Pan Malaysia Holdings Berhad

Company No: 95469 - W

LAPORAN TAHUNAN 2010 ANNUAL REPORT

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NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Eighth Annual General Meeting of the Company will be held at Ballroom 1, Corus Hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur on Thursday, 23 June 2011 at 9.30 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 2010.

2. To approve Directors' fees of RM128,592. **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 Khet Kok Yin, who is retiring in accordance with Article 111 of the Company's Articles of Association. **Resolution 4**

5. To re-elect Mr Lai Chee Leong, who is retiring in accordance with Article 91 of the Company's Articles of Association. **Resolution 5**

6. To re-appoint Messrs BDO as auditors of the Company and to authorize the Directors to fix their remuneration. **Resolution 6**

As Special Business

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

7. 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 share capital of the Company for the time being." **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
1 June 2011

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 NOTE ON SPECIAL BUSINESS

1. The Ordinary Resolution proposed under item 7, 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 isssued 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 issued any new shares under the general authority to issue shares which was approved at the Twenty-Seventh Annual General Meeting held on 24 June 2010 and which will lapse at the conclusion of the Twenty-Eighth Annual General Meeting to be held on 23 June 2011.

   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 alloted and issued speedily and would also save the cost involved in convening a general meeting to approve such issuance of shares.

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 Khet Kok Yin – Retiring pursuant to Article 111 of the Company’s Articles of Association.

   (d) Mr Lai Chee Leong – 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 7 to 8 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 2010. Details of attendance of the Directors are set out in the Profile of Directors appearing on pages 7 to 8 of the Annual Report.

4. The Twenty-Eighth Annual General Meeting of the Company will be held at Ballroom 1, Corus Hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur on Thursday, 23 June 2011 at 9.30 a.m.

CORPORATE INFORMATION

Board of Directors

Ooi Boon Leong, *Chairman*
Lai Chee Leong, *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 74. Malaysian. Independent Non-Executive Director and Chairman. Appointed as Director on 9 September 2005. Chairman of the Audit Committee, member of the Remuneration Committee and the 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 Pacific States Investment Limited 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.

Lai Chee Leong

Age 51. Malaysian. Executive Director. Appointed as Executive Director on 30 September 2010. A Chartered Accountant with the Malaysian Institute of Accountants and a Fellow of The Association of Chartered Certified Accounts, United Kingdom. He has more than twenty-nine years experience mainly in finance and accounting, audit, corporate secretarial and general management. He is currently the Head of Corporate Planning of The MUI Group and Executive Director of Pan Malaysia Capital Berhad. He also sits on the Boards of Metrojaya Berhad and MUI Continental Insurance Berhad. He has served The MUI Group as Chief Finance Officer for several years up to February 2011. Prior to joining The MUI Group in July 1990, he was with a professional accounting firm for about eight years. 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. He had no convictions for any offences within the past 10 years. Attended the remaining one (1) Board Meeting held during the financial year subsequent to his appointment on 30 September 2010.

Khet Kok Yin

Age 64. Malaysian. Independent Non-Executive Director. Appointed as Director on 28 May 1998. Chairman of the Remuneration Committee, and member of the Audit Committee and the Nomination 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, Chairman of Beijing Morning Star-New Ark International Travel Services Co., Ltd, Chairman of Network Foods Limited (Australia), a Director of Latin Communications Group, Inc (New York) 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 three (3) Board Meetings held during the financial year.

Dato' Rastam bin Abdul Hadi

Age 80. Malaysian. Non-Independent Non-Executive Director. Appointed as Director on 15 August 1996. Chairman of the Nomination Committee, and member of the Audit Committee and the Remuneration 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 three (3) 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 2010. Details of the attendance of the Directors are disclosed on pages 7 to 8 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 7 to 8 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 2010 is set out on pages 17 to 19 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
	Khet Kok Yin (Appointed on 13 July 2010)	- Independent Non-Executive Director

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 "De-Mystifying Director's Legal Duties And Implication Under The Listing Requirements" was organized for members of the Board in May 2010. During the year, all the Directors attended training that aids them in the discharge of their duties as Directors.

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

1.6 Re-election of Directors

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

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

2. Directors' Remuneration

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

STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

The members of the Remuneration Committee are as follows:-

Chairman	Khet Kok Yin (Appointed on 14 July 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 2010, 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	–	11	–	–	11
Non-Executive Directors	–	136	–	13	149

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	1	5
RM200,001 to RM250,000	–	–

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 25 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 14 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 17 to 19 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 recognises that the cost of control procedures is not to exceed the expected benefits.

Risk Management

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

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

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

Control Structure and Environment

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

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

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

The Group's system of internal control mainly applies to its operating companies and does not cover 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 2010, non-audit fees paid to the external auditors amounted to RM18,000 (2009: RM18,000).

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 2010 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*
Ooi Boon Leong - *Chairman* *(Appointed on 14 July 2010)*	*Independent Non-Executive Director*
Khet Kok Yin	*Independent Non-Executive Director*
Dato' Rastam bin Abdul Hadi *(Appointed on 14 July 2010)*	*Non-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;

REPORT OF THE AUDIT COMMITTEE (Cont'd)

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 2010, 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. Dato' Rastam bin Abdul Hadi attended all two (2) meetings of the Audit Committee subsequent to his appointment on 14 July 2010.

At each of these Audit Committee Meetings, the Group Financial Controller 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 2010

The Audit Committee reviewed and deliberated three (3) 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 Group Financial Controller 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 2011. 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.

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 2010 is RM40,000.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present the Annual Report and financial statements of our Company and the Group for the financial year ended 31 December 2010.

ECONOMIC REVIEW

After registering a contraction in 2009, the Malaysian economy recovered strongly in 2010 with Real Gross Domestic Product expanding by 7.2%. The economic growth was driven by robust private consumption, continued growth in public investment and external demands which recorded strong growth in the first half of the year.

The performance of FTSE Bursa Malaysia KLCI (FBMKLCI) in 2010 was underpinned by a net in-flow of foreign portfolio investment funds, solid earnings reported by local companies as well as improved market sentiments following the unveiling of the 10th Malaysia Plan and the announcement of the Economic Transformation Programme. Total volume transacted on Bursa Malaysia in 2010 increased by 0.9% to 236.4 billion units, whereas total value of transactions in 2010 increased by 28.8% to RM360.6 billion. For the year, the FBMKLCI recorded a gain of 19.3%.

FINANCIAL HIGHLIGHTS AND REVIEW OF OPERATIONS

For the year ended 31 December 2010, the Group recorded a revenue of RM17.5 million compared with RM18.3 million in the previous year. The marginal decline in revenue was mainly due to lower contribution from the Group's travel operations.

The Group posted a profit before tax of RM3.3 million in 2010 compared with a loss before tax of RM3.3 million in the previous year. The improvement in profitability for 2010 was mainly contributed by the recovery of debts and reduced losses of its associates. For the previous year however, after accounting for the gain on disposal of investment property of RM8.9 million, the Group recorded a net profit RM5.9 million.

Despite its proximity to the thriving Klang Valley population, Port Dickson continues to lag behind other resort destinations in the country. A lack of commercial development and leisure attractions has caused a perennial problem for Port Dickson as a resort where demand for hotel accommodation fluctuates widely: high during weekends and holiday seasons but low on weekdays.

Trading conditions in 2010 for Corus Paradise Resort were made more challenging by an increase of room inventory in Port Dickson and the opening of a new hotel with 200 rooms.

Against this background, Corus Paradise Resort performed satisfactorily and maintained its occupancy and financial performance. Total revenue declined by 1.8% from RM10.7 million in 2009 to RM10.5 million in 2010. Its profit before tax decreased marginally from RM1.3 million in 2009 to RM1.2 million for the year.

The performance of Pan Malaysia Travel & Tours continued to decline in the face of increasing competition, especially from airlines offering low-priced tickets online and family-run travel agencies that compete aggressively for tour groups.

Its business was also significantly affected following the disposal by the MUI Group of its interests in the travel & tour business in Hong Kong during the year.

In view of the continuing decline of its travel operations, the Group is currently reviewing the viability and future direction of the business.

PM Securities Sdn Bhd, a subsidiary of Pan Malaysia Capital Berhad, has a Universal Broker licence that, in addition to its stockbroking business, allows the company to offer financial and corporate advisory services on par with investment banks.

The company offers stockbroking services through its network of eight offices in Kuala Lumpur, Seremban, Puchong, Penang, Johor Bahru, Melaka, Klang, Batu Pahat and an electronic access facility in Jelebu.

The company recorded a lower revenue of RM22.0 million compared with RM26.1 million in 2009. The lower revenue was due to reduced retail trading activity compared to institutional trading activity.

During the year, PM Securities achieved the distinction of being listed among the top 10 'Overall Best Local

Brokerage' in the AsiaMoney brokers poll for 2010. The company also gained recognition for its research work in the 'small caps' and 'food & beverage' categories and was voted among the top 20 research houses in 'Overall Country Research'.

The new corporate finance team of the company successfully sponsored the listing of an Initial Public Offering (IPO) by Asia Media Group Berhad on the ACE Market of Bursa Malaysia. The IPO was oversubscribed by 21 times and raised RM22.5 million.

CORPORATE SOCIAL RESPONSIBILITY

Mindful of the social responsibility that every business organisation owes to society, the Group has continued to conduct its business with corporate integrity and social responsibility.

The Group's operating companies continued to be engaged in activities that promote community well-being. PM Securities contributed to the Malaysian Down Syndrome Association while Corus Paradise Resort has continued to organise an annual event for an orphanage in Port Dickson.

The hotel has also actively supported the annual Port Dickson Challenge, a charity drive through sports and also provided support for other social events.

OUTLOOK FOR 2011

The Malaysian economy is projected to grow between 5.0% and 6.0% in 2011. The economic growth will be driven by strengthening domestic demand and supported by the implementation of construction and infrastructure projects by the Government. The Group will refocus its business strategies in order to benefit from the economic growth.

DIRECTORATE

Mr Chan Choung Yau resigned as Executive Director of the Company on 30 September 2010. The Board would like to take this opportunity to thank him for his contribution to the Group.

On the same date, Mr Lai Chee Leong was appointed Executive Director of the Company. The Board looks forward to his active contribution to the development of the Group.

ACKNOWLEDGEMENTS

On behalf of the Board, I wish to express my sincere appreciation to the staff and management of the Group for their contributions, dedication and commitment. I would also like to thank our shareholders, bankers and other business associates for their continuing support. Last but not least, I would like to express my heartfelt gratitude to my fellow directors for their invaluable counsel and support.

Ooi Boon Leong
Chairman

9 May 2011

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2010.

Principal Activities

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

- Hotel
- Travel
- Investment holding

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

Results

	Group RM'000	*Company RM'000*
Profit for the financial year	3,248	3,515
Attributable to:		
Equity holders of the Company	3,291	3,515
Minority interest	(43)	-
	3,248	3,515

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 2010.

Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial year.

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:

Ooi Boon Leong, Chairman	*(appointed as Chairman on 13 May 2010)*
Lai Chee Leong, Executive Director	*(appointed as Executive Director on 30 September 2010)*
Khet Kok Yin	
Dato' Rastam bin Abdul Hadi	
Chan Choung Yau	*(resigned as Executive Director on 30 September 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 during and at the end of the financial year.

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 statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that there are no known bad debts to be written off and that adequate provision had been made for doubtful debts; and

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

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

DIRECTORS' REPORT (Cont'd)

Other Statutory Information Regarding the Group and the Company (Cont'd)

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

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

(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 which is likely to affect substantially the results of 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 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 of Directors in accordance with a resolution of the Directors.

Ooi Boon Leong
Director

Lai Chee Leong
Director

19 April 2011

STATEMENT BY DIRECTORS

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

We, Ooi Boon Leong and Lai Chee Leong, 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 28 to 91 have been drawn up in accordance with applicable approved Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2010 and of their financial performance and cash flows for the financial year then ended.

The information set out in Note 18(e) to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

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

Ooi Boon Leong
Director

Lai Chee Leong
Director

19 April 2011

STATUTORY DECLARATION

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

I, Chan Kok Kee, 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 28 to 91 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 19 April 2011.

Chan Kok Kee

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 statements of financial position as at 31 December 2010 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 28 to 91.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with applicable approved Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia, and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of 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 and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2010 and of their financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

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

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries 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 37 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 reporting responsibilities

The supplementary information set out in Note 18(e) to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ('MIA Guidance') and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

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

BDO
AF : 0206
Chartered Accountants

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

Kuala Lumpur
19 April 2011

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2010

	Note	Group		Company	
		2010	2009 (Restated)	**2010**	2009
		RM'000	RM'000	**RM'000**	RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	7	**28,517**	29,302	**2**	3
Investments in subsidiaries	8	**-**	-	**649**	649
Investments in associates	9	**49,814**	50,994	**53,972**	53,972
Long term investments	10	**806**	702	**706**	616
		79,137	80,998	**55,329**	55,240
Current assets					
Inventories	11	**264**	257	**-**	-
Trade and other receivables	12	**1,817**	2,060	**13**	18
Amounts owing by subsidiaries	13	**-**	-	**15,135**	16,630
Amounts owing by associates	14	**55,705**	55,772	**55,705**	55,772
Amounts owing by related companies	15	**983**	1,110	**-**	-
Current tax assets		**3**	13	**-**	-
Term and call deposits	16	**1,610**	1,786	**-**	-
Cash and bank balances		**1,409**	2,292	**10**	135
		61,791	63,290	**70,863**	72,555
TOTAL ASSETS		**140,928**	144,288	**126,192**	127,795
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	17	**92,887**	92,887	**92,887**	92,887
Reserves	18	**15,009**	11,574	**18,771**	15,166
		107,896	104,461	**111,658**	108,053
Minority interest		**122**	165	**-**	-
TOTAL EQUITY		**108,018**	104,626	**111,658**	108,053

		Group		Company	
	Note	**2010**	2009	**2010**	2009
			(Restated)		
		RM'000	RM'000	**RM'000**	RM'000
LIABILITIES					
Non-current liabilities					
Borrowings	19	**15,330**	28,105	**-**	11,820
Deferred tax liabilities	22	**1,238**	1,238	**-**	-
		16,568	29,343	**-**	11,820
Current liabilities					
Trade and other payables	23	**2,501**	4,128	**589**	1,633
Amounts owing to subsidiaries	13	**-**	-	**2,009**	2,012
Amounts owing to associates	14	**943**	1,015	**-**	72
Amounts owing to related companies	15	**64**	29	**59**	6
Amount owing to ultimate holding company	24	**57**	199	**57**	199
Borrowings	19	**12,775**	4,946	**11,820**	4,000
Current tax liabilities		**2**	2	**-**	-
		16,342	10,319	**14,534**	7,922
TOTAL LIABILITIES		**32,910**	39,662	**14,534**	19,742
TOTAL EQUITY AND LIABILITIES		**140,928**	144,288	**126,192**	127,795

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

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2010

	Note	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Continuing operations					
Revenue	25	**17,514**	18,252	**24**	44
Cost of services		**(9,949)**	(10,141)	**-**	-
Gross profit		**7,565**	8,111	**24**	44
Other income		**5,595**	633	**5,344**	403
Administrative expenses		**(2,541)**	(2,641)	**(677)**	(606)
Other expenses		**(3,674)**	(4,125)	**(64)**	(816)
Finance costs		**(2,461)**	(2,936)	**(1,112)**	(1,268)
Share of loss after tax of associates		**(1,220)**	(2,361)	**-**	-
Profit/(Loss) before tax	26	**3,264**	(3,319)	**3,515**	(2,243)
Tax expense	27	**(16)**	(2)	-	-
Profit/(Loss) for the financial year from continuing operations		**3,248**	(3,321)	**3,515**	(2,243)
Discontinued operation					
Profit for the financial year from discontinued operation	28	**-**	9,231	**-**	9,259
Profit for the financial year		**3,248**	5,910	**3,515**	7,016
Attributable to:					
Owners of the parent		**3,291**	5,908	**3,515**	7,016
Minority interest		**(43)**	2	**-**	-
		3,248	5,910	**3,515**	7,016
Other comprehensive income:					
Fair value gains on available-for-sale financial assets		**(38)**	-	**(38)**	-
Other comprehensive income, net of tax		**(38)**	-	**(38)**	-
Total comprehensive income		**3,210**	5,910	**3,477**	7,016
Total comprehensive income attributable to:					
Owners of the parent		**3,253**	5,908	**3,477**	7,016
Minority interest		**(43)**	2	**-**	-
		3,210	5,910	**3,477**	7,016

Basic earnings/(loss) per ordinary share attributable to equity holders of the Company	Note	***Sen***	*Sen*
- from continuing operations		**0.35**	(0.35)
- from discontinued operation		**-**	0.99
	29	**0.35**	0.64

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2010

	<----- Attributable to equity holders of the Company ---->							
	Share capital RM'000	*Capital reserve RM'000*	*Available-for-sale 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 2008	92,887	4,713	-	(12,397)	13,350	98,553	163	98,716
Total comprehensive Income	-	-	-	-	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
Effects of the adoption of FRS 139 (Note 39)	**-**	**-**	**142**	**-**	**40**	**182**	**-**	**182**
Restated balance as at 1 January 2010	**92,887**	**4,713**	**142**	**(12,397)**	**19,298**	**104,643**	**165**	**104,808**
Total comprehensive income	**-**	**-**	**(38)**	**-**	**3,291**	**3,253**	**(43)**	**3,210**
Balance as at 31 December 2010	**92,887**	**4,713**	**104**	**(12,397)**	**22,589**	**107,896**	**122**	**108,018**

	Share capital RM'000	*Available-for-sale reserve RM'000*	*Retained earnings RM'000*	*Total equity RM'000*
Company				
Balance as at 31 December 2008	92,887	-	8,150	101,037
Total comprehensive income	-	-	7,016	7,016
Balance as at 31 December 2009	92,887	-	15,166	108,053
Effects of the adoption of FRS 139 (Note 39)	**-**	**128**	**-**	**128**
Restated balance as at 1 January 2010	**92,887**	**128**	**15,166**	**108,181**
Total comprehensive income	**-**	**(38)**	**3,515**	**3,477**
Balance as at 31 December 2010	**92,887**	**90**	**18,681**	**111,658**

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

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2010

	Note	Group **2010 RM'000**	Group *2009 RM'000*	Company **2010 RM'000**	Company *2009 RM'000*
Cash Flows From Operating Activities					
Profit/(Loss) before tax from:					
- Continuing operations		**3,264**	(3,319)	**3,515**	(2,243)
- Discontinued operation		**-**	9,231	**-**	9,259
		3,264	5,912	**3,515**	7,016
Adjustments for:					
Bad debts recovered		**(1,106)**	-	**(1,106)**	-
Bad debts written off		**-**	9	**-**	-
Depreciation of property, plant and equipment	7	**1,176**	1,216	**1**	2
Gain on disposal of property, plant and equipment		**(7)**	(39)	**(7)**	(39)
Gain on disposal of non-current asset held for sale		**-**	(8,932)	**-**	(8,932)
Impairment loss on receivables		**-**	72	**64**	35,559
Interest expense		**2,461**	2,936	**1,112**	1,268
Interest income		**(57)**	(78)	**-**	(20)
Inventories written off		**7**	4	**-**	-
Loss on disposal of long term investment		**-**	28	**-**	28
Provision for retirement gratuity no longer required		**(1)**	(191)	**(1)**	(90)
Provision for corporate guarantee no longer required		**-**	-	**-**	(35,190)
Property, plant and equipment written off	7	**163**	438	**-**	416
Reversal of impairment loss on receivables		**(4,231)**	(263)	**(4,231)**	(368)
Share of results in associates		**1,220**	2,361	**-**	-
Unrealised gain on foreign exchange		**-**	(15)	**-**	-
Operating profit/(loss) before changes in working capital		**2,889**	3,458	**(653)**	(350)
Changes in working capital:					
Inventories		**(14)**	129	**-**	-
Trade and other receivables		**243**	579	**5**	177
Trade and other payables		**(1,626)**	(93)	**(1,043)**	(46)
Amounts owing by related companies		**127**	(94)	**-**	268
Cash generated from/(used in) operations		**1,619**	3,979	**(1,691)**	49
Interest paid		**(4)**	-	**-**	-
Interest received		**-**	18	**-**	20
Tax paid		**(6)**	(1)	**-**	-
Net cash from/(used in) operating activities		**1,609**	3,996	**(1,691)**	69

	Note	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Cash Flows From Investing Activities					
Withdrawal/(Placement) of deposits pledged		**176**	(21)	**-**	-
Interest received		**57**	60	**-**	-
Net repayments from/(advances to) subsidiaries		**-**	-	**6,738**	(35,098)
Proceeds from disposal of property, plant and equipment		**7**	39	**7**	39
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	**(554)**	(316)	**-**	-
Repayments from subsidiaries under liquidation and not consolidated		**5,310**	-	**-**	-
Net cash from investing activities		**4,996**	38,802	**6,745**	3,981
Cash Flows From Financing Activities					
Interest paid		**(2,457)**	(2,936)	**(1,112)**	(1,268)
Repayments to hire-purchase creditors		**(106)**	(98)	**-**	-
Repayments of term loans		**(4,840)**	(37,188)	**(4,000)**	(2,000)
Advances from/(Repayments to) associates		**22**	(580)	**22**	(581)
(Repayments to)/Advances from ultimate holding company		**(142)**	57	**(142)**	57
Advances from/(Repayments to) related companies		**35**	(285)	**53**	(158)
Net cash used in financing activities		**(7,488)**	(41,030)	**(5,179)**	(3,950)
Net (decrease)/increase in cash and cash equivalents		**(883)**	1,768	**(125)**	100
Cash and cash equivalents at beginning of financial year		**3,421**	1,653	**135**	35
Cash and cash equivalents at end of financial year	31	**2,538**	3,421	**10**	135

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010

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 19 April 2011.

2. Principal Activities

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

- Hotel
- Travel
- Investment holding

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

3. Basis of Preparation

The financial statements of the Group and of the Company have been prepared in accordance with applicable approved Financial Reporting Standards ("FRSs") and the provisions of the Companies Act, 1965 in Malaysia. However, the supplementary information as set out in Note 18(e) to the financial statements has been prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ('MIA Guidance') and the directive of Bursa Malaysia Securities Berhad.

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.

4.2 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 statement of comprehensive income.

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.

4. Significant Accounting Policies (Cont'd)

4.2 Basis of consolidation (Cont'd)

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 statement of financial position within equity and is presented in the consolidated statement of changes in equity separately from equity attributable to owners of the Company.

Minority interest in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the total profit or loss for the financial year between minority interest and owners 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 are 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 profit or loss 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 annual 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%

At the end of each reporting period, 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 4.6 to the financial statements on impairment of non-financial assets).

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

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

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.

4. Significant Accounting Policies (Cont'd)

4.4 Leases and hire-purchase (Cont'd)

(c) Leases of land and buildings (Cont'd)

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.

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.

Following the adoption of Amendment to FRS 117 *Leases* contained in the Improvements to FRSs (2009), the Group reassessed the classification of land elements of unexpired leases on the basis of information existing at the inception of those leases. Consequently, the Group retrospectively reclassified certain prepaid lease payments for land as finance leases as disclosed in Notes 7 and 38 to the financial statements.

4.5 Investment

(a) Subsidiaries

A subsidiary is an entity in which the Group and the Company have power to control the financial and operating policies so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

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 jointly 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 statement of financial position 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 end of the reporting periods 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 end of the reporting periods 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.

4.6 Impairment of non-financial assets

The carrying amount of assets, except for financial assets (excluding investments in subsidiaries and associates) and inventories, are reviewed at the end of each reporting period 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.

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.

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

4.6 **Impairment of non-financial assets** (Cont'd)

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. Such reversals are recognised as income immediately in profit or loss.

4.7 **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 the estimated costs necessary to make the sale.

4.8 **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.

Financial instruments are recognised on the statement of financial position when the Group has become a party to the contractual provisions of the instrument. At initial recognition, a financial instrument is recognised at fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of the financial instrument.

An embedded derivative is separated from the host contract and accounted for as a derivative if, and only if the economic characteristics and risks of the embedded derivative is not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative meets the definition of a derivative, and the hybrid instrument is not measured at fair value through profit or loss.

(a) Financial assets

A financial asset is classified into the following four categories after initial recognition for the purpose of subsequent measurement:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise financial assets that are held for trading (i.e. financial assets acquired principally for the purpose of resale in the near term), derivatives (both, freestanding and embedded) and financial assets that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial assets classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as at fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial assets classified as at fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

(ii) Held-to-maturity investments

Financial assets classified as held-to-maturity comprise non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity.

Subsequent to initial recognition, financial assets classified as held-to-maturity are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as held-to-maturity are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

(iii) Loans and receivables

Financial assets classified as loans and receivables comprise non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Subsequent to initial recognition, financial assets classified as loans and receivables are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as held-to-maturity are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

(iv) Available-for-sale financial assets

Financial assets classified as available-for-sale comprise non-derivative financial assets that are designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Subsequent to initial recognition, financial assets classified as available-for-sale are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised directly in other comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss. However, interest calculated using the effective interest method is recognised in profit or loss whilst dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payment is established.

4. Significant Accounting Policies (Cont'd)

4.8 Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Cash and cash equivalents include cash and bank balances, bank overdrafts, deposits and other short term, highly liquid investments with original maturities of three months or less, which are readily convertible to cash and are subject to insignificant risk of changes in value.

A financial asset is derecognised when the contractual right to receive cash flows from the financial asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised directly in other comprehensive income shall be recognised in profit or loss.

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention.

(b) Financial liabilities

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. A financial liability is classified into the following two categories after initial recognition for the purpose of subsequent measurement:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprise financial liabilities that are held for trading, derivatives (both, freestanding and embedded) and financial liabilities that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial liabilities classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial liabilities classified as at fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial liabilities classified as at fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

(ii) Other financial liabilities

Financial liabilities classified as other financial liabilities comprise non-derivative financial liabilities that are neither held for trading nor initially designated as at fair value through profit or loss.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains or losses on other financial liabilities are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

(c) Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are classified as equity instruments.

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares 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, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

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

Following the adoption of FRS 139 during the financial year, the Group reassessed the classification and measurement of financial assets and financial liabilities as at 1 January 2010. Consequently, the Group reclassified and remeasured financial assets and financial liabilities as disclosed in Note 39 to the financial statements.

4.9 Impairment of financial assets

The Group assesses whether there is any objective evidence that a financial asset is impaired at the end of each reporting period.

(a) Loans and receivables

The Group collectively considers factors such as the probability of bankruptcy or significant financial difficulties of the receivable, and default or significant delay in payments to determine whether there is objective evidence that an impairment loss on loans and receivables has occurred. Other objective evidence of impairment include historical collection rates determined on an individual basis and observable changes in national or local economic conditions that are directly correlated with the historical default rates of receivables.

If any such objective evidence exists, the amount of impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

4.9 **Impairment of financial assets** (Cont'd)

(a) Loans and receivables (Cont'd)

The carrying amount of loans and receivables are reduced through the use of an allowance account.

If in a subsequent period, the amount of the impairment loss decreases and it objectively relates to an event occurring after the impairment was recognised, the previously recognised impairment losses is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of impairment reversed is recognised in profit or loss.

(b) Available-for-sale financial assets

The Group collectively considers factors such as significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market as objective evidence that available-for-sale financial assets are impaired.

If any such objective evidence exists, an amount comprising the difference between the financial asset's cost (net of any principal payment and amortisation) and current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Instead, any increase in the fair value subsequent to the impairment loss is recognised in other comprehensive income.

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 statements of comprehensive income 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.

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 end of the reporting period.

(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 statement of financial position and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from good-will 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 the end of each reporting period. 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 on either:

(i) the same taxable entity; or

(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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

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

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 the end of each reporting period 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. Significant Accounting Policies (Cont'd)

4.13 Contingent liabilities and contingent assets

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.

A contingent asset is a possible asset 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. The Group does not recognise contingent assets but disclose its existence where inflows of economic benefits are probable, but not virtually certain.

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.

4.15 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 end of the reporting period are translated into Ringgit Malaysia at rates of exchange ruling at that date. 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 end of the reporting period.

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.

4. Significant Accounting Policies (Cont'd)

4.16 Revenue recognition (Cont'd)

(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 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 Operating segments

During the previous financial year, segment reporting was presented based on business segments. 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.

Following the adoption of FRS 8 *Operating Segments* during the current financial year, operating segments are defined as components of the Group that:

(a) engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);

(b) whose operating results are regularly reviewed by the Group's chief operating decision maker in making decisions about resources to be allocated to the segment and assessing its performance; and

(c) for which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenues.

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds:

(a) Its reported revenue, including both sales to external customers and intersegment sales or transfers, is 10 per cent or more of the combined revenue, internal and external, of all operating segments.

(b) The absolute amount of its reported profit or loss is 10 per cent or more of the greater, in absolute amount of:

(i) the combined reported profit of all operating segments that did not report a loss; and

(ii) the combined reported loss of all operating segments that reported a loss.

(c) Its assets are 10 per cent or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Total external revenue reported by operating segments shall constitute at least seventy five percent of the Group's revenue. Operating segments identified as reportable segments in the current financial year in accordance with the quantitative thresholds would result in a restatement of prior period segment data for comparative purposes.

5. New/Revised FRSs, Amendments To FRSs And IC Interpretations In Issued

5.1 New/Revised FRSs, Amendments to FRSs and IC Interpretations adopted during the current financial year

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*	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

5. New/Revised FRSs, Amendments To FRSs And IC Interpretations In Issued (Cont'd)

5.1 New/Revised FRSs, Amendments to FRSs and IC Interpretations adopted during the current financial year (Cont'd)

New/Revised FRSs, Amendments to FRSs and IC Interpretations		Effective for financial periods beginning on or after
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
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
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
Amendment to FRS 5	*Non-current Assets Held for Sale and Discontinued Operations*	1 January 2010
Amendment to FRS 8	*Operating Segments*	1 January 2010
Amendment to FRS 107	*Statement of Cash Flows*	1 January 2010
Amendment to FRS 108	*Accounting Policies, Changes in Accounting Estimates and Errors*	1 January 2010
Amendment to FRS 110	*Events after the Reporting Period*	1 January 2010
Amendment to FRS 116	*Property, Plant and Equipment*	1 January 2010
Amendment to FRS 117	*Leases*	1 January 2010
Amendment to FRS 118	*Revenue*	1 January 2010
Amendment to FRS 119	*Employee Benefits*	1 January 2010
Amendment to FRS 120	*Accounting for Government Grants and Disclosure of Government Assistance*	1 January 2010
Amendment to FRS 123	*Borrowing Costs*	1 January 2010
Amendment to FRS 127	*Consolidated and Separate Financial Statements*	1 January 2010
Amendment to FRS 128	*Investments in Associates*	1 January 2010
Amendment to FRS 129	*Financial Reporting in Hyperinflationary Economies*	1 January 2010
Amendment to FRS 131	*Interests in Joint Ventures*	1 January 2010
Amendment to FRS 136	*Impairment of Assets*	1 January 2010
Amendment to FRS 138	*Intangible Assets*	1 January 2010
Amendment to FRS 140	*Investment Properties*	1 January 2010

There is no impact upon the adoption of the above new/revised FRSs, Amendments to FRSs and IC Interpretation during the financial year except for FRS 7, FRS 8, FRS 101, FRS 139 and Amendment to FRS 117 which are disclosed below:

(i) FRS 7 applies to all risks arising from a wide array of financial instruments and requires the disclosure of the significance of financial instruments for the Group's financial position and performance.

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

The requirements of the Standard are based on the information about the components of the Group that the management uses to make decisions about operating matters. This Standard requires the identification of operating segments on the basis of internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segment and the assess its performance, as elaborated in Note 4.18 to the financial statements.

In accordance with the transitional provisions of FRS 8, segment information for prior years that is reported as comparative information for the initial year of application has been restated to conform with the requirements of FRS 8, as disclosed in Note 33 to the financial statements.

(iii) FRS 101 sets out the overall requirements for the presentation of financial statements, guidelines for their structure and minimum requirements for their content.

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 requires 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 objectives, 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.

Following the adoption of this Standard, the Group has reflected the new format of presentation and additional disclosures warranted in the primary financial statements and relevant notes in the financial statements.

5. New/Revised FRSs, Amendments To FRSs And Ic Interpretations In Issued (Cont'd)

5.1 New/Revised FRSs, Amendments to FRSs and IC Interpretations adopted during the current financial year (Cont'd)

(iv) FRS 139 establishes the principles for the recognition and measurement of financial assets and financial liabilities including circumstances under which hedge accounting is permitted.

The impact upon adoption of this Standard is disclosed in Note 39 to the financial statements.

(v) Amendment to FRS 117 *Leases* removes the classification of leases of land and of buildings, and instead, requires 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 end of the reporting period, the Group has a carrying amount of prepaid lease payments for land of RM5,627,000 (see Note 38 to the financial statements) that has been reclassified as land held in accordance with FRS 116 upon adoption of this amendment.

5.2 New/Revised FRSs, Amendments to FRSs and IC Interpretations issued, but not yet effective and not yet adopted

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
Amendments to FRS 132	*Financial Instruments: Presentation: Classification of rights issue*	1 March 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 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
Amendment to FRS 1	*First-time Adoption of Financial Reporting Standards: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters*	1 January 2011
Amendment to FRS 2	*Group Cash-settled Share-based Payment Transactions*	1 January 2011
Amendments to FRS 7	*Improving Disclosures about Financial Instruments*	1 January 2011
IC Interpretation 4	*Determining whether an Arrangement contains a Lease*	1 January 2011
IC Interpretation 18	*Transfers of Assets from Customers*	1 January 2011
Amendments to FRS 1	*Additional Exemptions for First-Time Adopters*	1 January 2011

New/Revised FRSs, Amendments to FRSs and IC Interpretations		Effective for financial periods beginning on or after
Amendments to FRS 3	*Business Combinations*	1 January 2011
Amendments to FRS 7	*Financial Instruments: Disclosures*	1 January 2011
Amendments to FRS 101	*Presentation of Financial Statements*	1 January 2011
Amendments to FRS 121	*The Effects of Changes in Foreign Exchange Rates*	1 January 2011
Amendments to FRS 128	*Investments in Associates*	1 January 2011
Amendments to FRS 131	*Interests in Joint Ventures*	1 January 2011
Amendments to FRS 132	*Financial Instruments: Presentation*	1 January 2011
Amendments to FRS 134	*Interim Financial Reporting*	1 January 2011
Amendments to FRS 139	*Financial Instruments: Recognition and Measurement*	1 January 2011
Amendments to IC Interpretation 13	*Customer Loyalty Programmes*	1 January 2011
IC Interpretation 19	*Extinguishing Financial Liabilities with Equity Instruments*	1 July 2011
Amendments to IC Interpretation 14	*FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction*	1 July 2011
FRS 124	*Related Party Disclosures*	1 January 2012
IC Interpretation 15	*Agreements for the Construction of Real Estate*	1 January 2012

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.

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 except for the determination of treatment of contingent liabilities which is based on management's view of the expected outcome of the contingencies for matters in the ordinary course of the business and apart from those involving estimates, which are dealt with below.

6.2 Key sources of estimation uncertainty

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

(a) Impairment of receivables

The Group makes impairment of receivables based on an assessment of the recoverability of receivables. Impairment is 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 creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of impairment of receivables. Where expectations differ from the original estimates, the differences will impact the carrying amount of receivables.

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

6.2 Key sources of estimation uncertainty (Cont'd)

(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.

7. Property, Plant And Equipment

Group *2010*	*Balance as at 1.1.2010, as restated RM'000*	*Additions RM'000*	*Depreciation charges for the financial year RM'000*	*Written off RM'000*	*Balance as at 31.12.2010, as restated RM'000*
Carrying amount					
Freehold land	**180**	-	-	-	**180**
Long term leasehold land	**5,627**	-	(72)	-	**5,555**
Buildings	**22,103**	414	(716)	-	**21,801**
Office equipment	**757**	137	(101)	-	**793**
Furniture and fittings	**64**	-	(45)	(5)	**14**
Motor vehicles	**126**	3	(117)	-	**12**
Plant and machinery	**332**	-	(102)	(158)	**72**
Renovation	**113**	-	(23)	-	**90**
	29,302	**554**	**(1,176)**	**(163)**	**28,517**

	At 31.12.2010 Cost RM'000	Accumulated depreciation and impairment RM'000	Carrying amount RM'000
Freehold land	**180**	**-**	**180**
Long term leasehold land	**6,617**	**(1,062)**	**5,555**
Buildings	**34,765**	**(12,964)**	**21,801**
Office equipment	**2,212**	**(1,419)**	**793**
Furniture and fittings	**1,414**	**(1,400)**	**14**
Motor vehicles	**1,454**	**(1,442)**	**12**
Plant and machinery	**233**	**(161)**	**72**
Renovation	**426**	**(336)**	**90**
	47,301	**(18,784)**	**28,517**

Group ***2009***	***Balance as at 1.1.2009, as restated RM'000***	***Additions RM'000***	***Depreciation charges for the financial year RM'000***	***Written off RM'000***	***Reclassi-fication RM'000***	***Balance as at 31.12.2009, as restated RM'000***
Carrying amount						
Freehold land	180	-	-	-	-	180
Long term leasehold land	5,699	-	(72)	-	-	5,627
Buildings	22,200	107	(708)	-	504	22,103
Office equipment	743	173	(144)	(15)	-	757
Furniture and fittings	116	-	(47)	(5)	-	64
Motor vehicles	242	-	(116)	-	-	126
Plant and machinery	395	36	(99)	-	-	332
Renovation	561	-	(30)	(418)	-	113
Construction-in-progress	504	-	-	-	(504)	-
	30,640	316	(1,216)	(438)	-	29,302

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

	——— *At 31.12.2009* ———		
	Cost	***Accumulated depreciation and impairment***	***Carrying amount***
	RM'000	***RM'000***	***RM'000***
Freehold land	180	-	180
Long term leasehold land	6,617	990	5,627
Buildings	34,351	12,248	22,103
Office equipment	4,162	3,405	757
Furniture and fittings	1,784	1,720	64
Motor vehicles	1,625	1,499	126
Plant and machinery	1,024	692	332
Renovation	532	419	113
Construction-in-progress	-	-	-
	50,275	20,973	29,302

Company	***Balance as at***	***Depreciation charges for the financial***	***Balance as at***
2010	***1.1.2010***	***year***	***31.12.2010***
	RM'000	***RM'000***	***RM'000***
Carrying amount			
Office equipment	**3**	**(1)**	**2**
Furniture and fittings	**-**	**-**	**-**
Motor vehicles	**-**	**-**	**-**
	3	**(1)**	**2**

	——— *At 31.12.2010* ———		
	Cost	***Accumulated depreciation***	***Carrying amount***
	RM'000	***RM'000***	***RM'000***
Office equipment	**264**	**262**	**2**
Furniture and fittings	**119**	**119**	**-**
Motor vehicles	**707**	**707**	**-**
	1,090	**1,088**	**2**

Company *2009*	*Balance as at 1.1.2009 RM'000*	*Depreciation charges for the financial year RM'000*	*Written off RM'000*	*Balance as at 31.12.2009 RM'000*
Carrying amount				
Office equipment	20	(2)	(15)	3
Furniture and fittings	5	-	(5)	-
Motor vehicles	-	-	-	-
Renovation	396	-	(396)	-
	421	(2)	(416)	3

	At 31.12.2009		
	Cost RM'000	*Accumulated depreciation RM'000*	*Carrying amount RM'000*
Office equipment	264	261	3
Furniture and fittings	119	119	-
Motor vehicles	881	881	-
	1,264	1,261	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 RM27,536,000 (2009: RM27,910,000) have been pledged to financial institutions for banking facilities (Note 21).

(c) The net book value of property, plant and equipment of the Group acquired under hire-purchase arrangements amounted to RM10,000 (2009: RM126,000).

(d) During the financial year, the Group reassessed its long term leases of land in accordance with Amendment to FRS 117 to be finance lease. The classification of prepaid lease payments for land as property, plant and equipment has been accounted for retrospectively (Note 38).

8. Investments In Subsidiaries

	Company	
	2010	2009
	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 37 to the financial statements.

The consolidated financial statements of the Group do not deal with subsidiaries and associates as listed in Note 37 (c) and (d). These are companies under liquidation or subsidiaries of the companies under liquidation.

9. Investments In Associates

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Quoted shares in Malaysia, at cost	**296,672**	296,672	**296,672**	296,672
Share of post acquisition loss	**(4,254)**	(3,074)	**-**	-
	292,418	293,598	**296,672**	296,672
Less: Impairment losses	**(242,604)**	(242,604)	**(242,700)**	(242,700)
	49,814	50,994	**53,972**	53,972
Market value of quoted shares in Malaysia	**31,247**	44,030	**31,247**	44,030

The details of the associates are listed in Note 37 to the financial statements.

The summarised financial information of the associates are as follows:

	2010	2009
	RM'000	RM'000
Assets and liabilities		
Current assets	**315,089**	258,365
Non-current assets	**172,257**	173,272
Total assets	**487,346**	431,637
Current liabilities	**290,115**	230,880
Non-current liabilities	**54,253**	54,390
Total liabilities	**344,368**	285,270
Results		
Revenue	**22,737**	26,684
Loss for the financial year	**3,502**	6,776

Quoted investment in an associate held by the Group and the Company with a carrying amount of RM48,241,000 (2009: RM49,384,000) has been pledged to a financial institution for banking facilities granted to the Company (Note 21).

10. Long Term Investments

Group		***Market value***
2010	***Carrying amount***	***of quoted investments***
	RM'000	***RM'000***
Available-for-sale financial assets		
- Quoted shares outside Malaysia	**356**	**356**
- Club memberships	**450**	*
Total long term investments	**806**	**356**
2009		
At cost		
Quoted shares outside Malaysia	18,050	394
Less: Impairment losses	(17,738)	-
	312	394
Club memberships	419	*
Less: Impairment losses	(29)	-
	390	-
Total long term investments	702	394
Company		
2010		
Available-for-sale financial assets		
- Quoted shares outside Malaysia	**356**	**356**
- Club memberships	**350**	*
Total long term investments	**706**	**356**
2009		
At cost		
Quoted shares outside Malaysia	18,050	394
Less: Impairment losses	(17,738)	-
	312	394
Club memberships	333	*
Less: Impairment losses	(29)	-
	304	-
Total long term investments	616	394

** Not applicable as club memberships are not quoted*

10. Long Term Investments (Cont'd)

(a) The comparative figures have not been presented based on the new categorisation of financial assets resulting from the adoption of FRS 139 by virtue of the exemption given in FRS7.44AA.

(b) Information on the fair value hierarchy is disclosed in Note 34(e) to the financial statements.

11. Inventories

	Group	
	2010	*2009*
	RM'000	*RM'000*
At cost		
Consumables, food and beverages	**264**	257

The cost of inventories recognised as expenses and included in the cost of services of the Group amounted to RM1,562,000 (2009: RM1,825,000).

12. Trade And Other Receivables

	Group		Company	
	2010	*2009*	***2010***	*2009*
	RM'000	*RM'000*	***RM'000***	*RM'000*
Trade receivables	**1,579**	1,858	**-**	-
Less: Impairment losses	**(392)**	(392)	**-**	-
	1,187	1,466	**-**	-
Other receivables	**1,917**	1,900	**1**	1
Less: Impairment losses	**(1,719)**	(1,719)	**-**	-
	198	181	**1**	1
Deposits	**416**	429	**91**	96
Less: Impairment losses	**(79)**	(79)	**(79)**	(79)
	337	350	**12**	17
Prepayments	**95**	63	**-**	-
	1,817	2,060	**13**	18

(a) Trade receivables are non-interest bearing and the credit terms offered by the Group range from cash term to 30 days (2009: cash term to 45 days) from date of invoice. They are recognised at their original invoice amounts which represent their fair values on initial recognition

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

	Group	
	2010	*2009*
	RM'000	*RM'000*
Hong Kong Dollar	**43**	370
United States Dollar	**-**	63

(c) The ageing analysis of trade receivables of the Group are as follows:

	Group	
	2010	*2009*
	RM'000	*RM'000*
Neither past due nor impaired	**999**	838
Past due, not impaired		
31 to 60 days	**167**	551
61 to 90 days	**21**	77
	188	628
Past due and impaired	**392**	392
	1,579	1,858

<u>Receivables that are neither past due nor impaired</u>

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the trade receivables of the Group that are neither past due nor impaired have been renegotiated during the financial year.

<u>Receivables that are past due but not impaired</u>

At the end of the reporting period, trade receivables of the Group that are past due but not impaired are unsecured in nature. These are creditworthy debtors.

(d) In the previous financial year, included in trade receivables of the Group was an amount owing by related parties of RM423,000, which was unsecured, interest-free and receivable upon demand in cash and cash equivalents.

13. Amounts Owing By/(To) Subsidiaries

	Company	
	2010	2009
	RM'000	RM'000
Amounts owing by subsidiaries	**352,809**	358,444
Less: Impairment losses	**(337,674)**	(341,814)
	15,135	16,630
Amounts owing to subsidiaries	**2,009**	2,012

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 in Malaysia. These amounts are unsecured, interest-free and receivables upon demand in cash and cash equivalents.

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

14. Amounts Owing By/(To) Associates

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Amounts owing by associates	**55,705**	55,799	**55,705**	55,799
Less: Impairment losses	**-**	(27)	**-**	(27)
	55,705	55,772	**55,705**	55,772
Amounts owing to associates	**943**	1,015	**-**	72

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 in Malaysia. These amounts are unsecured, interest-free and receivable upon demand in cash and cash equivalents.

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

15. Amounts Owing By/(To) Related Companies

	Group		*Company*	
	2010	*2009*	***2010***	*2009*
	RM'000	*RM'000*	***RM'000***	*RM'000*
Amounts owing by related companies	**1,994**	2,121	**604**	604
Less: Impairment losses	**(1,011)**	(1,011)	**(604)**	(604)
	983	1,110	**-**	-
Amounts owing to related companies	**64**	29	**59**	6

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

Amounts owing to related companies represent balances arising from normal trade transactions, payments made on behalf and advances which are unsecured, interest-free and repayable upon demand in cash and cash equivalents.

16. Term And Call Deposits

	Group	
	2010	*2009*
	RM'000	*RM'000*
Term and call deposits with licensed banks	**1,610**	1,786

Deposits with licensed banks of the Group totalling RM481,000 (2009: RM657,000) have been pledged to secure banking facilities.

17. Share Capital

	Group and Company			
	2010		*2009*	
	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

The holders of the ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the Company's residual assets.

18. Reserves

	Group		*Company*	
	2010	*2009*	***2010***	*2009*
	RM'000	*RM'000*	***RM'000***	*RM'000*
Non-distributable:				
Available-for-sale reserve	**104**	-	**90**	-
Capital reserve	**4,713**	4,713	**-**	-
Exchange translation reserve	**(12,397)**	(12,397)	**-**	-
Distributable:				
Retained earnings	**22,589**	19,258	**18,681**	15,166
	15,009	11,574	**18,771**	15,166

(a) Available-for-sale-reserve

Gains or losses arising on financial assets classified as available-for-sale.

(b) Capital reserve

Capital reserve mainly consists of asset revaluation reserve which is used to record the increase in the fair value of long term leasehold land and buildings on consolidation.

(c) Exchange translation reserve

The exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(d) Retained earnings

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 up to RM2,552,000 out of its entire retained earnings as at 31 December 2010 without incurring additional tax liabilities. Any additional dividend payment will be made under the single tier system.

e) Supplementary information on realised and unrealised profits or losses

The retained earnings as at the end of the reporting period may be analysed as follows:

	2010	
	Group	***Company***
	RM'000	***RM'000***
Total retained profits		
- Realised	**26,843**	**18,681**
Total share of accumulated losses from associates		
- Realised	**(4,254)**	**-**
Total retained profits as per consolidated accounts	**22,589**	**18,681**

19. Borrowings

		Group		***Company***	
		2010	*2009*	***2010***	*2009*
	Note	***RM'000***	*RM'000*	***RM'000***	*RM'000*
Non-current liabilities					
Hire-purchase creditors	20	**10**	125	**-**	-
Term loans - secured	21	**15,320**	27,980	**-**	11,820
		15,330	28,105	**-**	11,820
Current liabilities					
Hire-purchase creditors	20	**115**	106	-	-
Term loans - secured	21	**12,660**	4,840	**11,820**	4,000
		12,775	4,946	**11,820**	4,000
Total borrowings					
Hire-purchase creditors	20	**125**	231	**-**	-
Term loans - secured	21	**27,980**	32,820	**11,820**	15,820
		28,105	33,051	**11,820**	15,820

20. Hire-Purchase Creditors

	Note	Group 2010 RM'000	Group 2009 RM'000
Minimum hire-purchase payments:			
- within one year		**119**	120
- later than one year and less than five years		**10**	129
Total minimum hire-purchase payments		**129**	249
Less: Future interest charges		**(4)**	(18)
Present value of hire-purchase liabilities	19	**125**	231
Current liabilities:			
- within one year	19	**115**	106
Non-current liabilities:			
- more than one year and less than five years	19	**10**	125
		125	231

21. Term Loans

	Note	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Secured	19	**27,980**	32,820	**11,820**	15,820
Repayable as follows:					
Current liabilities:					
- within one year	19	**12,660**	4,840	**11,820**	4,000
Non-current liabilities:					
- more than one year and less than five years	19	**15,320**	27,980	**-**	11,820
		27,980	32,820	**11,820**	15,820

The term loans are secured by way of the following:

(i) pledge of quoted shares in an associate (Note 9);

(ii) fixed legal charges over property, plant and equipment of the Group (Note 7); and

(iii) fixed and floating charges over the assets of a subsidiary;

Term loans granted to subsidiaries are guaranteed by the Company (Note 36).

22. Deferred Tax Liabilities

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

	Group	
	2010	2009
	RM'000	RM'000
Balance as at 1 January/31 December	**1,238**	1,238

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

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Taxable temporary differences	**(503)**	(627)	**(1)**	(2)
Unused tax losses	**26,255**	27,961	**12,361**	14,197
Unabsorbed capital allowances	**3,881**	8,124	**-**	3,022
	29,633	35,458	**12,360**	17,217

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 taxable temporary differences can be utilised.

23. Trade And Other Payables

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Trade payables	**346**	708	**-**	-
Other payables	**1,711**	2,762	**461**	1,482
Accruals	**444**	658	**128**	151
	2,501	4,128	**589**	1,633

The credit terms available to the Group and to the Company in respect of trade payables range from 14 to 60 days (2009: 14 to 60 days) from date of invoice.

24. 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 in cash and cash equivalents.

25. Revenue

	Group		Company	
	2010	*2009*	***2010***	*2009*
	RM'000	*RM'000*	***RM'000***	*RM'000*
Rendering of services:				
- ticketing and travel related	**7,026**	7,549	**-**	-
- hotel	**10,488**	10,685	**-**	-
Interest income	**-**	18	**-**	20
Others	**-**	-	**24**	24
	17,514	18,252	**24**	44

26. Profit/(Loss) Before Tax

	Note	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Profit/(Loss) before tax is arrived at after charging:					
Auditors' remuneration:					
Statutory					
- current year		**97**	97	**38**	38
- under provision in prior year		**-**	7	**-**	-
Non-statutory					
- current year		**23**	27	**23**	26
- under provision in prior year		**3**	-	**3**	-
Bad debts written off		**-**	9	**-**	-
Depreciation of property, plant and equipment	7	**1,176**	1,216	1	2
Directors' remuneration:					
- fees		**147**	-	**147**	-
- other emoluments		**184**	249	**13**	249
Impairment loss on receivables		**-**	72	**64**	35,559
Inventories written off		**7**	4	**-**	-
Interest expense on:					
- bank overdrafts		**4**	-	**-**	-
- hire-purchase		**13**	21	**-**	-
- term loans		**2,444**	2,915	**1,112**	1,268
Loss on disposal of long term investment		**-**	28	**-**	28
Property, plant and machinery written off	7	**163**	438	**-**	416
Rental of:					
- equipment		**13**	10	**3**	2
- land and buildings		**338**	337	**29**	24
And after crediting:					
Bad debts recovered		**1,106**	-	**1,106**	-
Gain on disposal of non-current asset held for sale		**-**	8,932	**-**	8,932
Gain on disposal of property, plant and equipment		**7**	39	**7**	39
Gain on foreign exchange:					
- realised		**33**	109	**-**	-
- unrealised		**-**	15	**-**	-
Interest income from:					
- advances to subsidiaries		**-**	-	**-**	2
- others		**57**	78	**-**	18
Management fees received and receivable from a subsidiary		**-**	-	**24**	24
Provision for retirement gratuity no longer required		**1**	191	**1**	90
Provision for corporate guarantee no longer required		**-**	-	**-**	35,190
Rental income on premises		**109**	118	**-**	-
Reversal of impairment loss on receivables		**4,231**	263	**4,231**	368

26. Profit/(Loss) Before Tax (Cont'd)

(a) In previous year, 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 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	
	2010	2009
Executive Director		
Below RM50,000	**1**	-
RM200,001 to RM250,000	**-**	1
Non-Executive Directors		
Below RM50,000	**5**	3

27. Tax Expense

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Income tax expense for the financial year	**14**	11	**-**	-
Under/(Over) provision in prior years	**2**	(9)	**-**	-
	16	2	**-**	-

The Malaysian income tax is calculated at the statutory rate of 25% (2009: 25%) of the estimated taxable profits for the fiscal year.

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

	Group		Company	
	2010	2009	**2010**	2009
	%	%	**%**	%
Applicable tax rate	**25.0**	25.0	**25.0**	25.0
Tax effects in respect of:				
Exempt income	**(0.8)**	(38.2)	**-**	(31.8)
Non-taxable income	**-**	(3.0)	**(0.1)**	(1.8)
Non-allowable expenses	**11.5**	8.9	**9.6**	6.2
Deferred tax assets not recognised during the year	**2.7**	4.0	**-**	2.4
Share of results in associates	**9.3**	10.0	**-**	-
Utilisation of previously unrecognised deferred tax assets	**(47.3)**	(6.5)	**(34.5)**	-
	0.4	0.2	**-**	-
Under/(Over) provision of income tax expense in prior year	**0.1**	(0.1)	**-**	-
Average effective tax rate	**0.5**	0.1	**-**	-

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

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Arising from utilisation of previously unrecognised tax losses	**472**	7	**459**	-

28. 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. In view of the disposal, the operation of the investment property was classified as discontinued operation in the financial year ended 31 December 2009.

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

	2009	
	Group	Company
	RM'000	RM'000
Revenue	455	483
Other income	8,932	8,932
Expenses	(156)	(156)
Profit for the financial year	9,231	9,259

The following amounts were included in arriving at the profit for the financial year of the discontinued operation for the financial year ended 31 December 2009:

	2009	
	Group	Company
	RM'000	RM'000
Gain on disposal of non-current asset held for sale	8,932	8,932
Rental income from:		
- investment property	359	387
- others	96	96

The cash flows attributable to the discontinued operation for the financial year ended 31 December 2009 were as follows:

	2009	
	Group	Company
	RM'000	RM'000
Net cash from operating activities	299	327

29. Basic Earnings/(Loss) Per Share

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

	Group	
	2010	*2009*
	RM'000	*RM'000*
Profit/(Loss) attributable to equity holders of the parent		
- from continuing operations	**3,291**	(3,323)
- from discontinued operation	**-**	9,231
Total	**3,291**	5,908
Number of ordinary shares outstanding ('000)	**928,867**	928,867

	Group	
	2010	*2009*
	Sen	*Sen*
Basic earnings/(loss) per ordinary share:		
- from continuing operations	**0.35**	(0.35)
- from discontinued operation	**-**	0.99
	0.35	0.64

Diluted earnings per ordinary share is not presented as there is no dilutive potential ordinary shares.

30. Employee Benefits

	Group		Company	
	2010	*2009*	**2010**	*2009*
	RM'000	*RM'000*	***RM'000***	*RM'000*
Wages and salaries	**2,077**	2,122	**113**	198
Contributions to defined contribution plan	**231**	240	**15**	31
Social security contributions	**496**	47	**1**	3
Other benefits	**56**	344	**18**	-
	2,860	2,753	**147**	232

31. Cash And Cash Equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

		Group		Company	
		2010	*2009*	**2010**	*2009*
	Note	***RM'000***	*RM'000*	***RM'000***	*RM'000*
Term and call deposits	16	**1,610**	1,786	**-**	-
Cash and bank balances		**1,409**	2,292	**10**	135
		3,019	4,078	**10**	135
Less: Deposits pledged to licensed banks	16	**(481)**	(657)	**-**	-
		2,538	3,421	**10**	135

The weighted average interest rate of term and call deposits of the Group that was effective during the financial year was 2.1% (2009: 2.0%) per annum.

Deposits of the Group have a maturity period ranging from 1 to 12 months (2009: 1 to 12 months).

32. 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 parties.

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***	
	2010	*2009*	***2010***	*2009*
	RM'000	*RM'000*	***RM'000***	*RM'000*
Rental and parking income received and receivable:				
- Related parties	**-**	4	**-**	4
- Related companies	**-**	192	**-**	192
- Associates	**-**	172	**-**	172
- Subsidiaries	**-**	-	**-**	28
Sale of air tickets and provision of travel and ancillary services:				
- Related parties	**121**	2,710	**-**	-
- Related companies	**1,176**	1,359	**-**	-
- Associates	**3**	5	**-**	-
- Ultimate holding company	**5**	-	**-**	-
Interest income received and receivable:				
- Subsidiaries	**-**	-	**-**	2
Internal audit fee and expenses paid and payable:				
- Related company	**44**	8	**37**	-
Office rental paid and payable:				
- Related company	**324**	333	**29**	24
Purchase of insurance:				
- Related companies	**212**	213	**60**	65
Management fee received and receivable:				
- Subsidiaries	**-**	-	**24**	24

Significant balances with related parties at the end of the reporting period are disclosed in Notes 13, 14, 15 and 24 to the financial statements.

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

32. Related Party Disclosures (Cont'd)

(c) Compensation of key management personnel

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

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Short term employee benefits	**324**	282	**160**	248
Contributions to defined contribution plan	**7**	6	**-**	1
	331	288	**160**	249

33. Operating Segments

Pan Malaysia Holdings Berhad as well as its subsidiaries and associates are principally engaged in hotel, travel, stockbroking and investment holding.

Pan Malaysia Holdings Berhad has arrived at four reportable segments that are organised and managed separately according to the nature of products and services, which requires different business and marketing strategies. The reportable segments are summarised as follows:

(i) Hotel : Operating a hotel.

(ii) Travel : Travel agent and provision of travel-related services.

(iii) 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.

(iv) Investment holding : Comprise mainly investment, dormant and inactive subsidiaries.

The accounting policies of operating segments are the same as those described in the summary of significant accounting policies.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current and previous financial years.

2010	*Hotel RM'000*	*Travel RM'000*	*Stockbroking RM'000*	*Investment holding RM'000*	*Total RM'000*
Revenue					
Total revenue	**10,490**	**7,029**	**-**	**24**	**17,543**
Inter-segment revenue	**(2)**	**(3)**	**-**	**(24)**	**(29)**
Revenue from external customers	**10,488**	**7,026**	**-**	**-**	**17,514**
Interest income	**48**	**8**	**-**	**1**	**57**
Finance costs	**(1,332)**	**(17)**	**-**	**(1,112)**	**(2,461)**
Net finance expense	**(1,284)**	**(9)**	**-**	**(1,111)**	**(2,404)**
Depreciation	**(1,028)**	**(147)**	**-**	**(1)**	**(1,176)**
Profit/(Loss) before tax	**1,156**	**(215)**	**(1,220)**	**3,543**	**3,264**
Share of loss of associates	**-**	**-**	**(1,220)**	**-**	**(1,220)**
Income tax expenses	**(12)**	**(2)**	**-**	**(2)**	**(16)**
Other material non-cash items:					
- Property, plant and equipment written off	**(163)**	**-**	**-**	**-**	**(163)**
Investments in associates	**-**	**-**	**49,814**	**-**	**49,814**
Additions to non-current assets other than financial instruments and deferred tax assets	**554**	**-**	**-**	**-**	**554**
Segment assets	**33,556**	**952**	**49,814**	**56,606**	**140,928**
Segment liabilities	**18,869**	**343**	**-**	**13,698**	**32,910**

33. Operating Segments (Cont'd)

2009	*Hotel RM'000*	*Travel RM'000*	*Stockbroking RM'000*	*Investment holding RM'000*	*Property holding RM'000*	*Total RM'000*
Revenue						
Total revenue	10,710	7,556	-	43	455	18,764
Inter-segment revenue	(25)	(7)	-	(25)	-	(57)
Revenue from external customers	10,685	7,549	-	18	455	18,707
Interest income	49	11	-	-	-	60
Finance costs	(1,360)	(21)	-	(1,555)	-	(2,936)
Net finance expense	(1,311)	(10)	-	(1,555)	-	(2,876)
Depreciation	(1,057)	(157)	-	(2)	-	(1,216)
Profit/(Loss) before tax	1,315	13	(2,361)	(2,286)	9,231	5,912
Share of loss of associates	-	-	(2,361)	-	-	(2,361)
Income tax expenses	-	(2)	-	-	-	(2)
Other material non-cash items:						
- Property, plant and equipment written off	-	(22)	-	(416)	-	(438)
Investments in associates	-	-	50,994	-	-	50,994
Additions to non-current assets other than financial instruments and deferred tax assets	314	2	-	-	-	316
Segment assets	34,985	1,613	50,994	56,696	-	144,288
Segment liabilities	19,948	786	-	18,928	-	39,662

Reconciliations of reportable segment revenues and profit or loss to the Group's corresponding amounts were as follows:

Revenue	***2009 RM'000***
Total revenue for reportable segments	18,764
Elimination of inter-segmental revenues	(57)
Discontinued operation (Note 28)	(455)
Group's revenue per consolidated statement of comprehensive income	18,252
Profit/(Loss) for the financial year	
Total profit for reportable segments	5,912
Profit on discontinued operation (Note 28)	(9,231)
Loss before tax and discontinued operation	(3,319)
Income tax expenses	(2)
Loss for the financial year from continuing operations	(3,321)

No segment information by geographical has been presented as the Group operates predominantly in Malaysia.

34. Financial Instruments

(a) Capital management

The primary objective of the Group's and of the Company's capital management is to ensure that the Group and the Company would be able to continue as going concerns and to maintain an optimal capital structure so as to maximise shareholders' value. The overall strategy of the Group and the Company remains unchanged from financial year ended 31 December 2009.

The Group and the Company are not subject to any externally imposed capital requirements of the financial instruments.

The Group and the Company monitor capital using a gearing ratio which is the amount of borrowings (Note 19) divided by equity attributable to owners of the parent. The Group's and Company's policy is to keep the gearing ratio within manageable levels. At the end of the reporting period, the Group's and the Company's gearing ratios are 0.26 and 0.11 times (2009: 0.32 and 0.15 times) respectively.

(b) Financial instruments

Certain comparative figures have not been presented for 31 December 2009 by virtue of the exemption given in paragraph 44AA of FRS 7.

Categories of financial instruments

	2010	
	Group *RM'000*	*Company* *RM'000*
Financial assets		
Loans and receivables		
Trade and other receivables	**1,817**	**13**
Amounts owing by subsidiaries	**-**	**15,135**
Amounts owing by associates	**55,705**	**55,705**
Amounts owing by related companies	**983**	**-**
Term and call deposits	**1,610**	**-**
Cash and bank balances	**1,409**	**10**
	61,524	**70,863**
Available for sale		
Long term investments	**806**	**706**
Financial liabilities		
Other financial liabilities		
Borrowings	**28,105**	**11,820**
Trade and other payables	**2,501**	**589**
Amounts owing to subsidiaries	**-**	**2,009**
Amounts owing to associates	**943**	**-**
Amounts owing to related companies	**64**	**59**
Amount owing to ultimate holding company	**57**	**57**
	31,670	**14,534**

34. Financial Instruments (Cont'd)

(c) Fair values of financial instruments

The fair values of financial instruments that are not carried at fair value and whose carrying amounts do not approximate its fair values are as follows:

		Company	
		Carrying amount	*Fair value*
	Note	*RM*	*RM*
As at 31 December 2009/2010			
Unrecognised			
Contingent liabilities	36	-	*

** Negligible*

(d) Determination of fair value

Methods and assumptions used to estimate fair value

The fair values of financial assets and liabilities are determined as follows:

i. Financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value.

   The carrying amounts of financial assets and liabilities of the Group and the Company, which are classified as current assets and liabilities as at the end of the reporting period, approximate their fair values due to the relatively short term maturity of these financial instruments.

ii. Long term investments

   The fair value of quoted investments outside Malaysia is determined by reference to the exchange quoted market prices at the close of the business at the end of the reporting period.

   The fair value for club memberships is estimated based on references to comparable market prices of similar investments.

(e) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 31 December 2010, the Group and the Company held the following financial instruments carried at fair value on the statement of financial position:

	31 December 2010 RM'000	*Level 1 RM'000*	*Level 2 RM'000*	*Level 3 RM'000*
Group				
Available-for-sale financial assets				
- Quoted shares outside Malaysia	**356**	**356**	**-**	**-**
- Club memberships	**450**	**-**	**450**	**-**
Company				
Available-for-sale financial assets				
- Quoted shares outside Malaysia	**356**	**356**	**-**	**-**
- Club memberships	**350**	**-**	**350**	**-**

During the reporting period ending 31 December 2010, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

35. 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

This is the risk that a counter party is unable to pay its debts or meet its obligations.

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.

The Group's primary exposure to credit risk arises through its trade receivables.

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

35. Financial Risk Management Objectives And Policies (Cont'd)

(i) Credit risk (Cont'd)

Credit risk concentration profile

As at 31 December 2010, the Group and the Company have no significant concentration of credit risk, other than amount owing by an associate of RM55,705,000 (2009: RM55,772,000).

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 12. Deposits with banks and other financial institutions are placed with reputable financial institutions with good standing. The Directors believe that the possibility of non-performance by the financial instituitions is remote on the basis of their financial strength.

Financial asset that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 12.

(ii) Liquidity and cash flow risks

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations when due.

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.

The table below summarises the maturity profile of the Group's and the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	2010			
Group	*On demand or within one year RM'000*	*One to five years RM'000*	*Over five years RM'000*	*Total RM'000*
Financial liabilities:				
Trade and other payables	**2,501**	-	-	**2,501**
Amounts owing to associates	**943**	-	-	**943**
Amounts owing to related companies	**64**	-	-	**64**
Amount owing to ultimate holding company	**57**	-	-	**57**
Borrowings	**12,775**	**3,790**	**11,540**	**28,105**
Total undiscounted financial liabilities	**16,340**	**3,790**	**11,540**	**31,670**

Company	*On demand or within one year RM'000*	*Total RM'000*
Financial liabilities:		
Trade and other payables	**589**	**589**
Amounts owing to Subsidiaries	**2,009**	**2,009**
Amounts owing to related companies	**59**	**59**
Amount owing to ultimate holding company	**57**	**57**
Borrowings	**11,820**	**11,820**
Total undiscounted financial liabilities	**14,534**	**14,534**

(iii) Foreign currency risk

Foreign currency risk is that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

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. However, the exposure to the Group is minimal.

(iv) Market risk

Market price risk is the risk that the fair value of future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risks arising from quoted investments held by the Group. The Group does not actively trade these investments and these instruments are classified as available-for-sale financial assets.

Sensitivity analysis for equity price risk

At the end of the reporting period, if the prices of the Group's quoted investments had been 5% higher or lower, with all other variables held constant, the Group's available-for-sale reserve in equity would have been RM17,800 higher or lower, arising as a result of an increase or decrease in the fair value of equity instruments classified as available-for-sale.

(v) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

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.

35. Financial Risk Management Objectives And Policies (Cont'd)

(v) Interest rate risk (Cont'd)

Interest rate risk sensitivity analysis

At the reporting date, if interest rate had been 100 basis points lower or higher, with all the variable held constant, the Group's and the Company's profit net of tax for the financial year would have been approximately RM265,000 and RM118,000 higher or lower respectively. The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

35. Financial Risk Management Objectives And Policies (Cont'd)

(v) Interest rate risk (Cont'd)

The following tables set out the carrying amounts, the weighted average effective interest rates as at the end of the reporting period and the remaining maturities 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 2010									
Fixed rates									
Term and call deposits	16	**2.1**	**1,610**	**-**	**-**	**-**	**-**	**-**	**1,610**
Hire-purchase creditors	20	**7.8**	**115**	**10**	**-**	**-**	**-**	**-**	**125**
Term loans	21	**8.0**	**11,820**	**-**	**-**	**-**	**-**	**-**	**11,820**
Floating rates									
Term loans	21	**8.0**	**840**	**840**	**840**	**1,050**	**1,050**	**11,540**	**16,160**
At 31 December 2009									
Fixed rates									
Term and call deposits	16	2.0	1,786	-	-	-	-	-	1,786
Hire-purchase creditors	20	7.8	106	115	10	-	-	-	231
Term loans	21	8.0	4,000	4,000	7,820	-	-	-	15,820
Floating rates									
Term loans	21	8.0	840	840	840	840	1,050	12,590	17,000
Company									
At 31 December 2010									
Fixed rates									
Term loans	21	**8.0**	**11,820**	**-**	**-**	**-**	**-**	**-**	**11,820**
At 31 December 2009									
Fixed rates									
Term loans	21	8.0	4,000	4,000	7,820	-	-	-	15,820

36. Contingent Liability

	Company	
	2010	*2009*
	RM'000	*RM'000*
Guarantee given to a financial institution for the term loans of a subsidiary (Note 21)	**16,160**	17,000

The Directors are of the view that the chances to call upon the corporate guarantees are remote.

37. Subsidiaries And Associates

(a) Subsidiaries and Associates of Pan Malaysia Holdings Berhad

	Subsidiary	*Equity Interest* **2010** %	*2009* %	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	Dormant	Hong Kong
4.	Kayangan Makmur Sdn. Bhd.	**100**	100	Investment holding	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* **2010** %	*2009* %	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* **2010** %	*2009* %	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

37. Subsidiaries And Associates (Cont'd)

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

	Subsidiary	***Equity Interest* 2010 %**	*2009 %*	*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* 2010 %**	*2009 %*	*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 2010 %	Equity Interest 2009 %	Country of Incorporation
9.	Pengkalen Engineering & Construction Sdn. Bhd.	**100**	100	Malaysia
10.	Pengkalen Pasar Borong Sdn. Bhd.	**80**	80	Malaysia
11.	Pengkalen Raya Sdn. Bhd.	**100**	100	Malaysia
@12.	Pengkalen (UK) Plc.	**84.12**	84.12	United Kingdom
13.	Sensor Equipment Sdn. Bhd.	**64.10**	64.10	Malaysia
14.	Technitone (M) Sdn. Bhd.	**64.10**	64.10	Malaysia

(d) Other Subsidiaries and Associate of Pengkalen (UK) Plc.@

	Subsidiary	Equity Interest 2010 %	Equity Interest 2009 %	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 2010 %	Equity Interest 2009 %	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
@ Dissolved on 7 March 2011

38. Comparatives

Certain figures as at 1 January 2009 have been restated due to the effects arising from the adoption of Amendment to FRS 117 Leases, which have resulted in retrospective adjustments. Long term leasehold land held by the Group for own use were reclassified from prepaid lease payments for land as previously reported, to property, plant and equipment - long term leasehold land.

	As at 1 January 2009			*As at 31 December 2009*		
Group	***As previously reported RM'000***	***Effects on adoption of Amendment to FRS 117 RM'000***	***As restated RM'000***	***As previously reported RM'000***	***Effects on adoption of Amendment to FRS 117 RM'000***	***As restated RM'000***
Statement of financial position						
Assets						
Non-current assets						
Property, plant and equipment	24,941	5,699	30,640	23,675	5,627	29,302
Prepaid lease payments for land	5,699	(5,699)	-	5,627	(5,627)	-
Investments in associates	53,355	-	53,355	50,994	-	50,994
Long term investments	770	-	770	702	-	702
	84,765	-	84,765	80,998	-	80,998
Current assets						
Inventories	390	-	390	257	-	257
Trade and other receivables	2,683	-	2,683	2,060	-	2,060
Amounts owing by associates	55,673	-	55,673	55,772	-	55,772
Amounts owing by related companies	775	-	775	1,110	-	1,110
Current tax assets	12	-	12	13	-	13
Term and call deposits	1,824	-	1,824	1,786	-	1,786
Cash and bank balances	465	-	465	2,292	-	2,292
	61,822	-	61,822	63,290	-	63,290
Non-current asset held for sale	30,068	-	30,068	-	-	-
Total assets	176,655	-	176,655	144,288	-	144,288
Equity and liabilities						
Equity attributable to equity holders of the Company						
Share capital	92,887	-	92,887	92,887	-	92,887
Reserves	5,666	-	5,666	11,574	-	11,574
	98,553	-	98,553	104,461	-	104,461
Minority interest	163	-	163	165	-	165
Total equity	98,716	-	98,716	104,626	-	104,626
Liabilities						
Non-current liabilities						
Borrowings	16,050	-	16,050	28,105	-	28,105
Deferred tax liabilities	1,238	-	1,238	1,238	-	1,238
	17,288	-	17,288	29,343	-	29,343

Group	As at 1 January 2009 As previously reported RM'000	Effects on adoption of Amendment to FRS 117 RM'000	As restated RM'000	As at 31 December 2009 As previously reported RM'000	Effects on adoption of Amendment to FRS 117 RM'000	As restated RM'000
Current liabilities						
Trade and other payables	4,412	-	4,412	4,128	-	4,128
Amounts owing to associates	1,496	-	1,496	1,015	-	1,015
Amounts owing to related companies	314	-	314	29	-	29
Amount owing to ultimate holding company	142	-	142	199	-	199
Borrowings	54,287	-	54,287	4,946	-	4,946
Current tax liabilities	-	-	-	2	-	2
	60,651	-	60,651	10,319	-	10,319
Total liabilities	77,939	-	77,939	39,662	-	39,662
Total equity and liabilities	176,655	-	176,655	144,228	-	144,228

	As previously reported RM'000	Effects adoption of Amendment to FRS 117 RM'000	As restated RM'000
For the financial year ended 31 December 2009			
Statement of comprehensive income			
Depreciation of property, plant and equipment - long term leasehold land	-	72	72
Amortisation of prepaid lease payments for land	72	(72)	-
Statement of cash flows			
Depreciation of property, plant and equipment - long term leasehold land	1,144	72	1,216
Amortisation of prepaid lease payments for land	72	(72)	-

39. Opening Statements Of Financial Position

Group	*As previously reported RM'000*	*Effects adoption of FRS 139 RM'000*	*As restated RM'000*
Statement of financial position			
Assets			
Non-current assets			
Property, plant and equipment	29,302	-	29,302
Investments in associates (Note 9)	50,994	40	51,034
Long term investments (Note 10)	702	142	844
	80,998	182	81,180
Current assets			
Inventories	257	-	257
Trade and other receivables	2,060	-	2,060
Amounts owing by subsidiaries	-	-	-
Amounts owing by associates	55,772	-	55,772
Amounts owing by related companies	1,110	-	1,110
Current tax assets	13	-	13
Term and call deposits	1,786	-	1,786
Cash and bank balances	2,292	-	2,292
	63,290	-	63,290
Total assets	144,288	182	144,470
Equity and liabilities			
Equity attributable to equity holders of the Company			
Share capital	92,887	-	92,887
Reserves (Note 18)	11,574	182	11,756
	104,461	-	104,643
Minority interest	165	-	165
Total equity	104,626	182	104,808

	As previously reported RM'000	*Effects adoption of FRS 139 RM'000*	*As restated RM'000*
Liabilities			
Non-current liabilities			
Borrowings	28,105	-	28,105
Deferred tax liabilities	1,238	-	1,238
	29,343	-	29,343
Current liabilities			
Trade and other payables	4,128	-	4,128
Amounts owing to associates	1,015	-	1,015
Amounts owing to related companies	29	-	29
Amount owing to ultimate holding company	199	-	199
Borrowings	4,946	-	4,946
Current tax liabilities	2	-	2
	10,319	-	10,319
Total liabilities	39,662	-	39,662
Total equity and liabilities	144,288	182	144,470

ANALYSIS OF SHAREHOLDINGS

As at 27 April 2011

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	307	3.27	12,236	0.00
100 - 1,000 shares	2,073	22.06	1,819,941	0.20
1,001 - 10,000 shares	4,842	51.53	22,875,888	2.46
10,001 - 100,000 shares	1,808	19.24	66,113,539	7.12
100,001 - less than 5% of issued shares	363	3.87	225,922,585	24.32
5% and above of issued shares	3	0.03	612,123,222	65.90
Total	9,396	100.00	928,867,411	100.00

Thirty (30) Largest Securities Account Holders

	Name	No. of Shares	%
1.	Loyal Design Sdn Bhd	358,496,163	38.59
2.	MUI Media Ltd	170,877,552	18.40
3.	Megawise Sdn Bhd	82,749,507	8.91
4.	Acquiline Sdn Bhd	30,463,488	3.28
5.	Arab-Malaysian Credit Berhad	20,745,416	2.23
6.	Komin Holdings Sdn Bhd	19,311,332	2.08
7.	Cimsec Nominees (Tempatan) Sdn Bhd - Danaharta Urus Sdn Bhd	13,554,211	1.46
8.	Amsec Nominees (Tempatan) Sdn Bhd - Securities Account - AmBank (M) Berhad	6,578,028	0.71
9.	Cimsec Nominees (Tempatan) Sdn Bhd - Danaharta Managers Sdn Bhd	5,673,118	0.61
10.	Mayban Nominees (Tempatan) Sdn Bhd - Securities Account for Kek Lian Lye	3,890,000	0.42
11.	Tan Eng Huat	3,617,000	0.39
12.	Foo Fook Min	3,400,000	0.37
13.	Tai Chang Eng @ Teh Chang Ying	3,307,000	0.36
14.	Tan Thiang Him	2,700,000	0.29
15.	Mayban Securities Nominees (Tempatan) Sdn Bhd - Securities Account for Ong Yew Beng	2,551,500	0.27
16.	Ng Lam Hai	2,300,000	0.25
17.	Loh Yin Chin	2,049,600	0.22
18.	Yeap Poh Tin	2,036,600	0.22
19.	Thye Mooi Lee	2,000,000	0.22
20.	Bank Kerjasama Rakyat Malaysia Berhad	1,985,751	0.21
21.	Tay Mong Kwee	1,750,000	0.19
22.	Mayban Securities Nominees (Tempatan) Sdn Bhd - Securities Account for Ang Lay Chong	1,700,000	0.18
23.	Ch'ng Mei Sian	1,450,000	0.16
24.	OSK Nominees (Tempatan) Sdn Berhad - Securities Account for Hee Yuen Sang	1,300,000	0.14
25.	Lew Kim Lien	1,204,500	0.13
26.	Tan Sei Han	1,161,700	0.12
27.	Multi-Purpose Credit Sdn Bhd	1,142,082	0.12
28.	Kua Sai Ling @ Kua Sai Lin	1,070,000	0.11
29.	Citibank Berhad	1,062,948	0.11
30.	Tan Ah Chong	1,000,000	0.11
	Total	751,127,496	80.86

PROPERTIES OWNED BY THE GROUP

As at 31 December 2010

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	15	27,356	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-Eighth Annual General Meeting of the Company to be held at Ballroom 1, Corus Hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur on Thursday, 23 June 2011 at 9.30 a.m. and at any adjournment thereof, and to vote as indicated below:-

	Resolutions	For	Against
1.	To approve Directors' fees of RM128,592.		
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 Khet Kok Yin as Director.		
5.	To re-elect Mr Lai Chee Leong as Director.		
6.	To re-appoint Messrs BDO as auditors of the Company and to authorize the Directors to fix their remuneration.		
7.	Proposed authority under Section 132D of the Companies Act, 1965 for the Directors to issue shares.		

(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 ______________ 2011

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