMED AMIN BIN HAJI DAUD

PROFILE OF DIRECTORS (CONTINUED)

Independent Non-Executive Director

Dato' Sri Khalid bin Mohamad Jiwa, a Malaysian aged 51, was appointed to the Board of Pasdec Holdings Berhad on 30 April 1997. He is also a member of the Audit Committee, Nomination Committee and Tender Committee of Pasdec Holdings Berhad.

He also currently sits on the Board of DFZ Capital Berhad and previously on the Board of Naluri Corporation Berhad, Atlan Holdings Berhad, Asian Composite Manufacturing Sdn. Bhd. and United Industries Sdn. Bhd. Dato' Sri Khalid is also the Group Executive Chairman of K-Corporation Sdn. Bhd. and its group of companies dealing with construction, property management, cosmetic products, specialised trading, IT and media services and agriculture activities.

Dato' Sri Khalid is a business graduate and had previously worked in the financial sector after completing his studies in 1981. He then left the bank to start his own business with vast experience and knowledge in financial business. He is the Chairman and Founder of Yayasan Nurjiwa which has been actively involved in charity and social activities.

He does not have any family relationship with any other director and/or major shareholder, nor any conflict of interest with Pasdec Holdings Berhad. He has not been convicted for any offences (other than traffic offences) within the past 10 years.

DATO' SRI KHALID BIN MOHAMAD JIWA

Independent Non-Executive Director

Dato' Abdullah bin A. Rasol, a Malaysian, aged 60, was appointed to the Board on 23 May 2002. Dato' Abdullah is a Fellow of the Chartered Association of Certified Accountants, United Kingdom and a Chartered Accountant with the Malaysian Institute of Accountants. He is presently Director, Corporate Affairs of Eden Inc. Berhad.

Prior to joining Eden Inc. Berhad, he was the Executive Director and Chief Executive Officer of Amanah General Insurance Berhad. He served the Amanah Capital Group since 1984, initially serving as the Finance Manager of Amanah Merchant Bank Berhad (AMBB) and moving on towards corporate banking and subsequently as the General Manager of AMBB. His tasks whilst at AMBB include marketing and evaluation of credit facilities, management of assets, financial advisory, equity restructuring and project financing. He gained audit and accounting experience in Coopers & Lybrand, Guthrie Malaysia Holdings Bhd and Pernas Construction Sdn. Bhd. prior to joining AMBB. Dato' Abdullah serves as a member of the Audit Committee of Pasdec Holdings Berhad.

He does not have any family relationship with any other director and/or major shareholder, nor any conflict of interest with Pasdec Holdings Berhad. He has not been convicted for any offences (other than traffic offences) within the past 10 years.

DATO' ABDULLAH BIN A. RASOL

PROFILE OF PRESIDENT/CHIEF EXECUTIVE OFFICER (CONTINUED)

MOHD KHAIRUDDIN BIN HJ ABDUL MANAN

President/Chief Executive Officer

Mohd Khairuddin Hj Abdul Manan, a Malaysian, aged 53, was appointed as Chief Executive Officer of Pasdec Holdings Berhad on 11 March 2009. He holds a B.A (Hons) in Strategic Environmental Planning Studies from Liverpool John Moores University, England.

Mohd Khairuddin started his career as a Forecaster/Demographer at Binafon Sdn. Bhd. after graduating in 1982 and went on to gain experience and in depth knowledge in the property development and construction industry while serving Rimman International Sdn. Bhd., Housecoff Sdn. Bhd. and Panji Timor Sdn. Bhd. as Project Manager and General Manager.

He ventured into his own property development and construction business in 1992 and has undertaken projects in Seremban, Klang Valley, Pahang and Kedah prior to joining Pasdec Holdings Berhad as Chief Executive Officer. Among the notable projects undertaken by Mohd Khairuddin are the Terminal One and Light Industrial Park in Seremban, Water Treatment Plant in Habu, Cameron Highlands and Langkawi Hospital in Kuah, Langkawi.

Mohd Khairuddin is also a member of the Malay College Old Boys' Association of the Malay College Kuala Kangsar and a committee member of its Negeri Sembilan branch.

He does not have any family relationship with any director and/or major shareholder, nor any conflict of interest with Pasdec Holdings Berhad. He has not been convicted for any offences (other than traffic offences) within the past 10 years and does not hold any shares in Pasdec Holdings Berhad or its subsidiaries.

TOP MANAGEMENT TEAM

Mohd Khairuddin Bin Hj Abdul Manan
President/Chief Executive Officer

Mohd Azman bin Sa'ad
Senior Vice President Property

Goh Song Han
Senior Vice President Corporate Resources

Company Secretary

Shakerah Enayetali

LETTER FROM CHAIRMAN

DATO' SRI HAJI ADNAN BIN YAAKOB
Chairman
Non-Independent Non-Executive Director

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and Financial Statements of Pasdec Holdings Berhad (PASDEC) for the financial year ended 31 December 2009.

OPERATING ENVIRONMENT

The year 2009 saw contraction of the Malaysian economy by 1.7% in tandem with the global economic crisis. The full impact of the global economic recession was felt in the first quarter when the domestic economy contracted by 6.2%.

Fortunately, the Gorvernment's supportive actions through allocation of economic stimulus packages mostly for infrastructure projects helped mitigate the impact of the global contraction on the domestic economy and signs of recovery were seen in the fourth quarter of 2009.

The overall performance of the Malaysian property market in 2009 was affected by the challenging financial and economic environment that caused many developers to defer and scale down their launches, focusing instead on clearing their inventory.

The residential sector's performance was realtively mixed in the year under review. Even though in the first quarter demand for properties weakened due to uncertainty over the course of the economic recession, the second quarter showed an upward trend in demand following numerous measures such as lower borrowing costs due to reduction of the Overnight Policy Rate (OPR) by the Central Bank, tax relief for housing loan interest payments and attractive financial packages. Loan applications and approvals increased between the second and fourth quarter of 2009 with stronger growth in loans for the purchase of properties priced above RM250,000. The property market recovery was further aided by innovative pricing and competitive mortgage structures offered by property developers, supported by strong marketing campaigns.

LETTER FROM CHAIRMAN (CONTINUED)

FINANCIAL PERFORMANCE

I would like to announce that the Group performed fairly well in the year under review despite the challenging market environment. The Group recorded revenue of RM103.2 million in 2009, an increase from the previous year's revenue of RM97.18 million.

However, the Group's achievement was affected with a net loss of RM8.71 million against the net profit of RM3.58 from the previous year. The loss was attributable to certain provisions for doubtful debt, impairment of assets and loss arising from disposal of land.

Loss per share for 2009 was recorded at 2.15 sen compared to the previous year's earnings per share of 2.17 sen.

CORPORATE DEVELOPMENT

A Joint Venture Agreement was executed on 20 July 2009 between the Group's wholly-owned subsidiary, Pasdec Corporation Sdn. Bhd., and Kumpulan Perubatan (Johor) Sdn. Bhd., a wholly-owned subsidiary of KPJ Healthcare Berhad. The collaboration, via a joint venture company, provides the starting point from which we will develop, complete and take ownership of a hospital building on 3.12 acres of strategic land at Tanjung Lumpur, Kuantan owned by Pasdec Corporation Sdn. Bhd. The formation of the joint venture company and the plans for the hospital are currently being finalised.

Pasdec Corporation Sdn. Bhd. also entered into a Joint Venture Agreement with a developer on 2 February 2009 to develop two pieces of land at Bandar Damansara Kuantan into a commercial cum industrial estate. The development is currently in progress.

Rainbow Exchangeable Bonds (REBs) continued to be redeemed with RM3 million nominal amount of REBs under Series 2 redeemed during the year under review. Subsequently, a further RM3 million REBs of Series 2 were redeemed in January 2010. Todate, the entire RM15 million nominal amount of REBs under Series 1 and RM95 million from RM135 million nominal amount of REBs under Series 2 have been redeemed.

REVIEW OF OPERATIONS

Year 2009 saw the Group streamlining its focus in property development to capitalize on its core capabilities whilst continuing its considerable presence in the manufacturing, trading, construction and property management sectors.

A total of 322 residential and commercial units with Gross Development Value (GDV) of RM67.1 million were launched in the year under review. The Group generated turnover of RM66.6 million from the sale of 309 units of properties within its on-going development projects in Kuantan, Rompin, Raub and Jerantut during the year wherein some RM7 million worth of sales were captured during PASDEC Sales Carnival in July 2009 at Kuantan's Berjaya Megamall. The year also witnessed handover of keys to 225 purchasers of our completed phases of Pasdec Damansara and Rompin Permai projects.

While the Group's flagship residential projects at Bandar Putra, Pasdec Damansara and Baluk Perdana continued to flourish, the launch of Putra Business Centre, a commercial hub within Bandar Putra township in June 2009 marked a further progress. The commercial and business centre with a total of 106 units is advancing well, in progress and in sales. The Kuantan-Pekan-Pantai Sepat double carriageway which opened in October 2009 serves as a catalyst to enhance the development activities of Bandar Putra township.

Our Putra Square joint venture commercial project in the heart of Kuantan received an endorsement for its Information Technology initiatives when the Prime Minister officially launched the ICT Hub there in July 2009.

LETTER FROM CHAIRMAN (CONTINUED)

CORPORATE SOCIAL RESPONSIBILITY

The Group is committed to enhancing shareholder value in an ethical and socially responsible manner by considering the interests of all our stakeholders including investors, employees, customers and local communities. At PASDEC, there is an underlying belief and long standing commitment to good corporate citizenship based upon the belief that business can be both profitable and responsible.

Our People

The Group strived towards increasing job satisfaction by enhancing employee benefits as part of its 2009 Corporate Social Responsibility push. Group wide communication was emphasized by the solidification of internal relations through cooperative communication and frequent management-staff sessions and dialogues.

A survey undertaken during the year showed that job satisfaction within the Group rose positively from the levels of the previous years. This achievement spoke of our commitment in developing one of our building blocks, our human capital, that reinforces the foundation of the Group.

A new Organization Structure was implemented in October 2009 to enhance the reporting lines that impact the delivery of results from the business and operation initiatives.

We believe that by empowering highly-qualified and skilled employees in their key positions, supplemented by insightful succession planning as well as continual training to hone the skills of our human capital, the Group can achieve better heights for mutual benefits.

The Community and Environment

The Group cares for environmental concerns in its endeavours within property development, for we understand that as a responsible developer, we have a role to play in the preservation of the environment and community.

Our environmental responsibilities do not stop at building green areas, as we also consider safe and secure living environment as non-negotiable parts of the equation. We continue our communal responsibility to the residents of the projects that we have developed by being mindful of their concerns.

We contributed to the society in many ways throughout the year under review; a community programme jointly organized with our major shareholder, Perbadanan Kemajuan Negeri Pahang (PKNP) for the Awal Muharram celebration, donation of school supplies to poor and needy students and a Blood Donation Drive held during the PASDEC Sales Carnival.

As part of our efforts to contribute towards educational development, the Group played a key role in the Motivational Clinics for students sitting for their Ujian Penilaian Sekolah Rendah exams organized by PERKIM Temerloh.

LOOKING AHEAD

A growth of 4.5% to 5.5% is projected for the Malaysian economy in the year 2010 supported by strong domestic demand and improving external environment. The economy is expected to be driven by greater private sector activities and robust external demand from regional countries.

LETTER FROM CHAIRMAN (CONTINUED)

The country's first Special Economic Zone (SEZ) introduced in August 2009 within the East Coast Economic Region (ECER) stretching from Kertih, Chukai, Kuantan Port City, Kuantan, Gambang to Pekan is set to accelerate the growth and development of the economy. The SEZ, which focuses on high technology, knowledge based activities and the services sector, offers many special incentives and aims to generate investments worth RM90 billion and create 220,000 jobs by 2020.

The property sector, the primary focus of the Group, looks promising with consumer demand predicted to increase in view of favorable measures that include the approved utilisation of Employee Provident Fund savings for home purchases, favourable interest rates, increased access to financing and a growing population of younger buyers.

However, we are aware that the reinstatement of the Real Property Gains Tax and challenges in the form of Goods and Services Tax and unanticipated rise in raw material prices, may impact the property market activity.

The Group will embark on necessary promotional activities to market its growing mix of development projects and expects to launch numerous units of commercial and residential properties worth more than RM300 million in 2010 across Bandar Putra, Pasdec Damansara, Bandar Baluk Perdana and other prime locations in Kuantan and Temerloh besides continuing with its current developments.

Our focus will remain on developing affordable mid-range priced link houses and semi-detached houses of various designs. Recognizing the need to cater for the affluent market, we have the bungalows at Astana Villa, boutique link and super villas at Villa10@Pelindung and exclusive condominiums at Condo Villa in our palette of offerings.

We expect to receive our share of profit from the Putra Square development when the current phase of shoplots, office tower and hotel is completed in the fourth quarter of 2010.

We salute the Government's effort in encouraging more green homes with the Green Building Index Certificate tax incentive. We plan to incorporate eco-friendly features and green construction technology in our development to increase the quality of homes and lifestyle of our purchasers.

Moving forward, the Group is confident of forming new ventures that will leverage on the competitive advantage of the state of Pahang where infrastructure development opportunities as well as strategic landbank are available with support from the State Government. In line with our strategic plan, we actively seek for development opportunities and new business acquisitions beyond the state and national borders that will positively impact the growth of the Group.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I wish to express my most sincere gratitude to our customers, shareholders, business partners and government authorities for their unwavering support and trust in the Group.

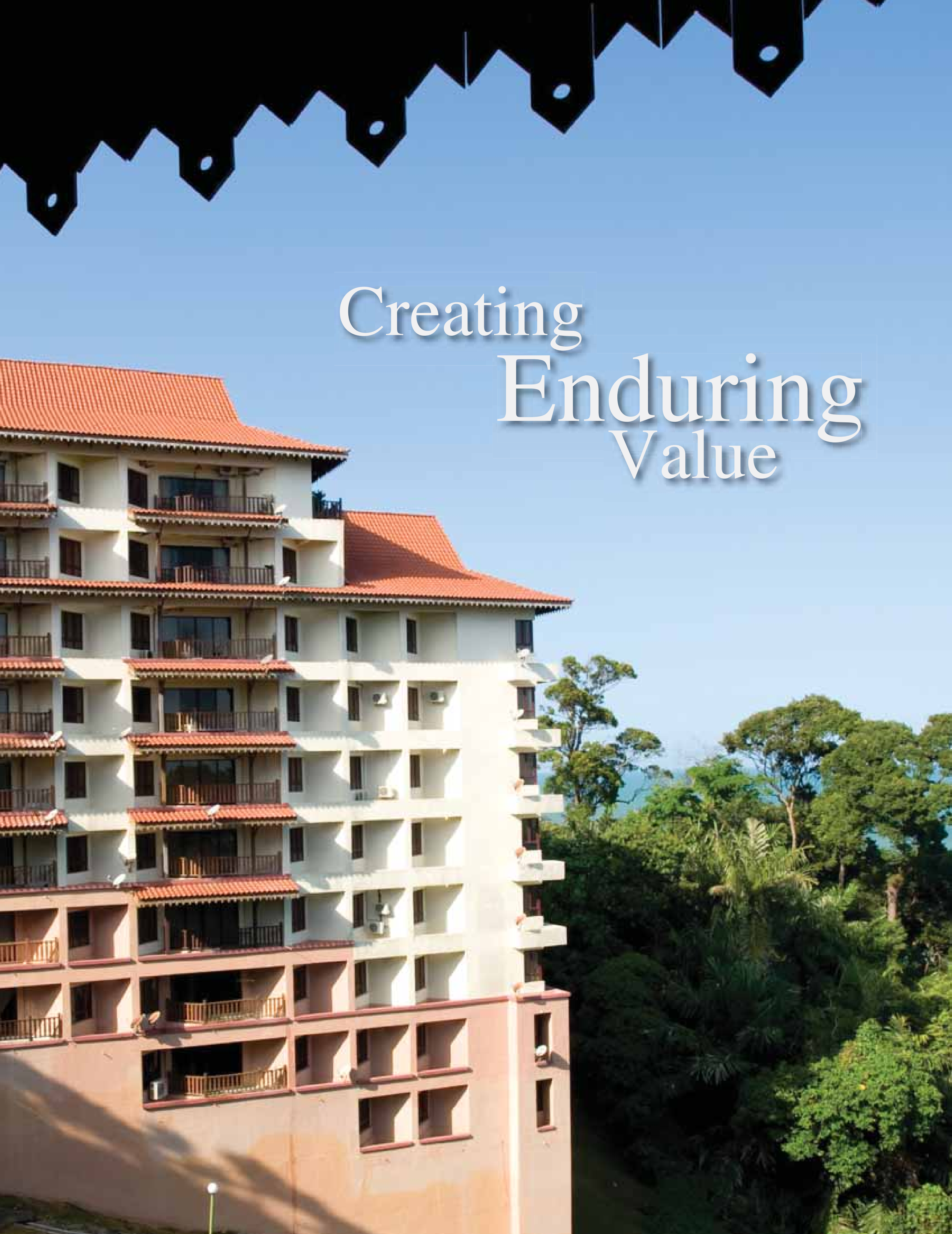
I must thank the State EXCO members and the State Government of Pahang for their uncompromising and constant support of PASDEC.

I would like to extend my deepest appreciation to my fellow Directors for their invaluable views, insights and resolute support. Special thanks go to Dato' Majid bin Mohamad who resigned in April 2009 after serving the board for nearly seven years.

Finally, to all staff, I thank you for your tireless commitment and dedication. Through challenging and tentative times, you are the backbone of the Group and with collective efforts, we can guarantee our future success and excellence.

Thank You.

DATO' SRI HAJI ADNAN BIN HAJI YAAKOB
Chairman
Pasdec Holdings Berhad


Creating
Enduring
Value

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Pasdec Holdings Berhad recognizes the importance of good corporate governance to the success of the Group. The Board consistently strives to ensure high standard of corporate governance is being practiced throughout the Group in ensuring continual and sustainable growth for the interests of all stakeholders.

Corporate Governance in Pasdec Holdings Berhad adheres to the principles and best practices of corporate governance as prescribed in the Malaysian Code of Corporate Governance - Revised 2007 (the Code). The Board is pleased to provide the following statements, which outlines how the group has applied the principle laid down in the Code during the financial ended 31 December 2009.

THE BOARD OF DIRECTORS

Composition of the Board

The Board currently has eight (8) members comprising of a Non-Executive Chairman, a Non-Executive Deputy Chairman, three (3) Independent Non-Executive Directors and three (3) Non-Independent Non-Executive Directors.

The Board's composition represents a mix of knowledge, skills and expertise relevant to the Company's operations to provide strong and effective leadership and control of the Group. The profile of each Director is set out on pages 8 to 11 of this Annual Report.

The Non-Executive Directors, all of whom are respected business leaders in their own right, play an important role in the Board's decisions, and provide unbiased and independent views, advice and judgment in the decision making process.

The roles of the Chairman and the Chief Executive Officer are distinct and each has clearly defined responsibilities to ensure a balance of power and authority. The Chairman is primarily responsible for ensuring orderly conduct and effectiveness of the Board whilst the Chief Executive Officer has the principal responsibility of reporting, clarifying and communicating matters relating to the day-to-day operations of the Company to the Board.

Board Responsibility

The Board is responsible for overall performance of the Company and the Group.

In discharging their duties, the Board performs the following key duties and responsibilities:

i) ensure the formulation of strategic plan and strategic direction of the Group;
ii) approve the Group's annual business plan and annual budget;
iii) continuously review the Group's business operations and monitoring of Group's performance against the business plan and budget;
iv) approve major business transactions; and
v) implement and review the appropriate processes and internal controls to manage business risks.

Generally the Board is responsible to ensure that the Group is being managed and conducted in accordance with high standards of accountability and transparency.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Board Meetings

The Board meets at least five (5) times a year. Additional meetings are convened when necessary. During the financial year ended 31 December 2009, seven (7) Board meetings were held and the attendance of each Director and the President/Chief Executive Officer at the Board meetings is as follows:-

Director	No. of Meetings Attended	%
Dato' Sri Haji Adnan bin Haji Yaakob	7/7	100
Dato' Abdul Ghani bin Sulaiman	6/7	86
Dato' Haji Lias bin Mohd Noor	7/7	100
Dato' Hamdan bin Jaafar	7/7	100
Dato' Haji Mohamad Nor bin Ali	6/7	86
Dato' Majid bin Mohamed*	3/3	100
Dato' Mohamed Amin bin Haji Daud	6/7	86
Dato' Sri Khalid bin Mohamad Jiwa	4/7	57
Dato' Abdullah bin A. Rasol	6/7	86
Mohd Khairuddin Hj. Abdul Manan (Chief Executive Officer)**	5/5	100

Note
**** Resigned on 30.4.2009***
***** Appointed on 11.3.2009***

Supply of Information

The agenda and Board papers are distributed well in advance of each Board meeting to enable the Directors to fully consider and appreciate the matters arising for discussion, and to seek additional information of the same, if necessary. The Chief Executive Officer attends the Board meetings and senior management staff may also be invited to participate at the Board meetings to provide the Board with detailed explanations and clarifications on issues that are being deliberated.

All the Directors have access to the advice and services of the Company Secretary and the senior management staff in the Group. The Directors may also seek independent professional advice, where necessary, in the furtherance of their duties at the Group's expense.

Board Committees

The Board has delegated specific responsibilities to other Board committees, which operate with clearly defined terms of reference.

a) Audit Committee

The Audit Committee report detailing its membership, its terms of reference and activities during the year is set out in pages 26 to 29 of this Annual Report.

b) Nomination Committee

The nomination committee comprises of two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director, the majority of whom are independent:-

Dato' Mohamed Amin bin Haji Daud (Chairman – Senior Independent, Non-Executive)
Dato' Sri Khalid bin Mohamad Jiwa (Independent, Non-Executive)
Dato' Haji Lias bin Mohd Noor (Non-Independent, Non-Executive)

The Committee is primarily responsible for the following:-

i) to review and recommend new candidates for appointment to the Board;
ii) to review and recommend appointments to committees of the Board; and
iii) to assist the Board in reviewing on an annual basis the required mix of skills and experience of the Directors of the Company.

c) Remuneration Committee

The Remuneration Committee comprises of four (4) Non-Executive Directors, one of whom is independent:-

Dato' Abdul Ghani bin Sulaiman (Chairman – Non-Independent, Non-Executive)
Dato' Mohamed Amin bin Haji Daud (Senior Independent, Non-Executive)
Dato' Haji Lias bin Mohd Noor (Non-Independent, Non-Executive)
Dato' Haji Mohamad Nor bin Ali (Non-Independent, Non-Executive)

The Committee is primarily responsible for making recommendation to the Board on all elements of remuneration and terms of employment of the Executive Director and Chief Executive Officer, drawing from outside advice if necessary.

d) Other Committee

In addition to the aforementioned committees, the Board has also established a Tender Committee to ensure control over award of contracts and an Executive Committee to control functions of investment and certain levels of operation of the Group.

Re-election of Directors

In accordance with the Company's Articles of Association, all Directors who are appointed by the Board during the year are subject to re-election by shareholders at the Annual General Meeting held following their appointment.

The Company's Articles of Association also provide that at least one-third (1/3) of the Directors including the Managing Director shall retire from office at each Annual General Meeting. All Directors shall retire from office once at least in every three (3) years but shall be eligible for re-election.

Directors' Training

All the Directors have attended the Mandatory Accreditation Programme conducted by Bursa Malaysia Securities Berhad. The Directors are encouraged to attend seminars, forums, training programmes and conferences in order to enhance their skills and knowledge and to keep abreast with the relevant changes in law, regulations and the business environment to enable them to discharge their roles and responsibilities effectively.

During the financial year, the directors attended various seminars, conferences and training programmes organized by various agencies covering areas that included corporate governance, regulatory updates, industry updates and business developments, including among others, the following:-

1) Building and Maintaining an Effective Board of Directors;
2) Regulators' Guide on Transaction by Directors and Practical Issues and Solution; and
3) Special Audit Committee Forum & Boardroom Agenda For Director/CEO.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

DIRECTORS' REMUNERATION

Remuneration of the Executive Director is recommended by the Remuneration Committee to the Board and is structured to link rewards to corporate and individual performance.

The Board as a whole decides on the remuneration of Non Executive Directors, with the individual Director concerned abstaining from discussion of his own remuneration. Directors' fees are paid to the Directors with approval by the shareholders at the Annual General Meeting.

The aggregate remuneration of Directors of the Company for the financial year ended 31 December 2009 categorised by components and range of remuneration can be found in Note 8 (Page 66 and 67) of Notes to the Financial Statements in this Annual Report.

SHAREHOLDERS

Relations with Shareholders and Investors

The Board recognises the importance of transparency and accountability to its shareholders and communicates with its shareholders and stakeholders regularly through timely release of financial results on a quarterly basis, press releases and announcements, which provide shareholders with an overview of the Group's performance, operations and major developments.

The Annual General Meeting serves as the primary channel for communicating with shareholders. Shareholders who are unable to attend are allowed to appoint proxies to attend and vote on their behalf. The Chairman and the Board will respond to the questions raised by the shareholders during the Annual General Meeting.

Shareholders and the general public may obtain up-to-date information relating to the various activities of the Group by assessing its website at www.pasdec.com.my. The Group's press releases and latest financial and non-financial announcements can also be found in this website.

ACCOUNTABILITY AND AUDIT

Financial Reporting

In presenting the annual financial statements and quarterly announcement to the shareholders, the Board is committed to presenting a balanced and fair assessment of the Group's financial position, performance and prospects while complying with all applicable regulations and accounting standards. To this end, the Audit Committee assists the Board in discharging its fiduciary duties relating to corporate accountability and reporting practices of the Group.

Internal Control

The Directors acknowledge their responsibilities for the internal control system in the Group, which include financial controls, operational controls, compliance monitoring as well as risk management in order to safeguard shareholders' investment and the Company's assets. The Group's Statement of Internal Control is set out on page 25 of this Annual Report.

Relationship with External Auditors

The Board maintains a formal and transparent professional relationship with the external auditors through the Audit Committee. The Audit Committee has been empowered to communicate directly with both the internal and external auditors.

The external auditors have an obligation to bring significant defects to the Group's system of control and compliance to the attention of the management and if necessary, to the Audit Committee and the Board.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

ADDITIONAL COMPLIANCE INFORMATION

Material Contracts Involving Directors' and Major Shareholder's Interests

None of the Directors and major shareholders had any material contracts with the Company during the financial year ended 31 December 2009.

Sanctions and / or Penalties Imposed

There were no sanctions and/or penalties imposed on the Company by the relevant regulatory bodies during the financial year ended 31 December 2009.

Non-Audit Fees

The amount for non-audit fees paid or payable to the external auditors and their associates for the financial year ended 31 December 2009 is RM25,000.00.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the preparation of financial statements for each financial year to give a true and fair view of the state of affairs of the Group and of the Company and of the results and cash flows of the Group and of the Company for the financial year then ended.

In ensuring the preparation of these financial statements the Directors have:-

- ensured compliance with applicable approved accounting standards;
- adopted suitable accounting policies and apply them consistently; and
- made judgments and estimates that are reasonable and prudent.

The Directors are responsible for ensuring that the Company and the Group maintain accounting records that disclose with reasonable accuracy the financial position in order to ensure that the financial statements comply with the Companies Act, 1965. The statement of Directors pursuant to Section 168(15) of the Companies Act, 1965 is set out on page 39 of this Annual Report.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities.

STATEMENT ON INTERNAL CONTROL

Paragraph 15.27(b) of the Listing Requirements of the Bursa Malaysia Securities Berhad requires the Board of Directors of a listed company to include in its annual report a "statement about the state of internal control of the company as a group".

Set out below is the Pasdec Holdings Berhad Board's Statement on Internal Control.

Key elements of the Group's internal control system are described below;

i) Clearly defined lines of authority and a divisionalised organization structure for monitoring the conduct and operations of individual business units and support services departments;

ii) Clearly division and delegation of responsibilities from the Board to Board Committees and to operating units, including authorization levels for aspects of the business set out in the Group's Limits of Authority;

iii) Establishment of Tender Committee to ensure transparency and integrity of the award process;

iv) A detailed budgeting process, where operating units prepare budgets for coming year that are approved both at operating unit level and by the Board;

v) Periodic reporting of actual results and review against the budget;

vi) Regular information provided by Management to the Board and its committees, covering financial performance and key performance indicators including staff utilization and financial cashflow;

vii) Regular internal audit visits and reviews, which provide independent assurance on the effectiveness of internal controls as well as advising Management on areas for further improvements;

viii) Clearly documented internal policies and procedures that take into account risk factors. The policies and procedures are set out in a series of standard operating manuals, which is periodically review for improvements and reflect changes in business structures and processes as well as changes in external environments.

The Board acknowledges its responsibility of ensuring the effectiveness and adequacy of the internal control system to cover risk management, financial, operational and compliance controls within the Group. The Board shall also periodically review all internal control mechanism so as to ensure its strengths are being maintained and weaknesses are being remedied. The Board, however, does not regularly review the internal control system of its associated companies, as the Board does not have any direct control over their operations.

AUDIT COMMITTEE REPORT

Pasdec Holdings Berhad Board of Directors has ensured that the best practices and principles of the Code in relation to Audit Committee have been applied. The Audit Committee has been formed to emphasize on the importance of good governance, accountability and transparency in all aspects of the Group.

COMPOSITION OF AUDIT COMMITTEE

The members of the Audit Committee are:-

1. Dato' Mohamed Amin bin Haji Daud (Chairman/Senior Independent Non-Executive Director)

2. Dato' Sri Khalid bin Mohamad Jiwa (Member/Independent Non-Executive Director)

3. Dato' Abdullah bin A. Rasol (Member/Independent Non-Executive Director)

4. Dato' Hamdan bin Jaafar (Member/Non -Independent Non-Executive Director)

MEETINGS

The Audit Committee convened seven (7) meetings in the financial year ended 31 December 2009. The details of attendance of each Audit Committee member at the Audit Committee meetings are as follows:-

Director	No. of Meetings Attended	Percentage %
Dato' Mohamed Amin bin Haji Daud	7 out of 7	100
Dato' Sri Khalid bin Mohamad Jiwa	7 out of 7	100
Dato' Abdullah bin A. Rasol	7 out of 7	100
Dato' Hamdan bin Jaafar	7 out of 7	100

TERMS OF REFERENCE

Objectives

The primary objective of the Audit Committee is to assist the Board of Directors in the effective discharge of its fiduciary responsibilities for corporate governance, financial reporting, risk management, internal control and compliance of statutory and legal requirements. The Audit Committee is to review the quality of the audits conducted both by the internal and external auditors of the Company.

Membership

The members of the Audit Committee shall be appointed by the Board from amongst their number and shall be composed of no fewer than three (3) members with a majority of Independent Non-Executive Directors.

At least one member of the Audit Committee:-

(a) Must be a member of the Malaysian Institute of Accountants; or

AUDIT COMMITTEE REPORT (CONTINUED)

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

   (i) he must have passed the examinations specified in Part I of the Schedule of the Accountants Act 1967; or
   (ii) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967.

The Chairman of the Audit Committee shall be an independent Non-Executive Director appointed by the Board. No alternate director shall be appointed as a member of the Audit Committee.

The Board shall review the performance of the Audit Committee and each of its members at least once in every three (3) years to determine that they have carried out their duties in accordance with their terms of reference.

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

Notice of Meeting and Attendance

The agenda for Audit Committee meetings shall be circulated before each meeting to members of the Committee. The quorum for each meeting shall comprise of at least two (2) members and the majority of members present shall be Independent Directors.

The Audit Committee has the discretion to invite other Directors, members of the management and employees of the Group, and / or the external auditors to its meetings.

The Company Secretary of the Company shall be the Secretary of the Committee.

Frequency of Meetings

The Committee shall meet at least four (4) times during each financial year. Additional meeting may be called any time at the discretion of the Chairman of the Committee.

Authority

The Audit Committee has the following authority as empowered by the Board:-

(a) to investigate any activity of the Company within its term of reference;
(b) have the resources which are required to perform its duties;
(c) have full and unrestricted access to any information and personnel pertaining to the Group;
(d) have direct communication channels with the external and internal auditors;
(e) to convene meetings with the external auditors excluding the attendance of the executive members of the Committee, whenever deemed necessary; and
(f) to obtain independent professional advice as necessary.

AUDIT COMMITTEE REPORT (CONTINUED)

Duties and Responsibilities

In fulfilling its primary objectives, the Audit Committee shall undertake the following duties and responsibilities:-

1. Review the quarterly results and year end financial statements, prior to the approval by the Board of Directors, focusing particularly on:-

    (a) going concern assumptions;
    (b) changes in or implementation of major accounting policy;
    (c) significant and unusual events; and
    (d) compliance with accounting standards, regulatory and other legal requirements.

2. Review and discuss with the external auditors of the following:-

    (a) the audit plan prior to the commencement of audit;
    (b) their audit report;
    (c) their evaluation of the system of internal control;
    (d) problems and reservations arising from interim and final external audits, and any matters the external auditors may wish to discuss (in the absence of management, where necessary); and
    (e) their management letter and management's response.

3. Review any related party transaction and conflict of interest situation that may arise within the Company or the Group, including any transaction, procedure or course of conduct that raises questions of management integrity.

4. Review the following in respect of Internal Auditors:-

    (a) adequacy of the scope, functions and resources of the internal audit function and that it has the necessary authority to carry out its work;
    (b) internal audit programme, processes and results of the internal audit programme, processes or investigation undertaken and whether or not appropriate actions are taken on the recommendations of the internal audit function;
    (c) effectiveness of the system of internal control;
    (d) major findings of internal audit investigations and management's response;
    (e) review any appraisal or assessment of the performance of the staff of the internal audit function;
    (f) approve any appointment or termination of senior staff member of the internal audit function; and
    (g) note resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his/her reason for resignation.

5. Consider and recommend the nomination and appointment, the audit fee and any questions of resignation, dismissal or re-appointment of the external auditors.

6. Report promptly to Bursa Malaysia Securities Berhad on any matter reported by it to the Board of Directors which has not been satisfactorily resolved resulting in the breach of the Listing Requirements.

7. Carry out such other responsibilities, functions or special assignments as may be defined jointly by the Audit Committee and Board of Directors from time to time.

AUDIT COMMITTEE REPORT (CONTINUED)

INTERNAL AUDIT

Pasdec Holdings Berhad supports internal audit as an independent appraisal function to examine and evaluate its activities as a value-added service to the management. The Internal Audit Department was incepted to provide internal audit services to the Group. The internal audit function is independent of the activities they audit and performed with impartiality, proficiency and professional due care.

The internal audit team assists the Audit Committee in providing assurance on the existence of sound system of internal controls within the Group. The annual audit plan is presented to the Audit Committee for approval. Audit findings on internal control weaknesses and recommendations for improvements in the audit reports are presented to Audit Committee.

During the financial year ended 31 December 2009, the internal audit function was performed in-house and the cost incurred is RM 243,119.60.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The Audit Committee has discharged its functions and duties by introducing a systematic and disciplined method to improve the effectiveness of risk management, internal control and governance process for the Group. Summary of the key activities are as follows:-

i. Financial Statement

a) The Group's quarterly financial results announcements;
b) The Group's annual audited financial statements and recommended to the Board for approval;
c) Reviewed related party transactions within the Group;
d) Review the Group's annual budget and recommended to the Board for approval.

ii. Internal Audit

a) Reviewed the results of the risk assessment exercise and annual internal audit plan;
b) Instruct follow-up audits to determine the status of implementation of the recommendations made by Internal Audit; and
c) Reviewed audit reports, findings and recommendations presented by Head of Internal Audit in respect of internal control and system weaknesses.

iii. External Audit

a) The external auditor's reports in relation to the audit and accounting issues arising from its audit, and updates of new developments on accounting standards issued by Malaysian Accounting Standard Board; and
b) External Auditors' annual audit strategy and plan.

Focus On Sustainable Growth

CORPORATE | HUMAN RESOURCE EVENTS '09

JANUARY 21

Farewell function for the former Group Managing Director, YH Dato' Yusof Ali bin Hj Mohamed Zain and Former Business Development General Manager, YH Dato' Haji Mohd Kharuddin bin Mohd Ali at Kompleks Teruntum, Kuantan.

JANUARY 29 - 30

Re-Certification Audit MS ISO 9001: 2008 by SIRIM.

FEBRUARY 5

Hand over of keys to the buyers of Chendor Utama Housing Phase I (Package 3,4,5 & 6).

FEBRUARY 28

Signing of Memorandum of Understanding (MOU) between PASDEC and University Malaysia Pahang (UMP) at UMP Campus, Gambang, Kuantan witnessed by YAB Dato' Sri Najib Tun Razak.

MARCH 25 - 26

Public Speaking & Presentation Skills at 3rd Floor, EDC Seminar Hall, Kompleks Teruntum, Kuantan.

MARCH 31

Staff and Management Gathering at 3rd Floor, EDC Seminar Hall, Kompleks Teruntum, Kuantan.

APRIL 9

Participation in MAPEX 2009 at Berjaya Megamall, Kuantan officiated by Yang Dipertua of Kuantan Municipal Council, YH Dato' Azizan Ahmad.

APRIL 11

Talk On Sales, Promotion and Marketing (for Sales and Marketing staff) at Kuantan Tembeling Resort, Kuantan.

APRIL 14

Farewell function for former Senior Technical Manager, Mr Lee Thai, at Kompleks Teruntum, Kuantan.

APRIL 16 -17

Workshop On Job Analysis/Evaluation for Executive at 3rd Floor, EDC Seminar Hall, Kompleks Teruntum, Kuantan.

January 21 -

January 21 -

February 28 -

March 31 -

April 9 -

April 14 -

CORPORATE | HUMAN RESOURCE EVENTS '09

APRIL 21

Briefing on Licensing and Sales Permit & Advertisement by officers from The Ministry of Housing and Local Authority at Kuantan Tembeling Resort.

MAY 23

Friendly Golf Tournament with the Pahang State Government's Head of Departments/Agencies at Royal Pahang Golf Club, Kuantan.

JUNE 10 - 11

Handover of keys to 187 buyers of PASDEC Damansara Phase I.

JUNE 25

13th Annual General Meeting of Pasdec Holdings Berhad at Meranti I, Hyatt Regency Kuantan Resort, Teluk Chempedak, Kuantan.

JUNE 30

Staff and Management Gathering at 3rd Floor, EDC Seminar Hall, Kompleks Teruntum, Kuantan.

JULY 3 - 5

2009 PASDEC Sales Carnival at Concourse 2, Berjaya Megamall, officiated by Chief Executive Officer.

JULY 4

Blood Donation Campaign in conjunction with PASDEC Sales Carnival.

JULY 4

PKNP/PASDEC Close Futsal Tournament at Kampung Tiram Futsal Court, Kuantan.

JULY 6 - 8

Awareness Programme On Understanding and Implementation of MS ISO 9001:2008 for Managers/Process Owners.

JULY 11

Community Progromme at Mentakab on Ujian Penilaian Sekolah Rendah (UPSR)Student Clinic, organized by PERKIM Temerloh Branch at Temerloh Municipal Council Hall, Mentakab, Pahang.

June 10 - 11

May 23 -

July 11 -

June 25 -

July 4 -

CORPORATE | HUMAN RESOURCE EVENTS '09

JULY 20

Signing of Joint Venture Agreement between Kumpulan Perbadanan Johor (KPJ) and PASDEC for the establishment of a joint venture to build a 150 units bed private hospital at Tanjung Lumpur, Kuantan, at Kompleks Dagangan Mahkota, Bandar Indera Mahkota, Kuantan witnessed by Chief Minister of Pahang and KPJ's Chairman.

AUGUST 4

The official launching of MSC ICT Hub Initiatives at Putra Square, Kuantan by The Honorable Prime Minister, YAB Dato' Sri Najib bin Tun Abdul Razak.

AUGUST 8

Handover of keys to the buyers of shop lots and Single Storey Terrace /Semi-D House of Bayan 2 at Balok Perdana Zon 2A2.

AUGUST 12 - 13

Workshop on the Understanding and Implementation of MS ISO 9001:2008 for Non-executives staff.

AUGUST 21

Staff and Management Gathering at 3rd Floor, EDC Seminar Hall, Kompleks Teruntum, Kuantan.

AUGUST 25

Farewell function for former Director YH Dato' Majid Bin Mohamad in Kuala Lumpur.

OCTOBER 9

Participation in Education in Aerospace Science and ICT Exhibition at Berjaya Megamall, Kuantan officiated by YB Datuk Seri Panglima Hj Lajim bin Hj Ukim, Deputy Minister of Ministry of Housing & Local Authority.

OCTOBER 15

Participation in MAPEX II 2009 officiated by YB ADUN Teruntum, Chang Hong Seong at Kuantan Parade, Kuantan.

OCTOBER 19

PKNP/PASDEC Hari Raya Aidilfitri 1430/2009 Celebration and Staff Gathering at Kompleks Dagangan Mahkota, Bandar Indera Mahkota, Kuantan, attended by YAB Chief Minister of Pahang.

July 20 -

August 21 -

October 15 -

October 9 -

October 25 - 27

October 19

CORPORATE | HUMAN RESOURCE EVENTS '09

OCTOBER 25 - 27

Brainstorming Session for PASDEC Senior Management at Colmar Tropicale, Berjaya Hills, Bentong, Pahang.

NOVEMBER 14

Product Quality Inspection for 113 Units of Terrace Medium Low Cost linked houses (package 5A2) at Bandar Putra, Kuantan.

NOVEMBER 17 - 20

Workshop on Documents Consultation and Documents Reviewing towards MS ISO 9001:2008 for all Departments.

DECEMBER 17

Community Programme with the Kg. Cherok Paloh community/ villagers in conjunction with 'Awal Muharram' celebration.

DECEMBER 22

PASDEC'S friendly bowling tournament with media at Megalanes, Berjaya Megamall, Kuantan.

December 17 -

Oct 19 -

December 22 -

December 22 -

FINANCIAL STATEMENTS

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services to the subsidiaries.

The principal activities of the subsidiaries are described in Note 17 to the financial statements.

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

RESULTS

	Group RM	Company RM
(Loss)/profit for the year	(8,706,256)	346,974
Attributable to:		
Equity holders of the Company	(4,419,244)	346,974
Minority interests	(4,287,012)	-
	(8,706,256)	346,974

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 directors do not recommend the payment of any dividend for the financial year ended 31 December 2009.

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:

Dato' Sri Haji Adnan bin Haji Yaakob
Dato' Abdul Ghani bin L. Sulaiman
Dato' Haji Lias bin Mohd. Noor
Dato' Hamdan bin Jaafar
Dato' Abdullah @ Mohamad Nor bin Ali
Dato' Mohamed Amin bin Haji Daud
Dato' Sri Khalid bin Mohamad Jiwa
Dato' Abdullah bin A. Rasol
Dato' Majid bin Mohamad *(resigned on 30 April 2009)*

DIRECTORS' REPORT

DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 8 to the financial statements) 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' INTEREST

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

EXCHANGEABLE BONDS

On 15 November 2006, the Company issued RM150 million Rainbow Exchangeable Bonds ("REBs") at 100% of its nominal value comprising two (2) series as follows:-

a) RM15 million REBs ("Series 1") exchangeable into 4,792,333 ordinary shares of Road Builder (M) Holdings Berhad issued for a maturity of 5 years from the issue date; and

b) RM135 million REBs ("Series 2") exchangeable into 40,785,500 ordinary shares of YTL Cement Berhad issued for a maturity of 7 years from the issue date.

During the year, RM2 million of Series 2 REBs have been exchanged. Details of the REBs are disclosed in Note 28 to the financial statements.

OTHER STATUTORY INFORMATION

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

   i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that 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 value 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.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (CONTINUED)

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 the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

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

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

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

f) In the opinion of the directors:

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

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

SIGNIFICANT EVENTS

The significant events during the year are as disclosed in Note 36 to the financial statements.

SUBSEQUENT EVENT

Details of the subsequent event are disclosed in Note 37 to the financial statements.

AUDITORS

The auditors, Hanafiah Raslan & Mohamad, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 28 April 2010.

DATO' SRI HAJI ADNAN BIN HAJI YAAKOB

DATO' ABDUL GHANI BIN L. SULAIMAN

STATEMENT BY DIRECTORS PURSUANT TO SECTION 169 (15) OF THE COMPANIES ACT 1965

We, Dato' Sri Haji Adnan bin Haji Yaakob and Dato' Abdul Ghani bin L. Sulaiman, being two of the directors of Pasdec Holdings Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 42 to 97 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 28 April 2010.

DATO' SRI HAJI ADNAN BIN HAJI YAAKOB

DATO' ABDUL GHANI BIN L. SULAIMAN

STATUTORY DECLARATION PURSUANT TO SECTION 169 (16) OF THE COMPANIES ACT 1965

I, Goh Song Han, being the officer primarily responsible for the financial management of Pasdec Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 42 to 97 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 Goh Song Han at Kuantan in the state of Pahang Darul Makmur on 28 April 2010.

GOH SONG HAN

Before me,

PESURUHJAYA SUMPAH
No. C 056
Nama: Mohd Salleh B. Abdul Rahim
MALAYSIA

F 108, Blok B,
Tingkat 1, Kuantan Centre Point,
Jalan Haji Abdul Rahman,
25000 Kuantan,
Pahang Darul Makmur.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PASDEC HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Pasdec 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 42 to 97.

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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PASDEC HOLDINGS BERHAD (CONTINUED) (INCORPORATED IN MALAYSIA)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

b) We are satisfied that the accounts 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.

c) The auditors' reports on the accounts 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.

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.

HANAFIAH RASLAN & MOHAMAD
AF: 0002
Chartered Accountants

NIK RAHMAT KAMARULZAMAN BIN NIK AB. RAHMAN
No. 1759/02/12(J)
Chartered Accountant

Kuantan, Pahang, Malaysia
28 April 2010

INCOME STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	Group		Company	
		2009 RM	2008 RM	2009 RM	2008 RM
Revenue	3	103,180,662	97,175,181	6,666,246	16,979,836
Cost of sales	4	(81,956,407)	(69,369,179)	-	-
Gross profit		21,224,255	27,806,002	6,666,246	16,979,836
Other income		2,930,682	9,131,182	2,889,339	2,832,346
Administrative expenses		(11,497,877)	(15,377,709)	(1,145,029)	(1,520,109)
Other expenses		(13,890,641)	(7,402,541)	(3,588,672)	(8,580,237)
Operating (loss)/profit		(1,233,581)	14,156,934	4,821,884	9,711,836
Finance costs	5	(7,021,166)	(7,186,907)	(4,474,910)	(4,478,329)
Share of loss of associates		(109,962)	(274,461)	-	-
(Loss)/profit before tax	6	(8,364,709)	6,695,566	346,974	5,233,507
Income tax expense	9	(341,547)	(3,116,576)	-	-
(Loss)/profit for the year		(8,706,256)	3,578,990	346,974	5,233,507
Attributable to:					
Equity holders of the Company		(4,419,244)	4,463,096	346,974	5,233,507
Minority interests		(4,287,012)	(884,106)	-	-
		(8,706,256)	3,578,990	346,974	5,233,507
Earnings per share attributable to equity holders of the Company (sen):					
Basic, for (loss)/profit for the year	10	(2.15)	2.17		

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

BALANCE SHEETS AS AT 31 DECEMBER 2009

	Note	Group 2009 RM	Group 2008 RM (restated)	Company 2009 RM	Company 2008 RM (restated)
Assets					
Non-current assets					
Property, plant and equipment	12	17,888,278	21,171,451	240,568	370,871
Land held for property development	13(a)	133,034,224	143,719,629	-	-
Investment properties	14	7,344,537	7,516,320	-	-
Prepaid land lease payments	15	79,478	81,688	-	-
Investments in subsidiaries	17	-	-	49,944,281	52,194,281
Investments in associates	18	3,267,926	3,377,888	-	-
Marketable securities	23	42,880,748	46,201,959	-	2,292,644
Deferred tax assets	32	1,422,641	-	-	-
Intangible asset	16	808,242	823,258	-	-
		206,726,074	222,892,193	50,184,849	54,857,796
Current assets					
Property development costs	13(b)	157,699,937	164,918,543	-	-
Inventories	19	24,754,487	11,610,309	-	-
Trade receivables	20	65,398,980	68,205,270	-	-
Other receivables	21	29,045,497	16,976,537	228,678,725	224,895,582
Cash and bank balances	24	19,109,073	25,175,685	4,563,132	3,208,247
		296,007,974	286,886,344	233,241,857	228,103,829
Total assets		502,734,048	509,778,537	283,426,706	282,961,625
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	31	205,978,000	205,978,000	205,978,000	205,978,000
Share premium		43,007,997	43,007,997	45,515,750	45,515,750
Retained earnings/(Accumulated losses)		96,993,474	101,412,718	(24,541,084)	(24,888,058)
Shareholders' equity		345,979,471	350,398,715	226,952,666	226,605,692
Minority interests		4,288,213	8,575,225	-	-
Total equity		350,267,684	358,973,940	226,952,666	226,605,692
Non-current liabilities					
Retirement benefit obligations	25	3,080,185	2,357,942	-	-
Borrowings	26	66,087,071	58,009,684	51,661,408	51,477,533
Deferred tax liabilities	32	-	315,924	-	-
		69,167,256	60,683,550	51,661,408	51,477,533
Current liabilities					
Retirement benefit obligations	25	128,064	284,294	-	-
Borrowings	26	34,257,449	41,980,006	51,137	71,004
Trade payables	29	27,423,737	31,377,915	-	-
Other payables	30	20,247,031	15,469,957	3,873,934	3,919,835
Tax payable		1,242,827	1,008,875	887,561	887,561
		83,299,108	90,121,047	4,812,632	4,878,400
Total liabilities		152,466,364	150,804,597	56,474,040	56,355,933
Total equity and liabilities		502,734,048	509,778,537	283,426,706	282,961,625

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					
	← Non-distributable →		Distributable			
	Share capital RM	Share premium RM	Retained earnings RM	Total RM	Minority interests RM	Total RM
At 1 January 2008	205,978,000	43,007,997	99,998,097	348,984,094	9,373,620	358,357,714
Profit/(loss) for the year	-	-	4,463,096	4,463,096	(884,106)	3,578,990
Net changes in the interest of minority shareholders	-	-	-	-	85,711	85,711
Dividends (Note 11)	-	-	(3,048,475)	(3,048,475)	-	(3,048,475)
At 31 December 2008	205,978,000	43,007,997	101,412,718	350,398,715	8,575,225	358,973,940
At 1 January 2009	205,978,000	43,007,997	101,412,718	350,398,715	8,575,225	358,973,940
Loss for the year	-	-	(4,419,244)	(4,419,244)	(4,287,012)	(8,706,256)
At 31 December 2009	205,978,000	43,007,997	96,993,474	345,979,471	4,288,213	350,267,684

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

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2009

	← Non-Distributable	→	Distributable	
	Share capital RM	Share premium RM	Profit/ (Accumulated losses) RM	Total RM
At 1 January 2008	205,978,000	45,515,750	(27,073,090)	224,420,660
Profit for the year	-	-	5,233,507	5,233,507
Dividends (Note 11)	-	-	(3,048,475)	(3,048,475)
At 31 December 2008	205,978,000	45,515,750	(24,888,058)	226,605,692
At 1 January 2009	205,978,000	45,515,750	(24,888,058)	226,605,692
Profit for the year	-	-	346,974	346,974
At 31 December 2009	205,978,000	45,515,750	(24,541,084)	226,952,666

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

CASH FLOW STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Cash flows from operating activities				
(Loss)/profit before taxation	(8,364,709)	6,695,566	346,974	5,233,507
Adjustments for:				
Amortisation of prepaid land lease payments	2,210	2,210	-	-
Property, plant and equipment written off	2,263,101	2,361	-	-
Reversal of provision for doubtful debts	(92,534)	-	-	-
Bad debts recovered	-	(135,186)	-	-
Depreciation of property, plant and equipment	1,223,085	1,143,027	32,028	35,256
Depreciation of investment properties	171,783	171,618	-	-
(Gain)/loss on disposal of investments	(896,176)	(6,745,588)	14,471	(84,243)
Loss on disposal of land held for property development	-	1,355	-	-
(Gain)/loss on disposal of property, plant and equipment	(29,285)	(5,746)	22,048	-
Bad debts written off	108,663	-	-	-
Provision for impairment losses in inventories	-	280,498	-	-
Reversal of provision for impairment losses in inventories	(89,665)	-	-	-
Provision for impairment losses in investments in marketable securities	11	110,138	-	-
Provision for impairment losses in investments in subsidiaries	-	-	2,250,000	8,274,250
Reversal of provision for impairment losses in investments	-	-	-	(862,215)
Reversal of provision for impairment losses in investments in marketable securities	(88,193)	(302,697)	(27,396)	(302,697)
Impairment of intangible assets	15,016	-	-	-
Impairment of property development costs	3,538,636	-	-	-
Impairment of land held for property development	-	382,000	-	-
Share of loss of associated companies	109,962	274,461	-	-
Reversal of provision for reclamation costs	(557,076)	-	-	-
Property development costs written off	191,328	-	-	-
Provision for retirement benefits	809,963	780,056	-	-
Provision for doubtful debts	2,120,747	665,299	247,711	-
Interest expense	7,021,166	7,186,907	4,474,910	4,478,329
Interest income	(710,776)	(507,087)	(2,889,339)	(1,913,655)
Dividend income	(3,822,731)	(6,823,587)	(5,920,326)	(16,337,236)
Operating profit/(loss) before working capital changes	2,924,526	3,175,605	(1,448,919)	(1,478,704)
(Increase)/decrease in receivables	(11,399,546)	(4,143,022)	1,680,972	(20,425,170)
(Increase)/decrease in inventories	(13,054,513)	3,786,012	-	-
Decrease/(increase) in land held for development	10,685,405	(6,532,259)	-	-
Decrease/(increase) in property development costs	3,488,642	(17,811,734)	-	-
Increase/(decrease) in payables	1,505,312	7,209,416	(1,837,400)	9,280,293
Cash used in operations	(5,850,174)	(14,315,982)	(1,605,347)	(12,623,581)
Interest paid	(2,546,255)	(2,718,423)	-	(9,846)
Taxes paid	(1,710,352)	(5,853,733)	-	-
Retirement benefits paid	(243,950)	(30,000)	-	-
Net cash used in operating activities	(10,350,731)	(22,918,138)	(1,605,347)	(12,633,427)

CASH FLOW STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Cash flows from investing activities				
Additional investment in a subsidiary	-	-	-	(200,000)
Proceeds from disposal of investment	2,305,569	14,461,312	2,305,569	14,461,312
Purchase of property, plant and equipment	(190,244)	(5,728,166)	-	(45,489)
Proceeds from disposal of property, plant and equipment	78,636	61,200	76,227	-
Proceeds from disposal of land held for development	-	640,627	-	-
Interest received	710,776	507,087	2,889,339	1,913,655
Dividends received	3,578,390	6,823,587	-	-
Net cash generated from investing activities	6,483,127	16,765,647	5,271,135	16,129,478
Cash flows from financing activities				
Drawdown of term loans	10,000,000	4,820,000	-	-
Drawdown of revolving credits	400,000	3,600,000	-	-
Repayment of bankers' acceptances	-	(274,000)	-	-
Repayment of term loans	(7,375,500)	(2,926,664)	-	-
Payment of hire purchase creditors	(376,771)	(337,872)	(127,165)	(89,144)
Interest paid	(2,183,738)	(2,587,539)	(2,183,738)	(2,587,539)
Dividends paid	-	(3,048,475)	-	(3,048,475)
Net cash generated from/(used in) financing activities	463,991	(754,550)	(2,310,903)	(5,725,158)
Net (decrease)/increase in cash and cash equivalents	(3,403,613)	(6,907,041)	1,354,885	(2,229,107)
Cash and cash equivalents at beginning of year	1,052,704	7,959,745	3,208,247	5,437,354
Cash and cash equivalents at end of year (Note 24)	(2,350,909)	1,052,704	4,563,132	3,208,247

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

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2009

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at 14th Floor, Kompleks Teruntum, Jalan Mahkota, 25000 Kuantan, Pahang Darul Makmur.

The holding corporation of the Company is Perbadanan Kemajuan Negeri Pahang, a statutory body incorporated in Malaysia under the Pahang State Enactment No. 12, 1965.

The principal activities of the Company are investment holding and provision of management services to the subsidiaries. The principal activities of the subsidiaries are described in Note 17 to the financial statements. 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 28 April 2010.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements comply with the Financial Reporting Standards ("FRSs") and the Companies Act 1965 in Malaysia.

The financial statements of the Group and of the Company have also been prepared on a historical cost basis.

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

2.2 Summary of significant accounting policies

a) Subsidiaries and basis of consolidation

i) Subsidiaries

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

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

ii) Basis of consolidation

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (Continued)

a) Subsidiaries and basis of consolidation (Continued)

ii) Basis of consolidation (Continued)

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.

b) Associates

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

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

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.

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 associates, 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 polices are adopted for like transactions and events in similar circumstances.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (Continued)

c) Intangible assets

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.

d) Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the 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 are stated at cost less accumulated depreciation and any accumulated impairment losses.

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

Buildings	2%
Plant and machinery	10% - 20%
Motor vehicles	10% - 20%
Office equipment	10% - 20%
Office renovation	8% - 10%
Furniture and fittings	10% - 20%
Signboard	10%

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

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

e) 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 at cost, including transaction costs.

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.

The depreciation policy for investment properties is in accordance with that for depreciable property, plant and equipment as described in Note 2.2(d).

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (Continued)

f) 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 within non-current assets and is stated at cost less any accumulated impairment losses.

Land held for property development is reclassified as development properties 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 all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

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

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

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

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

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

g) Construction contracts

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (Continued)

h) Inventories

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

Cost is determined using the first in, first out method. The cost of raw materials comprises cost of purchase. The costs of finished goods and work-in-progress comprise raw materials, direct labour, other direct costs and appropriate proportions of production overheads.

The cost of unsold properties comprises cost associated with the purchase of land, direct costs and appropriate proportions of common costs.

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

i) Impairment of non-financial assets

The carrying amounts of assets, other than investment property, construction contract assets, property development costs and inventories 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, 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, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

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.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2009

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (Continued)

j) 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 in hand and at bank and deposits at call which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

ii) 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.

iii) Trade receivables

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

iv) Trade payables

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

v) 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.

vi) Equity instruments

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

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2009

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (Continued)

k) Leases

i) 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 buildings 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.

ii) Finance leases - the Group as lessee

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Company's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

iii) Operating leases - the Group as lessee

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment as described in Note 2.2(d).

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

In the case of a lease of land and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

l) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (Continued)

l) Income tax (Continued)

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 negative 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.

m) Employee benefits

i) Short term benefits

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

ii) Defined contribution plans

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

iii) Defined benefit plans

The Group operates an unfunded, defined benefit Retirement Benefit Scheme ("the Scheme") for eligible employees of a subsidiary. The Group's obligation under the Scheme, calculated using the Projected Unit Credit Method, through which the amount of benefit that employees have earned in return for their services in the current and prior years is estimated. That benefit is discounted in order to determine its present value.

Actuarial gains and losses are recognised as income or expense over the expected average remaining working lives of the participating employees when the cumulative unrecognised actuarial gains or losses for the Scheme exceed 10% of the higher of the present value of the defined benefit obligation and the fair value of plan assets. Past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested. If the benefits are already vested immediately following the introduction of, or changes to, a pension plan, past service costs are recognised immediately.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (Continued)

m) Employee benefits (Continued)

iii) Defined benefit plans (Continued)

The amount recognised in the balance sheet represents the present value of the defined benefit obligations adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the net total of any unrecognised past service costs and present value of any economic benefits in the form of refunds from the plan or reductions in future contributions to the plan.

n) Revenue recognition

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

i) Sale of properties

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

ii) Construction contracts

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

iii) Sale of goods

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

iv) Revenue from services

Revenue from services is recognised net of service taxes and discounts as and when the services are performed.

v) Dividend income

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

vi) Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the lease.

vii) Interest income

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

viii) Management fees

Management fees are recognised when services are rendered.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (Continued)

o) 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.

p) 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.

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

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, where that monetary item is denominated in either the functional currency of the reporting entity or the foreign operation, 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 Group's net investment in a foreign operation, where that monetary item is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, are recognised in profit or loss for the period.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (Continued)

q) Foreign currencies (Continued)

ii) Foreign currency transactions (Continued)

Exchange differences arising on monetary items that form part of the Company's net investment in foreign operations, regardless of the currency of the monetary item, 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 translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

2.3 Standards and Interpretations issued but not yet effective

At the date of the authorisation of the 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 periods beginning on or after 1 July 2009:

FRS 8	Operating Segments

Effective for financial periods beginning on or after 1 January 2010:

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements (revised)
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 1 and FRS 127	First-time Adoption of Financial Reporting Standards and 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, FRS 7 and IC Interpretation 9	Financial Instruments: Recognition and Measurement, Dislosures and Reassessment of Embedded Derivatives
Amendments to FRSs	Improvement to FRSs (2009)
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction
TR i - 3	Presentation of Financial Statements of Islamic Financial Institutions

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Standards and Interpretations issued but not yet effective (Continued)

Effective for financial periods beginning on or after 1 March 2010:

Amendments to FRS 132	Classification of Rights Issues

Effective for financial periods beginning on or after 1 July 2010:

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations (revised)
FRS 127	Consolidated and Separate Financial Statements (amended)
Amendments to FRS 2	Share-based Payment
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 138	Intangible Assets
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 15	Agreements for the Construction of Real Estate
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners

Effective for financial periods beginning on or after 1 January 2011:

Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 7	Improving Disclosures about Financial Instruments

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

Pronouncements effective for financial periods beginning on or after 1 July 2009

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 executive officer 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.

Pronouncements effective for financial periods beginning on or after 1 January 2010

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Standards and Interpretations issued but not yet effective (Continued)

Pronouncements effective for financial periods beginning on or after 1 January 2010 (Continued)

FRS 123: *Borrowing Costs*

This Standard supersedes FRS 123_{2004}: *Borrowing Costs* that removes the option of expensing borrowing costs and requires capitalisation of such costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Other borrowing costs are recognised as an expense. The Group's current accounting policy is to expense the borrowing costs in the period which they are incurred. In accordance with the transitional provisions of the Standard, the Group will apply the change in accounting policy prospectively for which the commencement date for capitalisation of borrowing cost on qualifying assets is on or after the financial period 1 January 2010.

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 Company's exposure to risks, enhanced disclosure regarding components of the Group's and Company's financial position and performance, and possible changes to the way of presenting certain items in the financial statements. 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 FRS 1: *First-time Adoption of Financial Reporting Standards* and FRS 127: *Consolidated and Separate Financial Statements:* Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

The amendment to FRS 1 allow first-time adopters to use costs, determined in accordance with FRS 127, or deemed cost of either fair value (in accordance with FRS 139) or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate opening FRS balance sheet. In the amendment to FRS 127, there is no longer a distinction between pre-acquisition and post-acquisition dividends.

The amendment also requires the cost of the investment of a new parent in a group (in a reorganisation meeting certain criteria) to be measured at the carrying amount of its share of equity as shown in the separate financial statements of the previous parent. The amendments also remove the definition of the cost method from FRS 127 and will be applied prospectively that affect only the financial statements of the Company and do not have an impact on the financial statements of the Group.

Amendments to FRSs 'Improvements to FRSs (2009)'

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'.

FRS101 Presentation of *Financial Statements*: Clarifies that financial instruments classified as held for trading in accordance with FRS139 *Financial Instruments:* Recognition and Measurement are not automatically presented as current in the balance sheet. The amendment further clarifies that the classification of the liability component of a convertible instrument as current or non-current is not affected by the terms that could, at the option of the holder, result in settlement of the liability by the issue of equity instruments.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2009

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Standards and Interpretations issued but not yet effective (Continued)

Pronouncements effective for financial periods beginning on or after 1 January 2010 (Continued)

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

FRS107 *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 110 *Events after the Reporting Period (formerly known as Events After the Balance Sheet Date):* Clarifies that dividends declared after the end of the reporting period are not liabilities as at the balance sheet date.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Standards and Interpretations issued but not yet effective (Continued)

Pronouncements effective for financial periods beginning on or after 1 January 2010 (Continued)

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

FRS 131 *Interests in Joint Ventures*: The amendment clarifies that if a joint venture is accounted for 'at fair value through profit or loss', in accordance with FRS 139, only the requirements of FRS 131 to disclose the commitments of the venturer and the joint venture, as well as summary financial information about the assets, liabilities, income and expense will apply.

FRS 134 *Interim Financial Reporting*: Clarifies that earnings per share is to be disclosed in interim financial reports if an entity is within the scope of FRS 133: *Earnings per Share*.

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

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 derivates 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.

IC Interpretation 10: *Interim Financial Reporting and Impairment*

This IC prohibits impairment losses recognised in an interim period on goodwill or investments in equity instruments or financial assets carried at cost to be reversed at a subsequent balance sheet date.

IC Interpretation 14: FRS 119 - *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

This IC provides guidance on how to assess the limit, under FRS 119 *Employee Benefits,* on the amount of surplus in a defined benefit scheme that can be recognised as an asset and explains how the minimum funding requirements will affect the defined benefit asset and addresses when minimum funding requirements may give rise to a liability.

Pronouncements effective for financial periods beginning on or ather 1 July 2010

FRS 1: *First-time Adoption of Financial Reporting Standards*

This FRS supersedes FRS 1 (issued in 2005 and amended in May 2009). The Standard sets out the procedures that an entity must follow when it adopts FRSs for the first time as the basis for preparing its financial statements.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Standards and Interpretations issued but not yet effective (Continued)

Pronouncements effective for financial periods beginning on or after 1 July 2010 (Continued)

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

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.

2.4 Significant accounting estimates and judgements

(a) Critical judgements made in applying accounting policies

There were no significant judgements made in applying the accounting policies of the Group which may have significant effects on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

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

(i) Depreciation of property, plant and equipment

The cost of plant and machinery is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these property, plant and equipment to be within 5 to 20 years. These are common life expectancies applied for the assets owned by the Group. Changes in the expected level of usage and technological developments would not significantly impact the economic useful lives and the residual values of these assets, therefore the future depreciation charges would not vary significantly.

(ii) Property development

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

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

(iii) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at 31 December 2009 was RM808,242 (2008: RM823,258).

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2009

3. REVENUE

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Sale of properties	88,344,690	66,085,001	-	-
Project management fees	-	171,310	-	-
Construction contracts	1,224,000	7,475,334	-	-
Sale of goods	6,091,135	13,311,403	-	-
Management fees	926,747	906,720	745,920	642,300
Rental income	2,772,268	2,401,826	-	-
Dividend income	3,821,822	6,823,587	5,920,326	16,337,536
	103,180,662	97,175,181	6,666,246	16,979,836

4. COST OF SALES

	Group	
	2009	2008
	RM	RM
Property development costs (Note 13(b))	39,937,356	47,887,639
Additional costs for completed project	17,569	1,791,069
Cost of land held for property development sold (Note 13(a))	19,903,672	641,982
Cost of inventories sold	18,629,704	12,325,493
Cost of services rendered	792,694	647,037
Cost of construction contracts	2,467,664	6,075,959
Additional cost for disposal of land held for development	207,748	-
	81,956,407	69,369,179

5. FINANCE COSTS

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Interest expense on:				
Hire purchase	56,378	59,610	5,458	9,845
Term loans	363,083	665,744	-	-
Overdrafts	1,848,703	1,844,121	-	-
Revolving credits	117,021	95,220	-	-
Commitment fees	-	30,397	-	-
Rainbow Exchangeable Bonds	4,469,452	4,468,484	4,469,452	4,468,484
Other interests	166,529	23,331	-	-
	7,021,166	7,186,907	4,474,910	4,478,329

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2009

6. (LOSS)/PROFIT BEFORE TAX

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

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Employee benefits expense (Note 7)	11,637,077	13,699,865	860,716	1,356,883
Non-executive directors' remuneration (Note 8)	573,400	802,650	532,450	722,400
Auditors' remuneration:				
- Current year	153,000	143,000	10,000	10,000
- Underprovision in prior year	10,000	-	-	-
Provision for doubtful debts	2,120,747	665,299	247,711	-
Property, plant and equipment written off	2,263,101	2,361	-	-
Office rental	500,313	497,273	-	-
Rental income	(21,900)	(50,400)	-	-
Bad debts recovered	-	(135,186)	-	-
Dividend income	(909)	-	-	-
Property development costs written off	191,328	-	-	-
Amortisation of prepaid land lease payments (Note 15)	2,210	2,210	-	-
Depreciation of property, plantand equipment (Note 12)	1,223,085	1,143,027	32,028	35,256
Depreciation of investment properties (Note 14)	171,783	171,618	-	-
Impairment of land held for property development (Note 13(a))	-	382,000	-	-
Impairment of property development costs (Note 13(b))	3,538,636	-	-	-
Impairment of intangible assets	15,016	-	-	-
Provision for impairment losses in inventories	-	280,498	-	-
Provision for impairment osses in investments in subsidiaries	-	-	2,250,000	8,274,250
Provision for impairment losses in investments in marketable securities	11	110,138	-	-
Interest income	(710,776)	(507,087)	(2,889,339)	(1,913,655)
Reversal of provision for reclamation costs	(557,076)	-	-	-
Reversal of provision for impairment losses in investments in subsidiaries	-	-	-	(862,215)
Reversal of provision for impairment losses in inventories	(89,665)	-	-	-
Reversal of provision for impairment losses in investments in marketable securities	(88,193)	(302,697)	(27,396)	(302,697)
Reversal of provision for doubtful debts	(92,534)	-	-	-
Bad debts written off	108,663	-	-	-
Loss on disposal of land held for development	-	1,355	-	-
(Gain)/loss on disposal of property,plant and equipment	(29,285)	(5,746)	22,048	-
(Gain)/loss on disposal of investments	(896,176)	(6,745,588)	14,471	(84,243)

7. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Wages and salaries	8,076,454	8,131,868	704,251	467,457
Social security contributions	100,202	101,280	1,085	594
Short-term accumulating compensated absences	632,671	8,657	-	-
Contributions to defined contribution plan	981,326	1,260,602	49,908	58,032
Pension costs - defined benefit plan (Note 25)	809,963	780,056	-	-
Other staff related expenses	1,036,461	3,417,402	105,472	830,800
	11,637,077	13,699,865	860,716	1,356,883

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM431,560 (2008: RM1,031,257) and RMNil (2008: RM455,308) respectively as further disclosed in Note 8.

8. DIRECTORS' REMUNERATION

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Executive directors' remuneration (Note 7):				
Fees	20,000	214,000	-	20,000
Other emoluments	411,560	817,257	-	435,308
	431,560	1,031,257	-	455,308
Non-executive directors' remuneration (Note 6):				
Fees	351,000	185,000	351,000	185,000
Other emoluments	222,400	617,650	181,450	537,400
	573,400	802,650	532,450	722,400
Total directors' remuneration	1,004,960	1,833,907	532,450	1,177,708

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2009

8. DIRECTORS' REMUNERATION (CONTINUED)

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:		
RM450,001 – RM500,000	-	1
Non-executive directors:		
Up to RM50,000	2	-
RM50,001 – RM100,000	7	8
RM100,001 – RM150,000	-	1

9. INCOME TAX EXPENSE

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Income tax:				
Malaysian income tax	2,334,488	2,871,782	-	-
(Overprovision)/underprovision in prior year	(254,376)	2,748	-	-
	2,080,112	2,874,530	-	-
Deferred tax (Note 32):				
Relating to originating and reversal of temporary differences	(713,408)	272,518	-	-
Relating to changes in tax rates	-	(11,976)	-	-
Overprovision in prior year	(1,025,157)	(18,496)	-	-
	(1,738,565)	242,046	-	-
Total income tax expense	341,547	3,116,576	-	-

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

9. INCOME TAX EXPENSE (CONTINUED)

In the prior year, certain subsidiaries of the Company being Malaysian resident companies with paid-up capital of RM2.5 million or less qualified for the preferential tax rates under Paragraph 2A, Schedule 1 of the Income Tax Act, 1967 as follows:

On the first RM500,000 of chargeable income : 20%
In excess of RM500,000 of chargeable income : 26%

However, pursuant to Paragraph 2B, Schedule 1 of the Income Tax Act, 1967 that was introduced with effect from the year of assessment 2009, the subsidiaries no longer qualify for the above preferential tax rates.

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

	2009 RM	2008 RM
Group		
(Loss)/profit before taxation	(8,364,709)	6,695,566
Taxation at Malaysian statutory tax rate of 25% (2008: 26%)	(2,091,177)	1,740,847
Effect of changes in tax rates on opening balance of deferred tax	-	(12,711)
Tax incentive obtained from differential in tax rate	-	(27,732)
Utilisation of Group relief	(823,558)	-
Effect of income not subject to tax	(2,278,215)	(6,023,515)
Effect of expenses not deductible for tax purposes	4,355,868	5,777,983
Effect of utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(426,366)	(317,433)
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	2,884,528	1,994,885
Overprovision of deferred tax in prior year	(1,025,157)	(18,496)
(Over)/underprovision of income tax in prior year	(254,376)	2,748
Tax expense for the year	341,547	3,116,576
Company		
Profit before taxation	346,974	5,233,507
Taxation at Malaysian statutory tax rate of 25% (2008: 26%)	86,744	1,360,712
Effect of income not subject to tax	(1,480,082)	(4,247,759)
Effect of expenses not deductible for tax purposes	1,567,552	2,057,644
Effect of utilisation of previously unrecognised tax losses	(174,214)	-
Deferred tax assets not recognised in respect of current year's tax losses	-	829,403
Tax expense for the year	-	-

Notes to the financial statements 31 December 2009

10. EARNINGS PER SHARE

(a) Basic

Basic earnings per share amount is calculated by dividing profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	2009	2008
(Loss)/profit attributable to ordinary equity holders of the Company (RM)	(4,419,244)	4,463,096
Weighted average number of ordinary shares in issue (unit)	205,978,000	205,978,000
Basic earnings per share (sen)	(2.15)	2.17

(b) Diluted

No diluted earnings per share were presented as there were no potential dilutive ordinary shares outstanding as at 31 December 2009.

11. DIVIDENDS

	Dividends in respect <---------- of year --------->		Dividends Recognised in year	
	2009 RM	2008 RM	2009 RM	2008 RM
Group				
Recognised during the year:				
First and final dividend for 2007: 2% less 26% taxation on 205,978,000 ordinary shares (1.48 sen per ordinary share)	-	3,048,475	-	3,048,475
	-	3,048,475	-	3,048,475
Company				
Recognised during the year:				
First and final dividend for 2007: 2% less 26% taxation on 205,978,000 ordinary shares (1.48 sen per ordinary share)	-	3,048,475	-	3,048,475
	-	3,048,475	-	3,048,475

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2009

12. PROPERTY, PLANT AND EQUIPMENT

	Buildings RM	Construction work-in-progress RM	Plant and machinery RM	Other assets* RM	Total RM
Group					
At 31 December 2009					
Cost					
At 1 January 2009	13,922,406	2,237,500	4,363,715	8,664,829	29,188,450
Reclassification	-	-	1,309,796	(1,309,796)	-
Additions	16,309	-	8,960	278,442	303,711
Disposals	-	-	(401,000)	(159,940)	(560,940)
Write off	-	(2,237,500)	-	(35,171)	(2,272,671)
At 31 December 2009	13,938,715	-	5,281,471	7,438,364	26,658,550
Accumulated depreciation					
At 1 January 2009	953,343	-	1,874,686	5,188,970	8,016,999
Reclassification	-	-	1,017,288	(1,017,288)	-
Charge for the year (Note 6)	278,623	-	338,671	605,791	1,223,085
Disposals	-	-	(400,997)	(59,245)	(460,242)
Write off	-	-	-	(9,570)	(9,570)
At 31 December 2009	1,231,966	-	2,829,648	4,708,658	8,770,272
Net carrying amount					
At 31 December 2009	12,706,749	-	2,451,823	2,729,706	17,888,278
At 31 December 2008					
Cost					
At 1 January 2008	10,544,174	2,237,500	2,383,081	7,864,949	23,029,704
Additions	3,378,232	-	1,980,634	999,300	6,358,166
Disposals	-	-	-	(196,921)	(196,921)
Write off	-	-	-	(2,499)	(2,499)
At 31 December 2008	13,922,406	2,237,500	4,363,715	8,664,829	29,188,450
Accumulated depreciation					
At 1 January 2008	700,488	-	1,702,157	4,612,933	7,015,578
Charge for the year (Note 6)	252,855	-	172,529	717,643	1,143,027
Disposals	-	-	-	(141,468)	(141,468)
Write off	-	-	-	(138)	(138)
At 31 December 2008	953,343	-	1,874,686	5,188,970	8,016,999
Net carrying amount					
At 31 December 2008	12,969,063	2,237,500	2,489,029	3,475,859	21,171,451

* Other assets consist of office renovation, furniture and fittings, office equipment, motor vehicles and signboard.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2009

12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Office equipment RM	Motor vehicles RM	Total RM
Company			
At 31 December 2009			
Cost			
At 1 January 2009	8,300	442,540	450,840
Disposal	-	(157,051)	(157,051)
At 31 December 2009	8,300	285,489	293,789
Accumulated depreciation			
At 1 January 2009	5,122	74,847	79,969
Charge for the year (Note 6)	1,660	30,368	32,028
Disposal for the year	-	(58,776)	(58,776)
At 31 December 2009	6,782	46,439	53,221
Net carrying amount			
At 31 December 2009	1,518	239,050	240,568
At 31 December 2008			
Cost			
At 1 January 2008	8,300	157,051	165,351
Addition	-	285,489	285,489
At 31 December 2008	8,300	442,540	450,840
Accumulated depreciation			
At 1 January 2008	3,462	41,251	44,713
Charge for the year (Note 6)	1,660	33,596	35,256
At 31 December 2008	5,122	74,847	79,969
Net carrying amount			
At 31 December 2008	3,178	367,693	370,871

12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

During the financial year, the Group and the Company acquired property, plant and equipment at aggregate costs of RM303,711 (2008: RM6,358,166) and RMNil (2008: RM285,489) of which RM78,926 (2008: RM630,000) and RMNil (2008: RM240,000) were acquired by means of hire purchase. Net carrying amounts of property, plant and equipment held under hire purchase arrangements are as follows:

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Motor vehicles	718,091	797,093	239,050	367,693
Plant and machineries	392,017	492,706	-	-
	1,110,108	1,289,799	239,050	367,693

13. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

(a) Land held for property development

	Freehold land RM	Leasehold land RM	Total RM
Group			
At 31 December 2009			
Cost			
At 1 January 2009	60,785,451	103,432,545	164,217,996
Additions	4,864	3,760	8,624
Disposals	(16,060,102)	(3,843,570)	(19,903,672)
Transfer from property development costs (Note 13(b))	2,321,555	9,401,215	11,722,770
Transfer to property development costs (Note 13(b))	(2,513,127)	-	(2,513,127)
At 31 December 2009	44,538,641	108,993,950	153,532,591
Accumulated impairment losses			
At 1 January/31 December 2009	382,000	20,116,367	20,498,367
Carrying amount at 31 December 2009	44,156,641	88,877,583	133,034,224

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2009

13. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONTINUED)

(a) Land held for property development (Continued)

	Freehold land RM	Leasehold land RM	Total RM
Group (Continued)			
At 31 December 2008			
Cost			
At 1 January 2008	58,482,554	99,845,165	158,327,719
Additions	4,533	3,962,489	3,967,022
Disposals	(641,982)	-	(641,982)
Transfer from property development costs (Note 13(b))	4,583,551	-	4,583,551
Transfer to property development costs (Note 13(b))	(1,643,205)	(375,109)	(2,018,314)
At 31 December 2008	60,785,451	103,432,545	164,217,996
Accumulated impairment losses			
At 1 January 2008	-	20,116,367	20,116,367
Impairment loss for the year (Note 6)	382,000	-	382,000
At 31 December 2008	382,000	20,116,367	20,498,367
Carrying amount at 31 December 2008	60,403,451	83,316,178	143,719,629

(b) Property development costs

	Freehold land RM	Leasehold land RM	Development costs RM	Total RM
Group (Continued)				
At 31 December 2009				
Cumulative property development costs				
At 1 January 2009	23,517,850	34,700,490	240,074,391	298,292,731
Costs incurred during the year	2,346,235	9,401,215	59,525,170	71,272,620
Transfer from land held for property development (Note 13(a))	2,513,127	-	-	2,513,127
Reclassification	(218,068)	-	218,068	-
Disposal	-	(278,542)	(709,050)	(987,592)
Written off	-	-	(191,328)	(191,328)
Transfer to land held for property development (Note 13(a))	(2,321,555)	(9,401,215)	-	(11,722,770)
Unsold units transferred to inventories	(53,205)	(20,886,443)	(3,687,023)	(24,626,671)
Reversal of completed projects	(177,348)	(1,968,181)	(33,504,061)	(35,649,590)
At 31 December 2009	25,607,036	11,567,324	261,726,167	298,900,527

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2009

13. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONTINUED)

(b) Property development costs (Continued)

	Freehold land RM	Leasehold land RM	Development costs RM	Total RM
Group (Continued)				
At 31 December 2009				
Accumulated impairment losses				
At 1 January 2009	-	-	-	-
Impairment loss for the year (Note 6)	-	-	3,538,636	3,538,636
At 31 December 2009	-	-	3,538,636	3,538,636
Cumulative costs recognised in income statement				
At 1 January 2009	(3,004,923)	(139,573)	(130,229,692)	(133,374,188)
Recognised during the year (Note 4)	(79,099)	(2,062,560)	(37,795,697)	(39,937,356)
Reversal of completed projects	177,348	1,968,181	33,504,061	35,649,590
At 31 December 2009	(2,906,674)	(233,952)	(134,521,328)	(137,661,954)
Property development costs at 31 December 2009	22,700,362	11,333,372	123,666,203	157,699,937
At 31 December 2008				
Cumulative property development costs				
At 1 January 2008	14,695,982	36,277,991	205,383,719	256,357,692
Costs incurred during the year	11,490,657	472,094	56,627,434	68,590,185
Transfer from land held for property development (Note 13(a))	1,643,205	375,109	-	2,018,314
Reclassification	271,557	-	(271,557)	-
Transfer to land held for property development (Note 13(a))	(4,583,551)	-	-	(4,583,551)
Unsold units transferred to inventories	-	-	(325,575)	(325,575)
Reversal of completed projects	-	(2,424,704)	(21,339,630)	(23,764,334)
At 31 December 2008	23,517,850	34,700,490	240,074,391	298,292,731
Cumulative costs recognised in income statement				
At 1 January 2008	(3,004,923)	(1,484,577)	(104,761,383)	(109,250,883)
Recognised during the year (Note 4)	-	(1,079,700)	(46,807,939)	(47,887,639)
Reversal of completed projects	-	2,424,704	21,339,630	23,764,334
At 31 December 2008	(3,004,923)	(139,573)	(130,229,692)	(133,374,188)
Property development costs at 31 December 2008	20,512,927	34,560,917	109,844,699	164,918,543

13. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONTINUED)

The freehold land and leasehold land of certain subsidiaries with a carrying value of RM18,039,451 (2008: RM48,180,449) have been charged as security for short term borrowings.

Titles to leasehold land of a subsidiary with a carrying value of RMNil (2008: RM7,473,435) are registered under the name of its holding corporation. The transfer of the title will be done upon completion of development of the properties.

The title of leasehold land held for development of a subsidiary with a carrying value of RM43,241,592 (2008: RM35,326,050) is still pending transfer to the subsidiary's name from the ultimate holding corporation, Perbadanan Kemajuan Negeri Pahang.

The title of freehold land held for development of a subsidiary with a carrying value of RM37,345,110 (2008: RM27,741,087) is still pending transfer to the subsidiary's name from the vendor.

14. INVESTMENT PROPERTIES

	Group	
	2009	**2008**
	RM	**RM**
Buildings		
Cost		
At 1 January	8,640,694	8,615,763
Addition	-	24,931
At 31 December	8,640,694	8,640,694
Accumulated depreciation		
At 1 January	1,124,374	952,756
Charge for the year (Note 6)	171,783	171,618
At 31 December	1,296,157	1,124,374
Net carrying amount		
At 31 December	7,344,537	7,516,320

Part of the leasehold building of a subsidiary with carrying value amounting to RM147,309 (2008: RM152,537) is pledged to financial institutions for credit facilities granted to a subsidiary as detailed in Note 26.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2009

15. PREPAID LAND LEASE PAYMENTS

	Group	
	2009 RM	2008 RM
At 1 January	81,688	83,898
Amortisation for the year (Note 6)	(2,210)	(2,210)
At 31 December	79,478	81,688
Analysed as:		
Long term leasehold land	79,478	81,688

16. INTANGIBLE ASSET

	Group	
	2009 RM	2008 RM
Goodwill		
Cost		
At 1 January/31 December	4,577,645	4,577,645
Accumulated amortisation and impairment		
At 1 January	3,754,387	3,754,387
Impairment loss (Note 6)	15,016	-
At 31 December	3,769,403	3,754,387
Net carrying amount		
At 31 December	808,242	823,258

(a) Impairment loss on goodwill recognised

Goodwill of the Group arises from acquisition of certain subsidiaries within the Group. The management has carried out an impairment test on the goodwill as some of the subsidiaries have been making losses and ceased operations. The impairment test led to the recognition of an impairment loss on goodwill of RM15,016 (2008: RMNil) as disclosed in Note 6 to the financial statements.

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

The recoverable amount of the goodwill, for purpose of the impairment testing, is determined based on value-in-use calculations using casf flow projections. The key assumptions used for value-in-use calculations are gross margin of 25% (2008: 20%) and discount rate of 7.80% (2008: 8.72%).

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2009

17. INVESTMENTS IN SUBSIDIARIES

	Company 2009 RM	Company 2008 RM
Unquoted shares at cost	81,824,753	81,824,753
Less: Accumulated impairment losses	(31,880,472)	(29,630,472)
	49,944,281	52,194,281

Details of the subsidiaries are as follows:

Names of Subsidiaries	Country of incorporation	Principal activities	Proportion of ownership 2009 %	Proportion of ownership 2008 %
Pasdec Corporation Sdn. Bhd.	Malaysia	Property development and project management	100	100
Kuantan Tembeling Resort Sdn. Bhd.	Malaysia	Property development and project management	100	100
Pasdec Land Sdn. Bhd.	Malaysia	Property development	100	100
Pasdec Bina Sdn. Bhd. #	Malaysia	Building and civil construction	100	100
Kimdec Corporation Sdn. Bhd.	Malaysia	Property development	51	51
Kuantan Bricks Sdn. Bhd.*	Malaysia	Bricks manufacturing	100	100
Sumbangan Sakti Sdn. Bhd. #	Malaysia	Property development	100	100
Pasdec Mega Sdn. Bhd.	Malaysia	Property development	100	100
Pasdec Pintas Sdn. Bhd. #	Malaysia	Dormant	70	70
Pasdec Putra Sdn. Bhd.**	Malaysia	Property development	100	100
Mutiara Pasdec Sdn. Bhd.	Malaysia	Investment holding	100	100
Pahang Aircraft Industries Sdn. Bhd.***	Malaysia	Dormant	100	100
Pasdec Trading Sdn. Bhd.***	Malaysia	Trading of building materials and provision of insurance services	100	100
Bentong Aquarium & Sanctuary Park Sdn. Bhd. #	Malaysia	Operator of aquarium and theme park	70	70

* Subsidiary of Pasdec Bina Sdn. Bhd.. The auditors' report of this company refers to the going concern assumption and that the subsidiary is dependent upon the financial support from the penultimate holding company. The report is not qualified.

** Subsidiary of Pasdec Corporation Sdn. Bhd..

*** Subsidiary of Mutiara Pasdec Sdn. Bhd.. The auditors' report of this company refers to the going concern assumption and that the subsidiary is dependent upon the financial support from the penultimate holding company. The report is not qualified.

\# The auditors' report of this company refers to the going concern assumption and that the subsidiary is dependent upon the financial support from the holding company. The report is not qualified.

18. INVESTMENTS IN ASSOCIATES

	Group 2009 RM	Group 2008 RM
In Malaysia:		
Unquoted shares, at cost	1,270,000	1,270,000
Share of post-acquisition reserves	2,067,926	2,177,888
	3,337,926	3,447,888
Less: Accumulated impairment losses	(70,000)	(70,000)
	3,267,926	3,377,888
Represented by:		
Share of net assets	3,267,926	3,377,888

Details of the associates are as follows:

Names of associates	Country of incorporation	Principal activities	Proportion of ownership interest 2009 %	Proportion of ownership interest 2008 %	Proportion of voting power 2009 %	Proportion of voting power 2008 %
Prima Prai Sdn. Bhd.	Malaysia	Property development	20	20	20	20
Genting View Resort Development Sdn. Bhd.	Malaysia	Property development and Construction	40	40	40	40
Pasdec Cempaka Sdn. Bhd.	Malaysia	Dormant	40	40	40	40

The financial statements of the above associates are coterminous with those of the Group, except for Prima Prai Sdn. Bhd. which has a financial year end of 31 March. For the purpose of applying the equity method of accounting, the management accounts of Prima Prai Sdn. Bhd. for the period ended 31 December 2009 have been used.

19. INVENTORIES

	Group 2009 RM	Group 2008 RM
Properties held for sale	24,649,831	10,878,328
Land	25,098	862,032
Finished goods	202,249	139,937
Diesel and lubricant	68,142	10,510
	24,945,320	11,890,807
Less: Provision for impairment of properties held for sale	(190,833)	(280,498)
	24,754,487	11,610,309

Notes to the financial statements 31 December 2009

20. TRADE RECEIVABLES

	Group 2009 RM	Group 2008 RM
Trade receivables	39,166,233	38,540,976
Construction contracts:		
Retention sum receivables (Note 22)	132,500	196,531
Progress billings receivable	30,825,884	32,099,811
	70,124,617	70,837,318
Less: Provision for doubtful debts	(4,725,637)	(2,632,048)
	65,398,980	68,205,270

The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are mainly on credit. The credit term is generally for a period of 30 to 120 days. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest bearing.

21. OTHER RECEIVABLES

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Amount due from related parties:				
Subsidiaries	-	-	220,241,003	215,371,403
Holding corporation	25,343,553	26,492,583	24,204,068	24,105,099
Related companies	22,377,565	11,082,432	4,022,499	4,022,499
	47,721,118	37,575,015	248,467,570	243,499,001
Deposits	1,216,576	695,787	-	-
Prepayments	266,647	466,229	103,297	127,957
Tax recoverable	2,913,674	2,582,289	-	-
Sundry receivables	7,673,800	6,468,911	257,344	1,170,399
	59,791,815	47,788,231	248,828,211	244,797,357
Less:				
Provision for doubtful debts				
Third parties	(3,313,458)	(3,378,834)	(61,962)	(61,962)
Subsidiaries	-	-	(296,401)	(48,690)
Holding corporation	(15,776,164)	(15,776,164)	(15,776,164)	(15,776,164)
Related companies	(11,656,696)	(11,656,696)	(4,014,959)	(4,014,959)
	(30,746,318)	(30,811,694)	(20,149,486)	(19,901,775)
	29,045,497	16,976,537	228,678,725	224,895,582

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2009

21. OTHER RECEIVABLES (CONTINUED)

Amounts due from subsidiaries amounting to RM41,964,067 (2008: RM38,714,067) bear interest of 6% (2008: 6%) per annum and are repayable on demand. The amounts are unsecured and are to be settled in cash.

The remaining amounts due from related parties of the Group and of the Company are non-interest bearing and repayable on demand. These amounts are unsecured and are to be settled in cash.

22. DUE FROM/(TO) CUSTOMERS ON CONTRACTS

	Group	
	2009 RM	2008 RM
Construction costs incurred todate	14,521,240	35,755,128
Attributable profits	(1,304,602)	1,165,196
	13,216,638	36,920,324
Less : Progress billings	(13,485,679)	(39,411,598)
	(269,041)	(2,491,274)
Due to customers on contract	(269,041)	(2,491,274)
Retention sum on contracts, included within trade receivables (Note 20)	132,500	196,531

23. MARKETABLE SECURITIES

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
At cost:				
Shares quoted in Malaysia	42,460,775	43,550,128	-	-
Unit trusts quoted in Malaysia	1,086,103	3,406,143	-	2,320,040
	43,546,878	46,956,271	-	2,320,040
Less:				
Accumulated impairment losses				
Shares quoted in Malaysia	(21,331)	(21,320)	-	-
Unit trusts quoted in Malaysia	(644,799)	(732,992)	-	(27,396)
	(666,130)	(754,312)	-	(27,396)
	42,880,748	46,201,959	-	2,292,644
Market value of:				
Shares quoted in Malaysia	100,743,064	56,736,775	-	-
Unit trusts quoted in Malaysia	441,304	2,673,151	-	2,292,644
	101,184,368	59,409,926	-	2,292,644

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2009

23. MARKETABLE SECURITIES (CONTINUED)

Investments in YTL Cement Berhad with a carrying amount of RM23,965,841 (2008: RM25,055,204) by a subsidiary are pledged to financial institutions for issuance of RM150 million Rainbow Exchangeable Bonds ("REBs") (Note 28).

Certain investments in quoted shares by a subsidiary with carrying amount of RM18,389,423 (2008: RM18,389,423) are pledged to banks for certain facilities granted to a related company.

24. CASH AND CASH EQUIVALENTS

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Cash in hand and at banks	8,688,076	7,966,266	145,099	140,826
Deposits with licensed banks	10,420,997	17,209,419	4,418,033	3,067,421
Cash and bank balances	19,109,073	25,175,685	4,563,132	3,208,247

Included in cash at banks of the Group is an amount of RM5,001,106 (2008: RM5,740,538) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 and therefore restricted from use in other operations.

Deposits with licensed banks of the Group amounting to RM5,726,426 (2008: RM14,265,088) are pledged to banks for credit facilities granted to certain subsidiaries (Note 26).

Other information on financial risks of cash and cash equivalents are disclosed in Note 35.

For the purpose of the cash flow statements, cash and cash equivalents comprise the following as at the balance sheet date:

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Cash and bank balances	19,109,073	25,175,685	4,563,132	3,208,247
Bank overdrafts (Note 26)	(21,459,982)	(24,122,981)	-	-
Total cash and cash equivalents	(2,350,909)	1,052,704	4,563,132	3,208,247

25. RETIREMENT BENEFIT OBLIGATIONS

The Group operates an unfunded, defined benefit Retirement Benefit Scheme ("the Scheme") for its eligible employees. Under the Scheme, eligible employees are entitled to retirement benefits with 7.5% of final salary multiplied by plan service with maximum of 300 months payable on attainment of the early retirement age of 40 upon completion of 10 or more years of plan service or retirement age of 56.

25. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(i) Balance sheet

The amounts recognised in the balance sheet are determined as follows:

	Group	
	2009 RM	2008 RM
Present value of funded defined benefit obligations	3,771,686	3,491,859
Unrecognised transition obligation	-	(198,920)
Unrecognised actuarial losses	(563,437)	(650,703)
Net liability	3,208,249	2,642,236
Analysed as:		
Current	128,064	284,294
Non-current:		
Later than 1 year but not later than 2 years	459,170	128,064
Later than 2 years but not later than 5 years	2,621,015	2,229,878
	3,080,185	2,357,942
	3,208,249	2,642,236

The movement in the present value of the defined benefit obligations over the year is as follows:

	Group	
	2009 RM	2008 RM
At 1 January	2,642,236	1,892,180
Current service cost	329,641	315,458
Interest cost	234,480	208,782
Amortisation of transitional liability	-	198,922
Amortisation of actuarial loss	245,842	56,894
Benefits paid	(243,950)	(30,000)
At 31 December	3,208,249	2,642,236

(ii) Income statement

The amounts recognised in the income statement are as follows:

	Group	
	2009 RM	2008 RM
Current service cost	329,641	315,458
Interest cost	234,480	208,782
Amortisation of transitional liability	-	198,922
Amortisation of actuarial loss	245,842	56,894
Total, included in employee benefits expense (Note 7)	809,963	780,056

All of the Group's contribution to defined benefit plan has been included in administrative expenses.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2009

25. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(iii) Actuarial assumptions

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	2009 %	2008 %
Discount rate	7.0	7.0
Expected rate of salary increases	5.0	5.0

Actuarial valuation for the Scheme is conducted by an independent actuary at regular intervals. The last valuation performed for the Scheme was on 19 September 2007.

Assumptions regarding future mortality are based on published statistics and mortality tables.

(iv) Historical information

The history of experience adjustments is as follows:

	2009 RM	2008 RM
Present value of defined benefit obligations	3,208,249	2,642,236

26. BORROWINGS

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Short term borrowings				
Secured:				
Bank overdrafts	20,544,019	23,249,024	-	-
Revolving credits	10,500,000	10,128,430	-	-
Term loans	1,914,207	7,354,393	-	-
Hire purchase liabilities (Note 27)	277,004	227,514	-	-
	33,235,230	40,959,361	-	-
Unsecured:				
Bank overdrafts	915,963	873,957	-	-
Hire purchase liabilities (Note 27)	106,256	146,688	51,137	71,004
	1,022,219	1,020,645	51,137	71,004
	34,257,449	41,980,006	51,137	71,004

26. BORROWINGS (CONTINUED)

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Long term borrowings				
Secured:				
Term loans	14,170,449	6,077,332	-	-
Rainbow Exchangeable Bonds (Note 28)	51,542,857	51,257,143	51,542,857	51,257,143
Hire purchase liabilities (Note 27)	167,400	328,079	-	-
	65,880,706	57,662,554	51,542,857	51,257,143
Unsecured:				
Hire purchase liabilities (Note 27)	206,365	347,130	118,551	220,390
	66,087,071	58,009,684	51,661,408	51,477,533
Total borrowings				
Bank overdrafts (Note 24)	21,459,982	24,122,981	-	-
Revolving credits	10,500,000	10,128,430	-	-
Term loans	16,084,656	13,431,725	-	-
Rainbow Exchangeable Bonds (Note 28)	51,542,857	51,257,143	51,542,857	51,257,143
Hire purchase liabilities (Note 27)	757,025	1,049,411	169,688	291,394
	100,344,520	99,989,690	51,712,545	51,548,537
Maturity of borrowings: (excluding hire purchase):				
Within one year	33,874,189	41,605,804	-	-
More than 1 year and less than 2 years	2,673,421	2,256,712	-	-
More than 2 years and less than 5 years	55,269,917	3,188,401	-	-
More than 5 years	7,769,968	51,889,362	51,542,857	51,257,143
	99,587,495	98,940,279	51,542,857	51,257,143

The bank overdrafts of the Group are secured against the land registered under the name of the holding corporation, first legal charge over long term leasehold land and building of certain subsidiaries, fixed and floating charges over certain assets of subsidiaries, joint and several guarantee by the directors of a corporate shareholder of a subsidiary and corporate guarantee by a subsidiary and the Company.

The secured revolving credits of the Group are for a period of six months and are secured against fixed legal charge over certain freehold land of a subsidiary, proportionate corporate guarantee by the Company of up to 51% and joint and several guarantee by the directors of a corporate shareholder.

26. BORROWINGS (CONTINUED)

The term loans are secured by the followings:

(a) First legal charge over the freehold land and leasehold land of certain subsidiaries as disclosed in Note 13;

(b) Fixed and floating charges over certain assets of subsidiaries;

(c) Joint and several guarantee by the directors of a corporate shareholder of the respective subsidiary; and

(d) Corporate guarantee by a subsidiary and the Company.

The Rainbow Exchangeable Bonds of the Group and of the Company are secured against part of the marketable securities as disclosed in Note 23.

The secured hire purchase liabilities of the Group are secured against corporate guarantee by a subsidiary company.

27. HIRE PURCHASE PAYABLES

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Minimum lease payments:				
Not later than 1 year	419,093	422,755	57,850	83,234
Later than 1 year and not later than 5 years	366,518	735,629	124,600	235,623
Later than 5 years	40,197	-	-	-
	825,808	1,158,384	182,450	318,857
Less: Future finance charges	(68,783)	(108,973)	(12,762)	(27,463)
Present value of lease liabilities	757,025	1,049,411	169,688	291,394
Analysed as:				
Due within 12 months (Note 26)				
Secured	277,004	227,514	-	-
Unsecured	106,256	146,688	51,137	71,004
	383,260	374,202	51,137	71,004
Due after 12 months (Note 26)				
Secured	167,400	328,079	-	-
Unsecured	206,365	347,130	118,551	220,390
	373,765	675,209	118,551	220,390
	757,025	1,049,411	169,688	291,394

28. RAINBOW EXCHANGEABLE BONDS

On 15 November 2006, the Company issued RM150 million Rainbow Exchangeable Bonds ("REBs") at 100% of its nominal value comprising two series as follows:

(i) Series 1 - up to RM15 million REBs or such other amount exchangeable into 4,792,333 or such other appropriate number of ordinary shares in Road Builder (M) Holdings Berhad ("RBH") ("Exchange Shares"); and

(ii) Series 2 - up to RM135 million REBs or such other amount exchangeable into 40,785,500 or such other appropriate number of ordinary shares in YTL Cement Berhad ("Exchange Shares").

The salient features of REBs issued by the Company are as follows:

(a) The tenors of the of Series 1 and 2 are 5 and 7 years respectively.

(b) The REBs carry an interest or coupon rate of five percent per annum for both of the REBs series and payable semi-annually in arrears from the date of issue of the REBs, with the last coupon payment to be made on the respective maturity dates.

(c) Each REB entitles the REBs holders to exchange for one Exchange Share at the Exchange Price which is indicatively set at a premium of 10% to 30% from five-day Weighted Average Market Price of the relevant Exchange Shares prior to the price fixing date or at par, whichever is higher at any time after the Securities Commission's approval, for the relevant series at any time during the Exchange Period.

(d) The REBs are secured by the following:-

(i) A Put-Option written by the Put-Option Writer to acquire the Exchange Shares at an agreed Option Price, upon the terms and conditions contained in the Put-Option agreements;

(ii) Deposit/pledge of the Exchange Shares with the Security Trustee, for the benefit of the REBs holders;

(iii) Assignment/charge of an Escrow Account, a Disbursement Account ("DA"), and Debt Service Reserve Account ("DSRA"), in favour of the Security Trustee for the REBs holders; and

(iv) Assignment of the proceeds under an irrevocable Standby Line from a financial institution ("Liquidity Reserve Provider") equivalent to one (1) coupon payment payable during the tenor of the REBs, in favour of the Security Trustee for the REBs Holders; or

If no Standby Line is established, an assignment/charge of a Liquidity Reserve Account ("LRA"), into which an amount equivalent to one (1) coupon payment payable during the tenor of the REBs shall be deposited.

(e) The Option Price with regards to Series 1 and 2 are as follows:

Series 1: the outstanding amounts, owing or payable by the Company to the REBs holders under the relevant Transaction Documents, as at the date of the put option notice as referred to in the Put-Option agreements;

Series 2: the outstanding amounts, owing or payable by the Company to the REBs holders under the relevant Transaction Documents, as at the date of the put option notice less the amount of:-
- any standby facilities procured by the Company; and
- any cash deposits by the Company into the DSRA.

28. RAINBOW EXCHANGEABLE BONDS (CONTINUED)

(f) The REBs shall be redeemed by the Issuer on the respective maturity dates at approximately 122% to 140% of the Issue Price of the relevant Series save and except for the following circumstances:-

(i) The REBs are exchangeable at any time by the REBs holders into the Exchange Shares, during the tenors of the REBs;

(ii) The REBs may be redeemed by the Issuer after the expiry of three (3) years from the issue date of the REBs and subject to the market price of the relevant Exchange Shares as traded on Bursa Malaysia Securities Berhad being at least 130% of the Exchange Price of the relevant Exchange Shares;

(iii) The Issuer may, at any time, purchase the REBs at any price in the open market or by private treaty;

(iv) The REBs shall be cancelled and cannot be reissued if the REBs have been exchanged into the Exchange Shares by the REBs holders, redeemed by the Issuer after year 3 and/or purchased by the Issuer in the open market.

The REBs are accounted for in the balance sheets of the Group and of the Company as follows:

	Group and Company	
	2009	2008
	RM	RM
Nominal value - issued and fully paid		
At 1 January	46,000,000	61,000,000
Exchanged into Exchange Shares	(2,000,000)	(15,000,000)
At 31 December	44,000,000	46,000,000
Redemption premium		
At 31 December	7,542,857	5,257,143
Total included within long term borrowings (Note 26)	51,542,857	51,257,143

29. TRADE PAYABLES

Trade payables are non-interest bearing and the normal trade credit term granted to the Group ranges from 30 to 90 days.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2009

30. OTHER PAYABLES

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Amounts due to related parties:				
Due to a corporate shareholder of subsidiary companies	5,932,079	4,767,578	-	-
Due to a subsidiary company	-	-	2,466,954	2,675,454
Due to other related companies	95,047	95,047	-	-
Due to holding corporation	3,660,873	2,737,073	-	-
	9,687,999	7,599,698	2,466,954	2,675,454
Other payables	6,354,293	3,373,331	-	-
Accruals	3,926,497	4,133,246	1,128,738	880,699
Coupon on bonds	278,242	363,682	278,242	363,682
	20,247,031	15,469,957	3,873,934	3,919,835

The amounts due to related parties are non-interest bearing and are repayable on demand. These amounts are unsecured and are to be settled in cash.

31. SHARE CAPITAL

	Number of ordinary shares of RM1 each		Amount	
	2009	2008	2009 RM	2008 RM
Authorised				
1 January/31 December	500,000,000	500,000,000	500,000,000	500,000,000
Issued and fully paid				
1 January/31 December	205,978,000	205,978,000	205,978,000	205,978,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

32. DEFERRED TAX

	Group	
	2009 RM	2008 RM
At 1 January	315,924	73,878
Recognised in the income statement (Note 9)	(1,738,565)	242,046
At 31 December	(1,422,641)	315,924

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2009

32. DEFERRED TAX (CONTINUED)

Presented after appropriate offsetting as follows:

	Group	
	2009 RM	**2008 RM**
Deferred tax assets	(1,485,586)	-
Deferred tax liabilities	62,945	315,924
	(1,422,641)	315,924

The components and movements of deferred tax liability and deferred tax assets during the financial year are as follows:

Deferred tax liability of the Group:

	Property, plant and equipment RM
At 1 January 2009	315,924
Recognised in income statement	(252,979)
At 31 December 2009	62,945
At 1 January 2008	76,367
Recognised in income statement	239,557
At 31 December 2008	315,924

Deferred tax assets of the Group:

	Provision and others RM	**Retirement benefit obligations RM**	**Unused tax losses and unabsorbed capital allowances RM**	**Total RM**
At 1 January 2009	-	-	-	-
Recognised in income statement	(283,631)	(802,062)	(399,893)	(1,485,586)
At 31 December 2009	(283,631)	(802,062)	(399,893)	(1,485,586)
At 1 January 2008	-	-	(2,489)	(2,489)
Recognised in income statement	-	-	2,489	2,489
At 31 December 2008	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2009

32. DEFERRED TAX (CONTINUED)

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

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Unused tax losses	25,842,121	10,410,538	-	4,061,451
Unabsorbed capital allowances	1,458,303	1,375,849	9,324	-
Provisions and others	172,160	-	-	-
	27,472,584	11,786,386	9,324	4,061,451

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

33. CONTINGENT LIABILITIES

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Unsecured:				
Corporate guarantees for facilities granted to:				
- subsidiaries	-	-	43,507,000	73,204,000
- a related company	12,000,000	2,672,500	12,000,000	-
Bank guarantees	1,046,536	1,617,639	-	-
Performance bonds	-	434,000	-	-
	13,046,536	4,724,139	55,507,000	73,204,000

34. RELATED PARTY DISCLOSURES

(a) 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 RM	2008 RM	2009 RM	2008 RM
Holding corporation				
- office rental and service charge	75,797	467,373	-	-
Subsidiaries				
- interest income	-	-	(2,418,452)	(1,913,655)
- management fee income	-	-	(745,920)	(642,300)
- gross dividend income	-	-	(5,920,326)	(15,787,537)

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

34. RELATED PARTY DISCLOSURES (CONTINUED)

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Short term employee benefits	1,525,257	2,126,418	532,450	1,125,952
Post-employment benefits				
- Defined contribution plan	132,852	181,249	26,904	51,756
- Defined benefit plan	775	473,900	-	-
	1,658,884	2,781,567	559,354	1,177,708

Included in the total key management personnel are:

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Directors' remuneration	1,004,960	1,833,907	532,450	1,177,708

35. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

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

(b) Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing debts and assets. The investment in financial assets is short term in nature and they are not held for speculative purposes but have been mostly placed in fixed deposits with licensed financial institutions.

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. The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

35. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Interest rate risk (Continued)

The following tables set out the carrying amounts, the weighted average effective interest rates (WAEIR) as at the balance sheet date and the remaining maturities of the Group's financial instruments that are exposed to interest rate risk:

	Note	WAEIR %	Within 1 year RM	1 - 2 years RM	More than 3 years RM	Total RM
At 31 December 2009						
Group						
Fixed rate						
Term loans	26	7.05	(1,914,207)	(2,673,421)	(11,497,028)	(16,084,656)
Hire purchase liablities	27	3.27	(383,260)	(195,844)	(177,921)	(757,025)
REBs	28	5.25	-	-	(51,542,857)	(51,542,857)
Floating rate						
Fixed deposits	24	2.41	10,420,997	-	-	10,420,997
Bank overdrafts	26	7.39	(21,459,982)	-	-	(21,459,982)
Revolving credits	26	5.91	(10,500,000)	-	-	(10,500,000)
Company						
Fixed rate						
Due from subsidiaries	21	6.00	41,964,067	-	-	41,964,067
Hire purchase liabilities	27	2.60	(51,137)	(53,400)	(65,151)	(169,688)
REBs	28	5.25	-	-	(51,542,857)	(51,542,857)
Floating rate						
Fixed deposits	24	2.00	4,418,033	-	-	4,418,033
At 31 December 2008						
Group						
Fixed rate						
Term loans	26	8.72	(7,354,393)	(2,256,711)	(3,820,621)	(13,431,725)
Hire purchase liablities	27	4.81	(374,202)	(458,237)	(216,972)	(1,049,411)
REBs	28	5.25	-	-	(51,257,143)	(51,257,143)

35. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Interest rate risk (Continued)

	Note	WAEIR %	Within 1 year RM	1 - 2 years RM	More than 3 years RM	Total RM
At 31 December 2008						
Group						
Floating rate						
Fixed deposits	24	3.45	17,209,419	-	-	17,209,419
Bank overdrafts	26	8.24	(24,122,981)	-	-	(24,122,981)
Revolving credits	26	5.47	(10,128,430)	-	-	(10,128,430)
Company						
Fixed rate						
Due from subsidiaries	21	6.00	38,714,067	-	-	38,714,067
Hire purchase liabilities	27	4.87	(71,004)	(142,008)	(78,382)	(291,394)
REBs	28	5.25	-	-	(51,257,143)	(51,257,143)
Floating rate						
Fixed deposits	24	3.43	3,067,421	-	-	3,067,421

Interest on financial instruments subject to floating interest rates is contractually repriced at intervals of less than 6 months and annually. Interest on financial instruments at fixed rates are fixed until the maturity of the instrument. The other financial instruments of the Group that are not included in the above tables are not subject to interest rate risks.

(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 both capital markets 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. 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.

35. FINANCIAL INSTRUMENTS (CONTINUED)

(e) Fair values

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

	Note	Carrying amount RM	Fair value RM
Group			
At 31 December 2009:			
Marketable securities	23	42,880,748	101,184,368
Term loans	26	16,084,656	12,297,426
Hire purchase payables	27	757,025	593,343
REBs	28	51,542,857	48,148,395
At 31 December 2008:			
Marketable securities	23	46,201,959	59,409,926
Term loans	26	13,431,725	11,691,625
Hire purchase payables	27	1,049,411	1,112,122
REBs	28	51,257,143	48,137,813
Company			
At 31 December 2009:			
Hire purchase payables	27	169,688	55,905
REBs	28	51,542,857	48,148,395
At 31 December 2008:			
Marketable securities	23	2,292,644	2,292,644
Hire purchase payables	27	291,394	330,159
REBs	28	51,257,143	48,137,813

The fair value of borrowings is estimated by discounting the expected future cash flows using the current interest rates for liabilities with similar risk profiles.

The method and assumption used by management to determine the fair values of marketable securities is by reference to stock exchange quoted market bid prices at the close of the business on the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2009

36. SIGNIFICANT EVENTS

(a) During the year, RM2 million nominal amount of Rainbow Exchangeable Bonds ("REBs") under Series 2 were redeemed. To date, the entire RM15 million nominal amount of REBs under Series 1 and RM91 million from RM135 million nominal amount of REBs under Series 2 have been redeemed.

(b) On 2 February 2009, Pasdec Corporation Sdn. Bhd. has entered into a Joint Venture Agreement ("JVA") with a developer to develop two pieces of land at Bandar Damansara, Kuantan, Pahang Darul Makmur into a commercial cum industrial estate.

(c) On 20 July 2009, the Group via its wholly owned subsidiary, Pasdec Corporation Sdn. Bhd. entered into a JVA with Kumpulan Perubatan (Johor) Sdn. Bhd. ("KPJSB"), a wholly owned subsidiary of KPJ Healthcare Berhad ("KPJ"), for the formation of a joint venture company to develop, complete and own a hospital building on a parcel of land measuring 3.12 acres at Tanjung Lumpur, Kuantan, Pahang Darul Makmur. The land is owned by Pasdec Corporation Sdn. Bhd.. Currently, both KPJ and the Company are finalising the formation of the joint venture company and planning for the hospital.

37. SUBSEQUENT EVENT

(a) On 28 January 2010, RM3 million nominal amount of Rainbow Exchangeable Bonds ("REBs") under Series 2 were redeemed.

(b) On 4 March 2010, Pasdec Corporation Sdn. Bhd. had entered into a JVA with Perunding ZNA (Asia) Sdn. Bhd. for the formation of a joint venture company to provide Value Engineering Design and other environmental and cost saving technology and design services for the construction industry. The joint venture company known as Pasdec Engineering Sdn. Bhd. will provide services to the companies within the Group as well as other parties.

38. COMPARATIVES

Certain comparatives have been adjusted to conform with current year's presentation.

39. SEGMENT INFORMATION

(a) Reporting format

The segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. No segment reporting by geographical area is prepared as the Group's activities are carried out in Malaysia.

(b) Business segments

The Group comprises the following main business segments:
(i) Investment holding - provision of management services;
(ii) Property development - the development of residential and commercial properties;
(iii) Trading - in building materials;
(iv) Manufacturing - manufacturing and sales of bricks; and
(v) Construction - construction of residential and commercial properties.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2009

39. SEGMENT INFORMATION

	Investment Holding RM	Property Development RM	Trading RM	Construction RM	Others RM	Total RM	Elimination RM	Consolidated RM
31 December 2009								
Revenue								
- Sales to external customers	-	89,783,564	3,014,405	1,224,000	9,158,693	103,180,662	-	103,180,662
- Inter-segment sales	6,666,246	-	1,358,821	8,416,361	448,766	16,890,194	(16,890,194)	-
Total revenue	6,666,246	89,783,564	4,373,226	9,640,361	9,607,459	120,070,856	(16,890,194)	103,180,662
Results								
Segment results	4,821,884	2,421,404	(976,522)	(4,865,000)	(1,981,685)	(579,919)	(653,662)	(1,233,581)
Finance costs	(4,474,910)	(4,966,175)	-	(193,321)	(432,261)	(10,066,667)	3,045,501	(7,021,166)
Share of loss of associates	-	(109,962)	-	-	-	(109,962)	-	(109,962)
Profit/(loss) before tax	346,974	(2,654,733)	(976,522)	(5,058,321)	(2,413,946)	(10,756,548)	-	(8,364,709)
Income tax expense	-	(929,434)	155,015	-	432,872	(341,547)	-	(341,547)
Net loss for the year								(8,706,256)
Minority interests								4,287,012
Loss after tax								(4,419,244)
Assets								
Segment assets	283,426,705	499,137,237	5,704,903	5,847,015	23,061,305	817,177,165	(317,711,043)	499,466,122
Investment in associates	-	1,200,000	-	-	-	1,200,000	2,067,926	3,267,926
Total assets								502,734,048
Liabilities								
Segment liabilities	56,474,040	325,793,126	3,369,171	10,182,727	19,194,266	415,013,330	(262,546,966)	152,466,364
Other segment information								
Capital expenditure	-	158,039	2,499	8,443	134,730	303,711	-	303,711
Depreciation of property, plant and equipment	32,028	490,953	71,210	16,002	612,892	1,223,085	-	1,223,085
Depreciation of investment property	-	166,555	-	5,228	-	171,783	-	171,783
Impairment losses recognised in income statement	2,250,000	3,538,636	-	1,697,383	-	7,486,019	(3,947,383)	3,538,636
Reversal of impairment losses	(27,396)	(150,462)	-	-	-	(177,858)	-	(177,858)
Reversal of provision for reclamation costs	-	(557,076)	-	-	-	(557,076)	-	(557,076)
Other significant non-cash expenses:								
Provisions	247,711	4,976,023	853,151	1,175,797	20,333	7,273,015	(5,152,268)	2,120,747
Increase in liability for defined benefit plan	-	809,963	-	-	-	809,963	-	809,963

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2009

39. SEGMENT INFORMATION (CONTINUED)

	Investment Holding RM	Property Development RM	Trading RM	Construction RM	Others RM	Total RM	Elimination RM	Consolidated RM
31 December 2008								
Revenue								
- Sales to external customers	6,720	74,457,800	10,946,192	7,475,334	4,289,135	97,175,181	-	97,175,181
- Inter-segment sales	16,973,116	100,034	-	9,194,965	138,727	26,406,842	(26,406,842)	-
Total revenue	16,979,836	74,557,834	10,946,192	16,670,299	4,427,862	123,582,023	(26,406,842)	97,175,181
Results								
Segment results	9,711,836	15,256,914	439,993	622,591	(310,413)	25,720,921	(11,563,987)	14,156,934
Finance costs	(4,478,330)	(4,640,061)	(27,308)	(186,154)	(342,666)	(9,674,519)	2,487,612	(7,186,907)
Share of loss of associates	-	(274,461)	-	-	-	(274,461)	-	(274,461)
Profit/(loss) before tax	5,233,506	10,616,856	412,685	436,437	(653,079)	16,046,405	(9,508,036)	6,695,566
Income tax expense	-	(2,905,770)	(246,146)	(1,143)	(1,917)	(3,154,976)	38,400	(3,116,576)
Net profit for the year								3,578,990
Minority interests								884,106
Profit after tax								4,463,096
Assets								
Segment assets	298,123,413	498,906,850	8,618,158	11,950,154	26,095,253	843,693,828	(337,293,179)	506,400,649
Investment in associates	-	1,200,000	-	-	-	1,200,000	2,177,888	3,377,888
Total assets								509,778,537
Liabilities								
Segment liabilities	71,517,722	316,168,217	5,460,919	11,227,545	20,247,499	424,621,902	(273,817,305)	150,804,597
Other segment information								
Capital expenditure	285,489	400,211	3,396,586	8,690	2,267,190	6,358,166	-	6,358,166
Depreciation of property, plant and equipment	35,255	521,038	41,914	19,112	525,708	1,143,027	-	1,143,027
Depreciation of investment property	-	166,390	-	5,228	-	171,618	-	171,618
Impairment losses recognised in income statement	-	662,498	-	-	-	662,498	-	662,498
Reversal of impairment losses	(1,164,912)	-	-	-	-	(1,164,912)	862,215	(302,697)
Other significant non-cash expenses:								
Provisions	8,274,250	904,430	-	83,144	9,432	9,271,256	(8,605,957)	665,299
Increase in liability for defined benefit plan	-	780,056	-	-	-	780,056	-	780,056

ANALYSIS OF SHAREHOLDINGS As at 23 April 2010

Authorised Share Capital	:	RM500,000,000
Issued and Paid-up Share Capital	:	RM205,978,000
Class of Shares	:	Ordinary shares of RM1.00 each
Voting Rights	:	One vote per shareholder on a show of hands or one vote per ordinary share on a poll

Analysis by size of shareholdings

Size of Shareholdings	No of Shareholders	%	No of Holdings	%
1 - 99	5	0.09	161	0.00
100 - 1,000	1,907	35.17	1,882,737	0.91
1,001 - 10,000	2,696	49.72	11,850,619	5.75
10,001 - 100,000	713	13.15	21,155,333	10.27
100,001 - 10298899 (*)	98	1.81	31,500,100	15.29
10298899 and above (**)	3	0.06	139,589,050	67.77
TOTAL	**5,422**	**100.00**	**205,978,000**	**100.00**

Remarks : * *Less than 5% of issued holdings*
** *5% and above of issued holdings*

SUBSTANTIAL SHAREHOLDERS (EXCLUDING BARE TRUSTEES)

	Direct		Indirect	
Name	No. of Shares Held	%	No. of Shares	%
Perbadanan Kemajuan Negeri Pahang	106,395,650	51.65	-	-
Ciri Ehsan Sdn. Bhd.	18,563,800	9.01	-	-
Hong Leong Fund Management Sdn. Bhd. for Pembinaan Sri jati Sdn. Berhad	15,806,600	7.67	-	-

ANALYSIS OF SHAREHOLDINGS As at 23 April 2010

List Of 30 Largest Shareholders

No.	Name	No. of Shares	%
1.	Perbadanan Kemajuan Negeri Pahang	105,218,650	51.08
2.	Ciri Ehsan Sdn. Bhd.	18,563,800	9.01
3.	HLG Nominee (Tempatan) Sdn. Bhd.		
	- Hong Leong Fund Management Sdn. Bhd. for Pembinaan Sri Jati Sdn. Berhad	15,806,600	7.67
4.	Yeoh Kean Hua	2,140,000	1.04
5.	Poo Choo @ Ong Poo Choi	1,709,800	0.83
6.	Alliancegroup Nominees (Tempatan) Sdn. Bhd.		
	- Pledged Securities A/C for Tan Kian Chuan	1,350,000	0.66
7.	Perbadanan Kemajuan Negeri Pahang	1,177,000	0.57
8.	Ciptaan Meriang Sdn. Bhd.	1,059,900	0.51
9.	Feab Properties Sdn. Bhd.	1,000,000	0.49
10.	Chuah Chew Hing	892,400	0.43
11.	Zenith Aim Sdn. Bhd.	867,900	0.42
12.	Public Nominees (Tempatan) Sdn. Bhd.		
	- Pledged Securities A/C for Tan Teang Yam	820,000	0.40
13.	Teh Bee Gaik	675,200	0.33
14.	Chin Kian Fong	656,100	0.32
15.	Choong Yean Yaw	630,900	0.31
16.	Tew Kim Thin	520,000	0.25
17.	Lee Chee Heang	496,000	0.24
18.	OSK Nominees (Tempatan) Sdn. Bhd.		
	- Pledged Securities A/C for Tan Gaik Suan	482,900	0.23
19.	Mohd Fauzi bin Mohd Anuar	460,000	0.22
20.	TCL Nominees (Tempatan) Sdn. Bhd.		
	Pledged Securities A/C for Chin Kiam Hsung	460,000	0.22
21.	Tan Swee Heng	428,000	0.21
22.	Yeoh Meng Ghee	410,000	0.20
23.	TA Nominees (Tempatan) Sdn. Bhd.		
	- Pledged Securities A/C for Chuang Nee Wang Kim Lien	404,700	0.20
24.	Ooi Chai Tiew	404,300	0.20
25.	Citigroup Nominees (Tempatan) Sdn. Bhd.		
	- Pledged Securities A/C for Pheng Yin Huah	400,000	0.19
26.	Chuang Show Chuan	390,600	0.19
27.	Yeoh Phek Leng	371,000	0.18
28.	Yeoh Swee Leng	360,000	0.17
29.	Alliancegroup Nominees (Tempatan) Sdn. Bhd.		
	- Pledged Securities A/C for Tan Kian Aik	330,500	0.16
30.	Chin Sin Lin	318,800	0.15
Total		**158,805,050**	**77.10**

Directors' Interest In The Company

No	Name	No. of Ordinary Shares Held			
		Direct	%	Indirect	%
1.	Dato' Sri Haji Adnan bin Haji Yaakob	-	-	-	-
2.	Dato' Abdul Ghani bin Sulaiman	-	-	-	-
3.	Dato' Haji Lias bin Mohd Noor	-	-	-	-
4.	Dato' Hamdan bin Jaafar	-	-	-	-
5.	Dato' Haji Mohamad Nor bin Ali	-	-	-	-
6.	Dato' Mohamed Amin bin Haji Daud	-	-	-	-
7.	Dato' Sri Khalid bin Mohamad Jiwa	-	-	-	-
8.	Dato' Abdullah bin A. Rasol	-	-	-	-

LIST OF PROPERTIES AS AT 31 DECEMBER 2009

	PROJECT / TITLE / LOCATION	TENURE	DESCRIPTION OF PROPERTY/ EXISTING USE	AGE OF BUILDING (YEARS)	BUILT-UP AREAS (M.S.Q)	LAND AREA (ACRES)	NET BOOK VALUE @ 31.12.2009 (RM)
	KUANTAN						
			(Properties/Land bank)				
1	Kompleks Teruntum	Leasehold (99 yrs)	Building / Commercial				
	Lot 2.15			23 years	0.01	0.38	1,369,658
	Lot 2.16			"	0.01		
	Lot 3.13 - 3.15			"	0.14		
	Lot G-20			"	0.02		
	19 th floor			"	0.20		
	PN 398 Lot 146 Sek.18 (Master title)	Leasehold(99 yrs)	Building / Commercial				
	Bandar Kuantan, Daerah Kuantan	Expiring 08.06.2075	(2.10 Ac.)				
			(Project On going)				
2	PN 4629 Lot 61739 (Medan Jaja-BIM)	Leasehold (99 yrs)	Vacant land /	-	-	0.31	60,320
	Mukim Kuala Kuantan, Daerah Kuantan	Expiring 27.09.2091	Building / Commercial				
			(Properties/Land bank)				
3	Project Phg.Cement S.B. (for housing)	Leasehold (99 yrs)	Vacant land /	-	-	49.42	421,449
	HS(D) 15538 / PT.992	Expiring 03.06.2095	Building / Residential				
	Mukim Ulu Kuantan, Daerah Kuantan						
			(Properties/Land bank)				
4	Project Mahkota Square	Leasehold (99 yrs)	Vacant land /	-	-	1.04	5,964,819
	PN 1872 Lot 40 Sek. 5	Expiring 31.03.2081	Building / Commercial				
	Bandar Kuantan, Daerah Kuantan						
			(Project On planning)				
5	Project Kuantan Waterfront (Medan Pelancung)	Leasehold (99 yrs)	Commercial	31 years	1.68	2.40	1,966,272
	PN 5601, Lot 38 Sec.12 (HS(D) 313 / PT.4332)	Expiring 23.04.2072	(Shop Lots)				
	Bandar Kuantan, Daerah Kuantan						
			(Project On planning)				
6	Project Bandar Baru Gebeng (Balok Perdana)	Leasehold (99 yrs)	Vacant land /				
	PN.4500 Lot 9730 (Zon 4)	Expiring 16.01.2099	Building / Residential		5.91 Ha.	14.60	974,311
	Mukim Sg. Karang, Daerah Kuantan						
			(Project On planning)				
7	Project Bandar Baru Gebeng (Balok Perdana)	Leasehold (99 yrs)	Vacant land /				
	PN.4501 Lot 9731 (Zon 6)	Expiring 16.01.2099	Building / Residential		13.44 Ha.	33.20	2,215,557
	Mukim Sg. Karang, Daerah Kuantan						
			(Project On going)				
8	Project Bandar Baru Gebeng (Balok Perdana)	Leasehold (99 yrs)	Vacant land /				
	PN.7467 Lot 11083 (Zon 3A1-3A6)	Expiring 16.01.2099	Building / Residential		143,000.00 mp.	35.34	2,358,367
	Mukim Sg. Karang, Daerah Kuantan						
			(Project On planning)				
9	Project Bandar Baru Gebeng (Balok Perdana)	Leasehold (99 yrs)	Vacant land /				
	PN 12807 Lot 11084 (Zon 3A7)	Expiring 16.01.2099	Building / Residential		27,204.00 mp.	6.72	4,591,830
	Mukim Sg. Karang, Daerah Kuantan						
			(Project Ongoing)				
10	Project Bandar Baru Gebeng (Balok Perdana)	Leasehold (99 yrs)	Building / Commercial				
	HS(D) 35250 PT.15537 and 3 others (Zon 2A1)	Expiring 16.01.2099	(Food Court)		458.00 mp.	0.11	252,675
	Mukim Sg. Karang, Daerah Kuantan						
			(Project Ongoing)				
11	Project Bandar Baru Gebeng (Balok Perdana)	Leasehold (99 yrs)	Building / Commercial		-	7.40	1,257,931
	HS(D) 35053 PT. 15340 and 184 others (Zon 2A2)	Expiring 16.01.2099					
	Mukim Sg. Karang, Daerah Kuantan						
			(Project On planning)				
12	Project Bandar Baru Gebeng (Balok Perdana)	Leasehold (99 yrs)	Vacant land /		134,299.00 mp.	33.19	2,214,890
	HS(D) 23616 PT. 9314 (Zon 2B - Comm.)	Expiring 16.01.2099	Building / Commercial		10,497.00 mp.	2.59	172,840
	HS(D) 23617 PT. 9315 (Zon 2C - Comm.)		Building / Residential		58,770.00 mp.	14.52	968,973
	PN 14854 Lot 11093 (Zon 5)(Adjacent MAWILLA)						
	Mukim Sg. Karang, Daerah Kuantan						

LIST OF PROPERTIES AS AT 31 DECEMBER 2009

	PROJECT / TITLE / LOCATION	TENURE	DESCRIPTION OF PROPERTY/ EXISTING USE	AGE OF BUILDING (YEARS)	BUILT-UP AREAS (M.S.Q)	LAND AREA (ACRES)	NET BOOK VALUE @ 31.12.2009 (RM)
			(Project Ongoing)				
13	Project Chendor Utama	Leasehold (99 yrs)	Vacant land /	-	-		
	HS(D) 27730 PT.11494	Expiring 30.09.2100	Building / Residential			2.99	1,560,079
	and 35 others.						
	Mukim Sg. Karang, Daerah Kuantan						
			(Project On planning)				
14	Project Chendor Utama (Conmercial)	Leasehold (99 yrs)	Vacant land		24,104.00 mp.	5.96	1,450,779
	PN 11523 Lot 27002 (Phase 2A)	Expiring 30.09.2100	(Commercial Dev.)				
	Mukim Sg. Karang, Daerah Kuantan						
			(Properties/Land bank)				
15	Project Chendor Utama	Leasehold (99 yrs)	Vacant land		313,466.70 mp.	77.46	1,789,039
	HS(D) 27901 PT.12469	Expiring 30.09.2100	(Building Residential		245,812.80 mp.	60.74	1,402,869
	HS(D) 27902 PT.12470				66,260.70 mp.	16.37	378,086
	HS(D) 27900 PT.12468						
	Mukim Sg. Karang, Daerah Kuantan						
			(Project Ongoing)				
16	Project Putra Square (Transit Quarters)	Leasehold (99 yrs)	Hotel/Office/ConventionHall		-	-	
	Bandar Kuantan, Daerah Kuantan	Expiring 19.12.2106	Building / Commercial			25.31	28,899,645
	HS(D)28467 PT.22584						
	and 34 others.						
	Bandar Kuantan, Daerah Kuantan						
			(Properties/Land bank)				
17	Habour Park' Gebeng (Industrial Land)	Leasehold 99 yrs.	Vacant land /				
	Mukim Sg. Karang, Daerah Kuantan	Expiring	Industry			164.2	10,775,730
	Land title application - PTK 3/3/24313						
			(Properties/Land bank)				
18	Project Astana Golf Resort (Housing/Villas)	Leasehold (99 yrs)	Vacant land /				
	HS(M) 28442 / PT.30463 and others.	Expiring 22.05.2092	Building / Residential	-		18.29	7,188,783
	HS(M) 28692 / PT.30731		Commercial (Hotel)			4.93	
	HS(M) 28693 / PT.30733		Maintenance Centre			2.51	
	Mukim Kuala Kuantan, Daerah Kuantan						
			(Properties/Land bank)				
19	Project Mahkota Idaman (Sektor III)	Leasehold (99 yrs)	Building / Commercial	5 years	233.00 mp.	0.28	-
	HS(M) 44389 / PT.55557	Expiring 24.05.2097			165.00 mp.		
	HS(M) 44404 / PT.55572				143.00 mp.		
	HS(M) 44405 / PT.55573				143.00 mp.		
	HS(M) 44406 / PT.55574				143.00 mp.		
	HS(M) 44407 / PT.55575				143.00 mp.		
	HS(M) 44408 / PT.55576				143.00 mp.		
	HS(M) 44409 / PT.55577						
	Mukim Kuala Kuantan, Daerah Kuantan						
			(Project Ongoing)				
20	Project Mahkota Perdana III (Sektor III)	Leasehold (99 yrs)	Vacant land /				
	HS(D) 24695 / PT.78434	Expiring 29.04.2102	Building / Residential		10,582.00 mp.	2.61	-
	Mukim Kuala Kuantan, Daerah Kuantan						
			(Project Ongoing)				
21	Project Balok Permai (Phase 2)	Leasehold (99 yrs)	Vacant land /			2.11	-
	HS(M) 8281 / PT 10607	Expiring 02/08/2103	Building / Residential				
	and 55 others.						
	Mukim Sg. Karang, Daerah Kuantan						

LIST OF PROPERTIES AS AT 31 DECEMBER 2009

No.	PROJECT / TITLE / LOCATION	TENURE	DESCRIPTION OF PROPERTY/ EXISTING USE	AGE OF BUILDING (YEARS)	BUILT-UP AREAS (M.S.Q)	LAND AREA (ACRES)	NET BOOK VALUE @ 31.12.2009 (RM)
			(Properties/Land bank)				
22	Apartment Medan Warisan	Leasehold 99 yrs.	4-Storey Shop / Apartment				
	HS(D) 13234 / PT.41392 13552.52mp.(Master Title)	Expiring 12.04.2086	Building / Commercial				
	HS(D) 13235 / PT.41393 13621.08mp.(Master Title)						
	Bandar Kuantan						
	Lot G3 Block G			13 years	80.99 mp.	0.28	1,436,578
	Lot G6 Block B				92.55 mp.		
	Lot G8 Block B				92.53 mp.		
	Lot G10 Block B				92.53 mp.		
	Lot G20 Block B				92.53 mp.		
	Lot 106 Block B				87.32 mp.		
	Lot 108 Block B				87.92 mp.		
	Lot 110 Block B				92.53 mp.		
	Lot 114 Block B				87.92 mp.		
	Lot 116 Block B				87.92 mp.		
	Lot 118 Block B				87.92 mp.		
	Lot 120 Block B				87.92 mp.		
	Lot 206 Block B				82.31 mp.		
	Mukim Kuala Kuantan, Daerah Kuantan						
			(Project On planning)				
23	Project Pasdec Pesona - PN 7736 Lot 108560	Leasehold 99 yrs.	Vacant land /			19.48	207,004
	Mukim Kuala Kuantan, Daerah Kuantan	Expiring 18.04.2105	Building / Residential				
			(Project On planning)				
24	Project Pasdec Villa (Bukit Perdana)	Leasehold (99 yrs)	Vacant land /			41.58	5,061,971
	HS(D)30393 PT.93097	Expiring 02.01.2104	Building / Residential				
	and 359 others.						
	Mukim Kuala Kuantan, Daerah Kuantan						
			(Properties/Land bank)				
25	Kompleks Teruntum	Leasehold 99 yrs.	22-storey	23 years	0.03	0.03	103,530
	Lot 2.20-2.23	Expiring 08.06.2075	Building / Commercial				
	PN. 398 Lot 146 Sek.18 (Master title)						
	Bandar Kuantan						
	(PASDEC Bina Sdn. Bhd.)						
26	Brick Factory (PN. 472 / Lot 27892)	Leasehold 60 yrs.	Industry /	25 years	1.26	20.10	79,477
	Mukim Kuala Kuantan	Expiring 10.05.2046	Brick Factory				
	Daerah Kuantan						
	(Kuantan Bricks Sdn. Bhd.)						
			(Project Ongoing)				
27	Project Bandar Putra - Phase 1	Freehold	Vacant land /			70.81	
	HS(D) 28688, PT.90450 and others.		Building / Residential				
	Mukim Kuala Kuantan, Daerah Kuantan						
	(PASDEC Putra Sdn. Bhd.)						
			(Project On planning)				40,721,415
28	Project Bandar Putra - Phase 2	Freehold	Vacant land / Agriculture		449,100.00 mp.	110.97	
	HS(D) 29908, PT.91670		Building / Commercial		15,463.00 mp.	3.82	
	HS(D) 29912, PT.91674 - Putra Business Center		Vacant land / Agriculture		99,500.00 mp.	24.59	
	HS(D) 29913, PT.91675 - Plot 1226		Vacant land / Agriculture		8,100.00 mp.	2.00	
	HS(D) 29914, PT.91676 - Plot 1227		Vacant land / Agriculture		201,500.00 mp.	49.79	
	HS(D) 29915, PT.91677 - Plot 1228						
	Mukim Kuala Kuantan, Daerah Kuantan						
	(PASDEC Putra Sdn. Bhd.)						
			(Project On planning)				
29	Project Kuantan Piazza	Leasehold 99 yrs.	Vacant land		25090.00 mp.	6.20	1,816,016
	PM 18096 Lot 105703	Expiring 17.04.2106	Building / Commercial				
	Mukim Kuala Kuantan, Daerah Kuantan						
	(PASDEC Land Sdn. Bhd.)						

LIST OF PROPERTIES AS AT 31 DECEMBER 2009

	PROJECT / TITLE / LOCATION	TENURE	DESCRIPTION OF PROPERTY/ EXISTING USE	AGE OF BUILDING (YEARS)	BUILT-UP AREAS (M.S.Q)	LAND AREA (ACRES)	NET BOOK VALUE @ 31.12.2009 (RM)
30	Project Bandar Damansara Kuantan HS(D) 17158 PT.7167 and 309 others. Mukim Sg. Karang, Daerah Kuantan	Freehold	**(Project Ongoing)** Vacant land / Building / Residential			17.49	9,939,344
31	Project Housing Sector 3 BIM (Mentiga Land) HS(D) 34944 PT.102786 Mukim Kuala Kuantan, Daerah Kuantan	Leasehold (99 yrs) Expiring 30.05.2096	**(Project On planning)** Vacant land / Building / Residential		117,200.00 mp.	28.96	982,932
	ROMPIN						
32	Agriculture land at Summerset Rompin HS(D) 3329 / PT.2545 HS(D) 3330 / PT.2546 Mukim Rompin, Daerah Rompin	Leasehold (99 yrs) Expiring 15.01.2094	**(Properties/Land bank)** Vacant land / Agriculture Vacant land / Agriculture (Kg. Sembayan)	-	-	391.36 468.93	178,851
33	Project Pontian Permai HS(M) 2034 / PT. 2422 and 13 others. Mukim Pontian, Daerah Rompin	Freehold	Vacant land / Building / Residential	-		0.57	
	BENTUNG						
34	Pusat Komersil Sri Ketari HS(D) 14117 / PT.18008 (S.D. to Strata) HS(D) 14119 / PT.18010 (S.D. to Strata) Bandar Bentong , Daerah Bentung (PN 4438 Lot 8 Sek.17 - Master Title)	Leasehold (99 yrs) Expiring 02.01.2096	**(Properties/Unsold)** Building / Commercial	-	590.00 m.p. 183.00 m.p.	0.23	532,069
35	Bukit Tinggi HS(D) 14686 / PT.18197 Mukim Bentung, Daerah Bentung	Leasehold (99 yrs) Expiring 01.09.2101	**(Properties/Land bank)** Vacant land / Buiding / Residential	-	366,200.0 mp.	90.49	35,521,841
	MARAN						
36	Quarry Land Kg. Kuala Sentul HS(D) 605 / PT.8139 Mukim Chenor, Daerah Maran	Leasehold (21 yrs) Expiring 14.08.2015	**(Properties/Land bank)** Vacant land / Industries (Quarry)	-	-	17.17	82,928
	PEKAN						
37	Shophouses Bandar Baru Peramu (7 lots) HS(M) 3733 / PT. 6738 and 6 others. Mukim Pekan, Daerah Pekan	Leasehold (99 yrs) Expiring 11.04.2093	**(Properties/Unsold)** Building / Commercial	8 years		0.22	242,419
38	Project Pusat Komersil Peramu HS(D) 4389 PT.12186 and 73 others. HS(D) 4464 PT.12261 HS(D) 4465 PT.12262 HS(D) 4466 PT.12263 HS(D) 4467 PT.12264 Mukim Pekan, Daerah Pekan	Leasehold (99 yrs) Expiring 28.09.2093	**(Properties/Land bank)** Vacant land / Building / Commercial Pedestrian Mall Commercial Center SRP Water Tank		 1,033.00 mp. 13,361.00 mp. 1,640.00 mp. 682.00 mp.	6.41	651,232

LIST OF PROPERTIES AS AT 31 DECEMBER 2009

	PROJECT / TITLE / LOCATION	TENURE	DESCRIPTION OF PROPERTY/ EXISTING USE	AGE OF BUILDING (YEARS)	BUILT-UP AREAS (M.S.Q)	LAND AREA (ACRES)	NET BOOK VALUE @ 31.12.2009 (RM)
	TEMERLUH						
39	Pusat Komersil Temerluh (7 lots) HS(D) 15379 PT.8124 Mukim Perak, Daerah Temerluh	Leasehold (99 yrs) Expiring 01.04.2095	**(Properties/Land bank)** Building / Commercial	4 years	201.00 mp. 178.00 mp.	0.05	390,418
40	Pusat Komersil Temerluh HS(D) 15465 PT.8384 Mukim Perak, Daerah Temerluh (PASDEC Mega Sdn. Bhd.)	Leasehold (99 yrs)	**(Properties/Land bank)** Building / Commercial Expiring 01.04.2095	4 years	178.00 mp.	0.04	291,029
41	Geran 3617 / Lot 3770 Mukim Mentakab, Daerah Temerluh (Kimdec Corporation Sdn. Bhd.)	Freehold	Vacant land / Industry / Commercial	-	-	32.81	22,749,626
42	Geran 3618 / Lot 3771 Mukim Mentakab, Daerah Temerluh (Kimdec Corporation Sdn. Bhd.)	Freehold	Vacant land / Industry / Commercial	-	-	3.81	337,745
43	Temerluh Industrial Parks CT 3479 Lot 1207 CT 1546 Lot 1131 CT 1169 Lot 1129 Lot 1208 Mukim Mentakab, Daerah Temerloh (Kimdec Corporation Sdn. Bhd.)	Freehold	**(Project Ongoing)** Vacant land / Buiding / Residential	-	-	25.53 30.38 10.34 25.00	23,073,067
	RAUB						
44	Project Raub Perdana 2 (JV Dynabumi Link) HS(D) 7725 / PT.19143 HS(D) 7737 / PT.18226 Mukim Gali, Daerah Raub	Leasehold (99 yrs) Expiring 02.01.2100	**(Project On planning)** Vacant land / Building / Residential	-	-	72.92 4.43	1,070,371
45	Project Raub Perdana 1 HS(D) 6838 / PT.16730 and 11 others. Mukim Gali, Daerah Raub	Leasehold (99 yrs) Expiring 03.01.2093	**(Project Ongoing)** Building / Commercial			0.47	
46	Quarry Land Kg. Besu (Lot 1595) HS(D)10608 PT.3653 Mukim Sega, Daerah Raub	Leasehold (21 yrs) Expiring 11.07.2023	Vacant land / Industries (Quarry)	-	-	19.97	152,972
	BERA						
47	Shop lot Bandar Triang HS(D) 3592 / PT.5952 HS(D) 3587 / PT.5945 Mukim Triang, Daerah Bera	Leasehold (99 yrs) Expiring 13.01.2084	**(Properties/Unsold)** Building / Commercial	21 years	92.90 mp. 92.90 mp.	0.05	176,209

LIST OF PROPERTIES AS AT 31 DECEMBER 2009

	PROJECT / TITLE / LOCATION	TENURE	DESCRIPTION OF PROPERTY/ EXISTING USE	AGE OF BUILDING (YEARS)	BUILT-UP AREAS (M.S.Q)	LAND AREA (ACRES)	NET BOOK VALUE @ 31.12.2009 (RM)
	JERANTUT						
			(Properties/Land bank)				
48	Perumahan Kuala Tembeling	Leasehold (99 yrs)	Vacant land /	-	-	12.50	290,228
	HS(D) 391 / PT.667	Expiring 11.03.2076	Building / Residential			79.88	
	HS(D) 392 / PT.668					4.00	
	HS(D) 393 / PT.669					19.00	
	HS(D) 394 / PT.670						
	Mukim K. Tembeling, Daerah Jerantut						
			(Properties/Unsold)				
49	Workshop Industri Jerantut (22 lots)	Leasehold (66 yrs)	Vacant land /	9 years			
	HS(M) 4064 / PT.6974	Expiring 10.01.2058	Industrial			0.48	224,957
	and 11 others.						
	Mukim Pedah, Daerah Jerantut						
50	Perumahan Inderapura Fasa 5C	Leasehold (99 yrs)	Vacant land /	-			-
	HS(M) 6294 / PT. 8231	Expiring 02.04.2101	Building / Residential		157.00 mp.	0.13	
	HS(M) 6299 / PT. 8239	Expiring 02.04.2101			363.00 mp.		
	Mukim Pedah, Daerah Jerantut						
	(PASDEC Mega Sdn.Bhd.)						
	SELANGOR						
			(Project Ongoing)				
51	Project Kota Warisan, Sepang	Freehold	Building / Residential		743.20 mp.	1.53	8,410,080
	HS(D)18793 / PT.34972 - Precint 1 (Bungalow Land)				743.20 mp.		
	HS(D)18792 / PT.34971				743.20 mp.		
	HS(D)18790 / PT.34969				743.20 mp.		
	HS(D)18789 / PT.34968				806.80 mp.		
	HS(D)18805 / PT.34984				805.70 mp.		
	HS(D)18804 / PT.34983				808.60 mp.		
	HS(D)18803 / PT.34982				798.10 mp.		
	HS(D)18796 / PT.34975				958.90 mp.	1.32	
	HS(D)18895 / PT.35074 - Precint 2 (Bungalow Land)				859.40 mp.		
	HS(D)18894 / PT.35073				883.90 mp.		
	HS(D)18893 / PT.35072				983.70 mp.		
	HS(D)18885 / PT.35064				818.90 mp.		
	HS(D)18877 / PT.35056				818.70 mp.		
	HS(D)18879 / PT.35058				1,039.80 mp.	1.81	
	HS(D)18911 / PT.35090 - Precint 3 (Bungalow Land)				1,174.30 mp.		
	HS(D)18910 / PT.35089				1,259.10 mp.		
	HS(D)18909 / PT.35088				1,157.50 mp.		
	HS(D)18908 / PT.35087				820.10 mp.		
	HS(D)18923 / PT.35102				970.10 mp.		
	HS(D)18921 / PT.35100				892.50 mp.		
	HS(D)18928 / PT.35107						
	Mukim Dengkil, Daerah Sepang						
	Selangor						
	(Sumbangan Sakti Sdn. Bhd.)						
			(Properties/Unsold)				
52	Project Kota Warisan, Sepang	Freehold	Building / Commercial		153.29 mp.	0.27	
	3-4 storey Shop Office		3-4 Storey Shop Office		153.29 mp.		
	HS(D) 8738 PT.17005				153.29 mp.		
	HS(D) 8737 PT.17004				153.29 mp.		
	HS(D) 8736 PT.17003				153.29 mp.		
	HS(D) 8735 PT.17002				153.29 mp.		
	HS(D) 8734 PT.17001				153.29 mp.		
	HS(D) 8733 PT.17000						
	HS(D) 8732 PT.16999						
	Mukim Dengkil, Daerah Sepang						
	Selangor						
	(Sumbangan Sakti Sdn. Bhd.)						
						2,387.19	235,113,536

CORPORATE DIRECTORY

PASDEC HOLDINGS BERHAD (367122-D)
Tingkat 14, Menara Teruntum, Jalan Mahkota, 25000 Kuantan,
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Facsimile : 09-5121037

KIMDEC CORPORATION SDN. BHD. (342895-U)
No. 36, Jalan Industri 2/1
Taman Perindustrian Temerloh
28400 Mentakab,
Pahang Darul Makmur.
Telephone : 09-2771888/2776888/7888/7666
Facsimile : 09-2777333

PAHANG AIRCRAFT INDUSTRIES SDN. BHD. (551633-W)
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PRIMA PRAI SDN. BHD. (277791-V)
Suite 12-3, 12th Floor,
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PASDEC PUTRA SDN. BHD. (13735-M)
Bandar Putra Kuantan II,
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Facsimile : 019-9953385

PASDEC TRADING SDN. BHD. (777804-K)
Lot 106, Tingkat 1, Block B, Medan
Warisan, Lorong Sri Teruntum 1,
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Pahang Darul Makmur.
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PASDEC MEGA SDN. BHD. (368024-K)
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SUMBANGAN SAKTI SDN. BHD. (426838-T)
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GENTING VIEW RESORT DEVELOPMENT SDN. BHD. (76079-K)
KM10, 69000 Genting Highlands,
Pahang Darul Makmur.
Telephone : 03-61002255
Facsimile : 03-61001236

PROXY FORM

PASDEC HOLDINGS BERHAD
(Company No. 367122-D)

I/We ____

(FULL NAME IN BLOCK LETTERS)

of ____

(ADDRESS)

____

______________________ being a member of **PASDEC HOLDINGS BERHAD** hereby appoint

____ of

(FULL NAME IN BLOCK LETTERS)

____

(ADDRESS)

or failing him/her the Chairman of the meeting as my/our proxy to attend and vote for me/us on my/our behalf at the Fourteenth (14th) Annual General Meeting of the Company to be held at Meranti I, Hyatt Regency Kuantan Resort, Teluk Chempedak, 25050 Kuantan, Pahang Darul Makmur on Monday, 21 June 2010 at 10:30 a.m. and at any adjournment thereof.

	ORDINARY RESOLUTION	**FOR**	**AGAINST**
1.	To receive the audited financial statements and reports for the year ended 31 December 2009		
2.	Re-election of Dato' Sri Khalid bin Mohamad Jiwa (Article 83)		
3.	Re-election of Dato' Abdullah bin A. Rasol (Article 83)		
4.	Re-election of Dato' Mohamed Amin bin Haji Daud (Section 129)		
5.	Approval of Directors' Fees		
6.	Re-appointment of Messrs. Hanafiah Raslan & Mohamad as Auditors		

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

As witness my hand this ____________day of ________________ 2010.

No. of shares held	

____
Signature/Seal

Notes:-

1. A member entitled to attend and vote at the meeting may appoint not more than two proxies to attend and vote in his stead, but such appointment shall be invalid unless he specifies the proportions of his holdings for each proxy. A proxy may, but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

2. A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 may appoint at least one proxy but not more than two proxies in respect of each securities account.

3. The instrument appointing a proxy must be signed by the appointer or his attorney duly authorised in writing or if the appointer is a corporation either under common seal or under the hand of an attorney or an officer duly authorised.

4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 14th Floor, Menara Teruntum, Jalan Mahkota, 25000 Kuantan, Pahang Darul Makmur, not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

Fold this flap for sealing

Then fold here

STAMP

The Company Secretary
PASDEC HOLDINGS BERHAD
14th Floor, Menara Teruntum
Jalan Mahkota, 25000 Kuantan
Pahang Darul Makmur

1st fold here

14th Floor, Menara Teruntum
Jalan Mahkota, 25000 Kuantan
Pahang Darul Makmur
Telephone/Telefon : 09-5133888
Facsimile/Faksimili : 09-5145988