Pan Malaysia Holdings Berhad

Company No: 95469 - W

LAPORAN TAHUNAN 2009 ANNUAL REPORT

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NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Seventh Annual General Meeting of the Company will be held at Ballroom 1, Corus Hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur on Thursday, 24 June 2010 at 9.00 a.m. for the following purposes:-

As Ordinary Business

1. To receive the audited financial statements together with the Reports of the Directors and Auditors thereon for the financial year ended 31 December 2009.

2. To approve Directors' fees of RM146,716. **Resolution 1**

3. 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 2**

   (ii) "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**

4. To re-elect Mr Chan Choung Yau as Director of the Company. **Resolution 4**

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

As Special Business

To consider and, if thought fit, pass the following resolutions:-

6. Ordinary Resolution
   - Proposed authority under Section 132D of the Companies Act, 1965 for the Directors to issue shares

   "THAT pursuant to Section 132D of the Companies Act, 1965 and subject to the approval of the relevant authorities, the Directors be and are hereby authorized to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting or until the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is the earlier and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided always that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being." **Resolution 6**

7. Special Resolution
   - Proposed amendments to the Articles of Association of the Company

   "THAT the Articles of Association of the Company be and are hereby amended in the manner as set out in Appendix I on page 6 of the Company's 2009 Annual Report." **Resolution 7**

8. 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
2 June 2010

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 authorized 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 authorized 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 authorized 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.*

EXPLANATORY NOTES ON SPECIAL BUSINESS

1. The Ordinary Resolution proposed under item 6, if passed, will give a general authority for the Directors to issue shares pursuant to Section 132D of the Companies Act, 1965 ("general authority to issue shares"). If passed, it will empower the Directors of the Company, from the date of the above Annual General Meeting until the next Annual General Meeting to allot and issue shares in the Company up to and not exceeding in total ten per centum (10%) of the issued and paid-up share capital of the Company for the time being for such purposes as they consider would be in the interests of the Company. This authority will expire at the next Annual General Meeting of the Company, unless revoked or varied at a general meeting.

   The Company has not seek shareholders' approval for a general authority to issue shares before.

   The general authority to issue shares will allow the Company to take advantage of any strategic opportunities, including but not limited to, issuance of new shares for purpose of funding investment project(s), working capital and/or acquisitions which require new shares to be allotted and issued speedily and would also save the cost involved in convening a general meeting to approve such issuance of shares.

2. The Special Resolution proposed under item 7, if passed, will bring the Articles of Association of the Company in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

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

   (c) Mr Chan Choung Yau – Retiring pursuant to Article 91 of the Company's Articles of Association.

2. Further details on the Directors standing for re-appointment/re-election are set out on pages 8 to 9 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 2009. Details of attendance of the Directors are set out in the Profile of Directors appearing on pages 8 to 9 of the Annual Report.

4. The Twenty-Seventh Annual General Meeting of the Company will be held at Ballroom 1, Corus Hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur on Thursday, 24 June 2010 at 9.00 a.m.

APPENDIX 1

PROPOSED AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION

The details of the proposed amendments to the Articles of Association of the Company are as follows:

ARTICLE NO.	EXISTING ARTICLES	AMENDED ARTICLES
Article 136 Dividend warrant may be sent by post and unpaid dividend to bear no interest	Unless otherwise directed by the Company in general meeting any dividend may be paid by cheque or warrant sent through the post to the last registered address of the Member or person entitled as appearing in the Record of Depositors, and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent. No unpaid dividend or unpaid interest shall bear interest as against the Company.	Any dividend may be paid by cheque or warrant sent through the post to the last registered address of the Member or person entitled as appearing in the Record of Depositors or by way of telegraphic transfer or electronic transfer or remittance; and every cheque or warrant or telegraphic transfer or electronic transfer or remittance so sent shall be made payable to the order of the person to whom it is sent. No unpaid dividend or unpaid interest shall bear interest as against the Company. Every such cheque or warrant or telegraphic transfer or electronic transfer or remittance shall be sent at the risk of the person entitled to the money thereby represented.
Article 144 Copy of accounts to be sent to Members	A copy of every balance sheet and profit and loss account which is to be laid before an Annual General Meeting of the Company (including every document required by law to be annexed thereto) together with a copy of every report of the Auditors relating thereto and of the Directors' report shall not less than twenty-one (21) days before the date of the meeting be sent to every Member of, and every holder of debentures of, the Company and to every other person who is entitled to receive notices from the Company under provisions of the Act or of these presents; provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware, but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office. The requisite number of copies of each such document shall at the same time be forwarded to the Exchange.	A copy of every balance sheet and profit and loss account which is to be laid before an Annual General Meeting of the Company (including every document required by law to be annexed thereto) together with a copy of every report of the Auditors relating thereto and of the Directors' report shall not less than twenty-one (21) days before the date of the meeting be sent to every Member of, and every holder of debentures of, the Company and to every other person who is entitled to receive notices from the Company under provisions of the Act or of these presents; provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware, but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office. The requisite number of copies of each such document shall at the same time be forwarded to the Exchange. A copy of each such document may be sent to the Members and debenture holders in printed or in CD-ROM form or such other form of electronic media or any combination thereof.

CORPORATE INFORMATION

Board of Directors

Ooi Boon Leong, *Chairman*
Chan Choung Yau, *Executive Director*
Khet Kok Yin
Dato' Rastam bin Abdul Hadi, P.G.D.K., D.C.S.M., D.P.M.T., K.M.N.

Company Secretary

Leong Park Yip

Auditors

BDO *Chartered Accountants*

Principal Bankers

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

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

Registered Office

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

Principal Place of Business

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

PROFILE OF DIRECTORS

Ooi Boon Leong

Age 73. Malaysian. Independent Non-Executive Director and Chairman. 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 all the four (4) Board Meetings held during the financial year.

Chan Choung Yau

Age 47. Malaysian. Executive Director of Pan Malaysia Holdings Berhad. Was an Alternate Director to Khet Kok Yin from 14 September 2006 to 24 July 2009 before being appointed as Executive Director on 24 July 2009. 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-nine years experience mainly in finance and accounting, audit, corporate secretarial and general 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 Malayan United Industries Berhad, 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. Attended all the two (2) Board Meetings held since his appointment as Executive Director on 24 July 2009.

Khet Kok Yin

Age 63. 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 79. 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.

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 2009. Details of the attendance of the Directors are disclosed on pages 8 to 9 of the Annual Report.

1.2 Board Balance

The Board currently consist of four (4) Directors:-

- One (1) Independent Non-Executive Chairman
- One (1) Executive Director
- One (1) Independent Non-Executive Director
- One (1) Non-Independent Non-Executive Director

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 8 to 9 of the Annual Report.

1.2 Board Balance (Cont'd)

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

Mr Ooi Boon Leong 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 2009 is set out on pages 18 to 20 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	Ooi Boon Leong	- Independent Non-Executive Director
	Datuk Yong Ming Sang (Resigned on 15 April 2010)	- Independent Non-Executive Director

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. An in-house seminar on "Directorship: What To Look Out For" was organized for members of the Board in May 2009. During the year, all the Directors attended training that aid in the discharge of their duties as Directors.

There is a familiarization 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 (Resigned on 15 April 2010)	- 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 2009, the aggregate of remuneration of the Directors received from the Company and its subsidiaries categorized 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	8	–	1	226	235
Non-Executive Directors	–	–	–	15	15

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	–	3
RM200,001 to RM250,000	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 and the Company'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 28 of the Annual Report and the Statement explaining the Directors' responsibility for preparing the annual audited financial statements pursuant to paragraph 15.26(a) of Bursa Securities Listing Requirements is set out on page 15 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 recognizes the costing aspect, whereby the cost of control procedures is not to exceed the expected benefits.

The Board recognizes that risks cannot be fully eliminated. As such, the systems, processes and procedures being put in place are aimed at minimizing 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 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 18 to 20 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 of Directors ("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 recognizes 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 associates, 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 2009, non-audit fees paid to the external auditors amounted to RM18,000 (2008: RM21,000).

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 2009 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* (Resigned on 15 April 2010)	*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 authorized by the Board to investigate any activity within its terms of reference. It is authorized 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 authorized 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 2009, five (5) Audit Committee Meetings were held. Mr Khet Kok Yin and Mr Ooi Boon Leong attended all the five (5) meetings of the Audit Committee.

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 2009

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 2010. 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 by the Internal Audit Department of Malayan United Management Sdn Bhd, a company under the MUI Group of companies, 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.

The cost incurred for the internal audit function for the financial year ended 31 December 2009 is RM51,000.

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 2009.

ECONOMIC REVIEW

The Malaysian economy in 2009 was adversely affected by the global recession, causing a sharp decline in the country's exports and dampening its domestic demand. Real Gross Domestic Product (GDP) of Malaysia contracted for the first three quarters in 2009. Stabilization of global economy from the third quarter of the year and various fiscal stimulus measures together with higher public spending under the Ninth Malaysia Plan eventually led a turnaround of the country's economy in the final quarter of the year. Overall, the country's real GDP contracted by 1.7% in 2009.

Malaysia recorded a surplus in overall balance of payments of RM13.8 billion in 2009 and the international reserves of Bank Negara Malaysia stood at RM331.3 billion (US$96.7 billion) as at 31 December 2009. Both remain healthy.

Bursa Securities entered 2009 on a bearish note as global economic outlook remained depressed and uncertain at the beginning of the year. In order to cushion the effects of a sharp decline in external demand, the Malaysian Government unveiled two stimulus packages worth a total of RM67 billion. In addition, Bank Negara Malaysia cut the Overnight Policy Rate three times to 2.0% to inject liquidity into the banking system. These measures improved market sentiments and investors' confidence, lifting the equity market in April 2009.

In addition, announcements by the government on liberalization of 27 services sub-sectors and the financial sector, the unified board and deregulation of the Foreign Investment Committee guidelines further added optimism to the local market. Consequently, the FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBMKLCI) surged 336.51 points or 40.1% from the low in March 2009 to 1,174.90 points at the end of July. Subsequently, the FBMKLCI continued its steady ascent in the final five months of 2009 to close higher at 1,272.78 on 31 December 2009, representing an annual gain of 45.2%.

RECLASSIFICATION OF SECTOR

With effect from 1 March 2010, Pan Malaysia Holdings Berhad's shares were reclassified from the "Finance" sector to the "Hotels" sector by Bursa Malaysia Securities Berhad. The reclassification was to better reflect the Company's main business activity.

FINANCIAL HIGHLIGHTS AND REVIEW OF OPERATIONS

For the year ended 31 December 2009, the Group recorded a revenue of RM18.3 million compared with RM22.1 million for the previous year.

The decline in revenue was mainly due to the lower contribution from the Group's travel operations.

However, the Group posted a net profit for the year of RM5.9 million in 2009 compared with a loss of RM2.9 million in the previous year. The improvement was largely due to an exceptional gain of RM8.9 million from the disposal of an investment property. During the year, the Group was able to lower its interest expenses by scaling down its bank borrowings.

The hotel industry experienced a difficult year due to cutbacks in spending by both the Government and the private sectors in response to the steep contraction in global economy. The industry's problems were further compounded by the outbreak of Influenza A (H1N1) pandemic during the year.

Despite a downturn in the hotel industry, Corus Paradise Resort Port Dickson performed well, achieving about 5.2% growth in revenue. For the year under review, it posted a net profit of RM1.3 million compared with RM0.5 million in the previous year.

Like the hotel industry, the tourism industry was also adversely affected by the global economic downturn and the pandemic.

As a result, the Group's subsidiary, Pan Malaysia Travel & Tours Sdn Bhd, a full-fledged licensed travel agency, saw its revenue plunge by 36.7%. The decline in its revenue was evenly seen in its ticketing, inbound and outbound tours. However, due to improvement in margins and stringent cost controls, the company turned around with a small profit for the year compared to a loss in 2008.

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 is engaged in stock-broking activities and provides corporate advisory services as well. Through a network of nine offices located in Kuala Lumpur, Seremban, Puchong, Penang, Johor Bahru, Melaka, Klang, Batu Pahat and an Electronic Access Facility in Jelebu, PM Securities has a wide market reach in the country. It also offers on-line trading access for clients.

The performance of PM Securities for the financial year was adversely affected by the turmoil of the equity market in the first half of the year as well as by higher operating costs of the company. A strong recovery in the second half year enabled the company to post a slight increase in its revenue to RM26.1 million for the year compared with RM25.5 million in 2008. Net brokerage income improved to RM13.1 million from RM11.9 million.

PM Securities has successfully expanded its trading capabilities to make available trading in foreign markets as an additional product offering. This provides a new revenue stream for the company.

Following a company-wide review of its business, PM Securities undertook a reorganization of its operations, resulting in the right-sizing of branches and bringing a better focus to its earnings base. As a result, the company is now well positioned to capitalize on new opportunities amidst a challenging business environment.

CORPORATE SOCIAL RESPONSIBILITY

The Group recognizes 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 organization has a duty to act responsibly for the good of its employees, the community in which it operates and the society at large. The underlying concepts and principles of corporate social responsibility have already become part of the Group's business practices.

Through its hotel subsidiary, the Group has participated in community efforts for the betterment of the underprivileged and the less fortunate members of the community.

OUTLOOK FOR 2010

The Malaysian economy is projected to grow by between 4.5% and 5.5% in 2010. The economic growth will be driven by strengthening domestic demand and favourable external environment. The Group will focus on its business strategies to meet the necessary challenges so as to ride on the expected economic improvement.

DIRECTORATE

Datuk Yong Ming Sang resigned as Chairman and director of the Company on 15 April 2010. Dato' Choong Kok Min resigned as a non-independent non-executive director of the Company with effect from 22 February 2010. The Board would like to thank Datuk Yong and Dato' Choong for their contributions to the Group and take this opportunity to extend its best wishes to them.

Mr Chan Choung Yau was appointed Executive Director of the Company on 24 July 2009. The Board looks forward to his active contribution to the development of the Group.

I am honoured to take over as the Chairman of the Company on 13 May 2010 and wish to thank my fellow Directors for their confidence in me.

ACKNOWLEDGEMENTS

I would like to express my sincere appreciation to the Management and staff of the Group for their dedication, hard work and commitment. To our valued customers, business associates, bankers and shareholders, I wish to offer my gratitude for their continuing support and confidence. I would also like to extend my appreciation and gratitude to my fellow Board members for their wise counsel and contributions.

Ooi Boon Leong
Chairman

15 May 2010

DIRECTORS' REPORT

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

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 except for the property holding activity which is no longer a significant activity of the Group as a result of the disposal of the investment property as disclosed in Note 39 to the financial statements.

Results

	Group RM'000	*Company RM'000*
Loss for the financial year from continuing operations	(3,321)	(2,243)
Profit for the financial year from discontinued operation	9,231	9,259
Profit for the financial year	5,910	7,016
Attributable to:		
Equity holders of the Company	5,908	7,016
Minority interest	2	-
	5,910	7,016

Dividend

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend any payment of dividend in respect of the financial year ended 31 December 2009.

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:

Datuk Yong Ming Sang, Chairman	*(appointed as Chairman on 28 April 2009 and resigned as Chairman and Director on 15 April 2010)*
Chan Choung Yau, Executive Director	*(appointed as Executive Director on 24 July 2009 and resigned as Alternate Director to Khet Kok Yin on the same date)*
Khet Kok Yin	
Dato' Rastam bin Abdul Hadi	
Ooi Boon Leong	
Dato' Choong Kok Min	*(resigned on 22 February 2010)*

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 1.1.2009	***Bought***	***Sold***	***Balance as at 31.12.2009***
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 1.1.2009	***Bought***	***Sold***	***Balance as at 31.12.2009***
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	-	3,600	546,040

Ordinary shares of RM0.20 each in MUI Properties Berhad	***Number of shares***			
	Balance as at 1.1.2009	***Bought***	***Sold***	***Balance as at 31.12.2009***
Dato' Choong Kok Min				
Direct	5,000	-	-	5,000

Class A1 ICULS* in Malayan United Industries Berhad	***Nominal value (RM)***			
	Balance as at 1.1.2009	***Bought***	***Sold***	***Balance as at 31.12.2009***
Dato' Choong Kok Min				
Direct	3,470	-	-	3,470

DIRECTORS' REPORT (Cont'd)

Directors' Interests (Cont'd)

Class A2 ICULS in Malayan United Industries Berhad*	*Nominal value (RM)*			
	Balance as at 1.1.2009	***Bought***	***Sold***	***Balance as at 31.12.2009***
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

(I) As at the end of the financial year

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

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

(ii) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

(b) In the opinion of the Directors, 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.

(II) From the end of the financial year to the date of this report

(c) The Directors are not aware of any circumstances:

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

(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 method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) In the opinion of the Directors:

(i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and

(ii) 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 substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(III) As at the date of this report

(e) 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.

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

(g) 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.

Ultimate Holding Company

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

Auditors

The auditors, BDO, 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 in accordance with a resolution by the Directors

Ooi Boon Leong
Director

Chan Choung Yau
Director

27 April 2010

STATEMENT BY DIRECTORS

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

We, Ooi Boon Leong and Chan Choung Yau, being two of the Directors of Pan Malaysia Holdings Berhad, state that in the opinion of the Directors, the financial statements set out on pages 31to 81 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 2009 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.

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

Ooi Boon Leong
Director

Chan Choung Yau
Director

27 April 2010

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 31 to 81 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 Lai Chee Leong at Kuala Lumpur in the Federal Territory on 27 April 2010.

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 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 31 to 81.

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 2009 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 38 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
AF : 0206
Chartered Accountants

Lim Seng Siew
2894/08/11 (J)
Chartered Accountant

Kuala Lumpur
27 April 2009

BALANCE SHEETS

As at 31 December 2009

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	7	**23,675**	24,941	**3**	421
Prepaid lease payments for land	8	**5,627**	5,699	**-**	-
Investments in subsidiaries	9	**-**	-	**649**	649
Investments in associates	10	**50,994**	53,355	**53,972**	53,972
Long term investments	11	**702**	770	**616**	684
		80,998	84,765	**55,240**	55,726
Current assets					
Inventories	12	**257**	390	**-**	-
Trade and other receivables	13	**2,060**	2,683	**18**	195
Amounts owing by subsidiaries	14	**-**	-	**16,630**	16,964
Amounts owing by associates	15	**55,772**	55,673	**55,772**	55,673
Amounts owing by related companies	16	**1,110**	775	**-**	36
Current tax asset		**13**	12	**-**	-
Term and call deposits	17	**1,786**	1,824	**-**	-
Cash and bank balances		**2,292**	465	**135**	35
		63,290	61,822	**72,555**	72,903
Non-current asset held for sale	18	**-**	30,068	**-**	30,068
TOTAL ASSETS		**144,288**	176,655	**127,795**	158,697
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	19	**92,887**	92,887	**92,887**	92,887
Reserves	20	**11,574**	5,666	**15,166**	8,150
		104,461	98,553	**108,053**	101,037
Minority interest		**165**	163	**-**	-
TOTAL EQUITY		**104,626**	98,716	**108,053**	101,037

BALANCE SHEETS (Cont'd)

As at 31 December 2009

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
LIABILITIES					
Non-current liabilities					
Borrowings	21	**28,105**	16,050	**11,820**	15,820
Deferred tax liabilities	24	**1,238**	1,238	**-**	-
		29,343	17,288	**11,820**	15,820
Current liabilities					
Trade and other payables	25	**4,128**	4,412	**1,633**	1,769
Provision	26	**-**	-	**-**	35,190
Amounts owing to subsidiaries	14	**-**	-	**2,012**	2,021
Amount owing to associates	15	**1,015**	1,496	**72**	554
Amounts owing to related companies	16	**29**	314	**6**	164
Amount owing to ultimate holding company	27	**199**	142	**199**	142
Borrowings	21	**4,946**	54,287	**4,000**	2,000
Current tax payable		**2**	-	**-**	-
		10,319	60,651	**7,922**	41,840
TOTAL LIABILITIES		**39,662**	77,939	**19,742**	57,660
TOTAL EQUITY AND LIABILITIES		**144,288**	176,655	**127,795**	158,697

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

INCOME STATEMENTS

For the financial year ended 31 December 2009

	Note	Group		Company	
		2009	2008	**2009**	2008
		RM'000	RM'000	**RM'000**	RM'000
Continuing operations					
Revenue	28	**18,252**	22,075	**44**	38
Cost of services		**(10,141)**	(14,115)	**-**	-
Gross profit		**8,111**	7,960	**44**	38
Other income		**633**	592	**403**	5,352
Administrative expenses		**(2,641)**	(3,579)	**(606)**	(1,269)
Other expenses		**(4,125)**	(4,529)	**(816)**	(3,550)
Finance costs		**(2,936)**	(5,936)	**(1,268)**	(1,462)
Share of loss after tax of associates		**(2,361)**	(1,738)	**-**	-
Loss before tax	29	**(3,319)**	(7,230)	**(2,243)**	(891)
Tax expense	30	**(2)**	(4)	**-**	-
Loss for the financial year from continuing operations		**(3,321)**	(7,234)	**(2,243)**	(891)
Discontinued operation					
Profit for the financial year from discontinued operation	31	**9,231**	4,316	**9,259**	4,574
Profit/(Loss) for the financial year		**5,910**	(2,918)	**7,016**	3,683
Attributable to:					
Equity holders of the Company		**5,908**	(2,786)	**7,016**	3,683
Minority interest		**2**	(132)	**-**	-
		5,910	(2,918)	**7,016**	3,683
Basic earnings/(loss) per ordinary share attributable to equity holders of the Company					
		Sen	*Sen*		
- from continuing operations		**(0.35)**	(0.76)		
- from discontinued operation		**0.99**	0.46		
	32	**0.64**	(0.30)		

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2009

	<----- *Attributable to equity holders of the Company*				---->		
	Share capital 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 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)
Total recognised income and expense for the financial year	-	(943)	14	(2,786)	(3,715)	(132)	(3,847)
Balance as at 31 December 2008/ 1 January 2009	92,887	4,713	(12,397)	13,350	98,553	163	98,716
Profit for the financial year, representing total recognised income and expense for the financial year	**-**	**-**	**-**	**5,908**	**5,908**	**2**	**5,910**
Balance as at 31 December 2009	**92,887**	**4,713**	**(12,397)**	**19,258**	**104,461**	**165**	**104,626**

	Share capital RM'000	*Retained earnings RM'000*	*Total RM'000*
Company			
Balance as at 31 December 2007	92,887	4,467	97,354
Profit for the financial year, representing total recognised income and expense for the financial year	-	3,683	3,683
Balance as at 31 December 2008/1 January 2009	92,887	8,150	101,037
Profit for the financial year, representing total recognised income and expense for the financial year	**-**	**7,016**	**7,016**
Balance as at 31 December 2009	**92,887**	**15,166**	**108,053**

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

CASH FLOW STATEMENTS

For the financial year ended 31 December 2009

	Note	Group		Company	
		2009	2008	**2009**	2008
		RM'000	RM'000	**RM'000**	RM'000
Cash Flows From Operating Activities					
Profit/(Loss) before tax					
- Continuing operations		**(3,319)**	(7,230)	**(2,243)**	(891)
- Discontinued operation		**9,231**	4,316	**9,259**	4,574
		5,912	(2,914)	**7,016**	3,683
Adjustments for:					
Allowance for doubtful debts		**72**	339	**35,559**	3,182
Allowance for doubtful debts no longer required		**(263)**	-	**(368)**	(5,350)
Allowance for diminution in value of long term investments		**-**	101	**-**	101
Amortisation of prepaid lease payments for land	8	**72**	72	**-**	-
Bad debts written off		**9**	-	**-**	-
Depreciation of property, plant and equipment	7	**1,144**	1,151	**2**	66
Gain on disposal of short term investments		**-**	(2)	**-**	(2)
Gain on disposal of property, plant and equipment		**(39)**	-	**(39)**	-
Gain on disposal of non-current asset held for sale		**(8,932)**	-	**(8,932)**	-
Impairment losses on investments in subsidiaries		**-**	-	**-**	268
Interest expense		**2,936**	5,936	**1,268**	1,462
Interest income		**(78)**	(81)	**(20)**	(14)
Inventories written off		**4**	362	**-**	-
Loss on disposal of long term investment		**28**	-	**28**	-
Provision for retirement gratuity		**-**	7	**-**	7
Provision for retirement gratuity no longer required		**(191)**	-	**(90)**	-
Provision for corporate guarantee no longer required		**-**	-	**(35,190)**	-
Property, plant and equipment written off		**438**	-	**416**	-
Reversal of impairment loss of investment property	31	**-**	(1,692)	**-**	(1,692)
Share of results in associates		**2,361**	1,738	**-**	-
Unrealised gain on foreign exchange		**(15)**	(25)	**-**	-
Operating profit/(loss) before changes in working capital		**3,458**	4,992	**(350)**	1,711
Changes in working capital:					
Inventories		**129**	(138)	**-**	-
Trade and other receivables		**579**	1,459	**177**	(28)
Trade and other payables		**(93)**	(323)	**(46)**	(191)
Amounts owing by related companies		**(94)**	(216)	**268**	44
Cash generated from operations		**3,979**	5,774	**49**	1,536
Interest paid		**-**	(34)	**-**	-
Interest received		**18**	2	**20**	14
Tax paid		**(1)**	(17)	**-**	-
Net cash from operating activities		**3,996**	5,725	**69**	1,550

CASH FLOW STATEMENTS (Cont'd)

For the financial year ended 31 December 2009

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Cash Flows From Investing Activities					
Interest received		**60**	79	**-**	-
Proceeds from disposal of property, plant and equipment		**39**	-	**39**	-
Proceeds from disposal of short term investments		**-**	4	**-**	4
Proceeds from disposal of long term investments		**40**	-	**40**	-
Proceeds from disposal of non-current asset held for sale		**39,000**	-	**39,000**	-
Purchase of property, plant and equipment	7	**(316)**	(1,067)	**-**	(36)
Net advances to subsidiaries		**-**	-	**(35,098)**	(846)
Placement of deposits pledged with licensed banks		**(21)**	(20)	**-**	-
Net cash from/(used in) investing activities		**38,802**	(1,004)	**3,981**	(878)
Cash Flows From Financing Activities					
Interest paid		**(2,936)**	(5,902)	**(1,268)**	(1,462)
Repayments to hire-purchase creditors		**(98)**	(91)	**-**	-
Repayments of term loans		**(37,188)**	-	**(2,000)**	
(Repayments to)/Advances from associates		**(580)**	639	**(581)**	640
Advances from ultimate holding company		**57**	71	**57**	71
(Repayments to)/Advances from related companies		**(285)**	24	**(158)**	9
Net cash used in financing activities		**(41,030)**	(5,259)	**(3,950)**	(742)
Net increase/(decrease) in cash and cash equivalents		**1,768**	(538)	**100**	(70)
Cash and cash equivalents at beginning of financial year		**1,653**	2,191	**35**	105
Cash and cash equivalents at end of financial year	34	**3,421**	1,653	**135**	35

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2009

1. Corporate Information

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market 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 Market 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 by the Board of Directors in accordance with a resolution of the Directors on 27 April 2010.

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 except for the property holding activity which is no longer a significant activity of the Group as a result of the disposal of the investment property as disclosed in Note 39 to the financial statements.

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 of 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 acquired, liabilities assumed 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 interest are treated as transactions with parties external to the Group. Disposals to minority interest result in gains and losses for the Group that is recorded in profit or loss. Purchases from minority interest 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 except for freehold land and construction-in-progress 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 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 profit or loss 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 profit or loss 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 or 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 and the Company has such power over another entity.

4. Significant Accounting Policies (Cont'd)

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 profit or loss.

(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 profit or loss.

(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 profit or loss.

4.7 Impairment of 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 profit or loss 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 profit or loss 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 profit or loss.

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 assets** (Cont'd)

Such reversals are recognised as income immediately in profit or loss 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. The cost of inventories comprises 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 sheets 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 profit or loss. 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

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 costs. 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 equity. Otherwise, they are charged to profit or loss.

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 taxes 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 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 subsidiaries 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 employee 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 and the Company.

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 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 profit or loss 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. Sale 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) Others

Other revenue is recognised on an accrual basis.

4.17 Non-current assets 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 groups) 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.

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 sheets 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.

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

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

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

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. New/Revised FRSs, Amendment To FRSs And IC Interpretations Issued But Not Yet Effective

At the date of authorisation of the financial statements, the following new/revised FRSs, Amendments to FRSs and IC Interpretations were issued but not yet effective and have not been applied by the Group:

New/Revised FRSs, Amendments to FRSs and IC Interpretations		Effective for financial periods beginning on or after
FRS 8	*Operating Segments*	1 July 2009
FRS 4	*Insurance Contracts*	1 January 2010
FRS 7	*Financial Instruments: Disclosures*	1 January 2010
FRS 101	*Presentation of Financial Statements (revised)*	1 January 2010
FRS 123	*Borrowing Costs (revised)*	1 January 2010
FRS 139	*Financial Instruments: Recognition and Measurement*	1 January 2010
Amendments to FRS 1	*First-time Adoption of Financial Reporting Standards: Cost of an investment in a subsidiary, jointly controlled entity or associate*	1 January 2010
Amendments to FRS 2	*Share-based Payment: Vesting Conditions and Cancellations*	1 January 2010
Amendments to FRS 7	*Financial Instruments: Disclosures: Reclassification of financial assets and reclassification of financial assets - effective date and transition*	1 January 2010
Amendments to FRS 127	*Consolidated and Separate Financial Statements: Cost of an investment in a subsidiary, jointly controlled entity or associate*	1 January 2010
Amendments to FRS 139	*Financial Instruments: Recognition and Measurement: Eligible hedged items, reclassification of financial assets, reclassification of financial assets - effective date and transition and embedded derivatives*	1 January 2010
Amendments to FRS 132	*Financial Instruments: Presentation: Puttable financial instruments and obligations arising on liquidation and transitional provision relating to compound financial instruments*	1 January 2010
IC Interpretation 9	*Reassessment of Embedded Derivatives*	1 January 2010
IC Interpretation 10	*Interim Financial Reporting and Impairment*	1 January 2010
IC Interpretation 11	*FRS 2 - Group and Treasury Share Transactions*	1 January 2010
IC Interpretation 13	*Customer Loyalty Programmes*	1 January 2010
IC Interpretation 14	*FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*	1 January 2010
Amendments to IC Interpretation 9	*Reassessment of Embedded Derivatives: Embedded derivatives*	1 January 2010
Amendments to FRS 5	*Non-current Assets Held for Sale and Discontinued Operations*	1 January 2010
Amendments to FRS 8	*Operating Segments*	1 January 2010
Amendments to FRS 107	*Statement of Cash Flows*	1 January 2010
Amendments to FRS 108	*Accounting Policies, Changes in Accounting Estimates and Errors*	1 January 2010
Amendments to FRS 110	*Events after the Reporting Period*	1 January 2010
Amendments to FRS 116	*Property, Plant and Equipment*	1 January 2010
Amendments to FRS 117	*Leases*	1 January 2010
Amendments to FRS 118	*Revenue*	1 January 2010

5. New/Revised FRSs, Amendment To FRSs And IC Interpretations Issued But Not Yet Effective (Cont'd)

New/Revised FRSs, Amendments to FRSs and IC Interpretations		Effective for financial periods beginning on or after
Amendments to FRS 119	*Employee Benefits*	1 January 2010
Amendments to FRS 120	*Accounting for Government Grants and Disclosure of Government Assistance*	1 January 2010
Amendments to FRS 123	*Borrowing Costs*	1 January 2010
Amendments to FRS 127	*Consolidated and Separate Financial Statements*	1 January 2010
Amendments to FRS 128	*Investments in Associates*	1 January 2010
Amendments to FRS 129	*Financial Reporting in Hyperinflationary Economies*	1 January 2010
Amendments to FRS 131	*Interests in Joint Ventures*	1 January 2010
Amendments to FRS 134	*Interim Financial Reporting*	1 January 2010
Amendments to FRS 136	*Impairment of Assets*	1 January 2010
Amendments to FRS 138	*Intangible Assets*	1 January 2010
Amendments to FRS 140	*Investment Properties*	1 January 2010
FRS 1	*First-time Adoption of Financial Reporting Standards (revised)*	1 July 2010
FRS 3	*Business Combinations (revised)*	1 July 2010
FRS 127	*Consolidated and Separate Financial Statements (revised)*	1 July 2010
Amendments to FRS 2	*Share-based Payment*	1 July 2010
Amendments to FRS 5	*Non-current Assets Held for Sale and Discontinued Operations*	1 July 2010
Amendments to FRS 138	*Intangible Assets*	1 July 2010
IC Interpretation 12	*Service Concession Arrangements*	1 July 2010
IC Interpretation 15	*Agreements for the Construction of Real Estate*	1 July 2010
IC Interpretation 16	*Hedges of a Net Investment in a Foreign Operation*	1 July 2010
IC Interpretation 17	*Distributions of Non-cash Assets to Owners*	1 July 2010
Amendments to IC Interpretation 9	*Reassessment of Embedded Derivatives*	1 July 2010
Amendments to FRS 132	*Financial Instruments: Presentation: Classification of rights issue*	1 March 2010
Amendments to FRS 7	*Improving Disclosures about Financial Instruments*	1 January 2011
Amendments to FRS 1	*First-time Adoption of Financial Reporting Standards: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters*	1 January 2011

The Group does not expect any significant impact on the consolidated financial statements arising from the adoption of the above new/revised FRSs, Amendments to FRSs and IC Interpretations except for FRS 7, FRS 8, Amendments to FRS 8, FRS 101, Amendments to FRS 117, FRS 127 and FRS 139.

By virtue of the exemptions provided under paragraphs 103AB of FRS 139 and 44AB of FRS 7, the impact on the consolidated financial statements upon first adoption of FRS 139 and FRS 7 respectively as required by paragraph 30(b) of FRS 108 is not disclosed.

The adoption of FRS 8 *Operating Segments* and Amendment to FRS 8 will have the following impact on the consolidated financial statements:

- 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.

- This 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.

- Amendments to FRS 8 clarify the consistency of disclosure requirement for information about profit or loss, assets and liabilities.

The adoption of revised FRS 101 *Presentation of Financial Statements* will have the following impact on the consolidated financial statements:

- This Standard introduces the titles "statement of financial position" and "statement of cash flows" to replace the current titles "balance sheet" and "cash flow statement" respectively. A new statement known as the "statement of comprehensive income" is also introduced in this Standard whereby all non-owner changes in equity are required to be presented in either one statement of comprehensive income or in two statements (i.e. a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity.

- This Standard also introduces a new requirement to present a statement of financial position as at the beginning of the earliest comparative period if there are applications of retrospective restatements that are defined in FRS 108, or when there are reclassifications of items in the financial statements.

- Additionally, FRS 101 require the disclosure of reclassification adjustments and income tax relating to each component of other comprehensive income, and the presentation of dividends recognised as distributions to owners together with the related amounts per share in the statement of changes in equity or in the notes to the financial statements.

- This Standard introduces a new requirement to disclose information on the objective, policies and processes for managing capital based on information provided internally to key management personnel as defined in FRS 124 *Related Party Disclosures*. Additional disclosures are also required for puttable financial instruments classified as equity instruments.

Amendments to FRS 117 *Leases* remove the classification of leases of land and of buildings, and instead, require assessment of classification based on the risks and rewards of the lease itself. The reassessment of land elements of unexpired leases shall be made retrospectively in accordance with FRS 108. As at the reporting date, the Group has carrying amount of prepaid lease payments for land of RM5,627,000 (see Note 8 to the financial statements). The Group expects to reclassify the prepaid lease payments for land as land held in accordance with FRS 116 upon adoption of these amendments and shall present a statement of financial position as at the beginning of the earliest comparative period in accordance with FRS 101.

5. New/Revised FRSs, Amendment To FRSs And IC Interpretations Issued But Not Yet Effective (Cont'd)

The adoption of revised FRS 127 *Consolidated and Separate Financial Statements* will have the following impact on the consolidated financial statements:

- This Standard supersedes the existing FRS 127 and replaces the current term "minority interest" with a new term "non-controlling interest" which is defined as the equity in a subsidiary that is not attributable, directly or indirectly, to a parent. Accordingly, total comprehensive income shall be attributed to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

- Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. If the Group loses control of a subsidiary, any gains or losses are recognised in profit or loss and any investment retained in the former subsidiary shall be measured at its fair value at the date when control is lost.

- As at the reporting date, the Group reports minority interest of RM165,000. The Group expects to reclassify this as non-controlling interest and remeasure the non-controlling interest prospectively in accordance with the transitional provisions of FRS 127.

6. Significant Accounting Estimates And Judgements

6.1 Critical judgements made in applying accounting policies

There are no critical judgements made by the management in the process of applying the Group's accounting policies that have a significant effect on the amounts recognised in the financial statements, apart from those involving estimates.

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 Group makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses historical bad debts, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of allowance for doubtful debts. Where expectations differ from the original estimates, the differences will impact the carrying amount of receivables.

(b) Useful lives of property, plant and equipment

The Group 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 theses 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 the 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.

(e) Allowance for diminution in value of investments

The Group makes allowance for diminution in value of investments based on an assessment of whether there is a decline in the value of such investments that is other than temporary. The assessment involves judgement and is made based on amongst others, historical performance of the investments and current market conditions that may have an impact on the market value of the investments and the amount of allowance made.

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 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/ 1 January 2009	180	33,740	5,724	8,236	1,803	988	1,154	504	52,329
Reclassification	-	**504**	-	-	-	-	-	**(504)**	-
Additions	-	**107**	**173**	-	-	**36**	-	-	**316**
Disposal	-	-	-	-	**(178)**	-	-	-	**(178)**
Written off	-	-	**(1,735)**	**(6,452)**	-	-	**(622)**	-	**(8,809)**
Balance as at 31 December 2009	**180**	**34,351**	**4,162**	**1,784**	**1,625**	**1,024**	**532**	**-**	**43,658**
Accumulated depreciation									
Balance as at 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/ 1 January 2009	-	8,914	4,981	8,120	1,561	593	593	-	24,762
Charge for the financial year	-	**708**	**144**	**47**	**116**	**99**	**30**	-	**1,144**
Disposal	-	-	-	-	**(178)**	-	-	-	**(178)**
Written off	-	-	**(1,720)**	**(6,447)**	-	-	**(204)**	-	**(8,371)**
Balance as at 31 December 2009	**-**	**9,622**	**3,405**	**1,720**	**1,499**	**692**	**419**	**-**	**17,357**
Impairment losses									
Balance as at 1 January 2008/ 31 December 2008/ 31 December 2009	-	2,626	-	-	-	-	-	-	2,626
Net book value									
Balance as at 1 January 2008	180	22,900	315	164	359	493	614	-	25,025
Balance as at 31 December 2008/ 1 January 2009	180	22,200	743	116	242	395	561	504	24,941
Balance as at 31 December 2009	**180**	**22,103**	**757**	**64**	**126**	**332**	**113**	**-**	**23,675**

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 2008	1,996	6,571	1,059	517	10,143
Additions	3	-	-	33	36
Balance as at 31 December 2008/ 1 January 2009	1,999	6,571	1,059	550	10,179
Disposal	**-**	**-**	**(178)**	**-**	**(178)**
Written off	**(1,735)**	**(6,452)**	**-**	**(550)**	**(8,737)**
Balance as at 31 December 2009	**264**	**119**	**881**	**-**	**1,264**
Accumulated depreciation					
Balance as at 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 January 2009	1,979	6,566	1,059	154	9,758
Charge for the financial year	**2**	**-**	**-**	**-**	**2**
Disposal	**-**	**-**	**(178)**	**-**	**(178)**
Written off	**(1,720)**	**(6,447)**	**-**	**(154)**	**(8,321)**
Balance as at 31 December 2009	**261**	**119**	**881**	**-**	**1,261**
Net book value					
Balance as at 1 January 2008	22	8	-	421	451
Balance as at 31 December 2008/ 1 January 2009	20	5	-	396	421
Balance as at 31 December 2009	**3**	**-**	**-**	**-**	**3**

(a) Title deed for the freehold land of a subsidiary is pending issuance by the land office.

(b) The property, plant and equipment of the Group with net book value of RM22,283,000 (2008: RM22,380,000) have been pledged to financial institutions for banking facilities (Note 23).

(c) The net book value of property, plant and equipment of the Group acquired under hire-purchase arrangements amounted to RM126,000 (2008: RM242,000).

8. Prepaid Lease Payments For Land

	Long term leasehold land	
	2009	*2008*
	RM'000	*RM'000*
Group		
Cost		
Balance as at 1 January/31 December	**6,617**	6,617
Accumulated depreciation		
Balance as at 1 January	**918**	846
Charge for the financial year	**72**	72
Balance as at 31 December	**990**	918
Carrying amount		
Balance as at 31 December	**5,627**	5,699

The prepaid lease payments for land of the Group have been pledged to a financial institution for banking facility granted to a subsidiary (Note 23).

9. Investments In Subsidiaries

	Company	
	2009	*2008*
	RM'000	*RM'000*
Unquoted equity shares, at cost	**8,933**	8,933
Less: Impairment losses	**(8,284)**	(8,284)
	649	649

The details of the subsidiaries are listed in Note 38 to the financial statements.

The consolidated financial statements of the Group do not deal with subsidiaries and associates as listed in Note 38 (c) and (d). These are companies under liquidation or subsidiaries of the companies under liquidation.

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

10. Investments In Associates

	Group		Company	
	2009	2008	**2009**	2008
	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	**(3,074)**	(713)	**-**	-
	293,598	295,959	**296,672**	296,672
Less: Impairment losses	**(242,604)**	(242,604)	**(242,700)**	(242,700)
	50,994	53,355	**53,972**	53,972
Market value of quoted shares	**44,030**	21,507	**44,030**	21,507

The details of the associates are listed in Note 38 to the financial statements.

The summarised financial information of the associates are as follows:

	2009	2008
	RM'000	RM'000
Assets and liabilities		
Current assets	**258,365**	208,985
Non-current assets	**173,272**	172,266
Total assets	**431,637**	381,251
Current liabilities	**230,880**	173,718
Non-current liabilities	**54,390**	54,390
Total liabilities	**285,270**	228,108
Results		
Revenue	**26,684**	25,941
Loss for the financial year	**6,776**	5,003

Quoted investment in an associate held by the Group and the Company with a carrying amount of RM49,384,000 (2008: RM51,671,000) has been pledged to a financial institution for banking facilities granted to the Company (Note 23).

11. Long Term Investments

	Group		Company	
	2009	2008	**2009**	2008
	RM'000	RM'000	**RM'000**	RM'000
Quoted equity shares, at cost	**18,050**	18,050	**18,050**	18,050
Less: Allowance for diminution in value	**(17,738)**	(17,738)	**(17,738)**	(17,738)
	312	312	**312**	312
Club memberships, at cost	**419**	487	**333**	401
Less: Allowance for diminution in value	**(29)**	(29)	**(29)**	(29)
	390	458	**304**	372
	702	770	**616**	684
Market value of quoted shares	**394**	312	**394**	312

In the previous financial year, quoted shares at cost of the Group and of the Company amounting to RM26,362,000 had been written off against allowance for diminution in value.

12. Inventories

	Group	
	2009	2008
	RM'000	RM'000
At cost		
Consumables, food and beverages	**257**	390

The cost of inventories recognised as expenses and included in the cost of services of the Group amounted to RM1,825,000 (2008: RM1,578,000).

13. Trade And Other Receivables

	Group		Company	
	2009	2008	**2009**	2008
	RM'000	RM'000	**RM'000**	RM'000
Trade receivables	**1,858**	2,316	**-**	70
Less: Allowance for doubtful debts	**(392)**	(382)	**-**	(40)
	1,466	1,934	**-**	30
Other receivables	**1,900**	1,932	**1**	1
Less: Allowance for doubtful debts	**(1,719)**	(1,719)	**-**	-
	181	213	**1**	1
Deposits	**429**	552	**96**	222
Less: Allowance for doubtful debts	**(79)**	(79)	**(79)**	(79)
	350	473	**17**	143
Prepayments	**63**	63	**-**	21
	2,060	2,683	**18**	195

The credit terms offered by the Group and by the Company in respect of trade receivables range from cash term to 45 days (2008: cash term to 45 days) from date of invoice.

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

	Group	
	2009	2008
	RM'000	RM'000
Hong Kong Dollar	**370**	262
United States Dollar	**63**	96

Included in trade receivables of the Group is an amount owing by related parties of RM423,000 (2008: RM612,000), which is unsecured, interest-free and receivable upon demand.

During the financial year, trade receivables of the Group and of the Company amounting to RM40,000 (2008: RM2,619,000) have been written off against allowance for doubtful debts.

14. Amounts Owing By/(To) Subsidiaries

	Company	
	2009	2008
	RM'000	RM'000
Amounts owing by subsidiaries	**358,444**	323,355
Less: Allowance for doubtful debts	**(341,814)**	(306,391)
	16,630	16,964
Amounts owing to subsidiaries	**2,012**	2,021

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 in the previous financial year which bore interest at 9% per annum.

In the previous financial year, amount owing by subsidiaries amounting to RM70,387,000 had been written off against allowance for doubtful debts.

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

15. Amounts Owing By/(To) Associates

	Group		Company	
	2009	2008	**2009**	2008
	RM'000	RM'000	**RM'000**	RM'000
Amounts owing by associates	**55,799**	55,700	**55,799**	55,700
Less: Allowance for doubtful debts	**(27)**	(27)	**(27)**	(27)
	55,772	55,673	**55,772**	55,673
Amounts owing to associates	**1,015**	1,496	**72**	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.

16. Amounts Owing By/(To) Related Companies

	Group		Company	
	2009	2008	**2009**	2008
	RM'000	RM'000	**RM'000**	RM'000
Amounts owing by related companies	**2,121**	2,027	**604**	872
Less: Allowance for doubtful debts	**(1,011)**	(1,252)	**(604)**	(836)
	1,110	775	**-**	36
Amounts owing to related companies	**29**	314	**6**	164

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 in the previous financial year which bore interest at 5% per annum.

17. Term And Call Deposits

	Group	
	2009	2008
	RM'000	RM'000
Term and call deposits with licensed banks	**1,786**	1,824

Deposits with licensed banks of the Group totalling RM657,000 (2008: RM636,000) have been pledged to secure banking facilities (Note 23).

18. 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 39 to the financial statements. The carrying amount and fair value of the non-current asset held for sale are as follows:

	Group and Company	
	2009	2008
	RM'000	RM'000
Investment property:		
Carrying amount	**-**	30,068
Fair value	**-**	39,000

In the previous 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.

19. Share Capital

	Group and Company			
	2009		2008	
	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

20. Reserves

	Group		Company	
	2009 RM'000	*2008 RM'000*	***2009 RM'000***	*2008 RM'000*
Non-distributable:				
Exchange translation reserve	**(12,397)**	(12,397)	**-**	-
Capital reserve	**4,713**	4,713	**-**	-
Distributable:				
Retained earnings	**19,258**	13,350	**15,166**	8,150
	11,574	5,666	**15,166**	8,150

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 RM2,552,000 out of its retained earnings as at 31 December 2009 without incurring additional tax liabilities. Any additional dividend payment will be made under the single tier system.

21. Borrowings

		Group		Company	
	Note	***2009 RM'000***	*2008 RM'000*	***2009 RM'000***	*2008 RM'000*
Current liabilities					
Hire-purchase creditors	22	**106**	99	**-**	-
Term loans - secured	23	**4,840**	54,188	**4,000**	2,000
		4,946	54,287	**4,000**	2,000
Non-current liabilities					
Hire-purchase creditors	22	**125**	230	**-**	-
Term loans - secured	23	**27,980**	15,820	**11,820**	15,820
		28,105	16,050	**11,820**	15,820
Total borrowings					
Hire-purchase creditors	22	**231**	329	**-**	-
Term loans - secured	23	**32,820**	70,008	**15,820**	17,820
		33,051	70,337	**15,820**	17,820

22. Hire-Purchase Creditors

	Note	Group 2009 RM'000	Group 2008 RM'000
Minimum hire-purchase payments:			
- within one year		**120**	120
- later than one year and less than five years		**129**	249
Total minimum hire-purchase payments		**249**	369
Less: Future interest charges		**(18)**	(40)
Present value of hire-purchase liabilities	21	**231**	329
Current liabilities:			
- within one year	21	**106**	99
Non-current liabilities:			
- more than one year and less than five years	21	**125**	230
		231	329

23. Term Loans

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Secured	21	**32,820**	70,008	**15,820**	17,820
Repayable as follows:					
Current liabilities:					
- within one year	21	**4,840**	54,188	**4,000**	2,000
Non-current liabilities:					
- more than one year and less than five years	21	**27,980**	15,820	**11,820**	15,820
		32,820	70,008	**15,820**	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 and floating charges over the assets of a subsidiary; and

(iv) term and call deposits of the Group (Note 17).

Term loans granted to subsidiaries are guaranteed by the Company.

24. Deferred Tax Liabilities

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

	Group	
	2009	2008
	RM'000	RM'000
Balance as at 1 January	**1,238**	295
Recognised in equity	**-**	943
Balance as at 31 December	**1,238**	1,238

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

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

	Group		Company	
	2009	2008	**2009**	2008
	RM'000	RM'000	**RM'000**	RM'000
(Taxable)/Deductible temporary differences	**(462)**	(451)	**94**	(2)
Unused tax losses	**28,220**	27,483	**14,279**	13,693
Unabsorbed capital allowances	**7,857**	9,183	**3,031**	3,041
	35,615	36,215	**17,404**	16,732

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.

The deductible temporary differences do not expire under the current tax legislation.

25. Trade And Other Payables

	Group		Company	
	2009	2008	**2009**	2008
	RM'000	RM'000	**RM'000**	RM'000
Trade payables	**708**	685	**-**	57
Other payables	**2,762**	1,454	**1,482**	1,104
Accruals	**658**	2,273	**151**	608
	4,128	4,412	**1,633**	1,769

The credit terms available to the Group and to the Company in respect of trade payables range from 14 to 60 days (2008: 14 to 60 days) from date of invoice.

26. Provision

	Company	
	2009	*2008*
	RM'000	*RM'000*
Provision for corporate guarantees as at 1 January/31 December	**-**	35,190

The provision was in respect of corporate guarantee given by the Company for banking facilities granted to a subsidiary, which was repaid during the financial year.

27. 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.

28. Revenue

	Group		Company	
	2009	*2008*	***2009***	*2008*
	RM'000	*RM'000*	***RM'000***	*RM'000*
Rendering of services:				
- ticketing and travel related	**7,549**	11,895	**-**	-
- hotel	**10,685**	10,178	**-**	-
Interest income	**18**	2	**20**	14
Others	**-**	-	**24**	24
	18,252	22,075	**44**	38

29. Profit/(Loss) Before Tax

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Profit/(Loss) before tax is arrived at after charging:					
Allowance for doubtful debts		**72**	339	**35,559**	3,182
Allowance for diminution in value of long term investments		**-**	101	**-**	101
Amortisation of prepaid lease payments for land	8	**72**	72	**-**	-
Auditors' remuneration:					
Statutory					
- current year		**97**	93	**38**	38
- under provision in prior year		**7**	12	**-**	4
Non-statutory					
- current year		**27**	27	**26**	26
- under provision in prior year		**-**	2	**-**	2
Bad debts written off		**9**	-	**-**	-
Depreciation of property, plant and equipment	7	**1,144**	1,151	**2**	66
Directors' remuneration:					
- fees		**-**	179	**-**	179
- other emoluments		**249**	155	**249**	155
Impairment losses on investments in subsidiaries		**-**	-	**-**	268
Inventories written off		**4**	362	**-**	-
Interest expense on:					
- bank overdrafts		**-**	31	**-**	-
- hire-purchase		**21**	29	**-**	-
- amount owing to a related company		**-**	3	**-**	-
- term loans		**2,915**	5,873	**1,268**	1,462
Loss on disposal of long term investment		**28**	-	**28**	-
Property, plant and machinery written off		**438**	-	**416**	-
Provision for retirement gratuity		**-**	7	**-**	7
Rental of:					
- equipment		**10**	8	**2**	3
- land and buildings		**337**	18	**24**	-
And after crediting:					
Allowance for doubtful debts no longer required		**263**	-	**368**	5,350
Gain on disposal of short term investments		**-**	2	**-**	2
Gain on disposal of non-current asset held for sale		**8,932**	-	**8,932**	-
Gain on disposal of property, plant and equipment		**39**	-	**39**	-
Gain on foreign exchange:					
- realised		**109**	1	**-**	-
- unrealised		**15**	25	**-**	-
Interest income from:					
- amounts owing by subsidiaries		**-**	-	**2**	12
- others		**78**	81	**18**	2
Management fees received and receivable from a subsidiary		**-**	-	**24**	24
Provision for retirement gratuity no longer required		**191**	-	**90**	-
Provision for corporate guarantee no longer required		**-**	-	**35,190**	-
Rental income on premises		**118**	118	**-**	-
Reversal of impairment loss of investment property		**-**	1,692	**-**	1,692

(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 RM1,000 and RM1,000 (2008: RM11,000 and RM11,000) 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	
	2009	*2008*
Executive Directors		
RM100,001 to RM150,000	**-**	1
RM200,001 to RM250,000	**1**	-
Non-Executive Directors		
Below RM50,000	**3**	5
RM50,001 to RM100,000	**-**	1

30. Tax Expense

	Group		*Company*	
	2009	*2008*	***2009***	*2008*
	RM'000	*RM'000*	***RM'000***	*RM'000*
Continuing operations				
Income tax expense for the financial year	**11**	17	**-**	-
Over provision in prior years	**(9)**	(13)	**-**	-
	2	4	**-**	-

The Malaysian income tax is calculated at the statutory rate of 25% (2008: 26%) of the estimated taxable profits for the fiscal year. The Malaysian statutory tax rate has been reduced to 25% from the previous year's rate of 26% for the fiscal year of assessment 2008. The computation of deferred tax as at 31 December 2009 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*	
	2009	*2008*	***2009***	*2008*
	%	*%*	***%***	*%*
Applicable tax rate	**25.0**	(26.0)	**25.0**	26.0
Tax effects in respect of:				
Exempt income	**(38.2)**	-	**(31.8)**	-
Non-taxable income	**(3.0)**	(18.4)	**(1.8)**	(49.7)
Non-allowable expenses	**8.9**	54.3	**6.2**	37.7
Deferred tax assets not recognised during the year	**4.0**	5.9	**2.4**	-
Share of results in associates	**10.0**	15.5	**-**	-
Utilisation of previously unrecognised deferred tax assets	**(6.5)**	(30.7)	**-**	(14.0)
	0.2	0.6	**-**	-
Over provision of income tax expense in prior years	**(0.1)**	(0.5)	**-**	-
Average effective tax rate	**0.1**	0.1	**-**	-

30. Tax Expense (Cont'd)

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

	Group		Company	
	2009	2008	**2009**	2008
	RM'000	RM'000	**RM'000**	RM'000
Arising from utilisation of previously unrecognised tax losses	**7**	5	**-**	-

31. 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 18 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	
	2009	2008	**2009**	2008
	RM'000	RM'000	**RM'000**	RM'000
Revenue	**455**	3,997	**483**	4,255
Other income	**8,932**	1,692	**8,932**	1,692
Expenses	**(156)**	(1,373)	**(156)**	(1,373)
Profit for the financial year	**9,231**	4,316	**9,259**	4,574
The following amounts are included in arriving at the profit for the financial year of the discontinued operation:				
Gain on disposal of non-current asset held for sale	**8,932**	-	8,932	-
Rental income from:				
- investment property	**359**	3,838	387	4,093
- others	**96**	159	96	162
Reversal of impairment loss on investment property	**-**	1,692	-	1,692

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

	Group		Company	
	2009	2008	**2009**	2008
	RM'000	RM'000	**RM'000**	RM'000
Net cash from operating activities	**299**	2,624	**327**	2,882

32. Basic Earnings/(Loss) Per Share

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

	Group	
	2009	2008
	RM'000	RM'000
Profit/(Loss) attributable to equity holders of the Company		
- from continuing operations	**(3,323)**	(7,102)
- from discontinued operation	**9,231**	4,316
Total	**5,908**	(2,786)
	'000	'000
Number of ordinary shares in issue ('000)	**928,867**	928,867
	Sen	Sen
Basic earnings/(loss) per ordinary share:		
- from continuing operations	**(0.35)**	(0.76)
- from discontinued operation	**0.99**	0.46
	0.64	(0.30)

33. Employee Benefits

	Group		Company	
	2009	2008	**2009**	2008
	RM'000	RM'000	**RM'000**	RM'000
Wages and salaries	**2,122**	2,438	**198**	451
Contributions to defined contribution plan	**240**	265	**31**	58
Social security contributions	**47**	49	**3**	5
Other benefits	**344**	617	**-**	93
	2,753	3,369	**232**	607

34. Cash And Cash Equivalents

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

		Group		Company	
		2009	2008	**2009**	2008
	Note	**RM'000**	RM'000	**RM'000**	RM'000
Term and call deposits	17	**1,786**	1,824	**-**	-
Cash and bank balances		**2,292**	465	**135**	35
		4,078	2,289	**135**	35
Less: Deposits pledged to licensed banks	17	**(657)**	(636)	**-**	-
		3,421	1,653	**135**	35

Deposits of the Group and of the Company have a maturity period ranging from 1 to 30 days (2008: 1 to 30 days).

35. 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) The Group and the Company had the following transactions with related parties during the financial year:

	Group		*Company*	
	2009	*2008*	***2009***	*2008*
	RM'000	*RM'000*	***RM'000***	*RM'000*
Rental and parking income received and receivable:				
- Related parties	**4**	48	**4**	48
- Related companies	**192**	2,029	**192**	2,029
- Associates	**172**	1,873	**172**	1,873
- Subsidiaries	**-**	-	**28**	258
Sale of air tickets and provision of travel and ancillary services:				
- Related parties	**2,710**	3,997	**-**	-
- Related companies	**1,359**	1,845	**-**	-
- Associates	**5**	5	**-**	-
Interest expense paid:				
- Related company	**-**	3	**-**	-
Interest income received and receivable:				
- Subsidiaries	**-**	-	**2**	12
Purchase of insurance:				
- Related companies	**213**	273	**65**	150
Management fee received and receivable:				
- Subsidiaries	**-**	-	**24**	24

Significant balances with related parties at the balance sheet date are disclosed in Notes 13, 14, 15, 16 and 27 to the financial statements.

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

(c) Compensation of key management personnel

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

	Group		Company	
	2009	*2008*	***2009***	*2008*
	RM'000	*RM'000*	***RM'000***	*RM'000*
Short term employee benefits	**282**	422	**248**	316
Contributions to defined contribution plan	**6**	30	**1**	18
	288	452	**249**	334

36. 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 investments, 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.

36. **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:

2009	Continuing operations 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
Revenue								
- Sales to external customers	10,685	7,549	-	18	-	18,252	455	18,707
- inter-segment sales	25	7	-	25	(57)	-	-	-
Total revenue	10,710	7,556	-	43	(57)	18,252	455	18,707
Results								
Segment results	2,626	23	-	(731)	-	1,918	9,231	11,149
Interest income	49	11	-	-	-	60	-	60
Finance costs	(1,360)	(21)	-	(1,555)	-	(2,936)	-	(2,936)
Share of loss after tax of associates						(2,361)	-	(2,361)
Profit/(Loss) before tax						(3,319)	9,231	5,912
Tax expense						(2)	-	(2)
Profit/(Loss) for the financial year						(3,321)	9,231	5,910
Other information								
Segment assets	34,972	1,613	-	56,696	-	93,281	-	93,281
Investments in associates	-	-	50,994	-	-	50,994	-	50,994
Unallocated assets						13	-	13
Total assets						144,288	-	144,288
Segment liabilities	18,710	784	-	18,928	-	38,422	-	38,422
Unallocated liabilities						1,240	-	1,240
Total liabilities						39,662	-	39,662
Capital expenditure	314	2	-	-	-	316	-	316
Depreciation	985	157	-	2	-	1,144	-	1,144
Amortisation	72	-	-	-	-	72	-	72
Other non-cash expenses	67	22	-	462	-	551	-	551

2008	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	10,178	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 loss after tax 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

36. SEGMENT INFORMATION (Cont'd)

(b) Geographical segments

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

37. 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 policies 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 2009, the Group and the Company have no significant concentration of credit risk, other than amount owing by an associate of RM55,772,000 (2008: RM55,673,000). 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 exposure to credit risk is represented by the carrying amount of each financial asset.

(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 functional 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.

37. 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	More than 5 years RM'000	Total RM'000
At 31 December 2009									
Fixed rates									
Term and call deposits	17	**2.0**	**1,786**	**-**	**-**	**-**	**-**	**-**	**1,786**
Hire-purchase creditors	22	**7.8**	**106**	**115**	**10**	**-**	**-**	**-**	**231**
Term loans	23	**8.0**	**4,000**	**4,000**	**7,820**	**-**	**-**	**-**	**15,820**
Floating rates									
Term loans	23	**8.0**	**840**	**840**	**840**	**840**	**1,050**	**12,590**	**17,000**
At 31 December 2008									
Fixed rates									
Amount owing to a related company	16	5.0	146	-	-	-	-	-	146
Term and call deposits	17	3.4	1,824	-	-	-	-	-	1,824
Hire-purchase creditors	22	7.8	99	107	114	9	-	-	329
Term loans	23	8.0	19,000	4,000	4,000	7,820	-	-	34,820
Floating rates									
Term loans	23	8.7	35,188	-	-	-	-	-	35,188
Company									
At 31 December 2009									
Fixed rates									
Term loans	23	**8.0**	**4,000**	**4,000**	**7,820**	**-**	**-**	**-**	**15,820**
At 31 December 2008									
Fixed rates									
Amount owing by a subsidiary	14	9.0	112	-	-	-	-	-	112
Term loans	23	8.0	2,000	4,000	11,820	-	-	-	17,820

37. 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 2009				
Investments in associates	**50,994**	**44,030**	**53,972**	**44,030**
Long term investments	**702**	**844**	**616**	**744**
Term loans	**32,820**	**27,290**	**15,820**	**14,944**
Hire-purchase creditors	**231**	**217**	**-**	**-**
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	-	-

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% (2008:8.0%) and 4.3% (2008:4.1%) per annum respectively, which are based on the market related rate for similar instruments as at the balance sheet date.

38. Subsidiaries And Associates

(a) Subsidiaries and Associates of Pan Malaysia Holdings Berhad

	Subsidiary	*Equity Interest* **2009** %	*Equity Interest* *2008* %	*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* **2009** %	*Equity Interest* *2008* %	*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* **2009** %	*Equity Interest* *2008* %	*Principal Activities*	*Country of Incorporation*
1.	Bayan Niaga Sdn. Bhd.	**100**	100	Investment holding	Malaysia
2.	KESB Nominees (Asing) Sdn. Bhd.	**99.99**	99.99	Dormant	Malaysia

38. Subsidiaries And Associates (Cont'd)

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

	Subsidiary	*Equity Interest* **2009** %	*Equity Interest* 2008 %	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* **2009** %	*Equity Interest* 2008 %	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*** ***2009*** *%*	*2008* *%*	***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) Other Subsidiaries and Associate of Pengkalen (UK) Plc. (in liquidation)

	Subsidiary	***Equity Interest*** ***2009*** *%*	*2008* *%*	***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*** ***2009*** *%*	*2008* *%*	***Country of Incorporation***
1.	Desa Kuril Sdn. Berhad	**50**	50	Malaysia

* Not audited by BDO Malaysia or BDO Member Firms
+ Subsidiaries audited by BDO member firms

39. Significant Event During The Financial Year

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 RM39,000,000.

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 28 April 2010

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
Cherubim Investment (HK) Limited	–	–	643,330,487	69.26

Distribution of Shareholders

Category	***No. of Shareholders***	***%***	***No. of Shares***	***%***
Less than 100 shares	303	3.12	12,015	0.00
100 - 1,000 shares	2,096	21.58	1,858,042	0.20
1,001 - 10,000 shares	5,067	52.16	24,137,872	2.60
10,001 - 100,000 shares	1,910	19.66	68,776,938	7.40
100,001 - less than 5% of issued shares	334	3.44	221,959,322	23.90
5% and above of issued shares	4	0.04	612,123,222	65.90
Total	9,714	100.00	928,867,411	100.00

ANALYSIS OF SHAREHOLDINGS (Cont'd)

As at 28 April 2010

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.	Arab-Malaysian Credit Berhad	21,245,416	2.29
7.	Komin Holdings Sdn Bhd	19,311,332	2.08
8.	Mayban Nominees (Tempatan) Sdn Bhd		
	- Mayban Investment Management Sdn Bhd for Malayan Banking Berhad	19,000,000	2.05
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.	Foo Fook Min	3,400,000	0.37
13.	Tai Chang Eng @ Teh Chang Ying	3,307,000	0.36
14.	Tan Eng Huat	3,000,000	0.32
15.	Mayban Securities Nominees (Tempatan) Sdn Bhd		
	- Securities Account for Ong Yew Beng	2,551,500	0.27
16.	Teh Shiou Cherng	2,220,000	0.24
17.	Yeap Poh Tin	2,036,600	0.22
18.	Bank Kerjasama Rakyat Malaysia Berhad	1,985,751	0.21
19.	Tay Mong Kwee	1,750,000	0.19
20.	Thye Mooi Lee	1,700,000	0.18
21.	Tan Thiang Him	1,200,000	0.13
22.	Multi-Purpose Credit Sdn Bhd	1,142,082	0.12
23.	Kua Sai Ling @ Kua Sai Lin	1,070,000	0.12
24.	Citibank Berhad	1,062,948	0.11
25.	Lew Kim Lien	1,004,500	0.11
26.	Tan Ah Chong	1,000,000	0.11
27.	RHB Capital Nominees (Tempatan) Sdn Bhd		
	- Securities Account for Tan Kong Beng	996,900	0.11
28.	Yeoh Teong Eng	956,000	0.10
29.	Mayban Nominees (Tempatan) Sdn Bhd		
	- Securities Account for Wong Soo Chai @ Wong Chick Wai	880,000	0.09
30.	Lee Leh Hong	835,000	0.09
	Total	760,047,096	81.83

PROPERTIES OWNED BY THE GROUP

As at 31 December 2009

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*	
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	14	27,730	1993
State of Pahang Darul Makmur						
1 lot of bungalow land at HS10468 PT11291, Jalan Bentong	Vacant	Freehold	1,115	-	180	6.03.1992

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-Seventh Annual General Meeting of the Company to be held at Ballroom 1, Corus Hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur on Thursday, 24 June 2010 at 9.00 a.m. and at any adjournment thereof, and to vote as indicated below:-

	Resolutions	For	Against
1.	To approve Directors' fees of RM146,716.		
2.	To re-appoint Dato' Rastam bin Abdul Hadi as Director.		
3.	To re-appoint Mr Ooi Boon Leong as Director.		
4.	To re-elect Mr Chan Choung Yau as Director.		
5.	To re-appoint Messrs BDO as auditors of the Company and to authorize the Directors to fix their remuneration.		
6.	Proposed authority under Section 132D of the Companies Act, 1965 for the Directors to issue shares.		
7.	Proposed amendments to the Articles of Association of the Company.		

(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.)

____
Signature

Seal

Signed this ______________ day of ______________ 2010

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 authorized 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 authorized 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 authorized 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