Pan Malaysia Holdings Berhad

Company No: 95469 - W

LAPORAN TAHUNAN 2008 ANNUAL REPORT

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NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Sixth Annual General Meeting of the Company will be held at Ballroom 1, Corus hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur on Thursday, 25 June 2009 at 9.00 a.m. for the following purposes:-

AGENDA

1. To receive the audited financial statements together with the Reports of the Directors and Auditors thereon for the financial year ended 31 December 2008.

2. To consider and, if thought fit, pass the following resolutions in accordance with Section 129(6) of the Companies Act, 1965:-

   (i) "THAT pursuant to Section 129(6) of the Companies Act, 1965, Dato' Rastam bin Abdul Hadi be re-appointed as Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company." **Resolution 1**

   (ii) "THAT pursuant to Section 129(6) of the Companies Act, 1965, Datuk Yong Ming Sang be re-appointed as Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company." **Resolution 2**

   (iii) "THAT pursuant to Section 129(6) of the Companies Act, 1965, Mr Ooi Boon Leong be re-appointed as Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company." **Resolution 3**

3. To re-elect Dato' Choong Kok Min as Director of the Company. **Resolution 4**

4. To re-appoint Messrs BDO Binder as auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 5**

5. To transact any other business of which due notice shall have been received.

By order of the Board

Leong Park Yip
Company Secretary

Kuala Lumpur
3 June 2009

Notes:-
1. *A member of the Company entitled to attend and vote at the meeting may appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company but if he is not a member, he must be a qualified legal practitioner, approved company auditor, a person approved by the Companies Commission of Malaysia in the particular case or a person approved by the Directors prior to the appointment.*
2. *A member shall not be entitled to appoint more than two proxies to attend and vote at the same meeting. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint one proxy only in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a member, other than an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, appoints two proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
3. *The Form of Proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or under the hand of the attorney.*
4. *The Form of Proxy must be deposited at the registered office of the Company at 5th Floor, Menara PMI, No. 2, Jalan Changkat Ceylon, 50200 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. Directors who are standing for re-appointment/re-election are:-

   (a) Dato' Rastam bin Abdul Hadi – Retiring pursuant to Section 129 of the Companies Act, 1965.

   (b) Datuk Yong Ming Sang – Retiring pursuant to Section 129 of the Companies Act, 1965.

   (c) Mr Ooi Boon Leong – Retiring pursuant to Section 129 of the Companies Act, 1965.

   (d) Dato' Choong Kok Min – Retiring pursuant to Article 111 of the Company's Articles of Association.

2. Further details on the Directors standing for re-appointment/re-election are set out on pages 6 to 7 of this Annual Report. The securities holdings of Dato' Choong Kok Min in the Company is set out in the Analysis of Shareholdings which appear on page 81 of this Annual Report.

3. Details of Attendance of Directors at Board Meetings.

   There were four (4) Board Meetings held during the financial year ended 31 December 2008. Details of attendance of the Directors are set out in the Profile of Directors appearing on pages 6 to 7 of the Annual Report.

4. The Twenty-Sixth Annual General Meeting of the Company will be held at Ballroom 1, Corus hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur on Thursday, 25 June 2009 at 9.00 a.m..

CORPORATE INFORMATION

Board of Directors

Datuk Yong Ming Sang, P.J.N., *Chairman*
Dato' Choong Kok Min, D.P.T.J., P.J.K.
Khet Kok Yin
Dato' Rastam bin Abdul Hadi, P.G.D.K., D.C.S.M., D.P.M.T., K.M.N.
Ooi Boon Leong
Chan Choung Yau *(Alternate to Khet Kok Yin)*

Secretary

Leong Park Yip

Registered Office

5th Floor, Menara PMI
No. 2, Jalan Changkat Ceylon
50200 Kuala Lumpur
Tel No: 03-21166688 Fax No: 03-21445209

Principal Place of Business

8th Floor, Menara PMI
No. 2, Jalan Changkat Ceylon
50200 Kuala Lumpur
Tel No: 03-21166688 Fax No: 03-20311299

Registrar

Pan Malaysia Management Sdn Bhd
5th Floor, Menara PMI
No. 2, Jalan Changkat Ceylon
50200 Kuala Lumpur
Tel No: 03-21487696 Fax No: 03-21459216

Auditors

BDO Binder *Chartered Accountants*

Principal Bankers

CIMB Bank Berhad
Malayan Banking Berhad
United Overseas Bank (Malaysia) Berhad

Stock Exchange Listing

The Main Board of Bursa Malaysia Securities Berhad

PROFILE OF DIRECTORS

Datuk Yong Ming Sang

Age 78. Malaysian. Independent Non-Executive Director and Chairman. Appointed as Director on 15 August 1996. Chairman of the Audit Committee. Member of the Nomination Committee and Chairman of the Remuneration Committee. He is a Fellow of the Royal Institution of Chartered Surveyors (United Kingdom) and of the Institution of Surveyors (Malaysia). Prior to joining the corporate sector in 1978, practised as a Chartered Quantity Surveying Consultant in a quantity surveying firm of Messrs Yong Dan Mohamad Faiz of which he was the founder member. His corporate sector experience ranges from financial services, media, manufacturing, hotel, property development, airline industry to tourism. Also serves as a Director of Malayan United Industries Berhad and MUI Properties Berhad. He had previously served as the Chairman of Star Publications (Malaysia) Berhad, Chairman of Bandar Raya Developments Berhad, Director of Malaysian Airline System Berhad, the national airline, Tourist Development Corporation (now known as the Malaysian Tourism Promotion Board), Keretapi Tanah Melayu and the National Art Gallery, Malaysia. He is a member of the Advisory Council of Corporate Malaysia Roundtable. Not related to any Director and/or major shareholder of Pan Malaysia Holdings Berhad and does not have any conflict of interest with Pan Malaysia Holdings Berhad. Has had no convictions for any offences within the past 10 years. Attended all the four (4) Board Meetings held during the financial year.

Dato' Choong Kok Min

Age 67. Malaysian. Non-Independent Non-Executive Director. Appointed as Director on 8 January 1991. Relinquished his position as Executive Director of the Company on 1 February 2009, but remained as a Non-Executive Director. Graduated in Law from the University of London and Barrister-at-Law from Gray's Inn. Was formerly a Chairman of Alliance Finance Berhad, Director cum Legal Adviser and Company Secretary of Oriental Bank Berhad, Director of Setron (Malaysia) Berhad and partner of Messrs Ariffin & Ooi and Messrs Allen & Gledhill. Not related to any Director and/or major shareholder of Pan Malaysia Holdings Berhad and does not have any conflict of interest with Pan Malaysia Holdings Berhad. Has had no convictions for any offences within the past 10 years. Attended all the four (4) Board Meetings held during the financial year.

Khet Kok Yin

Age 62. Malaysian. Independent Non-Executive Director. Appointed as Director on 28 May 1998. Member of the Audit Committee. Holds a Bachelor of Economics (Honours) from University of Malaya. Currently, he is the Chairman of Pan Malaysia Capital Berhad and also sits on the Boards of Malayan United Industries Berhad, MUI Properties Berhad, Pan Malaysia Corporation Berhad, Pan Malaysian Industries Berhad and Metrojaya Berhad. Had served as Joint Managing Director of MUI Bank Berhad (now known as Hong Leong Bank Berhad) and was also Joint Managing Director of KFC Holdings (Malaysia) Bhd, Managing Director of Metrojaya Berhad, Pan Malaysian Industries Berhad, Pan Malaysia Capital Berhad and Morning Star Securities Limited, Hong Kong, Chief Executive Officer of Pan Malaysia Corporation Berhad, President of the North American operations of The MUI Group in the United States of America and a Director of MUI Continental Insurance Berhad. Not related to any Director and/or major shareholder of Pan Malaysia Holdings Berhad and does not have any conflict of interest with Pan Malaysia Holdings Berhad. Has had no convictions for any offences within the past 10 years. Attended all the four (4) Board Meetings held during the financial year.

Dato' Rastam bin Abdul Hadi

Age 78. Malaysian. Non-Independent Non-Executive Director. Appointed as Director on 15 August 1996. Member of the Remuneration Committee and Chairman of the Nomination Committee. Holds a Bachelor of Science (Hons) in Mathematics from University of Malaya, Singapore. Formerly, a State Financial Officer, Pahang and later Under-Secretary, Treasury of Ministry of Finance, Deputy Secretary General of Ministry of Defence and Deputy Governor of Bank Negara Malaysia. Was also formerly, Executive Director and later as Managing Director and finally as Senior Vice-President of Petroleum Nasional Berhad ("Petronas"). Currently, the Group Adviser to The MUI Group. Not related to any Director and/or major shareholder of Pan Malaysia Holdings Berhad and does not have any conflict of interest with Pan Malaysia Holdings Berhad. Has had no convictions for any offences within the past 10 years. Attended all the four (4) Board Meetings held during the financial year.

Ooi Boon Leong

Age 72. Malaysian. Independent Non-Executive Director. Appointed as Director on 9 September 2005. Member of the Audit Committee, Remuneration Committee and Nomination Committee. An advocate and solicitor. Holds a Bachelor of Arts, Bachelor of Laws, Master of Arts and Master of Laws, all from the University of Cambridge. The sole proprietor of Ooi Boon Leong & Co, a legal firm in Malaysia. Currently, he is a Director of Pan Malaysian Industries Berhad, Inter-Community Welfare Foundation and Malaysian Community & Education Foundation. He also sits on the Boards of Morning Star Resources Limited, Hong Kong and Jacks International Limited, Singapore. He also holds directorships in private limited companies. Not related to any Director and/or major shareholder of Pan Malaysia Holdings Berhad and does not have any conflict of interest with Pan Malaysia Holdings Berhad. Has had no conviction for any offences within the past 10 years. Attended three (3) Board Meetings held during the financial year.

Chan Choung Yau
(Alternate Director to Khet Kok Yin)

Age 46. Malaysian. Appointed as Alternate Director on 14 September 2006. He is a Chartered Accountant with the Malaysian Institute of Accountants and a Fellow of The Association of Chartered Certified Accountants, United Kingdom. He has more than twenty-eight years experience mainly in finance and accounting, audit, corporate secretarial and human resource management. He is currently a Senior Vice President of Malayan United Management Sdn Bhd. He is also the Executive Director of Pan Malaysia Corporation Berhad and a director of Pan Malaysia Capital Berhad, Metrojaya Berhad and MUI Continental Insurance Berhad. He is an alternate director on the Board of Pan Malaysian Industries Berhad. Prior to joining The MUI Group in January 2006, he was the Financial Controller of IOI Oleochemical Industries Berhad. He has also served Escoy Holdings Berhad Group, Plantation Agencies Sdn Bhd and Deloitte KassimChan in various capacities. Not related to any Director and/or major shareholder of Pan Malaysia Holdings Berhad and does not have any conflict of interest with Pan Malaysia Holdings Berhad. Has had no conviction for any offences within the past 10 years.

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors (the "Board") is committed to the principles of corporate governance in the Malaysian Code of Corporate Governance (the "Code").

The Board will continuously evaluate the status of the Group's corporate governance practices and procedures with a view to adopt and implement the Best Practices of the Code wherever applicable in the best interests of the shareholders of the Company. The Board considers that it has generally applied the Principles and Best Practices of the Code.

Set out below is the description on the manner in which the Company has applied the Principles of the Code and the extent to which it has complied with the Best Practices of the Code.

1. Directors

1.1 The Board

An effective Board leads and controls the Group. The Board is responsible for the overall performance of the Company and focuses mainly on strategies, performance, standards of conduct and critical business issues.

The Board meets at least four (4) times a year, with additional meetings convened as necessary. The Chairman is responsible for setting the agenda for Board meetings. Any Board member may, however, recommend the inclusion of items on the agenda. Such recommendations will be accommodated to the extent practicable. The agenda reaches the Board at least two (2) to three (3) weeks prior to Board meetings. Board meetings are typically scheduled a year in advance.

Four (4) Directors' meetings were held during the financial year ended 31 December 2008. Details of the attendance of the Directors are disclosed on pages 6 to 7 of the Annual Report.

1.2 Board Balance

The Board currently consist of five (5) Directors:-

- One (1) Independent Non-Executive Chairman
- Two (2) Independent Non-Executive Directors
- Two (2) Non-Independent Non-Executive Directors

There is an alternate Director on the Board.

All major matters and issues are referred to the Board for consideration and approval. The roles and contributions of independent Directors also provide an element of objectivity, independent judgement and check and balance on the Board.

Together, the Directors bring a wide range of business and financial experience for effective direction and management of the Group's businesses. A brief description of the background of each Director is presented on pages 6 to 7 of the Annual Report.

1.2 Board Balance (Cont'd)

The Board complies with Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements that requires at least two (2) or one-third (1/3) of the Board, whichever is higher, to be independent Directors.

Datuk Yong Ming Sang has been identified as the senior independent non-executive Director to whom concerns regarding the Company may be conveyed.

The Board has established Board committees, which operate within defined terms of reference. These committees are:-

- Audit Committee
- Nomination Committee
- Remuneration Committee

The Report of the Audit Committee for the financial year ended 31 December 2008 is set out on pages 16 to 18 of the Annual Report.

Details of the Nomination Committee and Remuneration Committee are set out in section 1.4 and section 2 respectively of this statement.

1.3 Supply of Information

The Board has unrestricted access to timely and accurate information necessary in the furtherance of their duties, which is not only quantitative but also any other information deemed suitable.

Board papers are distributed to Board members at least seven (7) days prior to the meeting. Important matters that are reasonably expected to have a material effect on the price, value or market activity of the Company's shares may be discussed at the meeting without materials being distributed prior to the meeting.

In addition to Group performances that are discussed at the meeting, there is a schedule of matters reserved specifically for the Board's decision.

All Directors have access to the advice and service of the Company Secretary and where necessary, in the furtherance of their duties, obtain independent professional advice at the Group's expense.

1.4 Appointments to the Board

The members of the Nomination Committee are as follows:-

Chairman	Dato' Rastam bin Abdul Hadi	- Non-Independent Non-Executive Director
Members	Datuk Yong Ming Sang	- Independent Non-Executive Director
	Ooi Boon Leong	- Independent Non-Executive Director

STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

1.4 Appointments to the Board (Cont'd)

The duties and functions of the Nomination Committee are:-

- identifying and recommending new nominees for the Board and Board Committees
- annually assesses the effectiveness of the Board as a whole, the Board Committees and contribution of each Director on an on-going basis
- annually reviews the mix of skills, experience and other qualities, including core competencies of non-executive Directors
- annually reviews the Board structure, size and composition

The decision as to who shall be nominated shall be the responsibility of the full Board after considering the recommendations of the Nomination Committee.

The Directors have direct access to the services of the Company Secretary who is responsible for ensuring that all appointments are properly made and all necessary information is obtained from Directors, both for the Company's own records and for the purposes of meeting the requirements of the Companies Act, 1965, Bursa Securities Listing Requirements and other regulatory requirements.

1.5 Directors' Training

All Directors have attended and successfully completed the Mandatory Accreditation Programme prescribed by Bursa Securities. During the year, all the Directors attended training that aid them in the discharge of their duties as Directors. The training programmes include "Directorship: Independent VS Executive" and an in-house seminar on "Corporate Governance Development in Malaysia".

There is a familiarisation programme in place for new Board members, which include visits to the Group's businesses, and meetings with senior management as appropriate, to facilitate their understanding of the Group.

1.6 Re-election of Directors

In accordance with the Company's Articles of Association, all Directors who are appointed by the Board are subject to election by shareholders at the next Annual General Meeting following their appointment. The Articles of Association of the Company also provide that all Directors shall retire from office once at least in every three (3) years but shall be eligible for re-election.

Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

2. Directors' Remuneration

The remuneration of Directors is determined at levels which enable the Company to attract and retain Directors with the relevant experience and expertise to govern the Group effectively. In the case of executive Directors, their remuneration are structured to link rewards to corporate and individual performance. In the case of non-executive Directors, the level of remuneration reflects the experience and level of responsibility undertaken by them.

The members of the Remuneration Committee are as follows:-

Chairman	Datuk Yong Ming Sang	- Independent Non-Executive Director
Members	Dato' Rastam bin Abdul Hadi	- Non-Independent Non-Executive Director
	Ooi Boon Leong	- Independent Non-Executive Director

The primary duty and responsibility of the Remuneration Committee is to recommend to the Board the remuneration of executive Directors in all forms, drawing from outside advice as necessary. Nevertheless, the determination of remuneration packages of executive Directors is a matter for the Board as a whole and individual executive Directors are required to abstain from discussion of their own remuneration.

The Remuneration Committee shall also recommend to the Board the remuneration of non-executive Directors. The determination of the remuneration of the non-executive Directors is a matter for the Board as a whole.

For the financial year ended 31 December 2008, the aggregate of remuneration of the Directors received from the Company and its subsidiaries categorised into appropriate components were as follows:-

	Salaries RM'000	*Fees RM'000*	*Benefits-in-kind RM'000*	*Others RM'000*	*Total RM'000*
Executive Director	90	24	7	13	134
Non-Executive Directors	–	155	4	52	211

The number of Directors of the Company whose remuneration during the year falls within the respective bands were as follows:-

	Number of Directors	
Range of remuneration	*Executive*	*Non-Executive*
Below RM50,000	–	5
RM50,001 to RM100,000	–	1
RM100,001 to RM150,000	1	–

3. Relationship with Shareholders and Investors

In addition to various announcements made during the year, the timely release of quarterly interim financial reports provides shareholders with a regular overview of the Group's performance and operations.

Shareholders and members of the public can also obtain information on the annual and quarterly reports and the announcements made by accessing Bursa Securities's website.

Notice of the Annual General Meeting and the Annual Report are sent to all shareholders. At Annual General Meetings, shareholders have direct access to the Directors and are given the opportunity to ask questions during the question and answer session.

4. Accountability and Audit

4.1 Financial Reporting

In presenting the annual and quarterly reports, the Directors aim to present a balanced and comprehensive assessment of the Group's position and prospects. The Audit Committee assists the Board in ensuring accuracy, adequacy and completeness of information for disclosure.

The Statement by Directors pursuant to Section 169 of the Companies Act, 1965 is set out on page 26 of the Annual Report and the Statement explaining the Directors' responsibility for preparing the annual audited financial statements pursuant to paragraph 15.27(a) of Bursa Securities Listing Requirements is set out on page 13 of the Annual Report.

4.2 Internal Control

The Directors acknowledge their responsibilities for the internal control system in the Group, covering not only financial controls but also controls relating to operational, compliance and risk management. The system of internal control involves each key business unit and its management, including the Board, and is designed to meet the business units' particular needs, and to manage the risks to which they are exposed. The system, by its nature, can only provide reasonable and not absolute assurance against material misstatement, loss or fraud. The concept of reasonable assurance recognises the costing aspect, whereby the cost of control procedures is not to exceed the expected benefits.

The Board recognises that risks cannot be fully eliminated. As such, the systems, processes and procedures being put in place are aimed at minimising and managing them. Ongoing reviews are continuously carried out to ensure the effectiveness, adequacy and integrity of the system of internal controls in safeguarding the Group's assets.

4.3 Relationship with the Auditors

The Company's external auditors, Messrs BDO Binder has continued to report to members of the Company on their findings which are included as part of the Company's financial reports with respect to each year's audit on the statutory financial statements. In doing so, the Company has established a transparent arrangement with the auditors to meet their professional requirements.

The role of the Audit Committee in relation to the external auditors is set out in the Report of the Audit Committee on pages 16 to 18 of the Annual Report.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF FINANCIAL STATEMENTS

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of the results and cash flows of the Group and of the Company for the financial year.

The Directors ensure that suitable accounting policies have been used and applied consistently, and that reasonable and prudent judgements and estimates have been made, in the preparation of the financial statements.

The Directors also ensure that applicable approved Financial Reporting Standards in Malaysia have been followed.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the Companies Act, 1965.

STATEMENT ON INTERNAL CONTROL

Responsibility

The Board is responsible for the Group's system of internal control and for reviewing its adequacy and integrity. The system includes financial, operational and compliance controls and risk management. The system is designed to identify and manage risks in the pursuit of the Group's business objectives as well as to safeguard shareholders' investments and the Group's assets. The system serves to provide reasonable but not absolute assurance against the risk of material loss. The concept of reasonable assurance recognises that the cost of control procedures is not to exceed the expected benefits.

Risk Management

The Group has in place an enterprise-wide risk management (ERM) framework and process which was implemented in 2002. Within the ERM framework, operating companies have Risk Management Committees whose members represent key areas in operations. These committees are guided by documented terms of reference and meetings are held regularly to deliberate on risk and control issues. Risks and control measures are documented and compiled to represent the risk profile of the operating company. Key risks of operating companies are consolidated to form the risk profile of the Group. Risks and control measures are periodically communicated to the relevant personnel within the Group and to the Audit Committee. Risk profiles are reviewed and updated on a periodic basis.

During the financial year under review, the Group has continued with its ERM efforts. The risk profile of the Group was reviewed and updated to reflect current conditions. The updated risk profile was documented and presented to the Audit Committee for their review and acceptance.

Hence, in accordance with the Statement on Internal Control: Guidance for Directors of PLCs, the Group has in place an ongoing process for identifying, evaluating, monitoring and managing the significant risks affecting the achievement of its business objectives and this process has operated during the financial year under review and up to the date of approval of the annual report.

Control Structure and Environment

The Board is committed to maintaining a strong control structure and environment for the proper conduct of the Group's business operations. The salient features of the Group's internal control system include:

- a management structure with clearly defined lines of responsibility and authority limits
- written company values, code of conduct, policies and procedures
- monthly reporting of actual results which are reviewed against budget, with major variances being followed up and management action taken, where necessary
- an internal audit function that provides independent assurance on the effectiveness of the Group's system of internal control and advice on areas which require further improvement
- an Audit Committee comprising non-executive members of the Board with the majority being independent directors

The Board, with the assistance of the internal audit team and external professional consultants (whenever deemed necessary), continuously reviews the adequacy and integrity of the Group's system of internal control and management information systems, and compliance with laws, regulations, rules, directives and guidelines. Internal audit reports are tabled at Audit Committee meetings which are held at least once in every quarter. Control deficiencies and issues highlighted are addressed or rectified by management. There were no control deficiencies noted during the financial year under review which has a material impact on the Group's financial performance or operations.

The Group's system of internal control mainly applies to its operating companies and does not cover associated companies, inactive companies and dormant companies.

The Board is of the view that the monitoring arrangements in place provide reasonable assurance that the structure of controls and operations is adequate and appropriate to the Company's and Group's situation.

This statement was made in accordance with a resolution of the Board.

OTHER INFORMATION

1. Sanctions and/or Penalties Imposed

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

2. Non-Audit Fees

For the financial year ended 31 December 2008, non-audit fees paid to the external auditors amounted to RM21,000 (2007: RM39,000).

3. Material Contracts

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests, either still subsisting at the end of the financial year ended 31 December 2008 or entered into since the end of the previous financial year except as disclosed in the financial statements.

4. Revaluation Policy

The Group has not adopted a policy of regular revaluation on landed properties.

REPORT OF THE AUDIT COMMITTEE

MEMBERS

Name	*Designation*
Datuk Yong Ming Sang - *Chairman* (Appointed on 16 September 2008)	*Independent Non-Executive Director*
Khet Kok Yin	*Independent Non-Executive Director*
Ooi Boon Leong	*Independent Non-Executive Director*

TERMS OF REFERENCE

1. Constitution

The Audit Committee was established on 28 July 1994. The Board shall ensure that the composition of the Audit Committee comply with Bursa Securities Listing Requirements as well as other regulatory requirements.

2. Authority

- The Audit Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Audit Committee.
- The Audit Committee shall have unlimited access to all information and documents relevant to its activities as well as to the internal and external auditors and senior management of the Group.
- The Audit Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

3. Functions

The functions of the Audit Committee shall be:-

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

3. Functions (Cont'd)

- to recommend the nomination of a person or persons as external auditors;
- to consider the external auditors' fee and questions of dismissal;
- to discuss problems and reservations arising out of external or internal audits and any matters which the auditors may wish to bring up (in the absence of the Executive Directors and employees of the Group whenever deemed necessary);
- to review the external auditors' management letter and management's response; and
- to consider the major findings of internal investigations and management's response,

together with such other functions as may be agreed to by the Audit Committee and the Board.

4. Meetings

During the financial year ended 31 December 2008, five (5) Audit Committee Meetings were held. Mr Khet Kok Yin attended all the five (5) meetings of the Audit Committee. Mr Ooi Boon Leong attended four (4) meetings held during the financial year. Datuk Yong Ming Sang who was appointed to the Audit Committee on 16 September 2008, attended one (1) meeting held from the date of his appointment as Audit Committee Chairman.

At each of these Audit Committee Meetings, the Chief Financial Officer and Head of Internal Audit were in attendance. The respective head of companies/departments and their management team attend when audit reports on their companies/departments are tabled for discussion. The presence of the external auditors will be requested when required.

Upon the request of the external auditors, the Chairman shall convene a meeting of the Audit Committee to consider any matter the external auditors believe should be brought to the attention of the Board or shareholders.

5. Summary of Activities of the Audit Committee during the Financial Year Ended 31 December 2008

The Audit Committee reviewed and deliberated four (4) audit reports on assignments conducted by the Internal Audit. The Audit Committee also appraised the adequacy and effectiveness of management's response in resolving the audit issues reported.

In addition, the unaudited quarterly interim financial reports and the audited financial statements of the Company and the Group were reviewed by the Audit Committee together with the Chief Financial Officer, prior to recommending the same for approval by the Board, upon being satisfied that the financial reporting and disclosure requirements of the relevant authorities had been complied with.

The Audit Committee met with the external auditors and discussed the nature and scope of the audit, considered any significant changes in accounting and auditing issues, reviewed audit issues and concerns affecting the financial statements of the Company and its subsidiaries, and discussed applicable accounting standards that may have significant implication on the Group's financial statements. The Audit Committee also reviewed related party transactions carried out by the Group.

The Audit Committee reviewed and approved the Internal Audit Plan for the calendar year 2009. In its review of the Internal Audit Plan, the Audit Committee reviewed the scope and coverage over the activities of the respective business units of the Group.

REPORT OF THE AUDIT COMMITTEE (Cont'd)

6. Internal Audit Function

The internal audit function is performed in-house by the Group Internal Audit Department and is independent of the activities audited. The function is performed with impartiality, proficiency and due professional care. The Internal Audit Department reports directly to the Audit Committee Chairman, and regularly reviews and appraises the Group's key operations to ensure that key risk and control concerns are being effectively managed. Its activities include:

- reviewing the effectiveness of risk management and internal control
- appraising the adequacy and integrity of internal controls and management information systems
- ascertaining the effectiveness of management in identifying principal risks and to manage such risks through appropriate systems of internal control
- recommending improvements to existing systems of internal control
- ascertaining the level of compliance with the Group's plans, policies, procedures and adherence to laws and regulations
- appraising the effectiveness of administrative controls applied and the reliability and integrity of data that are produced within the Group
- ascertaining the adequacy of controls for safeguarding the Group's assets from losses of all kinds
- performing follow-up reviews of previous audit reports to ensure appropriate actions are implemented to address control issues highlighted, and
- conducting special reviews or investigations requested by management or by the Audit Committee

The Internal Audit carries out audit assignments based on an audit plan that is reviewed and approved by the Audit Committee. The reports of the audits undertaken were presented to the Audit Committee and forwarded to the management concerned for attention and necessary action.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I present herewith the Annual Report and financial statements of our Company and the Group for the financial year ended 31 December 2008.

ECONOMIC REVIEW

The collapse of the US sub-prime mortgage market in 2007 led to the failures of several large financial institutions and caused severe disruptions in other credit markets as well. The ensuing financial crisis impacted the global economy severely, especially towards the end of 2008 when global output and trade declined sharply. The global economic downturn adversely affected the Malaysian economy in the second half year. With lower net exports of goods and services, Malaysia's real Gross Domestic Product growth moderated to 4.6% in 2008 from 6.3% in 2007. The growth in 2008 was underpinned by aggregate domestic demand. Most sectors of the economy reported weaker performance in 2008 compared with 2007.

Tourism registered a lower growth in 2008 with tourist arrivals in Malaysia growing 5.3% to 22.0 million visitors compared to a robust growth of 19.5% to 20.9 million visitors in 2007.

The country recorded a deficit in overall balance of payments of RM18.2 billion in 2008 due to short-term portfolio capital out-flow in the second half of the year which more than off-set the surplus of funds in the first half of the year. International reserves of Bank Negara Malaysia amounted to RM317.4 billion (US$91.5 billion) as at 31 December 2008, sufficient to finance 7.6 months of retained imports and is 4.0 times the short-term external debt.

The Kuala Lumpur Composite Index ("KLCI") lost 39.3% in 2008 to close at 876.8 on 31 December 2008. The dismal performance of KLCI was consistent with major global and regional equity markets which were all affected by concerns over the impact of the financial crisis in the US and Europe.

The volume transacted on Bursa Securities decreased by 60% to 155 billion units in 2008 while the total value of transactions declined by 46% to RM313.1 billion. The number of IPOs was lower in 2008 with only 22 IPOs raising RM1.3 billion compared with 29 IPOs worth RM2.5 billion in the previous year.

CORPORATE DEVELOPMENT

Disposal of Asset

The Company completed the sale of its office building known as Menara PMI in Jalan Changkat Ceylon, Kuala Lumpur, for a cash consideration of RM39.0 million on 30 January 2009 pursuant to an agreement entered into with Pan Malaysian Industries Berhad on 14 September 2007. This disposal was approved by shareholders of the Company at the extraordinary general meeting held on 19 June 2008.

The proceeds from disposal have been used substantially to retire bank borrowings. This has reduced the Group's gearing level and enhanced its financial position. In addition, the disposal will enable the Group to realise a capital gain of approximately RM8.9 million in the coming financial year.

FINANCIAL HIGHLIGHTS AND REVIEW OF OPERATIONS

The Group recorded a revenue of RM22.1 million for the year ended 31 December 2008 under Continuing Operations compared with RM25.3 million in the previous year. The lower revenue was mainly due to reduced contribution from the Group's travel business. The Group recorded a loss before tax of RM7.2 million for the year ended 31 December 2008 under Continuing Operations compared with a profit of RM3.9 million in the previous year. This was mainly attributable to lower contribution from its universal broking associated company due to the decrease in trading activity on Bursa Securities which was in turn brought about by the global financial crisis and economic downturn.

Menara PMI, which was classified as Discontinued Operations in 2008, recorded a higher profit of RM4.3 million for the year ended 31 December 2008 compared with a profit of RM2.5 million in the previous year. The improved profit was largely due to the reversal of impairment amounting to RM1.7 million recognised previously.

The travel and tourism operation of the Group is undertaken by Pan Malaysia Travel and Tours Sdn Bhd, a full-fledged licensed travel agency operating airline ticketing and both outbound and inbound tours. During the year under review, the company's performance was affected by the global economic conditions especially in the second half of 2008. Sales revenue declined by 20.7% from RM15.1 million in 2007 to RM11.9 million in 2008.

The operating environment of Corus Paradise Resort Port Dickson was dampened by poor consumer sentiments and the Government's austerity drive to cease the use of hotel seminar facilities which although subsequently lifted, had affected the hotel's business. In spite of this, the seafront hotel was able to maintain its revenue through successful yield strategies, thus posting satisfactory results.

PM Securities Sdn Bhd (PM Securities), a Universal Broker, is the main operating unit of the Group's 34.84% associated company, Pan Malaysia Capital Berhad. PM Securities has its principal office in Kuala Lumpur and operates seven branch offices in Seremban, Puchong, Klang, Melaka, Johor Baru, Batu Pahat and Penang in addition to operating an Electronic Access Facility in Jelebu.

In tandem with the lower Bursa Securities trading volumes and values recorded in 2008, the financial performance of PM Securities for the year ended 31 December 2008 was lower compared with the previous financial year. The revenue of PM Securities, comprising substantially brokerage income, was reduced by 62.4% from RM68.0 million in 2007 to RM25.5 million in 2008.

PM Securities recorded a profit before tax of RM2.0 million for the year ended 31 December 2008 compared with RM20.4 million for the year ended 31 December 2007. In the face of the unfavourable economic climate and low trading activities locally, PM Securities took measures to rationalise its operations which included realigning its manpower needs and expanding its trading platform to include foreign markets.

CORPORATE SOCIAL RESPONSIBILITY

The Group recognises the importance of being a responsible corporate citizen and has always supported the principles and practices of Corporate Social Responsibility (CSR). Our commitment to CSR initiatives is in effect a natural response to our belief that every organisation has a duty to act responsibly for the good of its employees, the community in which it operates and the society at large. Such principles and practices have become part of the Group's good business practices when carrying out its business activities.

For the year under review, the Group has through its hotel subsidiary, supported the development of the Malaysian performing arts and participated in community efforts for the betterment of the underprivileged and less fortunate members of the community.

OUTLOOK FOR 2009

Global output in 2009 is expected to grow at a much slower rate and the Malaysian economy will be affected accordingly. The RM60 billion fiscal stimulus plan announced by the Government on 10 March 2009 will cushion the economic downturn to some extent. The Malaysian economy is projected to range from a decline of 1.0% to a growth of 1.0% in 2009. Against this backdrop, the Group's performance will continue to come under pressure for which the Group will take the necessary counter measures.

DIRECTORATE

Tan Sri Dato' Mohd Ibrahim bin Mohd Zain stepped down as Chairman and director of the Company on 20 June 2008. The Board would like to thank him for his contributions to the Group and take this opportunity to extend its best wishes to him. Dato' Choong Kok Min relinquished his position as Executive Director with effect from 1 February 2009 but he remains as a Non-Independent Non-Executive Director of the Company. On a personal note, I am honoured to take over as Chairman of the Company from 28 April 2009 and wish to thank my fellow Directors for their confidence in me.

ACKNOWLEDGEMENTS

I would like to express my appreciation to our valued clients, business associates, shareholders and bankers for their support and confidence in the Management and the Board. I would also like to take this opportunity to thank the staff and management of the Group for their dedication and commitment. Last but not least, I would like to convey my sincere appreciation and gratitude to the various regulatory authorities and my fellow colleagues on the Board for their continuing support and counsel.

Datuk Yong Ming Sang
Chairman

4 May 2009

DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2008.

Principal Activities

The Company is an investment, property holding and management company. The principal activities of the Group consist of the following:

- Hotel
- Travel
- Property and investment holding

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

Results

	Group RM'000	*Company RM'000*
(Loss)/Profit for the financial year:		
- from continuing operations	(7,234)	(891)
- from discontinued operation	4,316	4,574
	(2,918)	3,683
Attributable to:		
Equity holders of the Company	(2,786)	3,683
Minority interest	(132)	-
	(2,918)	3,683

Dividend

No dividend has been paid or declared by the Company since the end of the previous financial year. No dividend was recommended by the Directors in respect of the financial year ended 31 December 2008.

Reserves and Provisions

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

Issue of Shares and Debentures

The Company has not issued any new shares or debentures during the financial year.

Options Granted Over Unissued Shares

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

Directors

The Directors who held office since the date of the last report are:

Dato' Choong Kok Min
Khet Kok Yin
Dato' Rastam bin Abdul Hadi
Datuk Yong Ming Sang
Ooi Boon Leong
Chan Choung Yau (Alternate to Khet Kok Yin)
Tan Sri Dato' Mohd Ibrahim bin Mohd Zain (Resigned on 20 June 2008)

Directors' Interests

None of the Directors who held office at the end of the financial year had, according to the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, any beneficial interests in the shares of the Company and of its related corporations except as stated below:

Ordinary shares of RM0.10 each in Pan Malaysia Holdings Berhad	***Number of shares***			
	Balance as at 1.1.2008	***Bought***	***Sold***	***Balance as at 31.12.2008***
Dato' Choong Kok Min				
Direct	1,442,000	-	-	1,442,000
Indirect	20,906,932	-	-	20,906,932

Ordinary shares of RM1.00 each in Malayan United Industries Berhad	***Number of shares***			
	Balance as at 1.1.2008	***Bought***	***Sold***	***Balance as at 31.12.2008***
Dato' Choong Kok Min				
Direct	1,250,000	-	-	1,250,000
Datuk Yong Ming Sang				
Direct	1,981,800	-	-	1,981,800
Indirect	549,640	-	-	549,640

Ordinary shares of RM0.20 each in MUI Properties Berhad	***Number of shares***			
	Balance as at 1.1.2008	***Bought***	***Sold***	***Balance as at 31.12.2008***
Dato' Choong Kok Min				
Direct	5,000	-	-	5,000

Class A1 ICULS* in Malayan United Industries Berhad	***Nominal value (RM)***			
	Balance as at 1.1.2008	***Bought***	***Sold***	***Balance as at 31.12.2008***
Dato' Choong Kok Min				
Direct	3,470	-	-	3,470

Directors' Interests (Cont'd)

Class A2 ICULS* in Malayan United Industries Berhad	***Nominal value (RM)***			
	Balance as at 1.1.2008	***Bought***	***Sold***	***Balance as at 31.12.2008***
Dato' Choong Kok Min				
Direct	3,470	-	-	3,470

* Irredeemable Convertible Unsecured Loan Stocks

Directors' Benefits

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than remuneration received by certain Directors as Directors of related corporations.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Other Statutory Information Regarding the Group and the Company

(a) In the opinion of the Directors:

(i) the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature except for the allowance for doubtful debts no longer required by the Company as disclosed in Note 30 to the financial statements;

(ii) there has not arisen any item, transaction or event of a material and unusual nature 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; and

(iii) 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 as and when they fall due.

(b) 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 have satisfied themselves that there are no known bad debts to be 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 book values in the ordinary course of business had been written down to their estimated realisable values.

(c) At the date of this report, the Directors are not aware of any circumstances:

(i) which would necessitate the writing off of bad debts or render the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent; or

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and

(iii) which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) As at the date of this report:

(i) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.

(ii) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.

(iii) The Directors are not aware of any circumstances not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

Significant Event

The significant event is disclosed in Note 41 to the financial statements.

Ultimate Holding Company

The Directors regard Malayan United Industries Berhad, a company incorporated in Malaysia and listed on the Main Board of Bursa Malaysia Securities Berhad, as the ultimate holding company.

Auditors

The auditors, BDO Binder, have expressed their willingness to accept re-appointment as auditors and a resolution proposing their re-appointment will be submitted at the forthcoming Annual General Meeting.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors.

Datuk Yong Ming Sang
Director

Khet Kok Yin
Director

24 April 2009

STATEMENT BY DIRECTORS

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

In the opinion of the Directors, the financial statements set out on pages 29 to 80 have been drawn up in accordance with applicable approved Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2008 and of the results of the operations of the Group and of the Company and of the cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Datuk Yong Ming Sang
Director

Khet Kok Yin
Director

24 April 2009

STATUTORY DECLARATION

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

I, Lai Chee Leong, being the officer primarily responsible for the financial management of Pan Malaysia Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 29 to 80 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 24 April 2009.

Lai Chee Leong

Before me:

Robert Lim Hock Kee
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

To the Members of Pan Malaysia Holdings Berhad

Report on the Financial Statements

We have audited the financial statements of Pan Malaysia Holdings Berhad, which comprise the balance sheets as at 31 December 2008 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 financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 29 to 80.

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of 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 applicable approved Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2008 and of the results of the operations of the Group and of the Company and of the cash flows of the Group and of the Company for the financial year then ended.

INDEPENDENT AUDITORS' REPORT (Cont'd)

To the Members of Pan Malaysia Holdings Berhad

Report on Other Legal and Regulatory Requirements

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

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

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 40 to the financial statements.

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

(d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

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

BDO Binder
AF : 0206
Chartered Accountants

Gan Hock Soon
2853/07/10 (J)
Partner

Kuala Lumpur
24 April 2009

BALANCE SHEETS

As at 31 December 2008

	Note	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	7	**24,941**	25,025	**421**	451
Prepaid lease payments for land	8	**5,699**	5,771	**-**	-
Investments in subsidiaries	9	**-**	-	**649**	917
Investments in associates	10	**53,355**	55,093	**53,972**	53,972
Long term investments	11	**770**	871	**684**	785
		84,765	86,760	**55,726**	56,125
Current assets					
Inventories	12	**390**	614	**-**	-
Short term investments	13	**-**	2	**-**	2
Trade and other receivables	14	**2,683**	4,457	**195**	167
Amounts owing by subsidiaries	15	**-**	-	**16,964**	13,946
Amounts owing by associates	16	**55,673**	55,759	**55,673**	55,759
Amounts owing by related companies	17	**775**	557	**36**	45
Current tax asset		**12**	1	**-**	-
Term and call deposits	18	**1,824**	2,139	**-**	-
Cash and bank balances		**465**	1,058	**35**	105
		61,822	64,587	**72,903**	70,024
Non-current asset held for sale	19	**30,068**	28,376	**30,068**	28,376
TOTAL ASSETS		**176,655**	179,723	**158,697**	154,525
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	20	**92,887**	92,887	**92,887**	92,887
Reserves	21	**5,666**	9,381	**8,150**	4,467
		98,553	102,268	**101,037**	97,354
Minority interest		**163**	295	**-**	-
TOTAL EQUITY		**98,716**	102,563	**101,037**	97,354

BALANCE SHEETS (Cont'd)

As at 31 December 2008

	Note	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
LIABILITIES					
Non-current liabilities					
Borrowings	22	**16,050**	15,649	**15,820**	15,320
Deferred tax liabilities	25	**1,238**	295	**-**	-
		17,288	15,944	**15,820**	15,320
Current liabilities					
Trade and other payables	26	**4,412**	4,742	**1,769**	1,953
Provision	27	**-**	-	**35,190**	35,190
Amounts owing to subsidiaries	15	**-**	-	**2,021**	2,017
Amount owing to associates	16	**1,496**	943	**554**	-
Amounts owing to related companies	17	**314**	290	**164**	120
Amount owing to ultimate holding company	28	**142**	71	**142**	71
Borrowings	22	**54,287**	55,169	**2,000**	2,500
Current tax payable		**-**	1	**-**	-
		60,651	61,216	**41,840**	41,851
TOTAL LIABILITIES		**77,939**	77,160	**57,660**	57,171
TOTAL EQUITY AND LIABILITIES		**176,655**	179,723	**158,697**	154,525

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

INCOME STATEMENTS

For the financial year ended 31 December 2008

	Note	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Continuing operations					
Revenue	29	**22,075**	25,294	**38**	249
Cost of services		**(14,115)**	(16,770)	**-**	-
Gross profit		**7,960**	8,524	**38**	249
Other income		**592**	1,255	**5,352**	6,677
Administrative expenses		**(3,579)**	(3,614)	**(1,269)**	(1,109)
Other expenses		**(4,529)**	(3,661)	**(3,550)**	(3,164)
Finance costs		**(5,936)**	(5,972)	**(1,462)**	(1,424)
Share of (loss)/profit after tax of associates		**(1,738)**	7,327	**-**	-
(Loss)/Profit before tax	30	**(7,230)**	3,859	**(891)**	1,229
Tax expense	31	**(4)**	(27)	**-**	-
(Loss)/Profit for the financial year from continuing operations		**(7,234)**	3,832	**(891)**	1,229
Discontinued operation					
Profit for the financial year from discontinued operation	32	**4,316**	2,488	**4,574**	2,519
(Loss)/Profit for the financial year		**(2,918)**	6,320	**3,683**	3,748
Attributable to:					
Equity holders of the Company		**(2,786)**	6,255	**3,683**	3,748
Minority interest		**(132)**	65	**-**	-
		(2,918)	6,320	**3,683**	3,748
Basic (loss)/earnings per ordinary share attributable to equity holders of the Company		**Sen**	*Sen*		
- from continuing operations		**(0.76)**	0.40		
- from discontinued operation		**0.46**	0.27		
	33	**(0.30)**	0.67		

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2008

	<--- *Attributable to equity holders of the Company*					--->		
	Share capital RM'000	*Share premium RM'000*	*Capital reserve RM'000*	*Exchange translation reserve RM'000*	*Retained earnings RM'000*	*Total RM'000*	*Minority interest RM'000*	*Total equity RM'000*
Group								
Balance as at 31 December 2006	92,887	-	5,656	(12,170)	9,881	96,254	230	96,484
Foreign currency translations	-	-	-	(241)	-	(241)	-	(241)
Loss recognised directly in equity	-	-	-	(241)	-	(241)	-	(241)
Profit for the financial year	-	-	-	-	6,255	6,255	65	6,320
Balance as at 31 December 2007	**92,887**	**-**	**5,656**	**(12,411)**	**16,136**	**102,268**	**295**	**102,563**
Foreign currency translations	**-**	**-**	**-**	**14**	**-**	**14**	**-**	**14**
Under provision of deferred tax liabilities on revaluation surplus in prior years	**-**	**-**	**(943)**	**-**	**-**	**(943)**	**-**	**(943)**
(Loss)/Gain recognised directly in equity	**-**	**-**	**(943)**	**14**	**-**	**(929)**	**-**	**(929)**
Loss for the financial year	**-**	**-**	**-**	**-**	**(2,786)**	**(2,786)**	**(132)**	**(2,918)**
Balance as at 31 December 2008	**92,887**	**-**	**4,713**	**(12,397)**	**13,350**	**98,553**	**163**	**98,716**

Company	*Share capital RM'000*	*Retained earnings RM'000*	*Total RM'000*
Balance as at 31 December 2006	92,887	719	93,606
Profit for the financial year	-	3,748	3,748
Balance as at 31 December 2007	92,887	4,467	97,354
Profit for the financial year	-	3,683	3,683
Balance as at 31 December 2008	92,887	8,150	101,037

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

CASH FLOW STATEMENTS

For the financial year ended 31 December 2008

	Note	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Cash Flows From Operating Activities					
(Loss)/Profit before tax					
- Continuing operations		**(7,230)**	3,859	**(891)**	1,229
- Discontinued operation		**4,316**	2,488	**4,574**	2,519
		(2,914)	6,347	**3,683**	3,748
Adjustments for:					
Allowance for doubtful debts		**339**	416	**3,182**	3,094
Allowance for doubtful debts no longer required		**-**	(36)	**(5,350)**	(170)
Allowance for diminution in value of long term investments		**101**	74	**101**	74
Amortisation of prepaid lease payments for land	8	**72**	72	**-**	-
Depreciation of investment property	32	**-**	545	**-**	545
Depreciation of property, plant and equipment	7	**1,151**	1,209	**66**	52
Gain on disposal of short term investments		**(2)**	-	**(2)**	-
Gain on disposal of property, plant and equipment		**-**	(7)	**-**	(7)
Impairment losses on investment in subsidiaries		**-**	-	**268**	-
Interest expense		**5,936**	5,972	**1,462**	1,424
Interest income		**(81)**	(76)	**(14)**	(15)
Inventories written off		**362**	140	**-**	-
Provision for retirement gratuity		**7**	48	**7**	14
Reversal of impairment loss on investment in a subsidiary		**-**	-	**-**	(276)
Reversal of impairment loss on investment in an associate		**-**	-	**-**	(6,223)
Reversal of impairment loss on investment property	32	**(1,692)**	-	**(1,692)**	-
Share of results in associates		**1,738**	(7,327)	**-**	-
Unrealised gain on foreign exchange		**(25)**	-	**-**	-
Operating profit before changes in working capital		**4,992**	7,377	**1,711**	2,260
Changes in working capital:					
Inventories		**(138)**	(40)	**-**	-
Trade and other receivables		**1,459**	(172)	**(28)**	1
Trade and other payables		**(323)**	(1,389)	**(191)**	(191)
Amounts owing by related companies		**(216)**	(12)	**44**	30
Cash generated from operations		**5,774**	5,764	**1,536**	2,100
Interest paid		**(34)**	(26)	**-**	-
Interest received		**2**	2	**14**	15
Tax paid		**(17)**	(2)	**-**	-
Tax refunded		**-**	158	**-**	-
Net cash from operating activities		**5,725**	5,896	**1,550**	2,115

CASH FLOW STATEMENTS (Cont'd)

For the financial year ended 31 December 2008

	Note	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Cash Flows From Investing Activities					
Interest received		**79**	74	**-**	-
Proceeds from disposal of property, plant and equipment		**-**	7	**-**	7
Proceeds from disposal of short term investments		**4**	-	**4**	-
Purchase of property, plant and equipment	7	**(1,067)**	(268)	**(36)**	(70)
Net advances to subsidiaries		**-**	-	**(846)**	(862)
Placement of deposits pledged with licensed banks		**(20)**	(19)	**-**	-
Net cash used in investing activities		**(1,004)**	(206)	**(878)**	(925)
Cash Flows From Financing Activities					
Interest paid		**(5,902)**	(5,946)	**(1,462)**	(1,424)
Repayments of hire-purchase creditors		**(91)**	(83)	**-**	-
Advances from associates		**639**	298	**640**	296
Advances from/(Repayments to) ultimate holding company		**71**	(2)	**71**	(2)
Advances from/(Repayments to) related companies		**24**	(64)	**9**	33
Net cash used in financing activities		**(5,259)**	(5,797)	**(742)**	(1,097)
Net (decrease)/increase in cash and cash equivalents		**(538)**	(107)	**(70)**	93
Cash and cash equivalents at beginning of financial year		**2,191**	2,298	**105**	12
Cash and cash equivalents at end of financial year	35	**1,653**	2,191	**35**	105

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2008

1. Corporate Information

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

The registered office of the Company is located at 5th Floor, Menara PMI, No. 2, Jalan Changkat Ceylon, 50200 Kuala Lumpur.

The principal place of business of the Company is located at 8th Floor, Menara PMI, No. 2, Jalan Changkat Ceylon, 50200 Kuala Lumpur.

The Directors regard Malayan United Industries Berhad, a company incorporated in Malaysia and listed on the Main Board of Bursa Securities, as the ultimate holding company.

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

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 24 April 2009.

2. Principal Activities

The Company is an investment, property holding and management company. The principal activities of the Group consist of the following:

- Hotel
- Travel
- Property and investment holding

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

3. Basis Of Preparation

The financial statements of the Group and of the Company have been prepared in accordance with applicable approved Financial Reporting Standards ("FRSs") in Malaysia and the provisions of the Companies Act, 1965.

4. Significant Accounting Policies

4.1 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The preparation of financial statements requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 6 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

4. Significant Accounting Policies (Cont'd)

4.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries made up to the end of the financial year using the purchase method of accounting.

Under the purchase method of accounting, the cost of business combination is measured at the aggregate of fair values at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued plus any costs directly attributable to the business combination.

At the acquisition date, the cost of business combination is allocated to identifiable assets, liabilities and contingent liabilities in the business combination which are measured initially at their fair values at the acquisition date. 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 is recognised as goodwill. If the cost of business combination is less than the interest in the net fair value of the identifiable assets, liabilities and contingent liabilities, the Group will:

(a) reassess the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the business combination; and

(b) recognise immediately in profit or loss any excess remaining after that reassessment.

When a business combination includes more than one exchange transaction, any adjustment to the fair values of the subsidiary's identifiable assets, liabilities and contingent liabilities relating to previously held interests of the Group is accounted for as a revaluation.

Subsidiaries are consolidated from the acquisition date, which is the date on which the Group effectively obtains control, until the date on which the Group ceases to control the subsidiaries. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the existence and effect of potential voting rights that are currently convertible or exercisable are taken into consideration.

Intragroup balances, transactions and unrealised gains and losses on intragroup transactions are eliminated in full. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. If a subsidiary uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to its financial statements in preparing the consolidated financial statements.

The gain or loss on disposal of a subsidiary, which is the difference between the net disposal proceeds and the Group's share of its net assets as of the date of disposal including the carrying amount of goodwill and the cumulative amount of any exchange differences that relate to the subsidiary, is recognised in the consolidated income statement.

Minority interest is that portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the Group. It is measured at the minority's share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minority's share of changes in the subsidiaries' equity since that date.

Where losses applicable to the minority in a subsidiary exceed the minority's interest in the equity of that subsidiary, the excess and any further losses applicable to the minority are allocated against the Group's interest except to the extent that the minority has a binding obligation and is able to make additional investment to cover the losses. If the subsidiary subsequently reports profits, such profits are allocated to the Group's interest until the minority's share of losses previously absorbed by the Group has been recovered.

Minority interest is presented in the consolidated balance sheet within equity and is presented in the consolidated statement of changes in equity separately from equity attributable to equity holders of the Company. Minority interest in the results of the Group is presented in the consolidated income statement as an allocation of the total profit or loss for the financial year between minority interest and equity holders of the Company.

Transactions with minority interests are treated as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

4.3 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has different useful life, is depreciated separately.

After initial recognition, property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Freehold land is not depreciated. Construction-in-progress represents lagoon under construction and is not depreciated until such time when the asset is available for use. Other property, plant and equipment are depreciated on a straight line method to write off the cost of the assets to their residual values over their estimated useful lives. The principal depreciation rates are as follows:

Buildings	2%
Office equipment	10% - 20%
Furniture and fittings	10% - 20%
Motor vehicles	20%
Plant and machinery	5% -10%
Renovation	10% - 20%

4. Significant Accounting Policies (Cont'd)

4.3 Property, plant and equipment and depreciation (Cont'd)

At each balance sheet date, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 4.7 to the financial statements on impairment of non-financial assets).

The residual values, useful lives and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in accounting estimate.

The carrying amount of an item of property, plant and equipment is derecognised on 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 carrying amount is included in income statement and the revaluation surplus related to those assets, if any, is transferred directly to retained earnings.

4.4 Leases and hire-purchase

(a) Finance leases and hire-purchase

Assets acquired under finance leases and hire-purchase which transfer substantially all the risks and rewards of ownership to the Group are recognised initially at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the leases, if this is practicable to determine; if not, the Group's incremental borrowing rate is used. Any initial direct costs incurred by the Group are added to the amount recognised as an asset. The assets are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. The property, plant and equipment capitalised are depreciated on the same basis as owned assets.

The minimum lease payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charges are recognised in income statement over the period of the lease term so as to produce a constant periodic rate of interest on the remaining lease and hire-purchase liabilities.

(b) Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term.

(c) Leases of land and buildings

For leases of land and buildings, the land and buildings elements are considered separately for the purpose of lease classification and these leases are classified as operating or finance leases in the same way as leases of other assets.

The minimum lease payments including any lump-sum upfront payments made to acquire the interest in the land and buildings, are allocated between the land and the buildings elements in proportion to the relative fair values of the leasehold interests in the land element and the buildings element of the lease at the inception of the lease.

Leasehold land that normally has an indefinite economic life and where the lease does not transfer substantially all the risk and rewards incidental to ownership is treated as an operating lease. The lump-sum upfront payments made on entering into or acquiring leasehold land are accounted for as prepaid lease payments and are amortised over the lease term on a straight line basis.

The buildings element is classified as a finance or operating lease in accordance with Note 4.4(a) or Note 4.4(b) to the financial statements. If the lease payment cannot be allocated reliably between these two elements, the entire lease is classified as a finance lease, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease.

For a lease of land and buildings in which the amount that would initially be recognised for the land element is immaterial, the land and buildings are treated as a single unit for the purpose of lease classification and is accordingly classified as a finance or operating lease. In such a case, the economic life of the buildings is regarded as the economic life of the entire leased asset.

4.5 Investment property

Investment property is a property which is held to earn rental yields or for capital appreciation or for both and is not occupied by the Group. Investment property is measured at cost, which includes transaction costs, less accumulated depreciation and accumulated impairment losses, if any.

Investment property is derecognised when either it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. The gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in profit and loss in the period of the retirement or disposal.

4.6 Investments

(a) Subsidiaries

A subsidiary is an entity in which the Group and the Company have power to control the financial and operating policies so as to obtain benefits from its 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.

4. Significant Accounting Policies

4.6 Investments (Cont'd)

(a) Subsidiaries (Cont'd)

An investment in subsidiary, which is eliminated on consolidation, is stated in the Company's separate financial statements at cost less impairment losses, if any. On disposal of such an investment, the difference between the net disposal proceeds and its carrying amount is included in income statement.

(b) Associates

An associate is an entity over which the Group and the Company have 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 is not control or joint control over those policies.

In the Company's separate financial statements, an investment in associate is stated at cost less impairment losses, if any.

An investment in associate is accounted for in the consolidated financial statements using the equity method of accounting. The investment in associate in the consolidated balance sheet is initially recognised at cost and adjusted thereafter for the post acquisition change in the Group's share of net assets of the investments.

The interest in the associate is the carrying amount of the investment in the associate under the equity method together with any long term interest that, in substance, form part of the Group's net interest in the associate.

The Group's share of the profit or loss of the associate during the financial year is included in the consolidated financial statements, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. Distributions received from the associate reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the Group's proportionate interest in the associate arising from changes in the associate's equity that have not been recognised in the associate's profit or loss. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The Group's share of those changes is recognised directly in equity of the Group.

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.

When the Group's share of losses in the associate equals or exceeds its interest in the associate, the carrying amount of that interest is reduced to nil and the Group does not recognise further losses unless it has incurred legal or constructive obligations or made payments on its behalf.

The most recent available financial statements of the associate are used by the Group in applying the equity method. When the reporting dates of the financial statements are not coterminous, the share of results is arrived at using the latest audited financial statements for which the difference in reporting dates is no more than three months. Adjustments are made for the effects of any significant transactions or events that occur between the intervening period.

Upon disposal of an investment in associate, the difference between the net disposal proceeds and its carrying amount is included in income statement.

(c) Other investments

Investments in shares and club memberships held as long term investments are stated at cost less allowance for diminution in value, if any.

Investments in quoted shares are stated at the lower of cost and market value on a portfolio basis.

Upon disposal of such investments, the difference between net disposal proceeds and its carrying amount is recognised in income statement.

4.7 Impairment of non-financial assets

The carrying amount of assets, except for financial assets (excluding investments in subsidiaries and associates), inventories and non-current assets (or disposal groups) held for sale, 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.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ("CGU") to which the asset belongs.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating the value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal 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 for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in the income statement when the carrying amount of the asset or the CGU exceeds the recoverable amount of the asset or the CGU.

The impairment loss is recognised in the income statement immediately except for the impairment on a revalued asset where the impairment loss is recognised directly against the revaluation reserve to the extent of the surplus credited from the previous revaluation for the same asset with the excess of the impairment loss charged to income statement.

An impairment 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.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4. Significant Accounting Policies (Cont'd)

4.7 Impairment of non-financial assets (Cont'd)

Such reversals are recognised as income immediately in the income statement except for the reversal of an impairment loss on a revalued asset where the reversal of the impairment loss is treated as a revaluation increase and credited to the revaluation reserve account of the same asset. However, to the extent that an impairment loss in the same revalued asset was previously recognised in profit or loss, a reversal of that impairment loss is also recognised in profit or loss.

4.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average method and the cost of inventories comprise the original cost of purchase plus the cost of bringing the inventories to their present condition and location.

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

4.9 Financial instruments

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

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

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

4.9.1 Financial instruments recognised on the balance sheets

Financial instruments are recognised on 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. Interests, dividends, gains and losses relating to a financial instrument or a component that is a financial liability shall be recognised as income or expense in income statement. Distributions to holders of an equity instrument are debited directly to equity, net of any related tax effect. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

(a) Receivables

Trade receivables and other receivables, including any amounts owing by related parties, are classified as loans and receivables under FRS 132 *Financial Instruments: Disclosure and Presentation.*

Receivables are carried at anticipated realisable value. Known bad debts are written off and specific allowance is made for debts to be doubtful of collection.

Receivables are not held for the trading purposes.

(b) Cash and cash equivalents

Cash and cash equivalents include cash and bank balances, deposits and other short term, highly liquid investments which are readily convertible to cash and are subject to insignificant risk of changes in value. For the purpose of the cash flow statements, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

(c) Payables

Liabilities for trade and other amounts payable, including any amounts owing to related parties, are measured initially and subsequently recognised at cost. Payables are recognised when there is a contractual obligation to deliver cash or another financial asset to another entity.

(d) Interest bearing loans and borrowings

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

(e) Equity instruments

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of share issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Transaction costs of an equity transaction are accounted for as a deduction from share premium. Otherwise, they are charged to the income statement.

Dividends to shareholders are recognised in equity in the period in which they are declared.

4.10 Borrowing costs

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

4.11 Income taxes

Income taxes include all domestic and foreign taxes on taxable profit.

Taxes in the income statements comprise current tax and deferred tax.

(a) Current tax

Current tax is the amount of income taxes payable or receivable in respect of the taxable profit or loss for a period.

4. Significant Accounting Policies (Cont'd)

4.11 Income taxes (Cont'd)

(a) Current tax (Cont'd)

Current tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted by the balance sheet date.

(b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the balance sheet and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at each balance sheet date. If it is no longer probable that sufficient taxable profits will be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset will be reduced accordingly. When it becomes probable that sufficient taxable profits will be available, such reductions will be reversed to the extent of the taxable profits.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax will be recognised as income or expense and included in the profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax will be charged or credited directly to equity.

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

4.12 Provisions

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

Where the effect of the time value of money is material, the amount of a provision will be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision will be reversed.

Provisions are not recognised for future operating losses. If the Group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

4.13 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

In the acquisition of subsidiary companies by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest.

4.14 Employee benefits

(a) Short term benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the financial year when employees have rendered their services to the Group.

Short-term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(b) Defined contribution plans

The Company and its subsidiaries incorporated in Malaysia make contributions to a statutory provident fund. The contributions are recognised as a liability after deducting any contribution already paid and as an expense in the period in which the employees render their services.

4. Significant Accounting Policies (Cont'd)

4.15 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities 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, which is the Company's functional and presentation currency.

(b) Foreign currency translations and balances

Transactions in foreign currencies are converted into Ringgit Malaysia at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the balance sheet date are translated into Ringgit Malaysia at rates of exchange ruling at that date unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in the profit or loss in the period in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition, and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

(c) Foreign operations

Financial statements of foreign operations are translated at financial year end exchange rates with respect to the assets and liabilities, and at exchange rates at the dates of the transactions with respect to the income statement. All resulting translation differences are recognised as a separate component of equity.

In the consolidated financial statements, exchange differences arising from the translation of net investment in foreign operations are taken to equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on disposal.

Goodwill and fair value adjustments to the assets and liabilities arising from the acquisition of a foreign operation are treated as assets and liabilities of the acquired entity and translated at the exchange rate ruling at the balance sheet date.

4.16 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable net of discounts and rebates.

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Group, and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be reliably measured and specific recognition criteria have been met as follows:

(a) Ticketing and travel related operations

Revenue from invoiced value of tickets sold is recognised upon issuance of tickets.

(b) Hotel operations

Revenue from hotel comprises sales of room, food and beverage. Sales of room is recognised upon actual occupancy of rooms by guests whilst sale of food and beverage is recognised upon delivery to guests.

(c) Interest income

Interest income is recognised on an accrual basis.

(d) Rental income

Rental income is recognised on an accrual basis in accordance with the substance of the relevant agreement.

(e) Dividend income

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

(f) Others

Other revenue is recognised on an accrual basis.

4.17 Non-current assets (or disposal groups) held for sale and discontinued operations

4.17.1 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable.

Immediately before the initial classification as held for sale, the carrying amounts of the non-current assets (or all the assets and liabilities in a disposal group) are measured in accordance with applicable FRSs. On initial classification as held for sale, non-current assets or disposal groups (other than investment properties, deferred tax assets, employee benefits assets, and financial assets carried at fair value) are measured at the lower of carrying amount immediately before the initial classification as held for sale and fair value less costs to sell. The differences, if any, are recognised in profit or loss as impairment loss.

4. **Significant Accounting Policies** (Cont'd)

4.17 **Non-current assets (or disposal groups) held for sale and discontinued operations** (Cont'd)

4.17.1 Non-current assets (or disposal groups) held for sale (Cont'd)

Non-current assets (or disposal groups) held for sale are classified as current assets (and current liabilities, in the case of non-current liabilities included within disposal groups) on the face of the balance sheet and are stated at the lower of carrying amount immediately before initial classification and fair value less costs to sell and are not depreciated. Any cumulative income or expense recognised directly in equity relating to the non-current asset (or disposal group) classified as held for sale is presented separately.

If the Group has classified an asset (or disposal group) as held for sale but subsequently the criteria for classification is no longer met, the Group ceases to classify the asset (or disposal group) as held for sale. The Group measures a non-current asset that ceases to be classified as held for sale (or ceases to be included in a disposal group classified as held for sale) at the lower of:

(a) its carrying amount before the asset (or disposal group) was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset (or disposal group) not been classified as held for sale; and

(b) its recoverable amount at the date of the subsequent decision not to sell.

4.17.2 Discontinued operations

A component of the Group is classified as a discontinued operation when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale. When an operation is classified as discontinued operation, the comparative income statement is restated as if the operation had been discontinued from the start up of the comparative period.

4.18 **Segment reporting**

Segment reporting is presented for enhanced assessment of the Group's risks and returns. Business segments provide products or services that are subject to risks and returns that are different from those of other business segments. No segmental information is presented on geographical segments as the Group's operations are predominantly in Malaysia.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extend that such intragroup balances and transactions are between Group enterprises within a single element.

5. Adoption Of New FRS And Amendment To FRS

5.1 Amendment to FRS and new FRSs adopted

(a) Amendment to FRS 121 T*he Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation* is mandatory for annual periods beginning on or after 1 July 2007.

The amendment results in exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation to be recognised in equity irrespective of the currency in which the monetary item is denominated and if whether the monetary item results from a transaction with the Company or any of its subsidiaries. Previously, exchange differences arising from such transactions between the Company and its subsidiaries would be accounted for in the income statement or in equity depending on the currency of the monetary item.

The adoption of this amendment does not have any impact on the consolidated financial statements.

(b) The following FRSs are mandatory for annual periods beginning on or after 1 July 2007:

FRS 107	*Cash Flow Statements*
FRS 111	*Construction Contracts*
FRS 112	*Income Taxes*
FRS 118	*Revenue*
FRS 120	*Accounting for Government Grants and Disclosure of Government Assistance*
FRS 134	*Interim Financial Reporting*
FRS 137	*Provisions, Contingent Liabilities and Contingent Assets*

These FRSs align the Malaysian Accounting Standards Board's ("MASB") FRSs with the equivalent International Accounting Standards ("IASs"), both in terms of form and content. The adoption of these standards will only impact the form and content of disclosures presented in the financial statements.

(c) The following IC Interpretations are mandatory for annual periods beginning on or after 1 July 2007:

IC Interpretation 1	*Changes in Existing Decommissioning, Restoration and Similar Liabilities*
IC Interpretation 2	*Members' Shares in Co-operative Entities and Similar Instruments*
IC Interpretation 5	*Rights to Interests arising from Decommissioning Restoration and Environmental Rehabilitation Funds*
IC Interpretation 6	*Liabilities arising from Participating in Specific Market - Waste Electrical and Electronic Equipment*
IC Interpretation 7	*Applying the Restatement Approach under FRS 129_{2004} Financial Reporting in Hyperinflationary Economics*
IC Interpretation 8	*Scope of FRS 2 Share-based Payment*

These Interpretations are not relevant to the Group.

5. Adoption Of New FRS And Amendment To FRS (Cont'd)

5.1 Amendment to FRS and new FRSs adopted (Cont'd)

(d) *Framework for the Preparation and Presentation of Financial Statements ("Framework")* is effective for annual periods beginning on or after 1 July 2007.

The Framework sets out the concepts that underlie the preparation and presentation of financial statements for external users. It is not a MASB approved FRS as defined in paragraph 11 of FRS 101 *Presentation of Financial Statements* and hence, does not define standards for any particular measurement or disclosure issue.

5.2 New FRSs not adopted

(a) FRS 8 *Operating Segments* and the consequential amendments resulting from FRS 8 are mandatory for annual financial periods beginning on or after 1 July 2009.

FRS 8 sets out the requirements for disclosure of information on an entity's operating segments, products and services, the geographical areas in which it operates and its customers.

The requirements of this standard are based on the information about the components of the entity that management uses to make decisions about operating matters. The standard requires identification of operating segments on the basis of internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and assess its performance

The standard also requires the amount reported for each operating segment item to be the measure reported to the chief operating decision maker for the purposes of allocating resources to the segment and assessing its performance. Segment information for prior years that is reported as comparative information for the initial year of application would be restated to conform to the requirements of this standard.

The Group does not expect any material impact on the financial statements arising from the adoption of this standard.

(b) FRS 4 *Insurance Contracts* and the consequential amendments resulting from FRS 4 are mandatory for annual financial periods beginning on or after 1 January 2010. FRS 4 replaces the existing FRS 202_{2004} *General Insurance Business* and FRS 203_{2004} *Life Insurance Business.*

FRS 4 is not relevant to the Group.

(c) FRS 7 *Financial Instruments: Disclosures* and the consequential amendments resulting from FRS 7 are mandatory for annual financial periods beginning on or after 1 January 2010. FRS 7 replaces the disclosure requirements of the existing FRS 132 *Financial Instruments: Disclosure and Presentation.*

The standard applies to all risks arising from a wide array of financial instruments and requires the disclosure of the significance of financial instruments for an entity's financial position and performance.

The standard requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk. The qualitative disclosures describe the management's objectives, policies and processes for managing those risks. The quantitative disclosures provide information on the extent to which the entity is exposed to risk, based on information provided internally to the entity's key management personnel.

By virtue of the exemption provided under paragraph 44AB of FRS 7, the impact of applying FRS 7 on the consolidated financial statements upon first adoption of the FRS as required by paragraph 30(b) of FRS 108 *Accounting Policies, Change in Accounting Estimates and Errors* is not disclosed.

(d) FRS 139 *Financial Instruments: Recognition and Measurement* and the consequential amendments resulting from FRS 139 are mandatory for annual financial periods beginning on or after 1 January 2010.

The standard establishes the principles for the recognition and measurement of financial assets and financial liabilities including circumstances under which hedge accounting is permitted. By virtue of the exemption provided under paragraph 103AB of FRS 139, the impact of applying FRS 139 on the consolidated financial statements upon first adoption of the FRS as required by paragraph 30(b) of FRS 108 is not disclosed.

(e) IC Interpretation 9 *Reassessment of Embedded Derivatives* is mandatory for annual financial periods beginning on or after 1 January 2010.

This Interpretation prohibits the subsequent reassessment of embedded derivatives unless there is a change in the terms of the host contract that significantly modifies the cash flows that would otherwise be required by the host contract.

The Group does not expect any impact on the financial statements arising from the adoption of this Interpretation.

(f) IC Interpretation 10 Interim Financial Reporting and Impairment is mandatory for annual financial periods beginning on or after 1 January 2010.

This Interpretation prohibits the reversal of an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost.

The Group does not expect any impact on the financial statements arising from the adoption of this Interpretation.

6. Significant Accounting Estimates And Judgements

6.1 Critical judgements made in applying accounting policies

The following sets out judgement made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

(a) Non-current assets held for sale

Investment property has been classified as non-current assets held for sale as the management has committed to a plan to sell the property as at the balance sheet date.

6. Significant Accounting Estimates And Judgements (Cont'd)

6.2 Key sources of estimation uncertainty

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

(a) Allowance for doubtful debts

The policy for assessing allowance for doubtful debts of the receivables of the Group is based on the ongoing evaluation of the collectability and aging analysis of the receivables and on the management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including credit worthiness and the past collection history of each receivable. If the financial conditions of the receivables have deteriorated, resulting in impairment of their ability to make payments, additional allowance may be required.

The Group has exposure to credit risks relating to recovery of receivables. Significant judgements are involved in estimating the impairment of such debts. In determining the amounts of certain specific debts, the Directors have considered certain factors relating to the financial position of the receivables.

(b) Useful lives of property, plant and equipment

The Group and the Company estimates the useful lives of property, plant and equipment at the time the assets are acquired based on historical experience, the expected usage, wear and tear of the assets, and technical obsolescence arising from changes in the market demands or service output of the assets. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to changes in factors mentioned above. Changes in these factors could impact the useful lives and the residual values of the assets, therefore future depreciation charges could be revised.

(c) Impairment of assets

Property, plant and equipment and investments in subsidiaries and associates are assessed for impairment losses whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. Such assessment requires the Directors to make estimates of the recoverable amounts. Impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an asset's fair value less cost to sell and its value in use. The Directors believe that the estimates of the recoverable amounts are reasonable. However, changes in estimates of such recoverable amounts would affect future operating results.

(d) Fair values of borrowings

The fair values of borrowings are estimated by discounting future contractual cash flows at the current market interest rates available to the Group for similar financial instruments. It is assumed that the effective interest rates approximate the current market interest rates available to the Group based on its size and its business risk.

7. Property, Plant And Equipment

Group

	Freehold land RM'000	Buildings RM'000	Office equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Renovations RM'000	Construction in-progress RM'000	Total RM'000
Cost									
Balance as at 1 January 2007	180	33,740	5,080	8,236	1,960	988	970	-	51,154
Additions	-	-	120	-	-	-	148	-	268
Disposals	-	-	-	-	(157)	-	-	-	(157)
Written off	-	-	(3)	-	-	-	-	-	(3)
Balance as at 31 December 2007/ 1 January 2008	**180**	**33,740**	**5,197**	**8,236**	**1,803**	**988**	**1,118**	**-**	**51,262**
Additions	-	-	**527**	-	-	-	**36**	**504**	**1,067**
Balance as at 31 December 2008	**180**	**33,740**	**5,724**	**8,236**	**1,803**	**988**	**1,154**	**504**	**52,329**
Accumulated depreciation									
Balance as at 1 January 2007	-	7,514	4,719	8,019	1,484	396	430	-	22,562
Charge for the financial year	-	700	166	53	117	99	74	-	1,209
Disposals	-	-	-	-	(157)	-	-	-	(157)
Written off	-	-	(3)	-	-	-	-	-	(3)
Balance as at 31 December 2007/ 1 January 2008	**-**	**8,214**	**4,882**	**8,072**	**1,444**	**495**	**504**	**-**	**23,611**
Charge for the financial year	**-**	**700**	**99**	**48**	**117**	**98**	**89**	**-**	**1,151**
Balance as at 31 December 2008	**-**	**8,914**	**4,981**	**8,120**	**1,561**	**593**	**593**	**-**	**24,762**
Impairment losses									
Balance as at 1 January 2007/ 31 December 2007/31 December 2008	**-**	**2,626**	**-**	**-**	**-**	**-**	**-**	**-**	**2,626**
Net book value									
Balance as at 1 January 2007	180	23,600	361	217	476	592	540	-	25,966
Balance as at 31 December 2007/ 1 January 2008	180	22,900	315	164	359	493	614	-	25,025
Balance as at 31 December 2008	**180**	**22,200**	**743**	**116**	**242**	**395**	**561**	**504**	**24,941**

7. Property, Plant And Equipment (Cont'd)

Company	*Office equipment RM'000*	*Furniture and fittings RM'000*	*Motor vehicles RM'000*	*Renovations RM'000*	*Total RM'000*
Cost					
Balance as at 1 January 2007	1,998	6,571	1,216	448	10,233
Additions	1	-	-	69	70
Disposals	-	-	(157)	-	(157)
Written off	(3)	-	-	-	(3)
Balance as at 31 December 2007/1 January 2008	**1,996**	**6,571**	**1,059**	**517**	**10,143**
Additions	**3**	**-**	**-**	**33**	**36**
Balance as at 31 December 2008	**1,999**	**6,571**	**1,059**	**550**	**10,179**
Accumulated depreciation					
Balance as at 1 January 2007	1,973	6,560	1,216	51	9,800
Charge for the financial year	4	3	-	45	52
Disposals	-	-	(157)	-	(157)
Written off	(3)	-	-	-	(3)
Balance as at 31 December 2007/1 January 2008	**1,974**	**6,563**	**1,059**	**96**	**9,692**
Charge for the financial year	**5**	**3**	**-**	**58**	**66**
Balance as at 31 December 2008	**1,979**	**6,566**	**1,059**	**154**	**9,758**
Net book value					
Balance as at 1 January 2007	25	11	-	397	433
Balance as at 31 December 2007/1 January 2008	22	8	-	421	451
Balance as at 31 December 2008	**20**	**5**	**-**	**396**	**421**

7. Property, Plant And Equipment (Cont'd)

(a) Title deed for the freehold land of a subsidiary has yet to be issued by the land office.

(b) The property, plant and equipment of the Group with net book value of RM22,380,000 (2007: 23,080,000) have been pledged to financial institutions for banking facilities (Note 24).

(c) The net book value of property, plant and equipment of the Group acquired under hire-purchase arrangements amounted to RM242,000 (2007: RM359,000).

8. Prepaid Lease Payments For Land

	Long term leasehold land	
	2008	*2007*
	RM'000	*RM'000*
Group		
Cost		
Balance as at 1 January/31 December	**6,617**	6,617
Accumulated depreciation		
Balance as at 1 January	**846**	774
Charge for the financial year	**72**	72
Balance as at 31 December	**918**	846
Carrying amount		
Balance as at 31 December	**5,699**	5,771

The prepaid lease payments for land of the Group have been pledged to a financial institution for banking facility granted to a subsidiary (Note 24).

9. Investments In Subsidiaries

	Company	
	2008	*2007*
	RM'000	*RM'000*
Unquoted equity shares, at cost	**8,933**	15,776
Less: Impairment losses	**(8,284)**	(14,859)
	649	917

The details of the subsidiaries are listed in Note 40 to the financial statements.

The consolidated financial statements of the Group do not deal with subsidiaries and associates as listed in Note 40 (c) and (d). These are companies under liquidation or subsidiaries of the companies under liquidation.

During the financial year, unquoted equity shares at cost amounting to RM6,843,000 have been written off against accumulated impairment losses.

10. Investments In Associates

	Group		Company	
	2008	2007	**2008**	2007
	RM'000	RM'000	**RM'000**	RM'000
Quoted equity shares, at cost	**296,672**	296,672	**296,672**	296,672
Share of post acquisition (loss)/reserves	**(713)**	1,025	**-**	-
	295,959	297,697	**296,672**	296,672
Less: Impairment losses	**(242,604)**	(242,604)	**(242,700)**	(242,700)
	53,355	55,093	**53,972**	53,972
Market value of quoted shares	**21,507**	82,350	**21,507**	82,350

The details of the associates are listed in Note 40 to the financial statements.

The summarised financial information of the associates are as follows:

	2008	2007
	RM'000	RM'000
Assets and liabilities		
Current assets	**208,985**	301,669
Non-current assets	**172,266**	173,256
Total assets	**381,251**	474,925
Current liabilities	**173,718**	262,395
Non-current liabilities	**54,390**	54,384
Total liabilities	**228,108**	316,779
Results		
Revenue	**25,941**	69,023
(Loss)/Profit for the financial year	**(5,003)**	21,045

Investment in an associate held by the Group and the Company with a carrying amount of RM51,671,000 (2007: RM33,274,000) has been pledged to a financial institution for banking facilities granted to the Company (Note 24).

11. Long Term Investments

	Group		Company	
	2008	*2007*	**2008**	*2007*
	RM'000	*RM'000*	***RM'000***	*RM'000*
Unquoted shares, at cost	-	124,871	-	24,190
Less: Allowance for diminution in value	-	(124,871)	-	(24,190)
	-	-	-	-
Quoted shares, at cost	**18,050**	20,222	**18,050**	20,222
Less: Allowance for diminution in value	**(17,738)**	(19,838)	**(17,738)**	(19,838)
	312	384	**312**	384
Club memberships, at cost	**487**	487	**401**	401
Less: Allowance for diminution in value	**(29)**	-	**(29)**	-
	458	487	**372**	401
	770	871	**684**	785
Market value of quoted shares	**312**	384	**312**	384

During the financial year, quoted and unquoted shares at cost of the Group and of the Company amounting to RM127,043,000 and RM26,362,000 have been written off against allowance for diminution in value.

12. Inventories

	Group	
	2008	*2007*
	RM'000	*RM'000*
At cost		
Consumables, food and beverages	**390**	614

The cost of inventories recognised as expenses and included in the cost of services of the Group amounted to RM1,578,000 (2007: RM1,588,000).

13. Short Term Investments

	Group and Company	
	2008	*2007*
	RM'000	*RM'000*
Quoted shares, at cost	-	7
Less: Allowance for diminution in value	-	(5)
	-	2
Market value of quoted shares	-	2

14. Trade And Other Receivables

	Group		Company	
	2008	2007	**2008**	2007
	RM'000	RM'000	**RM'000**	RM'000
Trade receivables	**2,316**	3,269	**70**	42
Less: Allowance for doubtful debts	**(382)**	(126)	**(40)**	(40)
	1,934	3,143	**30**	2
Other receivables	**1,932**	4,442	**1**	2,170
Less: Allowance for doubtful debts	**(1,719)**	(3,805)	**-**	(2,169)
	213	637	**1**	1
Deposits	**552**	542	**222**	221
Less: Allowance for doubtful debts	**(79)**	(79)	**(79)**	(79)
	473	463	**143**	142
Prepayments	**63**	214	**21**	22
	2,683	4,457	**195**	167

The credit terms offered by the Group and the Company in respect of trade receivables range from cash term to 45 days (2007: cash term to 45 days) from date of invoice.

The foreign currency exposure of trade receivables of the Group are as follows:

	Group	
	2008	2007
	RM'000	RM'000
At cost		
Hong Kong Dollar	**262**	1,371
US Dollar	**96**	232

Included in trade receivables of the Group are amounts owing by related parties of RM612,000 (2007: RM1,603,000), which are unsecured, interest-free and receivable upon demand.

During the financial year, trade receivables of the Group and of the Company amounting to RM2,169,000 have been written off against allowance for doubtful debts.

15. Amounts Owing By/To Subsidiaries

	Company	
	2008	2007
	RM'000	RM'000
Amounts owing by subsidiaries	**323,355**	392,892
Less: Allowance for doubtful debts	**(306,391)**	(378,946)
	16,964	13,946
Amounts owing to subsidiaries	**2,021**	2,017

Amounts owing by subsidiaries represent balances arising from advances and payments made on behalf and balances arising from the settlement of certain subsidiaries' debts in previous years by the issuance of shares in the Company pursuant to the schemes of arrangement of the Company and these subsidiaries under Section 176 of the Companies Act, 1965. These amounts are unsecured, interest-free and receivable upon demand, except for an amount of RM112,000 (2007: RM150,000), which bears interest at 9% (2007: 9%) per annum.

During the financial year, amounts owing by subsidiaries amounting to RM70,387,000 have been written off against allowance for doubtful debts.

Amounts owing to subsidiaries represent advances and payments made on behalf, which are unsecured, interest-free and repayable upon demand.

16. Amounts Owing By/To Associates

	Group		Company	
	2008	2007	**2008**	2007
	RM'000	RM'000	**RM'000**	RM'000
Amounts owing by associates	**55,700**	55,786	**55,700**	55,786
Less: Allowance for doubtful debts	**(27)**	(27)	**(27)**	(27)
	55,673	55,759	**55,673**	55,759
Amounts owing to associates	**1,496**	943	**554**	-

Amounts owing by associates represent balances arising from advances and payments on behalf and balances arising from the settlement of an associate's debts in previous years by the issuance of shares in the Company pursuant to the schemes of arrangement of the Company and the said associate pursuant to Section 176 of the Companies Act, 1965. These amounts are unsecured, interest-free and receivable upon demand.

Amounts owing to associates represent balances arising from payments on behalf, which are unsecured, interest-free and repayable upon demand.

17. Amounts Owing By/To Related Companies

	Group		Company	
	2008	*2007*	**2008**	*2007*
	RM'000	*RM'000*	**RM'000**	*RM'000*
Amounts owing by related companies	**2,027**	1,809	**872**	881
Less: Allowance for doubtful debts	**(1,252)**	(1,252)	**(836)**	(836)
	775	557	**36**	45
Amounts owing to related companies	**314**	290	**164**	120

Amounts owing by related companies represent balances arising from normal trade transactions, which are unsecured, interest-free and receivable upon demand.

Amounts owing to related companies represent balances arising from normal trade transactions, payments made on behalf and advances. These amounts are unsecured, interest-free and repayable upon demand, except for an amount of RM146,000 (2007: RM169,000), which bears interest at 5% (2007: 5%) per annum.

18. Term And Call Deposits

	Group	
	2008	*2007*
	RM'000	*RM'000*
Term and call deposits with licensed banks	**1,824**	2,139

Deposits with licensed banks of the Group totalling RM636,000 (2007: RM616,000) have been pledged to secure banking facilities (Note 24).

19. Non-Current Asset Held For Sale

Investment property is classified as non-current asset held for sale following the disposal of the asset by the Company as detailed in Note 41 to the financial statements. The carrying amount and fair value of the non-current asset held for sale are as follows:

	Group and Company	
	2008	*2007*
	RM'000	*RM'000*
Investment property:		
Carrying amount	**30,068**	28,376
Fair value	**39,000**	39,000

During the financial year, impairment loss of RM1,692,000 on the investment property was reversed as a result of a change in the estimate used to determine the asset's carrying amount following the completion of the disposal of the said investment property subsequent to the year end.

The investment property has been pledged to a financial institution for banking facility granted to a subsidiary (Note 24).

20. Share Capital

	Group and Company			
	2008		2007	
	Number of shares '000	***RM'000***	*Number of shares '000*	*RM'000*
Ordinary shares of RM0.10 each:				
Authorised	**30,000,000**	**3,000,000**	30,000,000	3,000,000
Issued and fully paid	**928,867**	**92,887**	928,867	92,887

21. Reserves

	Group		Company	
	2008 RM'000	*2007 RM'000*	***2008 RM'000***	*2007 RM'000*
Non-distributable:				
Exchange translation reserve	**(12,397)**	(12,411)	**-**	-
Capital reserve	**4,713**	5,656	**-**	-
Distributable:				
Retained earnings	**13,350**	16,136	**8,150**	4,467
	5,666	9,381	**8,150**	4,467

Effective 1 January 2008, the Company is given the option to make an irrevocable election to move to a single tier system or to continue to use its tax credit under Section 108 of the Income Tax Act, 1967 for the purpose of dividend distribution until the tax credit is fully utilised or latest by 31 December 2013.

The Company has decided not to make this election and has sufficient tax credit under Section 108 of the Income Tax Act, 1967 and balance in the tax exempt account to frank the payment of dividends of up to RM3,859,000 out of its retained earnings as at 31 December 2008 without incurring additional tax liabilities.

22. Borrowings

		Group		Company	
	Note	***2008 RM'000***	*2007 RM'000*	***2008 RM'000***	*2007 RM'000*
Current liabilities					
Bank overdrafts - unsecured	35	**-**	390	**-**	-
Hire-purchase creditors	23	**99**	91	**-**	-
Term loans - secured	24	**54,188**	54,688	**2,000**	2,500
		54,287	55,169	**2,000**	2,500
Non-current liabilities					
Hire-purchase creditors	23	**230**	329	**-**	-
Term loans - secured	24	**15,820**	15,320	**15,820**	15,320
		16,050	15,649	**15,820**	15,320

22. Borrowings (Cont'd)

	Note	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Total borrowings					
Bank overdrafts - unsecured	35	**-**	390	**-**	-
Hire-purchase creditors	23	**329**	420	**-**	-
Term loans - secured	24	**70,008**	70,008	**17,820**	17,820
		70,337	70,818	**17,820**	17,820

The maturity of the borrowings are as follows:

	Fixed rate RM'000	Floating rate RM'000	Total RM'000
Group			
As at 31 December 2008			
Within one (1) year	**19,099**	**35,188**	**54,287**
More than one (1) year and less than five (5) years	**16,050**	**-**	**16,050**
	35,149	**35,188**	**70,337**
As at 31 December 2007			
Within one (1) year	19,591	35,578	55,169
More than one (1) year and less than five (5) years	15,649	-	15,649
	35,240	35,578	70,818
Company			
As at 31 December 2008			
Within one (1) year	**2,000**	**-**	**2,000**
More than one (1) year and less than five (5) years	**15,820**	**-**	**15,820**
	17,820	**-**	**17,820**
As at 31 December 2007			
Within one (1) year	2,500	-	2,500
More than one (1) year and less than five (5) years	15,320	-	15,320
	17,820	-	17,820

23. Hire-Purchase Creditors

	Note	Group 2008 RM'000	Group 2007 RM'000
Minimum hire-purchase payments:			
Within one (1) year		**120**	120
More than one (1) year and less than five (5) years		**249**	368
Total minimum hire-purchase payments		**369**	488
Less: Future interest charges		**(40)**	(68)
Present value of hire-purchase liabilities	22	**329**	420
Current:			
Within one (1) year	22	**99**	91
Non-current:			
More than one (1) year and less than five (5) years	22	**230**	329
		329	420

24. Term Loans

	Note	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Secured	22	**70,008**	70,008	**17,820**	17,820
Repayable as follows:					
Current:					
Within one (1) year	22	**54,188**	54,688	**2,000**	2,500
Non-current:					
More than one (1) year and less than five (5) years	22	**15,820**	15,320	**15,820**	15,320
		70,008	70,008	**17,820**	17,820

The term loans are secured by way of the following:

(i) pledge of quoted shares in an associate (Note 10);
(ii) fixed legal charges over property, plant and equipment and prepaid lease payments for land of the Group (Note 7 and 8);
(iii) fixed legal charges over investment property (Note 19);
(iv) fixed and floating charges over the assets of a subsidiary; and
(vi) term and call deposits of the Group (Note 18).

Term loans granted to subsidiaries are guaranteed by the Company.

25. Deferred Tax Liabilities

(a) The movements of deferred tax liabilities are as follows:

	Group	
	2008	*2007*
	RM'000	*RM'000*
Balance as at 1 January	**295**	295
Recognised in equity	**943**	-
Balance as at 31 December	**1,238**	295

The deferred tax liabilities are in respect of surplus arising from revaluation of leasehold property of subsidiaries in prior years.

(b) The amount of temporary differences for which no deferred tax assets have been recognised in the balance sheet are as follows:

	Group		Company	
	2008	*2007*	**2008**	*2007*
	RM'000	*RM'000*	**RM'000**	*RM'000*
Taxable temporary differences	**(961)**	(742)	**-**	-
Unused tax losses	**29,558**	29,061	**15,644**	15,644
Unabsorbed capital allowances	**6,944**	10,000	**1,062**	3,038
	35,541	38,319	**16,706**	18,682

Deferred tax assets have not been recognised in respect of these items as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

26. Trade And Other Payables

	Group		Company	
	2008	*2007*	**2008**	*2007*
	RM'000	*RM'000*	**RM'000**	*RM'000*
Trade payables	**685**	816	**57**	42
Other payables and accruals	**3,727**	3,926	**1,712**	1,911
	4,412	4,742	**1,769**	1,953

The credit terms available to the Group and the Company in respect of trade payables range from 14 to 60 days (2007: 14 to 60 days) from date of invoice.

The foreign currency exposure of trade payables is not significant.

27. Provision

	Company	
	2008	2007
	RM'000	RM'000
Provision for corporate guarantees as at 1 January/31 December	**35,190**	35,190

The provision is in respect of corporate guarantee given by the Company for banking facilities granted to a subsidiary.

28. Amount Owing To Ultimate Holding Company

Amount owing to ultimate holding company represents balances arising from payments made on behalf, which are unsecured, interest-free and repayable upon demand.

29. Revenue

	Group		Company	
	2008	2007	**2008**	2007
	RM'000	RM'000	**RM'000**	RM'000
Rendering of services:				
- ticketing and travel related	**11,895**	15,024	**-**	-
- hotel	**10,178**	10,058	**-**	-
Interest income	**2**	2	**14**	15
Others	**-**	210	**24**	234
	22,075	25,294	**38**	249

30. (Loss)/Profit Before Tax

		Group		Company	
	Note	**2008 RM'000**	*2007 RM'000*	**2008 RM'000**	*2007 RM'000*
(Loss)/Profit before tax is arrived at after charging:					
Allowance for doubtful debts		**339**	416	**3,182**	3,094
Allowance for diminution in value of long term investments		**101**	74	**101**	74
Amortisation of prepaid lease payments for land	8	**72**	72	**-**	-
Auditors' remuneration:					
Statutory					
- current year		**93**	86	**38**	34
- under provision in prior year		**12**	7	**4**	9
Non-statutory					
- current year		**27**	25	**26**	24
- under/(over) provision in prior year		**2**	(4)	**2**	(4)
Depreciation of property, plant and equipment	7	**1,151**	1,209	**66**	52
Directors' remuneration:					
- fees		**179**	-	**179**	-
- other emoluments		**155**	187	**155**	179
Impairment losses on investments in subsidiaries		**-**	-	**268**	-
Inventories written off		**362**	140	**-**	-
Interest expense on:					
- bank overdrafts		**31**	16	**-**	-
- hire-purchase		**29**	37	**-**	-
- advances from related company		**3**	10	**-**	-
- term loans		**5,873**	5,909	**1,462**	1,424
Provision for retirement gratuity		**7**	48	**7**	14
Rental of:					
- equipment		**8**	3	**3**	3
- land and buildings		**18**	170	**-**	-
and crediting:					
Allowance for doubtful debts no longer required		**-**	36	**5,350**	170
Gain on disposal of short term investments		**2**	-	**2**	-
Gain on disposal of property, plant and equipment		**-**	7	**-**	7
Gain on foreign exchange					
- realised		**1**	-	**-**	-
- unrealised		**25**	-	**-**	-
Interest income from:					
- subsidiaries		**-**	-	**12**	13
- others		**81**	76	**2**	2
Management fees received and receivable from:					
- a subsidiary		**-**	-	**24**	24
- an associate		**-**	210	**-**	210
Provision for contract costs no longer required		**-**	183	**-**	-
Rental income on premises		**118**	50	**-**	-
Reversal of impairment losses included in other operating income:					
- investment in an associate	(c)	**-**	-	**-**	6,223
- investment in a subsidiary		**-**	-	**-**	276

(a) The estimated monetary value of benefits-in-kind received by the Directors of the Company otherwise than in cash from the Group and the Company amounted to RM11,000 and RM11,000 (2007: RM23,000 and RM23,000) respectively.

(b) Number of Directors of the Company whose aggregate of remuneration received from the Company and its subsidiaries during the financial year is analysed as follows:

	Number of Directors	
	2008	*2007*
Executive Directors		
RM100,001 to RM150,000	**1**	1
Non-Executive Directors		
Below RM50,000	**5**	3
RM50,001 to RM100,000	**1**	1

(c) In the previous year, the recoverable amount of the investment in an associate of the Company has increased due to better performance. As a result, a reversal of impairment loss of RM6,223,000 on the investment was recognised to reflect its recoverable amount. The recoverable amount of the investment is determined by reference to the Company's share of the net assets of the associate.

31. Tax Expense

	Group		*Company*	
	2008	*2007*	***2008***	*2007*
	RM'000	*RM'000*	***RM'000***	*RM'000*
Continuing operations:				
Current tax expense based on profit for the financial year	**17**	31	**-**	-
Over provision in prior year	**(13)**	(4)	**-**	-
	4	27	**-**	-

The Malaysian income tax is calculated at the statutory rate of 26% (2007: 27%) of the estimated taxable profits for the fiscal year. The Malaysian statutory tax rate has been reduced to 26% from the previous financial year's rate of 27% for the fiscal year of assessment 2007 and to 25% for fiscal year of assessment 2009 onwards. The computation of deferred tax as at 31 December 2008 has reflected these changes.

The numerical reconciliation between the applicable tax rate and the average effective tax rate of the Group and of the Company is as follows:

	Group		*Company*	
	2008	*2007*	***2008***	*2007*
	%	*%*	***%***	*%*
Applicable tax rate	**(26.0)**	27.0	**26.0**	27.0
Tax effect in respect of:				
Tax exempt income	**-**	(1.2)	**-**	-
Non-taxable income	**(18.4)**	(1.3)	**(49.7)**	(48.1)
Non-allowable expenses	**54.3**	24.8	**37.7**	36.6
Share of results in associates	**15.5**	(31.2)	**-**	-
Utilisation of previously unrecognised deferred tax assets	**(30.7)**	(17.7)	**(14.0)**	(15.5)
Deferred tax assets not recognised during the year	**5.9**	-	**-**	-
	0.6	0.4	**-**	-
Under provision of tax expense in prior year	**(0.5)**	-	**-**	-
Average effective tax rate	**0.1**	0.4	**-**	-

31. Tax Expense (Cont'd)

Tax savings of the Group and of the Company are as follows:

	Group		Company	
	2008	2007	**2008**	2007
	RM'000	RM'000	**RM'000**	RM'000
Arising from utilisation of previously unrecognised tax losses	**4**	234	**-**	-

32. Discontinued Operation

On 14 September 2007, the Company entered into an agreement with a related party, Pan Malaysian Industries Berhad ("PMI"), to dispose to PMI the Company's investment property comprising freehold land and office building. The details of the Company's disposal is disclosed in Note 41 to the financial statements. In view of the disposal, the operation of the investment property is classified as discontinued operation.

An analysis of the results of the discontinued operation is as follows:

	Group		Company	
	2008	2007	**2008**	2007
	RM'000	RM'000	**RM'000**	RM'000
Revenue	**3,997**	4,018	**4,255**	4,049
Other income	**1,692**	-	**1,692**	-
Expenses	**(1,373)**	(1,530)	**(1,373)**	(1,530)
Profit for the financial year	**4,316**	2,488	**4,574**	2,519
The following amounts are included in arriving at the profit for the financial year of the discontinued operation:				
Depreciation of investment property	**-**	545	**-**	545
Rental income from:				
- investment property	**3,838**	3,866	**4,093**	3,897
- others	**159**	152	**162**	152
Reversal of impairment loss on investment property	**1,692**	-	**1,692**	-
The cash flows attributable to the discontinued operation are as follows:				
Net cash from operating activities	**2,624**	3,033	**2,882**	3,064

33. Basic (Loss)/Earnings Per Share

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

	Group	
	2008	2007
	RM'000	RM'000
(Loss)/Profit attributable to equity holders of the Company		
- from continuing operations	**(7,102)**	3,767
- from discontinued operation	**4,316**	2,488
Total	**(2,786)**	6,255
	'000	'000
Weighted average number of ordinary shares in issue	**928,867**	928,867
	Sen	Sen
Basic (loss)/earnings per ordinary share		
- from continuing operations	**(0.76)**	0.40
- from discontinued operation	**0.46**	0.27
	(0.30)	0.67

34. Employee Benefits

	Group		Company	
	2008	2007	**2008**	2007
	RM'000	RM'000	**RM'000**	RM'000
Wages, salaries and bonuses	**2,438**	2,731	**451**	500
Contributions to defined contribution plan	**265**	316	**58**	72
Short term accumulating compensated absence	**11**	14	**1**	14
Other benefits	**655**	709	**97**	145
	3,369	3,770	**607**	731

35. Cash And Cash Equivalents

The cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

		Group		Company	
		2008	2007	**2008**	2007
	Note	**RM'000**	RM'000	**RM'000**	RM'000
Term and call deposits	18	**1,824**	2,139	**-**	-
Cash and bank balances		**465**	1,058	**35**	105
Bank overdrafts	22	**-**	(390)	**-**	-
		2,289	2,807	**35**	105
Less: Deposits pledged to licensed banks	18	**(636)**	(616)	**-**	-
		1,653	2,191	**35**	105

Deposits of the Group and of the Company have a maturity period ranging from 1 to 30 days (2007: 1 to 30 days).

36. Related Party Disclosures

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Company has controlling related party relationship with its direct and indirect subsidiaries and ultimate holding company.

(b) 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***	
	2008	*2007*	***2008***	*2007*
	RM'000	*RM'000*	***RM'000***	*RM'000*
Rental and parking income received and receivable:				
- Related parties	**48**	742	**48**	742
- Related companies	**2,029**	1,411	**2,029**	1,411
- Associates	**1,873**	1,826	**1,873**	1,826
- Subsidiaries	**-**	-	**258**	31
Sale of air tickets and provision of travel and ancillary services:				
- Related parties	**3,997**	5,188	**-**	-
- Related companies	**1,845**	1,423	**-**	-
- Associates	**5**	7	**-**	-
- Ultimate holding company	**-**	1	**-**	-
Interest expense paid:				
- Related company	**3**	10	**-**	-
Interest income received and receivable:				
- Subsidiaries	**-**	-	**2**	13
Purchase of insurance:				
- Related companies	**273**	356	**150**	208
Management fee received and receivable:				
- Associates	**-**	210	**-**	210
- Subsidiaries	**-**	-	**24**	24

These transactions have been entered into the normal course of business and have been established under negotiated commercial terms.

Significant balances with related parties at the balance sheet date are disclosed in Note 14, Note 15, Note 16, Note 17 and Note 28 to the financial statements.

(c) Compensation of key management personnel

The remuneration of Directors and other key management personnel during the financial year was as follows:

	Group		*Company*	
	2008	*2007*	***2008***	*2007*
	RM'000	*RM'000*	***RM'000***	*RM'000*
Short term employee benefits	**422**	453	**316**	178
Contributions to defined contribution plan	**30**	42	**18**	23
	452	495	**334**	201

37. Segment Information

The Group's operations comprise the following main business segments:

Hotel	:	Operating a hotel
Travel	:	Travel agent and provision of travel-related services
Stockbroking	:	Comprise mainly businesses involved in stock and sharebroking, corporate advisory services, research and fund management services, nominee and custodian services principally engaged by an associate
Investment holding	:	Comprise mainly investment, dormant and inactive subsidiaries
Property holding	:	Property holding and operations

The inter-segment transactions were entered in the normal course of business and were negotiated on terms mutually agreed with the respective parties.

37. Segment Information (Cont'd)

(a) Business segment

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

	Continuing operations						Discontinued operation	
2008	Hotel RM'000	Travel RM'000	Stockbroking RM'000	Investment holding RM'000	Elimination RM'000	Total RM'000	Property holding RM'000	Total operations RM'000
Revenue								
- Sales to external customers	10,178	11,895	-	2	-	22,075	3,997	26,072
- inter-segment sales	7	37	-	36	(80)	-	-	-
Total revenue	10,185	11,932	-	38	(80)	22,075	3,997	26,072
Results								
Segment results	1,753	(593)	-	(795)	-	365	4,316	4,681
Interest income	69	10	-	-	-	79	-	79
Finance costs	(1,356)	(74)	-	(4,506)	-	(5,936)	-	(5,936)
Share of losses of associates	-	-	(1,738)	-	-	(1,738)	-	(1,738)
(Loss)/Profit before tax						(7,230)	4,316	(2,914)
Tax expense						(4)	-	(4)
(Loss)/Profit for the financial year						(7,234)	4,316	(2,918)
Other information								
Segment assets	34,011	1,978	-	57,231	-	93,220	-	93,220
Non-current asset classified as held for sale	-	-	-	-	-	-	30,068	30,068
Investments in associates	-	-	53,355	-	-	53,355	-	53,355
Unallocated assets	-	-	-	-	-	12	-	12
Total assets						146,587	30,068	176,655
Segment liabilities	18,828	1,038	-	56,835	-	76,701	-	76,701
Unallocated liabilities	-	-	-	-	-	1,238	-	1,238
Total liabilities						77,939	-	77,939
Capital expenditure	1,017	15	-	35	-	1,067	-	1,067
Depreciation	926	158	-	67	-	1,151	-	1,151
Amortisation	72	-	-	-	-	72	-	72
Other non-cash expenses	624	77	-	107	-	808	-	808

2007	Hotel RM'000	Travel RM'000	Stockbroking RM'000	Investment holding RM'000	Elimination RM'000	Total RM'000	Discontinued operation Property holding RM'000	Total operations RM'000
	<— Continuing operations					—>		
Revenue								
- Sales to external customers	10,058	15,024	-	212	-	25,294	4,018	29,312
- inter-segment sales	14	32	-	37	(83)	-	-	-
Total revenue	10,072	15,056	-	249	(83)	25,294	4,018	29,312
Results								
Segment results	3,005	387	-	(962)	-	2,430	2,488	4,918
Interest income	63	11	-	-	-	74	-	74
Finance costs	(1,390)	(62)	-	(4,520)	-	(5,972)	-	(5,972)
Share of profit of associates	-	-	7,327	-	-	7,327	-	7,327
Profit before tax						3,859	2,488	6,347
Tax expense						(27)	-	(27)
Profit for the financial year						3,832	2,488	6,320
Other information								
Segment assets	35,420	3,331	-	57,502	-	96,253	-	96,253
Non-current asset classified as held for sale	-	-	-	-	-	-	28,376	28,376
Investments in associates	-	-	55,093	-	-	55,093	-	55,093
Unallocated assets	-	-	-	-	-	1	-	1
Total assets						151,347	28,376	179,723
Segment liabilities	18,735	1,731	-	56,398	-	76,864	-	76,864
Unallocated liabilities	-	-	-	-	-	296	-	296
Total liabilities						77,160	-	77,160
Capital expenditure	101	97	-	70	-	268	-	268
Depreciation	993	164	-	52	-	1,209	545	1,754
Amortisation	72	-	-	-	-	72	-	72
Other non-cash expenses	592	-	-	88	-	680	-	680

37. SEGMENT INFORMATION (Cont'd)

(b) Geographical segments

As the Group's operations are predominantly in Malaysia, no segmental information is presented on geographical segments.

38. 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 risks. The Group operates within clearly defined guidelines that are approved by the Board of Directors and the Group's policy is not to engage in speculative transactions.

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activity are set out as follows:

(i) Credit risk

The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

As at 31 December 2008, the Group and the Company have no significant concentration of credit risk, other than amount owing by an associate of RM55.7 million (2007: RM55.8 million). The term and call deposits as well as bank balances of the Group and of the Company are placed with reputable financial institutions in Malaysia. The maximum exposures to credit risk are represented by the carrying amounts of the financial assets in the balance sheets.

(ii) Liquidity and cash flow risks

The Group seeks to achieve a balance between certainty of funding and a flexible, cost-effective borrowing structure. This is to ensure that the projected net borrowing needs are covered by committed facilities. Also, the objective for debt maturity is to ensure that the amount of debt maturing in any one year is within the Group's means to repay and refinance.

(iii) Foreign currency risk

The Group is exposed to foreign currency risk as a result of its normal trading activities, both external and intra-group, where the currency denomination differs from the local currency, Ringgit Malaysia. The Group's policy is to minimise the exposure of overseas operating subsidiaries to transaction risk by matching local currency income against local currency costs.

(iv) Interest rate risk

The Group's exposure to interest rate risk arises mainly from the Group's borrowings and deposits, and is managed through the use of fixed and floating rate debts, as well as term and call deposits with varying maturities.

38. Financial Instruments (Cont'd)

(a) Financial risk management objectives and policies (Cont'd)

(iv) Interest rate risk (Cont'd))

The following tables set out the carrying amounts, the weighted average effective interest rates as at the balance sheet date and the periods of maturity of the Group's and the Company's financial instruments that are exposed to interest rate risk.

Group	Note	Weighted average effective interest rate %	Within 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	Total RM'000
At 31 December 2008								
Fixed rates								
Amount owing to a related company	17	**5.0**	**146**	-	-	-	-	**146**
Term and call deposits	18	**3.4**	**1,824**	-	-	-	-	**1,824**
Hire-purchase creditors	23	**7.8**	**99**	**107**	**114**	**9**	-	**329**
Term loans	24	**8.0**	**19,000**	**4,000**	**4,000**	**7,820**	-	**34,820**
Floating rates								
Term loans	24	**8.7**	**35,188**	-	-	-	-	**35,188**
At 31 December 2007								
Fixed rates								
Amount owing to a related company	17	5.0	169	-	-	-	-	169
Term and call deposits	18	3.1	2,139	-	-	-	-	2,139
Hire-purchase creditors	23	7.9	91	99	107	114	9	420
Term loans	24	8.0	19,500	4,000	4,000	7,320	-	34,820
Floating rates								
Bank overdrafts	35	8.3	390	-	-	-	-	390
Term loans	24	8.8	35,188	-	-	-	-	35,188
Company								
At 31 December 2008								
Fixed rates								
Amount owing by a subsidiary	15	**9.0**	**112**	-	-	-	-	**112**
Term loans	24	**8.0**	**2,000**	**4,000**	**11,820**	-	-	**17,820**
At 31 December 2007								
Fixed rates								
Amount owing by a subsidiary	15	9.0	150	-	-	-	-	150
Term loans	24	8.0	2,500	4,000	4,000	7,320	-	17,820

38. Financial Instruments (Cont'd)

(b) Fair values

The carrying amounts of the financial instruments of the Group and of the Company as at the balance sheet date approximate their fair values due to the relatively short term maturity of the financial instruments except as set out below:

	Group		*Company*	
	Carrying amount RM'000	*Fair value RM'000*	*Carrying amount RM'000*	*Fair value RM'000*
As at 31 December 2008				
Investments in associates	**53,355**	**25,566**	**53,972**	**25,566**
Long term investments	**770**	**812**	**684**	**712**
Term loans	**70,008**	**69,141**	**17,820**	**15,837**
Hire-purchase creditors	**329**	**303**	**-**	**-**
As at 31 December 2007				
Investments in associates	55,093	82,350	53,972	82,350
Long term investments	871	884	785	784
Term loans	70,008	68,026	17,820	16,953
Hire-purchase creditors	420	390	-	-

The following methods and assumptions are used to determine the fair value of financial instruments:

(i) Fair value of quoted investments in associates is determined by reference to the exchange quoted market bid prices at the close of business on the balance sheet date.

(ii) Fair value of long term investments in respect of club memberships is estimated based on references to comparable market prices of similar investment. For quoted investments, fair value is based on quoted market prices.

(iii) Fair value of term loans and hire-purchase creditors is estimated based on the discounted cash flows technique. The discount rates used are 8.0% and 4.1% per annum respectively, which are based on the market related rate for similar instruments as at the balance sheet date.

39. Contingent Liabilities

Company - Unsecured

In the previous year, contingent liabilities in respect of the corporate guarantees given by the Company for banking facilities granted to a subsidiary amounted to RM389,000.

40. Subsidiaries And Associates

(a) Subsidiaries and Associates of Pan Malaysia Holdings Berhad

	Subsidiary	Equity Interest 2008 %	2007 %	Principal Activities	Country of Incorporation
1.	Destiny Aims Sdn. Bhd. (a wholly-owned subsidiary of Pan Malaysia Travel & Tours Sdn. Bhd.)	**80**	80	Dormant	Malaysia
+ 2.	Golden Carps Pte. Ltd.	**100**	100	Inactive	Singapore
+ 3.	Grandvestment Company Limited	**100**	100	Investment holding	Hong Kong
4.	Kayangan Makmur Sdn. Bhd.	**100**	100	Inactive	Malaysia
+ 5.	Pengkalen Company Limited	**100**	100	Dormant	United Kingdom
6.	Pengkalen Equities Sdn. Bhd.	**100**	100	Investment holding and dealing	Malaysia
7.	Pengkalen Foodservices Sdn. Bhd.	**100**	100	Inactive	Malaysia
8.	Pengkalen Holiday Resort Sdn. Bhd.	**100**	100	Operating a hotel	Malaysia
9.	Pengkalen Properties Sdn. Bhd.	**100**	100	Inactive	Malaysia
10.	Pan Malaysia Travel & Tours Sdn. Bhd.	**80**	80	Travel agent & provision of travel-related services	Malaysia
11.	Twin Phoenix Sdn. Bhd.	**100**	100	Dormant	Malaysia

	Associate	Equity Interest 2008 %	2007 %	Principal Activities	Country of Incorporation
1.	Pan Malaysia Capital Berhad	**34.84**	34.84	Investment holding	Malaysia
* 2.	Excelpac Industries Sdn. Bhd. (a 25% associate of Pan Malaysia Travel & Tours Sdn. Bhd.)	**20**	20	Inactive	Malaysia

(b) Subsidiaries of Pan Malaysia Capital Berhad

	Subsidiary	Equity Interest 2008 %	2007 %	Principal Activities	Country of Incorporation
1.	Bayan Niaga Sdn. Bhd.	**100**	100	Inactive	Malaysia
2.	KESB Nominees (Asing) Sdn. Bhd.	**99.99**	99.99	Dormant	Malaysia

40. Subsidiaries And Associates (Cont'd)

(b) Subsidiaries of Pan Malaysia Capital Berhad (Cont'd)

	Subsidiary	*Equity Interest* **2008** %	*Equity Interest* 2007 %	*Principal Activities*	*Country of Incorporation*
3.	KESB Nominees (Tempatan) Sdn. Bhd	**99.99**	99.99	Nominees & custodian services	Malaysia
4.	Meridian Nominees (Tempatan) Sdn. Bhd.	**99.99**	99.99	Share registration, nominee & custodian services	Malaysia
5.	Pan Malaysia Equities Sdn. Bhd.	**99.99**	99.99	Property & investment holding	Malaysia
6.	PCB Asset Management Sdn. Bhd.	**100**	100	Research & fund management services	Malaysia
7.	PM Asset Management Sdn. Bhd.	**100**	100	Investment holding	Malaysia
8.	PM Nominees (Asing) Sdn. Bhd.	**99.99**	99.99	Nominees & custodian services	Malaysia
9.	PM Nominees (Tempatan) Sdn. Bhd.	**99.99**	99.99	Nominees & custodian services	Malaysia
10.	PM Options & Futures Sdn. Bhd.	**100**	100	Inactive	Malaysia
11.	PM Securities Sdn. Bhd.	**99.99**	99.99	Stock and sharebroking and corporate advisory services	Malaysia
12.	Miranex Sdn. Bhd.	**100**	100	Moneylending	Malaysia

(c) Subsidiaries and Associates of Pan Malaysia Holdings Berhad which are in Liquidation (These companies are not dealt with in the consolidated financial statements of the Group)

	Subsidiary	*Equity Interest* **2008** %	*Equity Interest* 2007 %	*Country of Incorporation*
1.	Asia Entertainment Network Sdn. Bhd.	**60**	60	Malaysia
2.	Cocoa Specialities (Malaysia) Sdn. Bhd.	**84.12**	84.12	Malaysia
3.	Grand Union Insurance Company Limited	**55**	55	Hong Kong
4.	Office Business Systems (Malacca) Sdn. Bhd.	**41.67**	41.67	Malaysia
5.	Office Business Systems (Penang) Sdn. Bhd.	**64.10**	64.10	Malaysia
6.	Office Business Systems Sdn. Bhd.	**64.10**	64.10	Malaysia
7.	Pengkalen Building Materials Sdn. Bhd.	**100**	100	Malaysia
8.	Pengkalen Electronics Industries Sdn. Bhd.	**67**	67	Malaysia

	Subsidiary	*Equity Interest* ***2008*** *%*	*2007* *%*	***Country of Incorporation***
9.	Pengkalen Engineering & Construction Sdn. Bhd.	**100**	100	Malaysia
10.	Pengkalen Heights Sdn. Bhd.	**70**	70	Malaysia
11.	Pengkalen Pasar Borong Sdn. Bhd.	**80**	80	Malaysia
12.	Pengkalen Raya Sdn. Bhd.	**100**	100	Malaysia
13.	Pengkalen (UK) Plc.	**84.12**	84.12	United Kingdom
14.	Sensor Equipment Sdn. Bhd.	**64.10**	64.10	Malaysia
15.	Technitone (M) Sdn. Bhd.	**64.10**	64.10	Malaysia

(d) Subsidiaries and Associate of Pengkalen (UK) Plc. (in liquidation)

	Subsidiary	*Equity Interest* ***2008*** *%*	*2007* *%*	***Country of Incorporation***
1.	Anglo Pacific Corporation (Malaysia) Sdn. Bhd.	**100**	100	Malaysia
2.	Aqua Lanka (Private) Limited	**100**	100	Sri Lanka
+ 3.	GCIH Property Limited	**100**	100	Hong Kong
+ 4.	Grand Central Limited	**100**	100	Sri Lanka
5.	Kuril Plantations Sdn. Berhad	**100**	100	Malaysia

	Associate	*Equity Interest* ***2008*** *%*	*2007* *%*	***Country of Incorporation***
1.	Desa Kuril Sdn. Berhad	**50**	50	Malaysia

* Associate not audited by BDO Binder, Malaysia
\+ Subsidiaries audited by BDO member firms

41. Significant Event

Disposal of investment property

The Company entered into an agreement on 14 September 2007 with a related party, Pan Malaysian Industries Berhad ("PMI"), to dispose to PMI the Company's investment property comprising freehold land and office building for a cash consideration of RM39.0 million.

On 19 June 2008, the Company obtained approval from the shareholders at an Extraordinary General Meeting to dispose the said investment property. The disposal was completed on 30 January 2009 upon the receipt of the full sale consideration from PMI.

ANALYSIS OF SHAREHOLDINGS

As at 29 April 2009

Class of Shares : Ordinary share of RM0.10 each
Voting Rights : 1 vote per ordinary share

Substantial Shareholders
as per Register of Substantial Shareholders

	Direct Interest		Deemed Interest	
Name	***No. of Shares***	***%***	***No. of Shares***	***%***
Pan Malaysian Industries Berhad	–	–	643,330,487	69.26
Tan Sri Dato' Khoo Kay Peng	–	–	643,330,487	69.26
Malayan United Industries Berhad	–	–	642,700,783	69.19
Loyal Design Sdn Bhd	358,496,163	38.59	–	–
MUI Media Ltd	170,877,552	18.40	–	–
Megawise Sdn Bhd	82,749,507	8.91	–	–
Pan Malaysia Corporation Berhad	–	–	82,749,507	8.91
KKP Holdings Sdn Bhd	–	–	643,330,487	69.26
Soo Lay Holdings Sdn Bhd	–	–	643,330,487	69.26
Norcross Limited	–	–	643,330,487	69.26

Directors' Shareholdings
as per Register of Directors' Shareholdings

		Direct Interest		Deemed Interest	
In the Company	***Name***	***No. of Shares***	***%***	***No. of Shares***	***%***
Pan Malaysia Holdings Berhad	Dato' Choong Kok Min	1,442,000	0.16	20,906,932	2.25

		Direct Interest		Deemed Interest	
In Related Company	***Name***	***No. of Shares***	***%***	***No. of Shares***	***%***
Malayan United Industries Berhad	Dato' Choong Kok Min	1,250,000	0.06	–	–
	Datuk Yong Ming Sang	1,981,800	0.10	549,640	0.03
MUI Properties Berhad	Dato' Choong Kok Min	5,000	negligible	–	–

		Nominal Value of Class A1 Irredeemable Convertible Unsecured Loan Stocks (RM)			
		Direct Interest		Deemed Interest	
	Name	***No. of Shares***	***%***	***No. of Shares***	***%***
Malayan United Industries Berhad	Dato' Choong Kok Min	3,470	negligible	–	–

ANALYSIS OF SHAREHOLDINGS (Cont'd)

As at 29 April 2009

	Name	Nominal Value of Class A2 Irredeemable Convertible Unsecured Loan Stocks (RM) Direct Interest No. of Shares	%	Deemed Interest No. of Shares	%
Malayan United Industries Berhad	Dato' Choong Kok Min	3,470	negligible	–	–

Distribution of Shareholders

Category	*No. of Shareholders*	*%*	*No. of Shares*	*%*
Less than 100 shares	293	2.92	11,439	0.00
100 - 1,000 shares	2,144	21.38	1,906,274	0.21
1,001 - 10,000 shares	5,296	52.81	25,462,311	2.74
10,001 - 100,000 shares	1,983	19.78	69,421,294	7.47
100,001 - less than 5% of issued shares	308	3.07	219,942,871	23.68
5% and above of issued shares	4	0.04	612,123,222	65.90
Total	10,028	100.00	928,867,411	100.00

Thirty (30) Largest Securities Account Holders

	Name	No. of Shares	%
1.	Amsec Nominees (Tempatan) Sdn Bhd - Arab-Malaysian Credit Berhad for Loyal Design Sdn Bhd	185,000,000	19.92
2.	Loyal Design Sdn Bhd	173,496,163	18.67
3.	MUI Media Ltd	170,877,552	18.40
4.	Megawise Sdn Bhd	82,749,507	8.91
5.	Acquiline Sdn Bhd	30,463,488	3.28
6.	Mayban Nominees (Tempatan) Sdn Bhd - Mayban Investment Management Sdn Bhd for Malayan Banking Berhad	26,000,000	2.80
7.	Arab-Malaysian Credit Berhad	21,245,416	2.29
8.	Komin Holdings Sdn Bhd	19,311,332	2.08
9.	Cimsec Nominees (Tempatan) Sdn Bhd - Danaharta Urus Sdn Bhd	13,554,211	1.46
10.	Amsec Nominees (Tempatan) Sdn Bhd - AmBank (M) Berhad	6,578,028	0.71
11.	Cimsec Nominees (Tempatan) Sdn Bhd - Danaharta Managers Sdn Bhd	5,673,118	0.61
12.	ABB Nominee (Tempatan) Sdn Bhd - Affin Bank Berhad	4,994,215	0.54
13.	Tai Chang Eng @ Teh Chang Ying	3,307,000	0.36
14.	Tan Eng Huat	3,000,000	0.32
15.	Teh Shiou Cherng	2,980,000	0.32
16.	Bank Kerjasama Rakyat Malaysia Berhad	1,985,751	0.21

As at 29 April 2009

Thirty (30) Largest Securities Account Holders (cont 'd)

	Name	***No. of Shares***	***%***
17.	RHB Capital Nominees (Tempatan) Sdn Bhd - Securities Account for Chong Chee Vun	1,606,500	0.17
18.	Yeap Poh Tin	1,295,600	0.14
19.	Tay Mong Kwee	1,150,000	0.12
20.	Multi-Purpose Credit Sdn Bhd	1,142,082	0.12
21.	Kua Sai Ling @ Kua Sai Lin	1,070,000	0.12
22.	Citibank Berhad	1,062,948	0.11
23.	They Heng Chong @ Teh Chong Fay	1,052,100	0.11
24.	Thye Mooi Lee	1,000,000	0.11
25.	Mayban Nominees (Tempatan) Sdn Bhd - Securities Account for Wong Soo Chai @ Wong Chick Wai	880,000	0.09
26.	Amsec Nominees (Asing) Sdn Bhd - Exempt An for AmFraser Securities Pte Ltd	834,700	0.09
27.	Foo Fook Min	830,000	0.09
28.	Teh Li Li	751,769	0.08
29.	Chong Yuet Hwa @ Choong Kok Min	742,000	0.08
30.	Ng Kok Cheng @ Ng Kee Seng	700,000	0.08
	Total	765,333,480	82.39

PROPERTIES OWNED BY THE GROUP

As at 31 December 2008

Location & Description	*Usage*	*Tenure*	*Approximate Area*	*Approximate Age of the Building*	*Net Book Value*	*Date of Acquisition/ Last Revaluation*
			Sq. Metres	*No. of Years*	*RM'000*	
Federal Territory of Kuala Lumpur						
* 1 lot of land with a 15-storey office building known as Menara PMI at No. 2, Jalan Changkat Ceylon, Kuala Lumpur	Office	Freehold	2,459	22	30,068	16.10.1993
State of Negeri Sembilan Darul Khusus						
4 lots of land with a 10-storey resort hotel at Lot 286, 288 & 289 and PT5855, 3 1/2 km, Jalan Pantai, Port Dickson	Hotel	Leasehold Expiring 2059/2087	55,745	13	27,899	1993
State of Pahang Darul Makmur						
1 lot of bungalow land at HS10468 PT11291, Jalan Bentong	Vacant	Freehold	1,115	-	180	6.03.1992

** This property was disposed of on 30 January 2009 (refer Note 41 of the financial statements)*

Pan Malaysia Holdings Berhad
95469-W
Incorporated in Malaysia

FORM OF PROXY

No. of Shares Held

I/We ______________________________ NRIC No. ______________________

of ______________________________ Tel. No. ______________________

being a member of PAN MALAYSIA HOLDINGS BERHAD hereby appoint ______________________

______________________________ NRIC No. ______________________

of ______________________________ Occupation ______________________

or failing him/her, ______________________________ NRIC No. ______________________

of ______________________________ Occupation ______________________

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Twenty-Sixth Annual General Meeting of the Company to be held at Ballroom 1, Corus hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur on Thursday, 25 June 2009 at 9.00 a.m. and at any adjournment thereof, and to vote as indicated below:-

	Resolutions	For	Against
1.	To re-appoint Dato' Rastam bin Abdul Hadi as Director.		
2.	To re-appoint Datuk Yong Ming Sang as Director.		
3.	To re-appoint Mr Ooi Boon Leong as Director.		
4.	To re-elect Dato' Choong Kok Min as Director.		
5.	To re-appoint Messrs BDO Binder as auditors of the Company and to authorise the Directors to fix their remuneration.		

(Please indicate with 'X' how you wish to cast your vote. If you do not do so, the proxy will vote or abstain from voting at his/her discretion.)

Seal

____
Signature

Signed this ______________ day of ______________ 2009

Notes:-

1. *A member of the Company entitled to attend and vote at the meeting may appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company but if he is not a member, he must be a qualified legal practitioner, approved company auditor, a person approved by the Companies Commission of Malaysia in the particular case or a person approved by the Directors prior to the appointment.*
2. *A member shall not be entitled to appoint more than two proxies to attend and vote at the same meeting. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint one proxy only in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a member, other than an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, appoints two proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
3. *The Form of Proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or under the hand of the attorney.*
4. *The Form of Proxy must be deposited at the registered office of the Company at 5th Floor, Menara PMI, No. 2, Jalan Changkat Ceylon, 50200 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*

fold here first

Stamp

The Company Secretary
Pan Malaysia Holdings Berhad
5th Floor, Menara PMI
No. 2, Jalan Changkat Ceylon
50200 Kuala Lumpur
Malaysia