MULPHA INTERNATIONAL BHD


99 Macquarie Street,
New South Wales, Australia.

ANNUAL REPORT 2009

"Mulpha's key strength lies in our unconventional and long-term approach to identifying, acquiring and developing assets as well as businesses across the region."

Lee Seng Huang, Executive Chairman,
Mulpha International Bhd

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Corporate Profile

Mulpha International Bhd is a diversified conglomerate and a component stock of the Bursa Malaysia Composite Index since 1983. Mulpha is now listed on the Main Market of Bursa Malaysia Securities Berhad since 3 August 2009. Its shareholder's fund is in excess of RM 2 billion.

The Group's focus is on property development and investment, infrastructure and civil construction with operations and investments in Malaysia, Vietnam, Singapore, Hong Kong and Australia.

Over the years, Mulpha has leveraged on its expertise abroad to become Malaysia's largest real estate investor and developer in Australia, owning world-class assets that include Sanctuary Cove and Hyatt Regency Sanctuary Cove in Queensland, InterContinental Sydney, Hilton Melbourne Airport, Norwest Business Park Sydney, The Hotel School Sydney, Bimbadgen Estate in New South Wales' Hunter Valley and the world-renowned and award-winning Hayman Great Barrier Reef.

Corporate Information

Enclave Bangsar offers seven private gated and guarded villas located in the heart of exclusive neighbourhood of Bangsar (Artist illustration).

FKP's retirement villages and communities in Australia provides senior citizens with a safe and comfortable sanctuary.

DIRECTORS

Mr Lee Seng Huang – Executive Chairman
Mr Chung Tze Hien – Chief Executive Officer
Mr Law Chin Wat – Executive Director
Dato' Robert Chan Woot Khoon
Mr Kong Wah Sang
Mr Chew Hoy Ping
Dato' Lim Say Chong

COMPANY SECRETARY

Mr Ng Seng Nam

REGISTERED OFFICE

Bangunan Mulpha
17, Jalan Semangat
46100 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel : (603) 7957 2233 / 7955 1344
Fax : (603) 7955 6685
E-mail : postmaster@mulpha.com.my
Website : http://www.mulpha.com.my

AUDITORS

Ernst & Young

PRINCIPAL BANKERS

AmBank (M) Berhad
CIMB Bank Berhad
OCBC Bank (Malaysia) Berhad

REGISTRARS

Symphony Share Registrars Sdn Bhd (378993-D)
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel : (603) 7841 8000
Fax : (603) 7841 8008

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty Sixth Annual General Meeting of Mulpha International Bhd will be held on Friday, 18 June 2010 at 10.00am at Holiday Villa, 9, Jalan SS 12/1, Subang Jaya, 47500 Petaling Jaya, Selangor Darul Ehsan for the following purposes:-

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the audited financial statements for the year ended 31 December 2009 and the Auditors' Report thereon. **(Ordinary Resolution 1)**

2. To re-elect the following Directors who retire in accordance with Article 101 of the Company's Articles of Association:
   Mr Lee Seng Huang **(Ordinary Resolution 2)**
   Mr Chew Hoy Ping **(Ordinary Resolution 3)**

3. To consider and if thought fit, pass the following resolution pursuant to Section 129(6) of the Companies Act 1965:- **(Ordinary Resolution 4)**

   "THAT pursuant to Section 129(6) of the Companies Act 1965, YB Dato' Robert Chan Woot Khoon be and is hereby re-appointed as a Director of the Company to hold office until the next annual general meeting of the Company."

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

5. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 6)**

Homes built along preserved waterways to enhance natural surroundings in Leisure Farm are the first of its kind in Malaysia.

Notice of Annual General Meeting

AS SPECIAL BUSINESS

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

6. Authority for Directors to issue shares pursuant to Section 132D of the Companies Act 1965 **(Ordinary Resolution 7)**

   "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 empowered to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten (10) percent of the total issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next annual general meeting of the Company."

7. Proposed renewal of authority for the purchases by the Company of its own shares **(Ordinary Resolution 8)**

   THAT subject to compliance with the Companies Act 1965, the Articles of Association of the Company, regulations and guidelines issued from time to time by Bursa Malaysia Securities Berhad ("BMSB"), approval be and is hereby given to the Company to utilise an amount not exceeding the share premium account of the Company which stood at RM 699,091,000 as at 31 December 2009 to purchase such amount of ordinary shares of RM 0.50 each in the Company as may be determined by the Directors of the Company from time to time on BMSB upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares to be purchased and/or held as treasury shares pursuant to this resolution does not exceed ten (10) per centum of the issued and paid-up share capital of the Company for the time being;

   AND THAT such authority shall commence upon the passing of this resolution and shall remain in force until:-

   (a) the conclusion of the next annual general meeting of the Company unless the authority is renewed either unconditionally or subject to conditions; or

   (b) the expiration of the period within which the next annual general meeting after that date is required by law to be held; or

   (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting,

   whichever occurs first.

Notice of Annual General Meeting

AND THAT authority be and is hereby given to the Directors of the Company to decide in their discretion to retain the ordinary shares in the Company so purchased by the Company as treasury shares and/or to cancel them and/or to resell the treasury shares and/or to distribute them as share dividend and/or subsequently cancel them;

AND THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary and to enter into any agreements and arrangements with any party or parties to implement, finalise and give full effect to the aforesaid with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities."

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

By order of the Board

Ng Seng Nam
Company Secretary

Petaling Jaya
27 May 2010

Notes

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation under its common seal or the hand of its attorney.
3. The instrument appointing the proxy must be deposited at the Company's Registered Office at No. 17, Jalan Semangat, 46100 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time set for holding the Meeting or any adjournment thereof.

Explanatory notes on Special Business

1. Ordinary Resolution 7 – Authority for Directors to issue shares pursuant to Section 132D of the Companies Act 1965

   The proposed Resolution is to empower the Directors to issue shares in the Company up to an aggregate amount not exceeding 10% of the total issued share capital of the Company for such purposes as they consider would be in the interest of the Company, such as investment(s), acquisition of asset(s) or working capital. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next annual general meeting of the Company. The Company did not issue any shares pursuant to the mandate granted last year. Nevertheless, a renewal of the mandate is sought to avoid any delay and cost involved in convening a general meeting to approve such issue of shares.

2. Ordinary Resolution 8 – Proposed renewal of authority for the purchases by the Company of its own shares

   The details on Ordinary Resolution 8 on the proposed renewal of share buyback authority are set out in the Share Buyback Statement to shareholders dated 27 May 2010 which is enclosed with the Annual Report 2009.

Statement Accompanying Notice of Annual General Meeting

1. The Directors who are standing for re-election or re-appointment are as follows:-

   Under Article 101

   Mr Lee Seng Huang **(Ordinary Resolution 2)**
   Mr Chew Hoy Ping **(Ordinary Resolution 3)**

   Under Section 129(6)
   of the Companies Act 1965

   YB Dato' Robert Chan Woot Khoon **(Ordinary Resolution 4)**

   Please refer to "Directors' Profile" on pages 13 to 14 for information on the above Directors.

2. Place, date and time of the Annual General Meeting

   The Thirty Sixth Annual General Meeting of Mulpha International Bhd will be held at Holiday Villa, 9, Jalan SS12/1, Subang Jaya, 47500 Petaling Jaya, Selangor Darul Ehsan on Friday, 18 June 2010 at 10.00am.

Panoramic view of the Esca Bimbadgen Restaurant and Bimbadgen Estate vineyard.

Commitment towards a Green cause

Enclave Bangsar, Kuala Lumpur, Malaysia (Artist illustration).

With the interests of Nature at heart, the Group is committed to developing a greener community through preservation and conservation. This is reflected through the architecture of Mulpha's 3G Homes that encompasses unique green features that are energy and water-efficient. With the use of sustainable elements and recyclable materials, homeowners enjoy natural lighting and ventilation with minimised consumption of energy.

AWARDS & ACHIEVEMENTS

Leisure Farm Resort Residence

Hayman Great Barrier Reef

InterContinental Sydney

Sanctuary Cove

Norwest Business Park

LEISURE FARM RESORT RESIDENCE

Malaysia Landscape Architecture Awards 2009

- Honor Award for Merbok Creek in Excellent Landscape Design and Planning of Professional Category

HAYMAN GREAT BARRIER REEF

Australian Tourism Awards	- Hall of Fame
Queensland Tourism Awards	- Hall of Fame
National Travel Industry Awards	- Hall of Fame
The Australian Travel & Tourism Awards	- Best Resort Accommodation
World Travel Awards	- Australia's Leading Resort
Luxury Travel Gold List	- Best Australian Resort
Travel + Leisure US	- Top 5 Hotels Australia & South Pacific, World's Coolest Pools
Conde Nast Traveler US	- Top 10 Overseas Leisure Hotels
Conde Nast Traveller UK	- Top 100 & Overseas Leisure Hotels, Top Spas Australasia & South Pacific
HM Awards	- Five-Star Australian Hotel Executive Chef of the Year

INTERCONTINENTAL SYDNEY

2009 Travel + Leisure (USA) World's Best Business Hotels

- Voted no. 1 Best Business Hotel in Sydney

2009 Smart Travel Asia.com Best Asian Travel Brands

- Voted Top 25 Best Business Hotels

SANCTUARY COVE

Gold Coast Business Excellence Awards

- Tourism, Hospitality and Recreation Category for Sanctuary Cove International Boat Show

NORWEST BUSINESS PARK

Urban Development Institute Awards (UDIA) for New South Wales

- Winner for Best Residential Development under 50 Lots
- Winner for Best Medium Density Project

Urban Development Institute Awards (UDIA) for National Awards

- Runner-up for Best Residential Development under 50 Lots
- Runner-up for Best Medium Density Project

Hills Building and Design Award

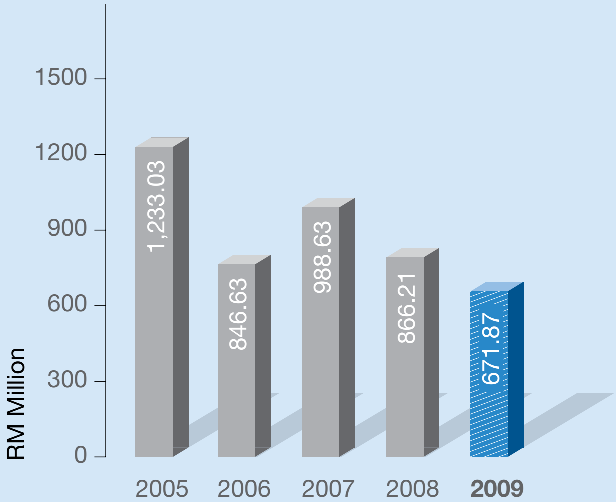
- Winner

Group's Five Years Financial Highlights

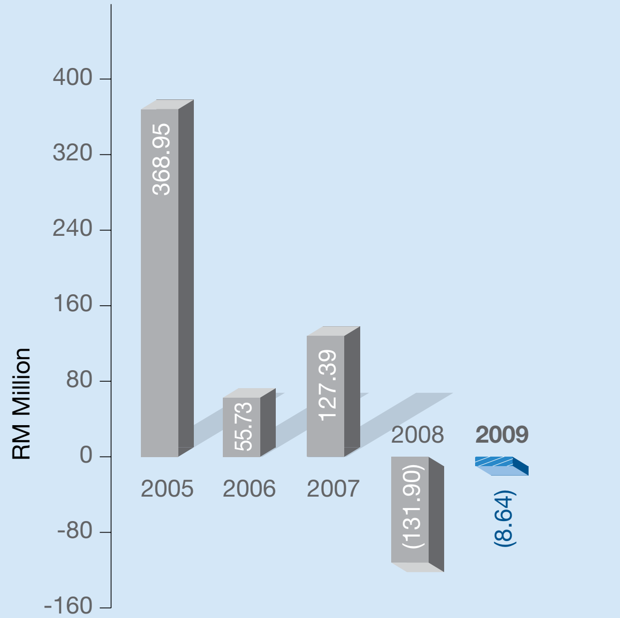
	2009 RM'000	2008 RM'000	2007 RM'000	2006 RM'000	2005 RM'000
GROUP TOTAL ASSETS					
Property, Plant & Equipment	**1,465,811**	1,203,921	1,444,410	1,395,691	1,403,105
Investments in Associates	**1,047,494**	716,544	80,813	78,412	62,103
Investments in Jointly-Controlled Entities	**205,500**	177,300	188,862	156,173	133,131
Other Receivables	**788**	71,786	72	74	157
Available for Sale Financial Assets	**3,216**	2,394	509,668	348,729	194,271
Other Investments	**1,160**	1,160	1,160	1,160	1,160
Land Held for Property Development	**782,491**	596,553	510,736	611,612	612,892
Goodwill	**14,915**	13,589	12,694	13,091	11,275
Net Current Assets/(Liabilities)	**(903,152)**	397,016	797,142	568,379	578,443
	2,618,223	3,180,263	3,545,557	3,173,321	2,996,537
FINANCED BY					
Share Capital	**588,978**	627,485	627,485	627,485	627,485
Reserves	**1,668,873**	1,436,969	1,812,977	1,560,619	1,339,373
Treasury Shares	**-**	(97,999)	(54,641)	(51,275)	(19,919)
Minority Interests	**48,134**	160,751	152,991	125,166	137,403
Long-Term Liabilities	**312,238**	1,053,057	1,006,745	911,326	912,195
	2,618,223	3,180,263	3,545,557	3,173,321	2,996,537
GROUP RESULTS					
Profit/(loss) before taxation	**(8,640)**	(131,898)	127,387	55,734	368,953
Taxation	**19,103**	20,549	(7,668)	2,592	(67,913)
Profit/(loss) after taxation	**10,463**	(111,349)	119,719	58,326	301,040
Minority Interests	**(20,192)**	(10,366)	473	(3,681)	(6,644)
Net profit/(loss)	**(9,729)**	(121,715)	120,192	54,645	294,396
SELECTED RATIOS					
Earnings/(loss) per 50 sen share (sen)	**(0.83)**	(10.22)	9.90	4.58	23.59
Net tangible assets per share (RM)	**1.90**	1.66	1.95	1.80	1.59

Group's Five Years Financial Highlights

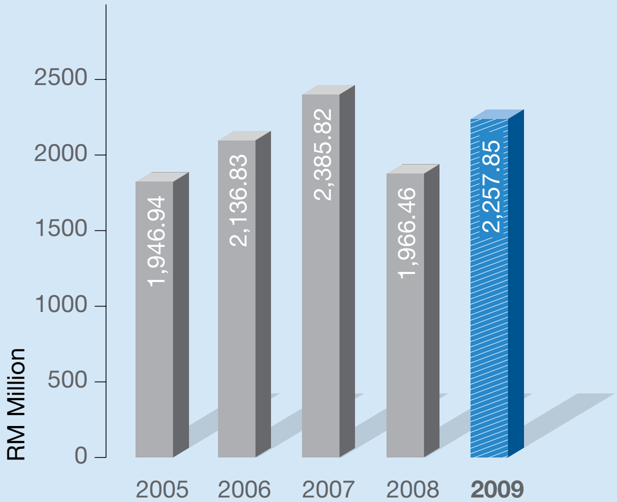
REVENUE



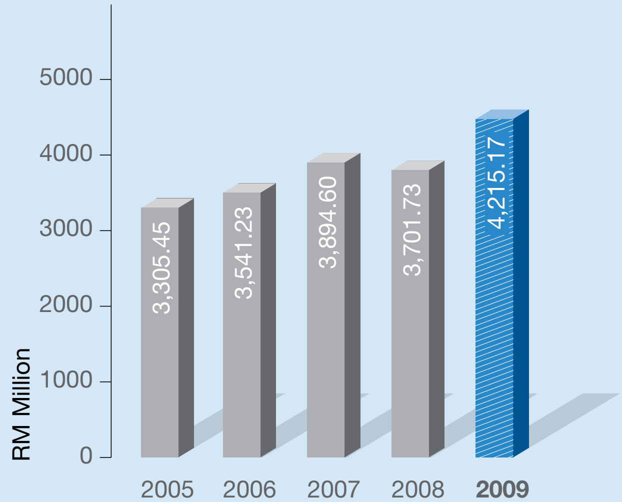
PROFIT/(LOSS) BEFORE TAX



SHAREHOLDERS' FUNDS



TOTAL ASSETS



Board of Directors

Left to Right (Back) : Mr Kong Wah Sang , Dato' Robert Chan Woot Khoon , Mr Chung Tze Hien , Dato' Lim Say Chong

Left to Right (Front) : Mr Chew Hoy Ping , Mr Lee Seng Huang , Mr Law Chin Wat

BOARD OF DIRECTORS

Mr Lee Seng Huang

Non-Independent Executive Chairman

Mr Lee, aged 35, a Malaysian, was appointed Executive Chairman of the Company on 15 December 2003. He was educated at the University of Sydney in Australia and has wide ranging financial services and real estate investment experience in the Asian region. He has previously served, in various capacities, on the Board of Directors of the Company, as well as Lippo Limited, Lippo China Resources Limited in Hong Kong, Auric Pacific Group Limited in Singapore as well as the Export and Industry Bank, Inc. in the Philippines. He is currently the Executive Chairman of Sun Hung Kai & Co. Ltd. ("SHKF"). Listed in Hong Kong, SHKF is the leading non-bank financial institution in Hong Kong. Mr Lee is the Chairman of FKP Property Group, a leading property developer listed on the Australian Securities Exchange. He is also a Non-Executive Director of Ambrian Capital PLC, a company listed on the Alternative Investment Market of the London Stock Exchange.

Mr Chung Tze Hien

Non-Independent Executive Director
Chairman of Tender Committee
Member of Remuneration and Risk Management Committees

Mr Chung, aged 59, a Malaysian, was appointed Chief Executive Officer of the Company on 27 February 2001. He graduated from the University of Otago, New Zealand with a Commerce Degree and later proceeded to qualify as an Associate Member of the Institute of Chartered Accountants of New Zealand and the Institute of Chartered Secretaries and Administrators of United Kingdom. Prior to joining the Company, Mr Chung worked for and held senior managerial positions in several public listed companies in Hong Kong, Singapore and Malaysia involving a variety of industries and businesses. He is also the Chairman of Mulpha Land Berhad and a Director of Mulpha Australia Limited, Mudajaya Group Berhad and Rotol Singapore Ltd.

Mr Law Chin Wat

Non-Independent Executive Director
Chairman of Risk Management Committee
Member of Tender Committee

Mr Law, aged 58, a Malaysian, was appointed Executive Director of the Company on 11 September 2000. Mr Law graduated with a Masters of Business Administration (MBA) degree from University of East Asia, Macau in 1986. He has broad experience in finance, auditing and taxation, having worked in a major international accounting firm for several years. Prior to his appointment, he was an Executive Director for several private companies dealing in property development, construction, timber, shares investment and trading.

Board of Directors

Dato' Robert Chan Woot Khoon
Non-Independent Non-Executive Director
Chairman of Nomination Committee
Member of Remuneration Committee

Dato' Robert Chan, aged 71, a Malaysian, was appointed to the Board on 7 July 1997. He was the founder of the Palmco Group of companies and was its Chief Executive Officer from 1971 to 1992 and Executive Director from 1992 to 1995. He has been an office bearer in various palm oil related statutory bodies and associations and is an Ex President and Advisor to the Penang Chinese Chamber of Commerce. He is also a Director of Unico Holdings Bhd.

Mr Kong Wah Sang
Independent Non-Executive Director
Chairman of Remuneration Committee
Member of Audit and Nomination Committees

Mr Kong, aged 51, a Malaysian, was appointed to the Board on 21 November 2002. Mr Kong is a graduate of Monash University, Melbourne, Australia with a Bachelor of Economics degree and a member of CPA Australia. He has broad experience in accounting, finance, management consulting and information technology and is presently a director of a management consulting firm.

Mr Chew Hoy Ping
Independent Non-Executive Director
Chairman of Audit Committee
Member of Nomination Committee

Mr Chew, aged 53, a Malaysian, was appointed to the Board on 16 May 2007. He has extensive experience in professional services and banking both locally and internationally. Mr Chew served with PriceWaterhouseCoopers, an international accounting firm, for almost 30 years, during which time he worked in and led a diverse range of accounting and advisory engagements. He also acted in various leadership roles in the firm both in Malaysia and Asia. His expertise covers accounting, corporate finance, business restructurings, mergers and acquisitions, valuations, risk management, bank management and financing.

Dato' Lim Say Chong
Independent Non-Executive Director
Member of Audit Committee

Dato' Lim, aged 69, a Malaysian, was appointed to the Board on 6 August 2007. Dato' Lim obtained a Bachelor of Arts with honours in Economics from the University of Malaya and a Masters in Business Administration from the University of British Columbia, Canada. He also attended an Advanced Management Programme at the Harvard Business School, Boston, USA. Dato' Lim worked with the Imperial Chemical Industries (ICI) PLC's Group of Companies in Malaysia and abroad for 30 years, during which time he served on the Board of several companies within the Group in Malaysia and South East Asia. He later became the Managing Director of the ICI (Malaysia) Group for 5 years. Dato' Lim was the Group Managing Director of Chemical Company of Malaysia Bhd from 1989 to 2004. Dato' Lim is also the Chairman of Carlsberg Brewery Malaysia Bhd.

Other information on Directors
Mr Lee Seng Huang is the son of Madam Yong Pit Chin, a major shareholder of the Company. Save as disclosed, the abovenamed seven Directors have no family relationship with any director and/or major shareholder of the Company, no conflict of interest with the Company and no convictions for any offences within the past 10 years.

Gated and Guarded for Peace of Mind

Pinggiran Bayu, Leisure Farm Resort, Iskandar Malaysia.

Safety and security of homeowners and their homes are two imperative elements the Group intends to uphold in their developments. With that in mind, Mulpha's 3G Homes incorporate state-of-the-art security systems such as perimeter and precinct fencing, multi-layer electronic access, 24-hour security patrol and reliable alarm systems.

Chairman's Statement

On behalf of the Board of Directors, I am pleased to present the Annual Report of the Company for the year ended 31 December 2009.

FINANCIAL HIGHLIGHTS

The first half of 2009 saw the world economy experiencing the worst effects of the global financial crisis with sharp economic contraction across the board. Fortunately, the concerted fiscal and monetary policy actions by governments around the world resulted in most economies experiencing a sharp turnaround in the second half of 2009.

It was against this challenging backdrop that the Group recorded revenue and loss of RM671.87 million and RM9.73 million respectively in 2009. This compares to the preceding year's Group revenue and loss of RM866.21 million and RM121.72 million respectively. In 2008, Management took into account the deteriorating economic conditions and exercised prudence by recording impairment losses on some of the Group's major assets. Other than a small impairment made to one of the Group's asset, no further adjustments were necessary for 2009.

The Group's net tangible assets ("NTA") position has improved significantly from RM1.66 per share in 2008 to RM1.90 per share in 2009. This is largely due to the sharp increase in the Group's foreign exchange reserve account brought about by the recovery of the Australia Dollar, in which a significant proportion of the Group's assets are denominated, as compared to the Group's reporting currency of Ringgit Malaysia.

During 2009, the Company has cancelled 77,015,000 treasury shares that were bought back from the open market over the past three years. There are presently no treasury shares held by the Company. The Board will be seeking your approval at the forthcoming Annual General Meeting to renew the shares buy back mandate for another year.

Seven exclusive villas in Enclave Bangsar set in environment of green architecture features epitomised by a signature linear garden deck (Artist illustration).

REVIEW OF OPERATIONS

REAL ESTATE

MALAYSIA

Leisure Farm, the Group's flagship project in Malaysia comprising 1,765 acres of exclusive master planned residential resort development in Southern Johor, registered a pre-tax profit of RM13.20 million in 2009. Leisure Farm is home to a growing international community, presently comprising over 35 nationalities. Leisure Farm's green, serene and secured countryside environment coupled with innovatively designed lifestyle residences and facilities continued to be the major pull factor attracting such a wide and discerning clientele.

Leisure Farm completed and handed-over the keys to the owners of its latest development, Bayou Water Village, during the 4th quarter of 2009. Bayou Water Village is a cluster of 213 low-rise 2-storey residential units spread out over 22 acres of undulating hills comprising of 5 bungalows, 46 semi-detached homes and 162 courtyard-terraced homes. There were also significant new sale of other products, primarily bungalow homes, in 2009.

Chairman's Statement

In view of the improving economic fundamentals, the Group has decided to commence construction of its high-end bungalow development at Bangsar with gross development value of RM75 million. This project comprise of 7 luxurious three-storey bungalows with targeted launch date in the 3rd quarter of 2010.

AUSTRALIA

Sanctuary Cove, the Group's 474-hectare award winning development on Queensland Gold Coast, is Australia's leading lifestyle community offering residential enclave that are complemented by two championship golf courses, four harbours, 15 restaurants and harbourside cafes, fashion boutiques and specialities, the casual elegance of The Country Club and the five-star Hyatt Regency Sanctuary Cove hotel. The Group has spent A$50 million in the past two years, including A$25 million in civil works and A$13 million on the world class golf clubhouse, to maintain Sanctuary Cove's leading status. There are more than 800 individual titles yet to be developed in Sanctuary Cove, including waterfront blocks, golf course land and hillside land, making Sanctuary Cove one of the most diverse property offerings in Australia. The performance of Sanctuary Cove was, however, weaker in 2009 due to reduced discretionary property spending caused by the global financial crisis.

The Group's hotel portfolio, comprising of InterContinental Hotel Sydney, Hilton Melbourne Airport, Hyatt Regency Sanctuary Cove and Hayman Great Barrier Reef, collectively registered profit in 2009 despite operating under difficult market conditions with drop in discretionary vacation and corporate spending. This is testament to the strong appeal of the Group's hotel assets. To unlock the value of the hotel assets, specifically in the surrounding vicinity of Hayman Great Barrier Reef, the Group had launched and secured sale of two land lots in 2009. The Group had also in 2009 completed a A$30 million refurbishment to one of Australia's most significant historic building known as the Transport House, located adjacent to InterContinental Hotel Sydney, which was previously largely unused for close to 35 years and which has a lettable area of approximately 68,000 sq ft. This classic art deco building has already attracted its first tenants – M&C Saatchi and the JB Fairfax-related Cambooya and Marinya Media entities – which again is reflective of the appeal of the Group's assets.

Mulpha FKP Pty Limited ("Mulpha FKP"), the developer of the 377-hectare world class Norwest Business Park located at Baulkham Hills in the northwest of Sydney, remained profitable. The Group's share of profit in Mulpha FKP in 2009 was, however, weaker at A$3.84 million due to the difficult commercial market conditions. Mulpha FKP is working on two major developments in Sydney. The first is the A$650 million Circa commercial development in Norwest Business Park. The second is Beaumont Rise, a A$56 million land development in Sydney's northwest growth corridor.

Norwest leading edge designed buildings in beautifully landscaped surroundings provides an inspirational working environment.

The renamed 99 Macquire Street, formerly known as Transport House, is one of Sydney's premier business address.

Chairman's Statement

VIETNAM

The Indochine Park Tower ("IPT"), the Group's 18-storey luxury serviced apartment with 55 units, had another strong year with nearly full occupancy in 2009. IPT continued to attract a blue chip clientele comprising mainly diplomatic missions and multinational companies. This is testament to the high level of asset and service quality offered by IPT.

INFRASTRUCTURE AND CONSTRUCTION

The Group has a 23.5% equity interest in Mudajaya Group Berhad ("Mudajaya") which is a listed construction and property group in Malaysia. Mudajaya recorded strong performance in 2009 with the Group's share of profit in Mudajaya amounting to RM27.42 million. The construction and development businesses of Mudajaya continued to perform strongly. Mudajaya continued to secure construction contracts both locally and internationally. Among the sizable contracts secured in 2009 are (i) Equipment Procurement Contract for the setting up of Unit 2, 3 and 4 of the 4 x 360 MW IPP Project in Chhattisgarh, India, for a total consideration of USD721.41 million (approximately RM2.64 billion), (ii) Development of a New Internet City Project comprising of one basement, three office tower blocks, one shopping mall and one meeting and exhibition area located at High-Tech Area, District 9, Ho Chi Minh City, Socialist Republic of Vietnam valued at USD55.5 million (approximately RM194.1 million) and (iii) Design, construct and completion of a Hospital situated at Rompin, Pahang with a contract sum of RM75.4 million.

Menara Mulpha is situated in one of Kuala Lumpur's premium business address, along Jalan Sultan Ismail.

Indochine Park Tower is reputed to have the largest apartments of its kind and famous for the unobstructed view of the well-known Reunification Palace Park.

Subsequent to the year ended 2009, Mudajaya received the Letter of Acceptance on the design and construction of the Proposed Boulevard Plaza Development at Lot 3C7, Putrajaya, Malaysia for a contract sum of RM241.3 million in February 2010. Mudajaya's order book as at 31 March 2010 stands at RM5.3 billion.

During 2009, Mudajaya made significant progress on the IPP Project in the State of Chhattisgarh, India. The IPP Project is a coal-based thermal power station consisting of 4 generating units with a nominal capacity of 360 MW each, to be set up in two phases, comprising of Phase 1 (Unit 1 of the generating units) and Phase 2 (Unit 2, 3 and 4 of the generating units). The development for Phase 1 is on track and is targeted for completion by the second half of 2011 while the development for Phase 2 has commenced since February 2009 and is expected to be completed by 2012. A steady long-term stream of recurring income is expected to commence upon the commercial operation of the power plant.

The Group presently has an interest of 88% in Manta group which is involved in the sale, rental and servicing of construction equipment mainly in Hong Kong and Singapore. Manta group achieved a pre-tax profit of RM16.67 million in 2009. The construction sectors in Hong Kong and Singapore continued to remain robust in 2009 despite the difficult conditions.

Chairman's Statement

CORPORATE DEVELOPMENTS

The Group commenced a number of capital management initiatives in 2009, some of which continued into 2010, to strengthen its balance sheet and position the Group's assets base for future growth opportunities.

- Increase holding in FKP Property Group ("FKP") Securities

  The volatility in the world equity markets in 2009 had allowed the Group to increase its stake in a leading Australian property and investment group, FKP, at an attractive price level. FKP's rights issue in July 2009 saw the Group subscribing to its full entitlement of A$73.7 million and an underwritten portion of A$10.7 million. This allowed the Group to increase its holding in FKP from 22.80% to 25.08% which represents the single largest shareholding block in FKP. We are confident that the Group's investment in FKP will provide strong overall returns in the future especially in line with the growth in the residential prices in Australia.

- Disposal of holding in Greenfield Holdings Limited ("Greenfield")

  The Group's focus is on its core businesses in property and property related activities and Management has stated our commitment to continue to opportunistically dispose of non core business. Consequently, the Group had, in September 2009, disposed of its entire interest in Greenfield via disposal of its 100% equity interest in Pacific Orchid Investments Limited which holds 68.7% shareholding in Greenfield for a consideration of HK$281.25 million (RM129.43 million). Greenfield is principally involved in the manufacture and sale of industrial paints. The sale consideration was used to further strengthen the Group's balance sheet.

- The Company's rights issue

  The Company has in March 2010 completed a renounceable two-call rights issue exercise which was strongly supported by existing shareholders. This resulted in the listing of 1,177,956,579 rights shares on the Main Market of Bursa Malaysia Securities Berhad. The rights issue price was fixed at RM0.50 per rights share and payable in two calls, the first call of RM0.40 per rights share payable in full on application in cash and the second call of RM0.10 per rights share was capitalised from the Company's share premium account. This exercise raised gross proceeds of RM471.183 million which as at 31 March 2010 was utilised in the following manner:

	Original utilisation RM'000	Re-allocation RM'000	Actual utilisation RM'000	Balance unutilised RM'000
Repayment of bank borrowings of the Group	123,000	69,382	(192,382)	-
Working capital for the Group	347,183	(69,382)	(18,578)	259,223
Defray expenses relating to the rights issue	1,000	-	(1,000)	-
	471,183	-	(211,960)	259,223

Chairman's Statement

Homes in Leisure Farm have been tailored as a model for the 3G living, without sacrificing the environment, security and privacy.

Indoor and outdoor living in the tropical environment is redefined in Enclave Bangsar's exclusive villas (Artist illustration).

- Proposed listing of Manta Group

  The Company has in April 2010 applied to The Stock Exchange of Hong Kong Limited ("SEHK") to list the subsidiaries involved in the sale, rental and servicing of construction equipment on the Main Board of SEHK. An intermediate holding company, Manta Holdings Company Limited ("MHCL") will be the listed investment holding company where it is proposed for MHCL to undertake a public issue of 50,000,000 new MHCL shares, representing 25% of the enlarged issued and paid-up share capital of MHCL. The number of issue shares for application by the public in Hong Kong is indicative at this juncture and together with the issue price will be determined at a later stage after the receipt of approvals from the relevant authorities and closer to the date of the prospective launch, after taking into consideration, inter-alia, the equity market conditions prevailing at that time.

PROSPECTS

The economic fundamentals for the global economy saw significant improvement in 2010, however, downside risk and continued volatility remains. Nevertheless, Management is optimistic that the performance of the Group will improve in 2010 in line with the economic outlook of the countries in which the Group operates.

The capital management initiatives as abovementioned have placed the Group on a strong financial footing, supported by our world class long term asset base.

APPRECIATION

I wish to express the Board's appreciation to the management and staff for their efforts and dedication, especially during such a difficult and uncertain period in 2009. Their contribution and commitment to the Group are commendable. I also wish to thank our shareholders, financiers and customers for their continued support over the years.

LEE SENG HUANG
Chairman
20 May 2010

LANDMARKS FOR GENERATIONS TO COME

Sanctuary Cove, Queensland, Australia.

The Group firmly believes it is our corporate responsibility to safeguard the environment whilst maintaining our success in establishing stylistic, modern designs. This desire pushes the Group to implement eco-friendly elements in our architectural and design concepts to establish green developments that can be passed on from one generation to the next.

Statement on Corporate Governance

The Board of Directors is committed to the principles of corporate governance as set out in the Malaysian Code on Corporate Governance ("Code") which was revised on 1 October 2007. Set out below is a statement on how the Company has applied the principles and complied with the best practices laid down in the Code for the year ended 31 December 2009.

1. BOARD OF DIRECTORS

1.1 The Board

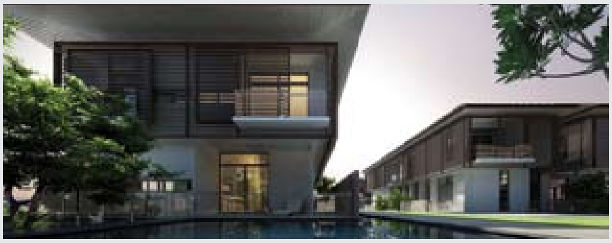
The Board leads and controls the Group. The Board is responsible for the overall performance of the Group and focuses on strategies, performance, standards of conduct, financial and major business matters.

The Board has adopted a five-year strategic plan for the Group's Malaysian property division. An organisation performance management system has been established. To align the performance of management with the achievement of the strategic goals, key performance indicators are set annually.

The Board meets at least four times a year, with additional meetings convened when necessary. Due notice is given for the meetings and matters to be dealt with. In the intervals between Board meetings, Board decisions for urgent matters are obtained via circular resolutions to which are attached sufficient information required for an informed decision.

Five meetings were held during the year ended 31 December 2009. The following is a record of the attendance of the Directors:-

Director	No. of meetings attended
Mr Lee Seng Huang	4/5
Mr Chung Tze Hien	5/5
Mr Law Chin Wat	5/5
Dato' Robert Chan Woot Khoon	3/5
Mr Kong Wah Sang	5/5
Mr Chew Hoy Ping	5/5
Dato' Lim Say Chong	4/5



Green features that are energy and water efficient are integrated in Enclave Bangsar exclusive villas (Artist illustration).

1.2 Board Balance

The responsibilities of the Chairman and the Chief Executive Officer are clearly defined to ensure a proper balance of power and authority. The Chairman is primarily responsible for matters pertaining to the Board while the Chief Executive Officer oversees the day to day operations and implementation of the Board's policies and decisions.

The Board currently has seven members comprising three Executive Directors and four Non-Executive Directors. Of the four Non-Executive Directors, three are independent, thereby fulfilling the one-third requirement.

Collectively, the Directors bring a wide range of business and financial experience relevant to the Group. The role of the Independent Directors provides independent judgement, check and balance on the Board. A brief profile of each Director is presented on pages 13 to 14.

Mr Kong Wah Sang has been appointed by the Board as the Independent Non-Executive Director to whom any concern regarding the Company may be conveyed.

1.3 Supply Of Information

All Directors are provided with an agenda and a set of Board papers at least one week prior to a Board meeting to enable the Directors to review and consider the items to be deliberated at the Board meeting. Sufficient time is given for the Directors to request for further explanations and/or information, where necessary.

Statement on Corporate Governance

The Board papers include, inter alia, the following:-
- (i) quarterly progress report by the Chief Executive Officer;
- (ii) quarterly financial report; and
- (iii) minutes/decisions of meetings of the Committees of the Board.

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

1.4 Appointments To The Board

The Nomination Committee recommends the appointment of new Directors to the Board. In pursuance of the Continuing Education Programme, the Directors attended seminars and courses during the year to keep abreast of current and regulatory matters.

The Company has in place a familiarisation programme for new Board members, which includes visits to the Group's businesses and meetings with senior management, to facilitate their understanding of the Group.

1.5 Re-election

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

1.6 Board Committees

The Board has delegated specific responsibilities to the following Committees:-

(a) Audit Committee
Please refer to the Audit Committee Report on pages 29 to 30.

(b) Nomination Committee
The Nomination Committee comprises exclusively of Non-Executive Directors, with Dato' Robert Chan Woot Khoon as Chairman and Mr Kong Wah Sang and Mr Chew Hoy Ping as members.

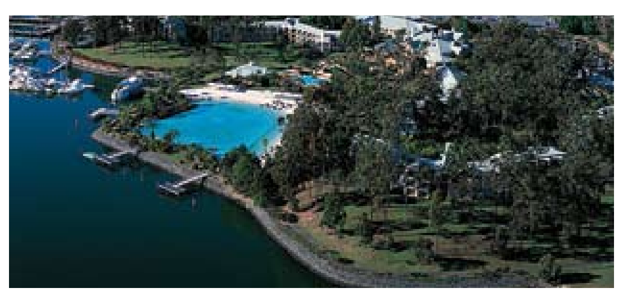
The main responsibilities of the Nomination Committee are as follows:-
- (i) recommend new nominees to the Board and Board Committees;
- (ii) assist the Board in annually reviewing its required mix of skills, experience and other qualities of the Non-Executive Directors; and
- (iii) assessing the effectiveness of the Board and Board Committees and the contribution of each Director.

The Nomination Committee met once and the meeting was attended by all its members.

(c) Remuneration Committee
The Remuneration Committee comprises mainly Non-Executive Directors, with Mr Kong Wah Sang as Chairman and Dato' Robert Chan Woot Khoon and Mr Chung Tze Hien as members.

The main responsibilities of the Remuneration Committee are to recommend to the Board the following:-
- (i) remuneration package of each Director; and
- (ii) incentive schemes, profit sharing arrangements or the like for management or other employees.

The Remuneration Committee met once and the meeting was attended by all its members.



Hyatt Regency Sanctuary Cove's spectacular lagoon pool.

Statement on Corporate Governance

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, the remuneration is structured to link rewards to corporate and individual performance based on key performance indicators. For Non-Executive Directors, the level of remuneration reflects their experience and level of responsibilities.

The Remuneration Committee recommends to the Board the remuneration (including fees) for each Director of the Company. Fees are subject to the approval of the shareholders.

The details of the Directors' remuneration of the Company for the year ended 31 December 2009 and the analysis into remuneration bands are as follows:-

	Executive Directors RM'000	Non-Executive Directors RM'000
Fees	-	149
Emoluments	2,063	-
Benefits-in-kind	91	-
	2,154	149

Range of remuneration (RM)	Number of Directors	
	Executive	Non-Executive
50,000 and below		4
350,001 - 400,000	1	
600,001 – 650,000	1	
1,150,001 – 1,200,000	1	

Hyatt Regency in Sanctuary Cove is designed in the style of a 1940's gracious Australian colonial homestead.

3. SHAREHOLDERS

3.1 Communication Between The Company And Investors

The Board acknowledges the need for shareholders to be informed of all material business matters of the Company. Announcements to Bursa Malaysia are made on significant developments and matters within the Group. Financial results are released on a quarterly basis to provide shareholders with a regular overview of the Group's performance. The Corporate Communications Department of the Company also arranges press interviews and briefings and releases press announcements to provide information on the Group's business activities, performance and major developments.

3.2 Shareholders' Meeting

The Company's practice is to give as much notice as possible to shareholders of its general meetings. In addition, notices of general meetings with sufficient information of business to be dealt with thereat are published in one national newspaper to provide for wider dissemination of such notice to encourage shareholder participation. General meetings represent the principal forum for dialogue and interaction with shareholders. It is the policy of the Board to have all its members present at shareholders' meetings. At such meetings, shareholders have direct access to the Directors and are encouraged to participate in the question and answer session.

STATEMENT ON CORPORATE GOVERNANCE

4. ACCOUNTABILITY AND AUDIT

4.1 Financial Reporting

In presenting the annual financial statements and quarterly announcement of results to shareholders, the Board aims to present a balanced and understandable assessment of the Group's position and prospects. The Board considers that in preparing the financial statements and announcements, the Group has used appropriate accounting policies and standards, consistently applied and supported by reasonable and prudent judgements and estimates.

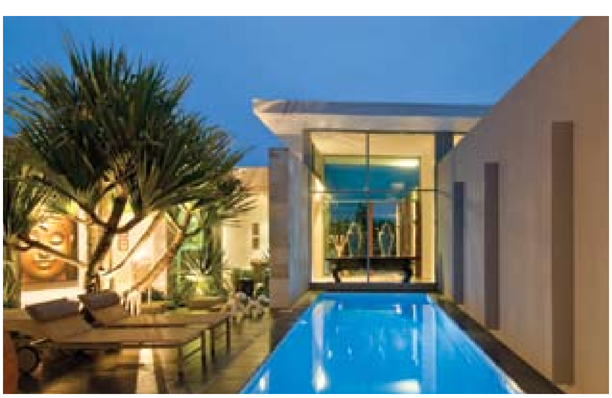
4.2 Internal Control

The Board affirms its overall responsibility for the Group's system of internal controls covering not only financial controls but also controls relating to operational, compliance and risk management. The system, by its nature, can only provide reasonable and not absolute assurance against material misstatement, loss or fraud. Please refer to the Statement on Internal Control on pages 27 to 28.

4.3 Audit Committee

The information on the Audit Committee is presented in the Audit Committee Report on pages 29 to 30.

Through the Audit Committee, the Company has established an appropriate relationship with the Company's auditors, both internal and external. The external auditors attended the Audit Committee's meetings when necessary.



Signature homes in Sanctuary Cove, Australia.

Sanctuary Cove International Boat Show has become the yearly attraction to visitors.

5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by the Companies Act 1965 to prepare financial statements which are in accordance with applicable approved financial reporting standards and give a true and fair view of the state of affairs of the Group and Company at the end of the financial year and of the results and cash flows of the Group and Company for the financial year.

In preparing the financial statements, the Directors have:
- ensured that the financial statements are in accordance with the provisions of the Companies Act 1965, the applicable financial reporting standards and the Listing Requirements of Bursa Malaysia;
- adopted the appropriate accounting policies and applied them consistently; and
- made judgements and estimates that are prudent and reasonable.

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

6. OTHER INFORMATION

6.1 Material Contracts

There were no material contracts entered into by the Company and its subsidiaries involving the interests of Directors and major shareholders.

Statement on Corporate Governance

The composition of the Board Committees and the attendance of members at Board Committee meetings are reflected as follows:-

Composition of Board Committees

	Board	Audit Committee	Nomination Committee	Remuneration Committee	Risk Management	Tender Committee
Mr Lee Seng Huang Non-Independent Executive Chairman	C					
Mr Chung Tze Hien Non-Independent Executive Director	M			M	M	C
Mr Law Chin Wat Non-Independent Executive Director	M				C	M
Dato' Robert Chan Woot Khoon Non-Independent Non-Executive Director	M		C	M		
Mr Kong Wah Sang Independent Non-Executive Director	M	M	M	C		
Mr Chew Hoy Ping Independent Non-Executive Director	M	C	M			
Dato' Lim Say Chong Independent Non-Executive Director	M	M				

Attendance at Board Committee Meetings

	Board	Audit Committee	Nomination Committee	Remuneration Committee	Risk Management	Tender Committee
Mr Lee Seng Huang Non-Independent Executive Chairman	4/5					
Mr Chung Tze Hien Non-Independent Executive Director	5/5			1/1	1/1	4/4
Mr Law Chin Wat Non-Independent Executive Director	5/5				1/1	4/4
Dato' Robert Chan Woot Khoon Non-Independent Non-Executive Director	3/5		1/1	1/1		
Mr Kong Wah Sang Independent Non-Executive Director	5/5	5/5	1/1	1/1		
Mr Chew Hoy Ping Independent Non-Executive Director	5/5	5/5	1/1			
Dato' Lim Say Chong Independent Non-Executive Director	4/5	4/5				

C: Chairman M: Member

Statement on Internal Control

Introduction

The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of internal control to safeguard shareholders' investments and the Group's assets. The Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB") require directors of listed companies to include a statement in their annual reports on the state of their internal controls. The BMSB's Statement on Internal Control: Guidance for Directors of Public Listed Companies ("Guidance") provides guidance for compliance with these requirements. We set out below the Statement on Internal Control which has been prepared in accordance with the Guidance.

FKP Property Group's corporate office in Sydney, Australia.

Responsibility

The Board of Directors affirms its overall responsibility for maintaining sound systems of internal controls and for reviewing their adequacy and integrity. The systems of internal controls, designed to safeguard shareholders' investments and the Group's assets, cover not only financial controls but also operational and compliance controls and risk management. Such systems, however, are designed to manage rather than eliminate risks that may hinder the achievement of the Group's business objectives. Accordingly, the systems can only provide reasonable and not absolute assurance against material misstatement, loss and fraud.

Risk management

The Group has in place a risk management framework for identifying, evaluating, monitoring and managing risks that may affect the Group's businesses. Included in the framework is the Enterprise Risk Management Policy and Procedure which is based on the Australia / New Zealand standard 4630 : 2004, one of the global authoritative standards for Enterprise Risk Management. The risk management system is web-based which enhances the efficiency of the risk management process. The process is facilitated by the Organisation and Risk Management Department ("ORMD").

The Group adopts a decentralised approach to risk management whereby individual Risk Management Units ("RMU") are established at the business unit level. The RMUs are led by the Heads of Department while the members are appointed employees. The RMUs are responsible for identifying and monitoring risks at their respective levels. The identified risks are prioritised according to the degree of impact and likelihood of occurrence. Risks and control measures of each RMU are documented in a Risk Register for review and monitoring by the ORMD.

The outcome of the review and monitoring is reported to the Risk Management Committee ("RMC") which provides risk management support for the Group as a whole. The RMC will submit its reports to the Audit Committee ("AC") for review. The reports cover the risk profile of the business units, including new risks identified and mitigating measures

Statement on Internal Control

taken. The AC will then highlight the significant matters to the Board of Directors.

During the financial year, risk management assessments were carried out for selected business units in Australia and risk management reports were presented to the RMC and the AC for deliberation and action.

Key elements of internal control

The other key elements of the Group's internal control system include the following:-

- clearly defined delegation of responsibilities, organisation structure and appropriate authority limits have been established by the Board of Directors for the Board Committees and management;
- internal policies and procedures are in place which are updated as and when necessary;
- reporting systems are in place which generate financial and other reports for the Board of Directors and management. Monthly management meetings are held during which the reports are discussed and follow up action taken;
- annual business plans and budgets are prepared by the individual companies and units within the Group. Actual performance is monitored against budget on a monthly basis, with major variances followed up and the necessary action taken; and
- the adequacy and effectiveness of the system of internal controls is continually assessed by the Internal Audit Department ("IAD") and reviewed by the Audit Committee as described in the next section.

Internal audit

The IAD undertakes review of the system of internal controls, procedures and operations so as to provide reasonable assurance that the internal control system is sound, adequate and operating satisfactorily. The main functions carried out by the IAD during the year were as follows:-

- preparing an Annual Audit Plan;
- performing risk-based audits on selected areas covering different types of operations and companies in Malaysia and overseas;

Aveo Fulham is one of FKP's Aveo Live Well retirement villages and communities in Australia.

- reporting to the Audit Committee upon completion of each audit;
- submitting final audit reports to management and auditee; and
- monitoring and ensuring that matters highlighted are addressed or rectified by management.

During the financial year, the IAD carried out audits of selected business units in Malaysia and Australia.

Monitoring and review of the system of internal controls

During the year, a number of improvements to internal controls were identified and implemented. No weaknesses were noted which have a material impact on the Group's financial performance or operations.

The monitoring, review and reporting procedures and systems in place give reasonable assurance that the controls are adequate and appropriate to the Group's operations and that the risks are at an acceptable level. Such procedures and systems, however, do not eliminate the possibility of human error, the deliberate circumvention of control procedures by employees and others and the occurrence of unforeseeable circumstances.

This Statement on Internal Control does not deal with the Group's associated companies as the Group does not have management control over their operations.

Audit Committee Report

Constitution

The Audit Committee ("the Committee") was established pursuant to a resolution of the Board of Directors passed on 28 July 1994. The current members of the Committee are as follows:-

Mr Chew Hoy Ping (Chairman)	-	Independent Non-Executive Director
Mr Kong Wah Sang	-	Independent Non-Executive Director
YB Dato' Lim Say Chong	-	Independent Non-Executive Director

Terms of reference

The terms of reference of the Committee are as follows:-

1. Composition

The Committee shall be appointed by the Board of Directors from amongst the Directors of the Company. The Committee shall comprise of not less than three members. All the members must be Non-Executive Directors, with a majority of them being Independent Directors. At least one member of the Committee must be a member of the Malaysian Institute of Accountants or fulfil such other requirements as prescribed or approved by the Exchange. One of the members of the Committee who is an Independent Director shall be appointed Chairman of the Committee by the members of the Committee.

2. Meetings and minutes

The Committee shall meet at least four times a year. A quorum shall be at least two members present, the majority of whom shall be Independent Directors. The Committee may request any member of the management and representatives of the external auditors to be present at meetings of the Committee. Minutes of each Committee meeting are to be prepared and distributed to each member of the Committee and Board of Directors. The Company Secretary or his Assistant shall be the Secretary of the Committee.

3. Authority

The Committee is authorised by the Board of Directors:-

(a) to investigate any activity of the Company and its subsidiaries within its terms of reference;
(b) to seek any information it requires from any employee for the purpose of discharging its functions and responsibilities and all employees are directed to cooperate with any request made by the Committee;
(c) to obtain legal or other independent professional advice and to secure the attendance of outsiders with the experience and expertise if it considers it necessary to do so; and
(d) to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other Directors and employees of the Company and subsidiaries, whenever deemed necessary.

Bayou Water Village cluster homes perched on tranquil canal water ways is Leisure Farm's second water front project in Iskandar Malaysia.

Floating Pavilion Villa in Leisure Farm Resort, Iskandar Malaysia.

Audit Committee Report

4. Duties and responsibilities

The duties and responsibilities of the Committee shall be as follows and will cover the Company and its subsidiaries:-

(a) to consider the appointment of external auditors, their terms of appointment and reference and any questions of resignation or dismissal;

(b) to review with the external auditors their audit plan, scope and nature of audit;

(c) to review the quarterly and annual financial statements before submission to the Board of Directors, focusing particularly on:-
- any changes in accounting policies and practices;
- major judgemental areas;
- significant adjustments resulting from the audit;
- the going concern assumption;
- compliance with accounting standards; and
- compliance with stock exchange and legal requirements.

(d) to review and assess the adequacy and effectiveness of the systems of internal control and accounting control procedures by reviewing the external auditors' management letters and management response;

(e) to hear from and discuss with the external auditors any problem and reservation arising from their interim and final audits or any other matter that the external auditors may wish to highlight;

(f) to review the internal audit programme, consider the findings of internal audit and the actions and steps taken by management in response to such findings and ensure co-ordination between the internal and external auditors;

(g) to review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;

(h) to review related party transactions entered into by the Company and the Group to ensure that such transactions are undertaken on the Group's normal commercial terms and that the internal control procedures relating to such transactions are adequate;

(i) to undertake such other responsibilities as may be delegated by the Board of Directors from time to time; and

(j) to report to the Board of Directors its activities and findings.

Attendance at meetings

During the financial year, the Committee held five meetings. The record of attendance is as follows:-

Director	No. of meetings attended
Mr Chew Hoy Ping	5/5
Mr Kong Wah Sang	5/5
YB Dato' Lim Say Chong	4/5

Activities

During the financial year, the Committee carried out its activities in line with its terms of reference.

Internal audit functions

The Company has an Internal Audit Department ("IAD") whose principal objective is to undertake regular reviews of the systems of controls, procedures and operations so as to provide reasonable assurance that the internal control system is sound, adequate and operating satisfactorily.

The attainment of such objective involves the following major activities being carried out by the IAD:-

(a) review and appraise the adequacy, effectiveness and reliability of internal control systems, policies and procedures;

(b) monitor the adequacy, reliability, integrity, security and timeliness of financial and other management information systems;

(c) determine the extent of compliance with relevant laws, codes, standards, regulations, policies, plans and procedures; and

(d) review and verify the means used to safeguard assets.

The internal audit function is performed in-house by the IAD. The costs incurred for the internal audit function for 2009 amounted to approximately RM 312,000.

Statement on Corporate Social Responsibility

Introduction

Over the years, Corporate Social Responsibility takes a more significant role in Mulpha International Bhd. Mulpha recognises that in the pursuant of expanding of the business across Asia and Australia, the corporate responsibility should not take a back seat. We identify four focal areas where our best practice should be enhanced:

- ENVIRONMENT
- WORKPLACE
- COMMUNITY
- MARKETPLACE

ENVIRONMENT

As a property developer, Mulpha strives on putting a stamp of the green concept to all of our developments.

Leisure Farm Resort, the group flagship project in Gelang Patah, Johor, was involved in a variety of environmentally and energy conservation efforts. Leisure Farm also positioned itself as the sustainable resort residential development. The novel concept of green living is thanks to the company's ardent adherent to sustainable development and principles. The 3G Homes (Green, Gated and Generation) refers to new generation of intelligent homes with built-in technologies developed in the best interest of the environment.

Leisure Farm masterplan was developed around the characteristic and the natural beauty of the surroundings. The undulating terrain consisting of rainforests wetlands, streams, lakes, valleys and hills remains the distinguishing feature of the LFR, immaculately preserved for the present and future generations. Construction materials and fixtures in Leisure Farm have been selected for their environmental friendliness and recyclable qualities. This includes recyclable bricks and stone chippings.

Leisure Farm boasts around 380 acres of green spaces and constructions are done around this natural surrounding instead of over it. Green architectural concept such as double roofing, deep shelter and innovative fittings are incorporated into the features of the homes. Recreational facilities here allow optimal passage of light and natural ventilation.

Special designated areas such as Canal Park, Kayu Manis Orchard, Bale Club and Mangrove wetlands help a thriving eco-system abundant with flora and fauna. Mulpha organises Nature Day annually. This annual event is conducted in April, within the Earth Day period. Locals and residents of Leisure Farm show their commitment and appreciation towards the environment by involving in nature related activities and recreations.

Statement on Corporate Social Responsibility

WORKPLACE

Mulpha strives to become the employee of choice for our current staff and future recruits. We are proud that we retain a high number of staff in the company even through the challenging period that we faced in 2009. Specialised trainings are conducted to enhance the skills and performance of our employees. The company also sent the employees for external trainings that are relevant and in line with our business to improve the knowledge and proficiency of our employees. Every year, the importance of Mulpha Recreational Club to the company grows. It is vital for the company to provide an avenue for the employees to promote healthy lifestyle and sense of camaraderie in the company. Employees are encouraged to participate in various activities conducted by the club especially the weekly sports and wellness programs.

COMMUNITY

Mulpha set in motion the Arts for Health programme back in 2006 as a part of our CSR initiative. The idea behind Arts for Health is to provide an emotional healing process to the hospitalised children stricken with illness and disability. This programme received a tremendous boost in 2009 as Hospital Kuala Lumpur and Hospital Sungai Buloh joined the other hospitals as part of Mulpha corporate responsibility initiative. With Hospital Selayang, Pusat Perubatan Universiti Malaya and Hospital Universiti Kebangsaan Malaysia already in our ranks, twelve programmes were conducted on a monthly basis in all five hospitals. Our effort received great enthusiasm from the children and hospital staff alike as nearly 200 children participated throughout the year.

Mulpha's Arts for Health was nominated as one of the three finalists for the PM-CSR award 2009 in the community and social welfare category. This is an award ceremony in recognition of the best CSR practises in eight respective categories. The event was organised by the Ministry of Women, Family and Community Development We received an honourable mention and a plaque presented by the Prime Minister of Malaysia, YAB Dato' Sri Najib Tun Razak.

Mulpha Australia actively supporting the Professor Harry Messel International Science School at the University of Sydney, an outstanding educational program designed to encourage Year 11 and 12 students from Australia and around the world to pursue careers in science, technology and engineering. Mulpha Leadership Award recognise students who not only excel academically, but also shown diplomacy, tact and empathy when dealing with people from different cultures and countries

MARKETPLACE

It is important to keep our shareholders abreast on what is the latest happening in the company. We do it by constantly engaging with the shareholders through different communication channels. During the challenging period in 2009, it was important to maintain the shareholders confidence in the company. Fund managers and investment analysts were kept up to date on the performance of the company throughout the year. The company also exercises good corporate governance and ethical procurement to promote exemplary corporate conduct.

FINANCIAL REPORT

Directors' Report

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

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are:-

- property development and investments; and
- hotels and service apartments ownership and operations.

Other activities of the subsidiaries include trading, servicing and rental of construction equipments.

There have been no significant changes in the nature of the principal activities during the financial year except for the discontinuance of the business related to the manufacture and distribution of paints as disclosed in Note 8 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit/(loss) for the year	10,463	(21,506)
Attributable to:		
Equity holders of the Company	(9,729)	(21,506)
Minority interests	20,192	-
	10,463	(21,506)

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

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

DIRECTORS' REPORT

DIVIDEND

No dividend has been paid or declared by the Company since 31 December 2008. The Directors do not recommend any dividend for the financial year ended 31 December 2009.

DIRECTORS

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

Lee Seng Huang
Chung Tze Hien
Law Chin Wat
Dato' Robert Chan Woot Khoon
Kong Wah Sang
Chew Hoy Ping
Dato' Lim Say Chong

DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no Director has received or become entitled to receive any benefits (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in Notes 6(b) and 8(a) to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member or with a company in which the Director has a substantial financial interest.

DIRECTORS' REPORT

DIRECTORS' INTERESTS

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

	<--------Number of Ordinary Shares of 50 sen each-------->			
	At 1.1.2009	Acquired	Sold	At 31.12.2009
Direct interest in shares of the Company				
Dato' Robert Chan Woot Khoon	50,000	-	-	50,000
Chew Hoy Ping	50,000	-	-	50,000
Indirect interest in shares of the Company				
Lee Seng Huang	375,473,600	-	-	375,473,600
	Warrants issued pursuant to a Deed Poll dated 13 April 2000 exercisable at any time from 26 July 2000 to 25 July 2010			
	At 1.1.2009	**Acquired**	**Sold**	**At 31.12.2009**
Indirect interest in warrants of the Company				
Lee Seng Huang	27,412,500	-	6,400,000	21,012,500
	<---------Number of Ordinary Shares of RM1 each--------->			
	At 1.1.2009	**Acquired**	**Sold**	**At 31.12.2009**
Direct interest in shares of Bukit Punchor Development Sdn. Bhd., an indirect subsidiary				
Dato' Robert Chan Woot Khoon	1,800,000	-	-	1,800,000

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

DIRECTORS' REPORT

TREASURY SHARES

During the financial year, the Company repurchased 32,000 of its issued ordinary shares from the open market at an average price of RM0.45 per share. The total consideration paid for the repurchase including transaction costs was RM14,398.

On 22 May 2009, the Board of Directors resolved to cancel all treasury shares of the Company comprising 77,015,000 ordinary shares of RM0.50 each. Following the cancellation, the Company's issued and paid-up share capital decreased from RM627,485,790 to RM588,978,290.

OTHER STATUTORY INFORMATION

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

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

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

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

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

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

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

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

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

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

 (ii) any contingent liabilities of the Group or of the Company which have arisen since the end of the financial year.

(f) In the opinion of the Directors:-

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

Directors' Report

OTHER STATUTORY INFORMATION (CONTD.)

(f) In the opinion of the Directors:- (Contd.)

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

SIGNIFICANT EVENTS

The significant events that occurred during the financial year are disclosed in Note 35 to the financial statements.

SUBSEQUENT EVENT

The significant event that occurred subsequent to the balance sheet date is disclosed in Note 36 to the financial statements.

AUDITORS

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

Signed on behalf of the Board in accordance with a resolution of the Directors dated 26 April 2010.

CHUNG TZE HIEN LAW CHIN WAT

Statement by Directors

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

We, CHUNG TZE HIEN and LAW CHIN WAT, being two of the Directors of MULPHA INTERNATIONAL BHD., do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 42 to 135 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2009 and of the results and cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 26 April 2010.

CHUNG TZE HIEN

LAW CHIN WAT

STATUTORY DECLARATION

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

I, KOH HUAT LAI, the person primarily responsible for the financial management of MULPHA INTERNATIONAL BHD., do solemnly and sincerely declare that the accompanying financial statements set out on pages 42 to 135 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed KOH HUAT LAI at
Petaling Jaya in the State of Selangor
Darul Ehsan on 26 April 2010.

KOH HUAT LAI

Before me,

FARIDAH BT SULAIMAN
Commissioner of Oaths
Petaling Jaya

Independent Auditors' Report

Independent auditors' report to the members of Mulpha International Bhd.
(Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of Mulpha International Bhd., which comprise the balance sheets as at 31 December 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statement of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 42 to 135.

Directors' responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

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

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 ('the Act') 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.

Independent Auditors' Report

Report on other legal and regulatory requirements (CONTD.)

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

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

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

Other matters

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

Ernst & Young
AF:0039
Chartered Accountants

Kua Choh Leang
No. 2716/01/11(J)
Chartered Accountant

Kuala Lumpur, Malaysia
26 April 2010

Income Statements

INCOME STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	Group 2009 RM'000	Group 2008 RM'000 (Restated)	Company 2009 RM'000	Company 2008 RM'000
Continued Operations					
Revenue	3	671,874	866,206	42,259	38,097
Other income	4	61,618	59,935	15,984	11,530
Changes in inventories of finished goods, shares and work in progress		(5,905)	1,389	-	-
Property work in progress expensed		(65,256)	(108,568)	-	-
Finished goods, shares purchased and raw materials used		(99,763)	(149,533)	-	-
Staff costs	6(b)	(203,833)	(231,592)	(5,169)	(5,637)
Depreciation and amortisation		(59,131)	(56,271)	(340)	(214)
Other expenses		(241,476)	(453,321)	(63,453)	(12,646)
Operating profit/(loss)		58,128	(71,755)	(10,719)	31,130
Finance costs	5	(81,749)	(82,982)	(10,623)	(5,262)
Share of loss of associates		(31,485)	(9,654)	-	-
Share of profit of jointly-controlled entities		10,630	26,276	-	-
(Loss)/profit before taxation	6	(44,476)	(138,115)	(21,342)	25,868
Income tax benefit/(expense)	7	19,103	20,549	(164)	(332)
(Loss)/profit for the year from continuing operations		(25,373)	(117,566)	(21,506)	25,536
Discontinued Operations					
Profit for the year from discontinued operations	8	35,836	6,217	-	-
Profit/(loss) for the year		10,463	(111,349)	(21,506)	25,536
Attributable to:					
Equity holders of the Company		(9,729)	(121,715)	(21,506)	25,536
Minority interests		20,192	10,366	-	-
		10,463	(111,349)	(21,506)	25,536
Loss per share attributable to equity holders of the Company (sen):	9				
Basic, for loss for the year		(0.83)	(10.22)		
Diluted, for loss for the year		(0.83)	(10.22)		

The annexed notes form an integral part of these financial statements.

Balance Sheets

BALANCE SHEETS AS AT 31 DECEMBER 2009

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	10	1,435,848	1,167,660	953	1,187
Investment properties	11	21,765	21,545	-	-
Prepaid lease payments	12	8,198	14,716	-	-
Investments in subsidiaries	13	-	-	398,266	398,247
Investments in associates	14	1,047,494	716,544	22,013	105,459
Investments in jointly-controlled entities	15	205,500	177,300	-	-
Other receivables	16	788	71,786	-	-
Available for sale financial assets	17	3,216	2,394	720	720
Other investments	18	1,160	1,160	1,160	1,160
Land held for property development	19(a)	782,491	596,553	-	-
Goodwill	20	14,915	13,589	-	-
		3,521,375	2,783,247	423,112	506,773
Current assets					
Property development costs	19(b)	207,999	233,336	-	-
Inventories	21	59,486	91,190	-	-
Trade and other receivables	22	239,413	259,815	1,043,705	891,253
Financial assets at fair value through profit or loss	23	15,980	17,406	-	-
Tax recoverable		2,294	5,903	2,301	5,001
Cash and bank balances	24	168,620	310,832	15,803	31,672
		693,792	918,482	1,061,809	927,926
TOTAL ASSETS		4,215,167	3,701,729	1,484,921	1,434,699

Balance Sheets

BALANCE SHEETS AS AT 31 DECEMBER 2009 (CONTD.)

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	28	588,978	627,485	588,978	627,485
Share premium	28	699,091	797,104	699,091	797,104
Treasury shares	28	-	(97,999)	-	(97,999)
Reserves	29	468,803	131,676	108,228	69,721
Retained earnings/ (Accumulated losses)		500,979	508,189	(183,831)	(162,325)
		2,257,851	1,966,455	1,212,466	1,233,986
Minority interests		48,134	160,751	-	-
Total equity		2,305,985	2,127,206	1,212,466	1,233,986
Non-current liabilities					
Provisions for liabilities	26	3,723	3,433	-	-
Deferred tax liabilities	30	109,790	112,932	-	-
Bank borrowings	27	52,825	803,882	-	20,000
Other borrowings	31	114,963	117,606	-	-
Finance lease and hire purchase payables	32	30,937	15,204	-	-
		312,238	1,053,057	-	20,000
Current liabilities					
Trade and other payables	25	263,013	294,643	86,183	82,116
Provisions for liabilities	26	10,591	9,811	-	-
Bank borrowings	27	1,079,424	207,510	117,672	98,597
Other borrowings	31	235,141	1,769	68,600	-
Tax payable		8,775	7,733	-	-
		1,596,944	521,466	272,455	180,713
Total liabilities		1,909,182	1,574,523	272,455	200,713
TOTAL EQUITY AND LIABILITIES		4,215,167	3,701,729	1,484,921	1,434,699

The annexed notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2009

Group	Attributable to Equity Holders of the Company										
	<----Non Distributable					---->	<---Distributable--->				
	Share Capital Note 28 RM'000	Share Premium Note 28 RM'000	Revaluation Reserve Note 29 RM'000	Exchange Reserve Note 29 RM'000	Capital Reserve Note 29 RM'000	Other Reserve Note 29 RM'000	Retained Earnings RM'000	Treasury Shares Note 28 RM'000	Total RM'000	Minority Interests RM'000	Total Equity RM'000
At 1 January 2008	627,485	797,104	1,415	209,819	80,870	101,901	621,868	(54,641)	2,385,821	152,991	2,538,812
Deferred taxation	-	-	-	-	-	23,041	-	-	23,041	-	23,041
Available-for-sale financial assets : Fair value adjustments	-	-	-	-	-	(55,949)	-	-	(55,949)	-	(55,949)
Foreign currency translation	-	-	-	(221,323)	1,306	-	-	-	(220,017)	4,907	(215,110)
Movements in subsidiaries' net assets and group reserves	-	-	-	-	-	-	-	-	-	(7,513)	(7,513)
Convertible notes-equity component	-	-	-	-	-	(1,368)	-	-	(1,368)	-	(1,368)
Transfer within reserve	-	-	(60)	-	(7,976)	-	8,036	-	-	-	-
Net income and expense recognised directly in equity	-	-	(60)	(221,323)	(6,670)	(34,276)	8,036	-	(254,293)	(2,606)	(256,899)
Loss for the year	-	-	-	-	-	-	(121,715)	-	(121,715)	10,366	(111,349)
Total recognised income and expense for the year	-	-	(60)	(221,323)	(6,670)	(34,276)	(113,679)	-	(376,008)	7,760	(368,248)
Shares repurchased	-	-	-	-	-	-	-	(43,358)	(43,358)	-	(43,358)
At 31 December 2008	627,485	797,104	1,355	(11,504)	74,200	67,625	508,189	(97,999)	1,966,455	160,751	2,127,206

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTD.)

Group (Contd.)	Share Capital Note 28 RM'000	Share Premium Note 28 RM'000	Revaluation Reserve Note 29 RM'000	Exchange Reserve Note 29 RM'000	Capital Reserve Note 29 RM'000	Other Reserve Note 29 RM'000	Retained Earnings RM'000	Treasury Shares Note 28 RM'000	Total RM'000	Minority Interests RM'000	Total Equity RM'000
	Attributable to Equity Holders of the Company										
		<----------Non Distributable---------->					<---Distributable--->				
At 1 January 2009	627,485	797,104	1,355	(11,504)	74,200	67,625	508,189	(97,999)	1,966,455	160,751	2,127,206
Deferred taxation	-	-	-	-	-	(132)	-	-	(132)	-	(132)
Available-for-sale financial assets : Fair value adjustments	-	-	-	-	-	437	-	-	437	-	437
Foreign currency translation	-	-	716	313,109	8	-	-	-	313,833	(284)	313,549
Movements in subsidiaries' net assets and group reserves	-	-	-	-	-	-	-	-	-	25	25
Movement in associates' assets and group reserves	-	-	-	(2,094)	-	-	-	-	(2,094)	-	(2,094)
Disposal of shares in subsidiaries	-	-	-	(9,153)	(2,482)	-	2,482	-	(9,153)	(132,550)	(141,703)
Convertible notes-equity component	-	-	-	-	-	(1,752)	-	-	(1,752)	-	(1,752)
Transfer within reserve	-	-	(9)	-	(28)	-	37	-	-	-	-
Net income and expense recognised directly in equity	-	-	707	301,862	(2,502)	(1,447)	2,519	-	301,139	(132,809)	168,330
Loss for the year	-	-	-	-	-	-	(9,729)	-	(9,729)	20,192	10,463
Total recognised income and expense for the year	-	-	707	301,862	(2,502)	(1,447)	(7,210)	-	291,410	(112,617)	178,793
Shares repurchased	-	-	-	-	-	-		(14)	(14)	-	(14)
Cancellation of treasury shares	(38,507)	(98,013)	-	-	38,507	-	-	98,013	-	-	-
At 31 December 2009	588,978	699,091	2,062	290,358	110,205	66,178	500,979	-	2,257,851	48,134	2,305,985

Statement of Changes In Equity

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTD.)

	Non - distributable			Distributable		
Company	**Share Capital Note 28 RM'000**	**Share Premium Note 28 RM'000**	**Capital Reserve Note 29 RM'000**	**Accumulated Losses RM'000**	**Treasury Shares Note 28 RM'000**	**Total Equity RM'000**
At 1 January 2008	627,485	797,104	69,721	(187,861)	(54,641)	1,251,808
Profit for the year, representing total recognised income and expense for the year	-	-	-	25,536	-	25,536
Shares repurchased	-	-	-	-	(43,358)	(43,358)
At 31 December 2008	627,485	797,104	69,721	(162,325)	(97,999)	1,233,986
Loss for the year, representing total recognised income and expense for the year	-	-	-	(21,506)	-	(21,506)
Shares repurchased	-	-	-	-	(14)	(14)
Cancellation of treasury shares	(38,507)	(98,013)	38,507	-	98,013	-
At 31 December 2009	588,978	699,091	108,228	(183,831)	-	1,212,466

The annexed notes form an integral part of these financial statements.

Cash Flow Statements

CASH FLOW STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
(Loss)/profit before taxation				
- continuing operations	(44,476)	(138,115)	(21,342)	25,868
- discontinued operations	38,061	7,855	-	-
	(6,415)	(130,260)	(21,342)	25,868
Adjustments for non-cash items:				
Amortisation of prepaid lease payments	231	269	-	-
Bad debts recovered	(12)	(179)	-	-
Depreciation of property, plant and equipment	61,978	60,729	340	214
Depreciation of investment properties	399	268	-	-
Fair value (gain)/loss for assets held at fair value through profit or loss	(8,395)	24,667	-	-
Net loss/(gain) on disposal of property, plant and equipment	722	588	7	(49)
Loss on disposal of available for sale investments	-	1,481	-	
Write down and write off of inventories	463	146	-	-
Net allowance for/(write back of) doubtful debts	1,456	770	(52)	52
Provision for staff benefits	11,842	14,146	-	-
Net unrealised foreign exchange (gain)/loss	(421)	48	(4,480)	5,234
Loss on sale of financial assets at fair value through profit or loss	10,943	45,896	-	-
Loss on waiver of inter-company debts	-	-	-	13
Net gain on disposal of subsidiaries	(12,172)	-	-	-
Loss on disposal of an associate	-	-	56,928	-
Share of results of associates	19,785	1,791	-	-

Cash Flow Statements

CASH FLOW STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTD.)

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONTD.)				
Gain retained in jointly-controlled entities	(10,630)	(26,276)	-	-
Impairment of available for sale financial assets	-	323	-	323
Impairment of completed properties	520	299	-	-
Impairment of land held for property development	-	18,193	-	-
Impairment of property, plant and equipment	8,310	50,225	-	-
Provision for amounts due from subsidiaries	-	-	-	14
Interest expense	81,749	83,077	10,623	5,262
Interest income	(10,663)	(19,379)	(7,620)	(8,851)
Dividend income	(4,770)	(37,076)	(42,259)	(38,097)
Operating profit/(loss) before working capital changes	144,920	89,746	(7,855)	(10,017)
Changes in working capital:				
Development properties	73,227	2,856	-	-
Inventories	38,431	667	-	-
Receivables	(29,803)	(27,073)	4,640	(485)
Short-term investments	(1,147)	31,184	-	-
Payables	(65,699)	103,218	(106)	(872)
Net change in working capital	15,009	110,852	4,534	(1,357)
Cash generated from/(used in) operations	159,929	200,598	(3,321)	(11,374)
Interest paid	(81,749)	(83,077)	(10,623)	(5,262)
Interest received	10,663	19,379	7,620	8,851
Income tax refund/(paid)	360	(1,580)	4,176	876
Staff benefits paid	(15,749)	(11,128)	-	-
Net cash generated from/(used in) operating activities	73,454	124,192	(2,148)	(6,909)

Cash Flow Statements

CASH FLOW STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTD.)

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Refund/(Deposit) for property, plant and equipment	50,514	(33,505)	-	-
Purchase of property, plant and equipment	(125,308)	(103,657)	(117)	(1,043)
Proceeds from sale of property, plant and equipment	5,455	4,149	3	49
Refurbishment of investment properties	(672)	(4,683)	-	-
Additions to investment properties	-	(794)	-	-
Additions of available for sale financial assets	-	(106,547)	-	-
Additional investments in associates	(241,497)	(231,875)	-	(105,409)
Acquisition of subsidiaries	(19)	-	(18)	-
Investment in a subsidiary	-	102	-	-
Disposal of subsidiaries, net of cash (Note b)	64,686	-	-	-
Proceeds from disposal of an associate	-	-	26,517	-
Dividends received	4,770	37,076	42,259	36,503
Dividends received from associates and a jointly-controlled entity	40,947	4,571	-	-
Net cash (used in)/generated from investing activities	(201,124)	(435,163)	68,644	(69,900)

Cash Flow Statements

CASH FLOW STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTD.)

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Shares repurchased	(14)	(43,358)	(14)	(43,358)
Deposits uplifted	12,613	2,720	13,041	2,720
Intercompany balances	-	-	(150,026)	53,583
Dividend paid to minority interests	-	(2,876)	-	-
Payment of finance lease liabilities	(15,997)	(10,829)	-	-
Advance included in other receivables	(1,337)	(26,953)	-	-
Net drawdown of borrowings	120,437	335,110	69,800	50,000
Net cash generated from/(used in) financing activities	115,702	253,814	(67,199)	62,945
NET DECREASE IN CASH AND CASH EQUIVALENTS	(11,968)	(57,157)	(703)	(13,864)
Effect of exchange rate changes	(161,470)	3,929	-	-
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	267,828	354,514	(744)	13,120
Foreign exchange differences on opening cash and cash equivalents	46,487	(33,458)	-	-
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER (Note a)	140,877	267,828	(1,447)	(744)
(a) Cash and cash equivalents				
Cash and bank balances	168,620	310,832	15,803	31,672
Overdrafts	(3,182)	(5,830)	(1,472)	(3,597)
	165,438	305,002	14,331	28,075
Less: Deposits pledged	(24,561)	(37,174)	(15,778)	(28,819)
	140,877	267,828	(1,447)	(744)

Cash Flow Statements

CASH FLOW STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTD.)

(b) The disposal of subsidiaries as disclosed in Note 8 has the following impact to the financial position of the Group:

	2009 RM'000
Property, plant and equipment	34,374
Prepaid lease payment	6,380
Associated company	42,696
Long-term receivables	72,481
Available for sale financial assets	5
Inventories	10,010
Trade and other receivables	46,078
Cash and bank balances	64,744
Trade and other payables	(16,560)
Provision for tax	(1,160)
Deferred taxation	(87)
Net assets disposed	258,961
Minority interest	(76,150)
Minority interests share of reserves	(56,400)
Realisation of reserve	(9,153)
Gain on disposal	12,172
Consideration received from disposal	129,430
Less: Cash and bank balances	(64,744)
Net cash from disposal of subsidiaries	64,686

The annexed notes form an integral part of these financial statements.

Notes To The Financial Statements
31 December 2009

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office and the principal place of business of the Company is located at Bangunan Mulpha, 17, Jalan Semangat, 46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are property development and investments and hotels and service apartments ownership and operations. Other activities of the subsidiaries include trading, servicing and rental of construction equipments. There have been no significant changes in the nature of the principal activities during the financial year except for the discontinuance of the business related to the manufacture and distribution of paints as disclosed in Note 8.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 26 April 2010.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

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

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated in this summary of significant accounting policies.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

2.2 Summary of Significant Accounting Policies

(a) Subsidiaries and Basis of Consolidation

(i) Subsidiaries

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

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

Notes to The Financial Statements
31 December 2009

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(a) Subsidiaries and Basis of Consolidation (Contd.)

(ii) Basis of Consolidation

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

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

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

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

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

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

(b) Associates

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

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in associate is carried in the consolidated balance sheet at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate. The Group's share of the net profit or loss of the associate is recognised in the consolidated profit or loss. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes. In applying the equity method, unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(b) Associates (Contd.)

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

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

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

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

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

(c) Jointly-Controlled Entities

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint-control, and a jointly-controlled entity is a joint-venture that involves the establishment of a separate entity in which each venturer has an interest.

Investments in jointly-controlled entities are accounted for in the consolidated financial statements using the equity method of accounting as described in Note 2.2(b).

In the Company's separate financial statements, investments in jointly-controlled entities are stated at cost less impairment losses.

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

Notes to The Financial Statements
31 December 2009

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(d) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less accumulated impairment losses.

Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(e) Property, Plant and Equipment, and Depreciation

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

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

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

Freehold buildings	2.5-5%
Leasehold buildings	over period of lease
Plant, machinery, office equipment and furniture	5-33%
Motor vehicles	15-25%

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss and the unutilised portion of the revaluation surplus on that item is taken directly to retained earnings.

Notes to The Financial Statements
31 December 2009

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(f) Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any impairment losses.

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

(g) Land Held for Property Development and Property Development Costs

(i) Land Held for Property Development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(ii) Property Development Costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

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

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

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

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

Notes to The Financial Statements
31 December 2009

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(g) Land Held for Property Development and Property Development Costs (Contd.)

(ii) Property Development Costs (Contd.)

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

(h) Impairment of Non-financial Assets

The carrying amounts of assets, other than property development costs, inventories, deferred tax assets and non-current assets (or disposal groups) held for sale, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For goodwill, the recoverable amount is estimated at each balance sheet date or more frequently when indicators of impairment are identified.

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

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

An impairment loss is recognised in profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(i) Inventories

Inventories comprise the following:-

(i) Finished goods, work-in-progress and raw materials are valued at the lower of cost and net realisable value.

Cost includes direct materials, direct labour and appropriate production overheads and is determined on a weighted average, first-in first-out basis or specific identification method, as appropriate, according to the category of inventories concerned.

(ii) Golf memberships are valued at the lower of cost and net realisable value.

Cost is determined principally using the specific identification method.

(iii) Completed properties are stated at the lower of cost and net realisable value.

Completed properties comprise land and development expenditure and are determined on a specific identification method.

Net realisable value represents the estimated selling price less all estimated cost to completion and costs to be incurred in marketing, selling and distribution.

(j) Financial Instruments

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

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

(i) Cash and Cash Equivalents

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

(ii) Investments and Other Financial Assets

Financial assets in the scope of FRS 139 are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(j) Financial Instruments (Contd.)

(ii) Investments and Other Financial Assets (Contd.)

All regular way purchases and sales of financial assets are recognised on the trade date, the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category "financial assets at fair value through profit or loss". Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Gains or losses on investments held for trading are recognised in income statement.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Other long-term investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in income statement when the investments are derecognised or impaired, as well as through the amortisation process.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories. After initial recognition, available-for-sale financial assets are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the income statement.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(j) Financial Instruments (Contd.)

(ii) Investments and Other Financial Assets (Contd.)

Available-for-sale financial assets (Contd.)

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined using appropriate valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument which is substantially the same, discounted cash flow analysis and option pricing models.

(iii) Trade and other receivables

Trade and other receivables, including amounts due from subsidiaries, associates, related companies and loans to related companies are classified and accounted for as loans and receivables under FRS 139. The accounting policy for this category of financial assets is stated in Note 2.2(j)(ii).

An allowance is made for uncollectible amounts when there is objective evidence that the Group will not be able to collect the debt. Bad debts are written off when identified. Further details on the accounting policy for impairment of financial assets are stated in Note 2.2(r) below.

(iv) Trade and other payables

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

(v) Interest Bearing Loans and Borrowings

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

(vi) Equity Instruments

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

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

Notes to The Financial Statements
31 December 2009

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(j) Financial Instruments (Contd.)

(vi) Equity Instruments (Contd.)

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

(vii) Derivative Financial Instruments and Hedging

Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to net profit or loss for the year. Where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged and can be recognised either through equity or profit or loss.

Cash flow hedges are a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and could affect profit or loss. The effective portion of the gain or loss on the hedging instruments is recognised directly in equity, while the ineffective portion is recognised in profit or loss.

(k) Leases

(i) Classification

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. All leases that do not transfer substantially all the risks and rewards are classified as operating leases.

(ii) Finance Leases

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(k) Leases (Contd.)

(iii) Operating Leases - the Group as Lessee

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

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

(iv) Operating Leases - the Group as Lessor

Assets leased out under operating leases are presented on the balance sheets according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(l) Borrowing Costs

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

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

(m) Income Tax

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

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

Notes to The Financial Statements
31 December 2009

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(m) Income Tax (Contd.)

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

(n) Provisions

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

Provision is made for construction equipments sold under warranty at the balance sheet date based on the past history of the level of repairs and replacements.

Provision for termination benefits is made for termination of employees' services resulting from identified closure of businesses.

(o) Employee Benefits

(i) Short Term Benefits

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

(ii) Defined Contribution Plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entitites or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund. Some of the Group's foreign subsidiaries also make contributions to their respective countries' statutory pension schemes.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(o) Employee Benefits (Contd.)

(ii) Defined Contribution Plans

The subsidiaries in Australia contribute to superannuation funds operated under defined contribution plans set up by these companies, where benefits are based on accumulation. The employers contribute at varying percentages of the salaries of members and the employees contribute at their own election. Such contributions are recognised as an expense in the income statement when incurred.

(p) Foreign Currencies

(i) Functional and Presentation Currency

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

(ii) Foreign Currency Transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are maintained at its historical rate.

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

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

Notes to The Financial Statements
31 December 2009

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(p) Foreign Currencies (Contd.)

(iii) Foreign operation

The results and financial position of foreign operations that have a functional currency different from the presentation currency (RM) of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate prevailing at the balance sheet date;
- Income and expenses for each income statement are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transaction; and
- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

The principal closing exchange rates used in translation of foreign currency amounts are as follows:

Foreign currency	2009 RM	2008 RM
1 United States Dollar	3.43	3.48
1 Singapore Dollar	2.44	2.41
1 Australian Dollar	3.07	2.40
100 Hong Kong Dollar	44.23	44.85

(q) Revenue Recognition

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

(i) Sale of Properties

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

(ii) Sale of Goods

Revenue is recognised net of discounts upon the transfer of risks and rewards.

(iii) Revenue from Services

Revenue is recognised when services are rendered.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(q) Revenue Recognition (Contd.)

(iv) Rental Income

Rental income from machineries is recognised over the period of lease.

(v) Interest Income

Interest income is recognised as it accrues on a time proportion basis by reference to the principal outstanding and at the interest rate applicable.

(vi) Dividend Income

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

(vii) Management Fees

Management fees are recognised when services are rendered.

(r) Impairment of financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

(i) Assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the profit and loss account.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the profit and loss account, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

Notes to The Financial Statements
31 December 2009

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(r) Impairment of financial assets (Contd.)

(ii) Assets carried at cost

If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(iii) Available-for-sale financial assets

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the profit and loss account, is transferred from equity to the income statement. Reversals in respect of equity instruments classified as available-for-sale are not recognised in the profit and loss account. Reversals of impairment losses on debt instruments are reversed through the profit and loss account, if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognised in the profit and loss account.

2.3 Applicable FRSs, amendments to FRSs and interpretations that are not yet effective and not adopted

At the date of authorisation of the financial statements, the following applicable new FRSs, amendments to FRSs and interpretations were issued but not yet effective and have not been applied by the Group and the Company:

Effective for financial periods beginning on or after 1 July 2009
FRS 8: Operating Segments
Effective for financial periods beginning on or after 1 January 2010
FRS 7: Financial Instruments: Disclosures
FRS 101 (Revised): Presentation of Financial Statements
FRS 123 (Revised): Borrowing Costs
Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly-Controlled Entity or Associate
Amendments to FRS 132: Financial Instruments: Presentation
Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives
Amendments to FRSs 'Improvements to FRSs (2009)'
IC Interpretation 9: Reassessment of Embedded Derivatives

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Applicable FRSs, amendments to FRSs and interpretations that are not yet effective and not adopted (Contd.)

Effective for financial periods beginning on or after 1 July 2010
FRS 3: Business Combinations (revised)
FRS 127: Consolidated and Separate Financial Statements (amended)
Amendments to FRS 138: Intangible Assets
Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives
IC Interpretation 15: Agreements for the Construction of Real Estate

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

(i) FRS 101 (Revised): Presentation of Financial Statements

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

(ii) FRS 8: Operating Segments

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

(iii) IC Interpretations 15: Agreements for the Construction of Real Estate

This Interpretation requires that when the real estate developer is providing construction services to the buyer's specifications, revenue can be recorded only as construction progresses. Otherwise, revenue should be recognised on completion of the relevant real estate unit. The Group is currently assessing the impact of the adoption of this interpretation.

Notes to The Financial Statements
31 December 2009

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Significant Accounting Estimates and Judgements

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

(a) Key Sources of Estimation Uncertainty

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

(i) Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's tax payable as at 31 December 2009 was RM8,775,000 (2008: RM7,733,000). Further details on income tax expense are disclosed in Note 7.

(ii) Impairment of Goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the fair value and value-in-use of the cash-generating units ("CGU") to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at 31 December 2009 was RM14,915,000 (2008: RM13,589,000). Further details are disclosed in Note 20.

(iii) Impairment of investment in associates

The Group carried out impairment test on its investment in associates based on a variety of estimation methods including assessing the market value and value-in-use of the investments. In determining the value-in-use, the Group makes an estimate of the expected future cash flows from the associates and adopt a suitable discount rate to compute the present value of the cash flow. Further details are disclosed in Note 14.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Significant Accounting Estimates and Judgements (Contd.)

(a) Key Sources of Estimation Uncertainty (Contd.)

(iv) Impairment of property, plant and equipment and land held for property development

The Group carried out impairment test based on a variety of estimation including the value-in-use of the cash-generating units ("CGU") to which the property, plant and equipment and land held for property development are allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of property, plant and equipment of the Group as at 31 December 2009 was RM1,435,848,000 (2008: RM1,167,660,000). The carrying amount of land held for property development of the Group as at 31 December 2009 was RM782,491,000 (2008: RM596,553,000). Further details of the impairment losses recognised are disclosed in Note 10 and Note 19.

(v) Property development

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

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of consultants. Further details on property development costs are disclosed in Note 19.

(vi) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying value as at 31 December 2009 of recognised tax losses and capital allowances of the Group was RM113,176,000 (2008: RM28,669,000) and the unrecognised tax losses and capital allowances of the Group was RM192,199,000 (2008: RM184,787,000).

Notes to The Financial Statements
31 December 2009

3. REVENUE

	Group		Company	
	2009 RM'000	2008 RM'000 (Restated)	2009 RM'000	2008 RM'000
Dividend income (gross)				
- unquoted shares in Malaysia	-	-	42,259	6,130
- unquoted shares outside Malaysia	-	-	-	31,967
Sale of goods	42,504	87,131	-	-
Performance of services	437,264	529,477	-	-
Sale of properties	147,652	217,360	-	-
Rental of machineries	44,433	32,238	-	-
Shares trading	21	-	-	-
	671,874	866,206	42,259	38,097

4. OTHER INCOME

Included in the Other Income of the Group and of the Company are the following significant items:

	Group		Company	
	2009 RM'000	2008 RM'000 (Restated)	2009 RM'000	2008 RM'000
Dividend income (gross)				
- unquoted shares outside Malaysia	4,463	4,747	-	-
- quoted shares outside Malaysia	189	32,320	-	-
- quoted shares in Malaysia	118	9	-	-
Interest income				
- deposits with licensed financial institutions	3,527	14,699	472	1,379
- advances to subsidiaries	-	-	7,148	7,472
- others	1,980	2,430	-	-

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

5. FINANCE COSTS

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000 (Restated)	RM'000	RM'000
Interest expense on:				
- overdrafts	224	385	135	256
- Islamic Debt Securities	3,252	3,353	3,252	3,353
- other bank borrowings	38,957	62,978	1,598	1,002
- revolving loan/term loan	13,380	651	5,638	651
- others	25,936	15,615	-	-
	81,749	82,982	10,623	5,262

6. (LOSS)/PROFIT BEFORE TAXATION

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000 (Restated)	RM'000	RM'000
Continuing operations				
(a) This is arrived at after charging:				
Auditors' remuneration				
- statutory audits	1,531	1,455	90	97
- other services	461	642	28	28
Amortisation of prepaid lease payments	125	125	-	-
Depreciation of property, plant and equipment (Note 10)	58,607	55,879	340	214
Depreciation of investment properties	399	268	-	-
Hire of plant and equipment	619	1,235	-	-
Impairment of available for sale financial assets	-	323	-	323
Impairment of land held for property development	-	18,193	-	-
Impairment of property, plant and equipment	8,310	50,225	-	-
Lease rental	13,699	3,468	-	-
Net loss on foreign exchange				
- realised	-	28,856	-	1,732
- unrealised	-	48	-	5,234
Loss on waiver of inter company debts	-	-	-	13

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

6. (LOSS)/PROFIT BEFORE TAXATION (CONTD.)

	Group		Company	
	2009 RM'000	2008 RM'000 (Restated)	2009 RM'000	2008 RM'000
(a) This is arrived at after charging (contd.):				
Loss on disposal of property, plant and equipment	730	513	7	-
Loss on disposal of an associate	-	-	56,928	-
Allowance for doubtful debts	1,456	612	-	52
Write down and write off of inventories	463	146	-	-
Impairment of completed properties	520	299	-	-
Fair value loss for assets held at fair value through profit or loss	-	24,667	-	-
Provision for amounts due from subsidiaries	-	-	-	14
Rental of land and buildings				
- subsidiaries	-	-	433	366
- others	6,530	6,915	-	-
Loss on disposal of available for sale financial investments	-	1,481	-	-
Loss on sale of financial assets at fair value through profit or loss	10,943	45,896	-	-
Staff costs (Note b)	203,833	231,592	5,169	5,637
And crediting:				
Gain on disposal of property, plant and equipment	-	-	-	49
Net gain on foreign exchange				
- realised	3,451	-	1,493	-
- unrealised	421	-	4,480	-
Write back of provision for doubtful debts	-	605	52	-
Bad debts recovered	12	175	-	-
Net gain on disposal of subsidiaries	12,172	-	-	-
Fair value gain for assets held at fair value through profit or loss	8,395	-	-	-
Rental of land and buildings	1,289	466	-	-
Rental of machinery	179	184	-	-

Notes to The Financial Statements
31 December 2009

6. (LOSS)/PROFIT BEFORE TAXATION (CONTD.)

(b) Staff Costs

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000 (Restated)**	**RM'000**	**RM'000**
Wages and salaries	161,424	178,551	4,434	4,731
Termination benefits	30	53	-	-
Social security costs	157	138	18	23
Short term accumulating compensated absences	10,707	12,625	-	-
Pension costs-defined contribution plans	16,594	18,501	562	638
Other staff related expenses	14,921	21,724	155	245
	203,833	231,592	5,169	5,637

Included in staff costs of the Group and of the Company are executive directors' remuneration amounting to RM4,005,000 (2008: RM4,321,000) and RM2,063,000 (2008: RM2,195,000) respectively which are analysed as follows:

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000 (Restated)**	**RM'000**	**RM'000**
Directors of the Company:				
Executive:				
Emoluments	1,842	1,970	1,842	1,970
Fees	6	8	-	-
Pension costs-defined contribution plan	221	225	221	225
Benefits-in-kind	91	67	91	67
	2,160	2,270	2,154	2,262
Non-Executive:				
Fees	152	146	149	143
	152	146	149	143
Other Directors of subsidiaries				
Executive:				
Emoluments	1,788	1,991	-	-
Fees	28	28	-	-
Pension costs-defined contribution plan	120	99	-	-
Benefits-in-kind	13	-	-	-
	1,949	2,118	-	-

Notes to The Financial Statements
31 December 2009

6. (LOSS)/PROFIT BEFORE TAXATION (CONTD.)

(b) Staff Costs (Contd.)

	Group		Company	
	2009 RM'000	2008 RM'000 (Restated)	2009 RM'000	2008 RM'000
Non-Executive:				
Fees	262	264	-	-
	262	264	-	-
Total	4,523	4,798	2,303	2,405
Analysis excluding benefits-in-kind:				
Total Executive Directors' remuneration	4,005	4,321	2,063	2,195
Total Non-Executive Directors' remuneration	414	410	149	143
Total Directors' remuneration excluding benefits-in-kind	4,419	4,731	2,212	2,338

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

	Number of Directors	
	2009	2008
Executive Directors:		
RM350,001 - RM400,000	1	-
RM450,001 - RM500,000	-	1
RM500,001 - RM550,000	-	1
RM600,001 - RM650,000	1	-
RM1,150,001 - RM1,200,000	1	1
Non-Executive Directors:		
RM50,000 and below	4	4

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

7. INCOME TAX (BENEFIT)/EXPENSE

	Group		Company	
	2009 RM'000	2008 RM'000 (Restated)	2009 RM'000	2008 RM'000
Continuing operations				
Current income tax:				
- Malaysian income tax	3,261	1,077	120	646
- Foreign tax	(471)	-	-	-
Under/(over) provided in prior years:				
- Malaysian income tax	373	(5,336)	44	(314)
- Foreign tax	-	(29)	-	-
	373	(5,365)	44	(314)
Deferred tax :				
- Relating to origination and reversal of temporary differences	(21,550)	(16,214)	-	-
- Overprovision in prior years	(716)	(47)	-	-
Total tax (benefit)/expense from continuing operations	(19,103)	(20,549)	164	332
Discontinued operations				
Foreign tax				
- current income tax	2,225	1,547	-	-
- underprovided in prior years	-	91	-	-
Total tax expense from discontinued operations	2,225	1,638	-	-
Total tax (benefit)/expense	(16,878)	(18,911)	164	332

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

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

	Group	
	2009 RM'000	2008 RM'000
(Loss)/profit before taxation		
- continuing operations	(44,476)	(138,115)
- discontinued operations	38,061	7,855
Loss before taxation	(6,415)	(130,260)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

7. INCOME TAX (BENEFIT)/EXPENSE (CONTD.)

	Group	
	2009 RM'000	2008 RM'000
Taxation at Malaysian statutory tax rate of 25% (2008: 26%)	(1,604)	(33,868)
Effect of different tax rates	21	(106)
Effect of different tax rates in other countries	(19,554)	(3,130)
Effect of utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(3,024)	(2,973)
Income not subject to tax	(5,141)	(3,198)
Expenses not deductible for tax purposes	22,605	34,565
Deferred tax assets not recognised during the year	4,876	2,194
Tax effect on share of associates'/joint ventures' profits attributable to equity holders of the Company	(14,714)	(7,074)
Over provision of deferred tax in prior years	(716)	(47)
Under/(over) provision of tax expense in prior years	373	(5,274)
Income tax benefit for the year	(16,878)	(18,911)

	Company	
	2009 RM'000	2008 RM'000
(Loss)/profit before taxation	(21,342)	25,868
Taxation at Malaysian statutory tax rate of 25% (2008: 26%)	(5,336)	6,726
Income not subject to tax	(10,111)	(9,338)
Expenses not deductible for tax purposes	15,581	3,286
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(14)	(28)
Under/(over) provision of tax expense in prior years	44	(314)
Income tax expense for the year	164	332

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

8. DISCONTINUED OPERATIONS

In September 2009, Mulpha Strategic Limited and Jumbo Hill Group Limited, both which are indirect wholly-owned subsidiaries of the Company, had disposed of 68% and 32% equity shares respectively in Pacific Orchid Investments Limited ("POIL"). POIL is an investment holding company which holds 68.72% interest in Greenfield Chemical Holdings Limited ("Greenfield"). Greenfield Group is principally involved in the manufacturing of paint and trading in petrochemical and related products in Hong Kong and China.

An analysis of the results of discontinued operations and the profit recognised upon the disposal is as follows:-

Group	**Period to disposal date RM'000**	**Year Ended 31.12.2008 RM'000**
Revenue	80,692	141,396
Other income	10,257	8,492
Finished goods, shares purchased and raw materials used	(37,564)	(82,462)
Staff costs	(21,679)	(34,038)
Depreciation and amortisation	(3,477)	(4,995)
Other expenses	(14,040)	(28,306)
Operating profit	14,189	87
Finance costs	-	(95)
Share of profit of associates	11,700	7,863
Profit on disposal	12,172	-
Profit before taxation	38,061	7,855
Income tax expense	(2,225)	(1,638)
Profit for the period/year from discontinued operations	35,836	6,217

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

	Group	
	2009 RM'000	**2008 RM'000**
Operating cash flows	24,989	2,981
Investing cash flows	1,570	(22,505)
Financing cash flows	(10,551)	(10,921)
Total cash flows	16,008	(30,445)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

8. DISCONTINUED OPERATIONS (CONTD.)

Profit before taxation

	Group	
	2009 RM'000	2008 RM'000 (Restated)
(a) This is arrived at after charging:		
Auditors' remuneration		
- statutory audits	-	473
Amortisation of prepaid lease payments	106	144
Director's remuneration:		
Executive Directors' remuneration		
- Emoluments	475	729
Non-Executive Directors' remuneration		
- Fees	-	128
Depreciation of property, plant and equipment (Note 10)	3,371	4,850
Net loss on foreign exchange		
- realised	84	78
Loss on disposal of property, plant and equipment	-	75
Allowance for doubtful debts	-	763
Rental of land and buildings	519	651
Interest expense	-	95
Staff cost (Note b)	21,679	34,038
And crediting:		
Bad debts recovered	-	4
Interest income	5,156	2,250
Rental of land and buildings	62	58
Gain on disposal of property, plant and equipment	8	-

8. DISCONTINUED OPERATIONS (CONTD.)

Profit before taxation (contd.)

(b) Staff Costs

	Group	
	2009 RM'000	2008 RM'000 (Restated)
Wages and salaries	18,698	29,580
Pension costs-defined contribution plans	1,221	1,798
Other staff related expenses	1,760	2,660
	21,679	34,038

9. (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share amounts are calculated by dividing (loss)/profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares held by the Company.

	Group	
	2009	2008
Loss from continuing operations attributable to ordinary equity holders of the Company (RM'000)	(31,217)	(122,546)
Profit from discontinued operations attributable to ordinary equity holders of the Company (RM'000)	21,488	831
	(9,729)	(121,715)
Weighted average number of ordinary shares in issue ('000)	1,177,959	1,191,331
Basic (loss)/earnings per share		
From continuing operations (sen)	(2.65)	(10.29)
From discontinued operations (sen)	1.82	0.07
	(0.83)	(10.22)

The effect on the basic (loss)/earnings per share for the current and previous financial year arising from the assumed conversion of the warrants is anti-dilutive. Accordingly, the diluted (loss)/earnings per share for the current and previous year is presented as equal to basic (loss)/earnings per share.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

10. PROPERTY, PLANT AND EQUIPMENT

Group At 31 December 2009	Freehold land RM'000	Buildings RM'000	Plant, machinery, office equipment, furniture and motor vehicles RM'000	Capital work-in-progress RM'000	Total 2009 RM'000
Cost or Valuation					
At 1 January	233,100	896,266	430,122	1,997	1,561,485
Exchange adjustments	36,472	221,994	69,294	5	327,765
Additions	10,788	65,157	78,467	5,259	159,671
Disposal of subsidiaries	-	(28,655)	(39,804)	(858)	(69,317)
Disposals/Written off	(3,956)	(2,285)	(16,537)	-	(22,778)
Transfers/Reclassifications	(35,710)	(711)	(7,864)	(6,197)	(50,482)
At 31 December	240,694	1,151,766	513,678	206	1,906,344
Representing:					
At cost	240,694	1,149,066	513,678	206	1,903,644
At valuation	-	2,700	-	-	2,700
	240,694	1,151,766	513,678	206	1,906,344
Accumulated Depreciation and Impairment Losses					
At 1 January:					
Accumulated depreciation	-	111,044	219,951	-	330,995
Accumulated impairment losses	17,591	45,239	-	-	62,830
	17,591	156,283	219,951	-	393,825
Exchange adjustments	150	35,735	33,952	-	69,837
Charge for the year	-	19,024	42,954	-	61,978
Disposal of subsidiaries	-	(8,613)	(26,330)	-	(34,943)
Disposals/Written off	(1,990)	(1,148)	(13,463)	-	(16,601)
Impairment loss	-	8,310	-	-	8,310
Transfers/Reclassifications	(4,606)	-	(7,304)	-	(11,910)
At 31 December	11,145	209,591	249,760	-	470,496
Accumulated Depreciation and Impairment Losses					
Analysed as:					
Accumulated depreciation	-	156,238	249,760	-	405,998
Accumulated impairment losses	11,145	53,353	-	-	64,498
	11,145	209,591	249,760	-	470,496
Net Carrying Amount					
At 31 December 2009					
At cost	229,549	940,285	263,918	206	1,433,958
At valuation	-	1,890	-	-	1,890
	229,549	942,175	263,918	206	1,435,848

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

10. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Group **At 31 December 2008**	**Freehold land RM'000**	**Buildings RM'000**	**Plant, machinery, office equipment, furniture and motor vehicles RM'000**	**Capital work-in-progress RM'000**	**Total 2008 RM'000**
Cost or Valuation					
At 1 January	258,407	1,051,660	435,233	247	1,745,547
Exchange adjustments	(27,525)	(162,164)	(38,580)	11	(228,258)
Additions	933	67,645	46,232	2,238	117,048
Disposals/Written off	(70)	(513)	(16,953)	-	(17,536)
Transfers/Reclassifications	1,355	(60,362)	4,190	(499)	(55,316)
At 31 December	233,100	896,266	430,122	1,997	1,561,485
Representing:					
At cost	233,100	893,566	430,122	1,997	1,558,785
At valuation	-	2,700	-	-	2,700
	233,100	896,266	430,122	1,997	1,561,485
Accumulated Depreciation and Impairment Losses					
At 1 January:					
Accumulated depreciation	-	105,198	205,033	-	310,231
Accumulated impairment losses	16,816	3,239	-	-	20,055
	16,816	108,437	205,033	-	330,286
Exchange adjustments	(114)	(22,465)	(16,768)	-	(39,347)
Charge for the year	-	19,919	40,810	-	60,729
Disposals/Written off	-	(134)	(12,665)	-	(12,799)
Impairment loss	-	50,225	-	-	50,225
Transfers/Reclassifications	889	301	3,541	-	4,731
At 31 December	17,591	156,283	219,951	-	393,825
Accumulated Depreciation and Impairment Losses					
Analysed as:					
Accumulated depreciation	-	111,044	219,951	-	330,995
Accumulated impairment losses	17,591	45,239	-	-	62,830
	17,591	156,283	219,951	-	393,825
Net Carrying Amount					
At 31 December 2008					
At cost	215,509	738,093	210,171	1,997	1,165,770
At valuation	-	1,890	-	-	1,890
	215,509	739,983	210,171	1,997	1,167,660

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

10. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

(i) Net book values of assets pledged as security for borrowings as disclosed in Notes 27 and 31 are as follows:-

	Group	
	2009	2008
	RM'000	RM'000
Land	211,470	152,297
Buildings	879,988	658,912
Plant, machinery, office equipment, furniture and motor vehicles	178,075	144,740
	1,269,533	955,949

(ii) The following are assets held by the Group which earn rental income under operating leases. The details of future annual rentals receivable under the operating leases are included in Note 34.

Group At 31 December 2009	Buildings RM'000	Plant and machinery RM'000	Total RM'000
Cost	126,661	16,289	142,950
Accumulated depreciation	(1,668)	(5,896)	(7,564)
Net carrying amount	124,993	10,393	135,386

At 31 December 2008	Buildings RM'000	Plant and machinery RM'000	Total RM'000
Cost	-	21,272	21,272
Accumulated depreciation	-	(9,740)	(9,740)
Net carrying amount	-	11,532	11,532

(iii) During the year, the Group acquired property, plant and equipment with an aggregate cost of RM159,671,000 (2008: RM117,048,000) of which RM34,363,000 (2008: RM13,391,000) were acquired by means of hire purchase and finance lease arrangements.

(iv) Included in the property, plant and equipment of the Group are plant, machinery, office equipment, furniture and motor vehicles held under hire purchase and finance lease with net book value of RM56,030,000 (2008: RM30,246,000).

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

10. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

(v) Included in property, plant and equipment is a long term leasehold building which was revalued by the Directors base on an independent valuation carried out on an existing use basis in 1983 as follows:

	Group	
	2009	**2008**
	RM'000	**RM'000**
At valuation:		
Long term leasehold building	2,700	2,700

This asset continued to be stated on the basis of their 1983 valuation as allowed by the transitional provisions in respect of International Accounting Standard No.16 (Revised), Property, Plant & Equipment adopted by Malaysian Accounting Standards Board.

The net book value of the assets stated at 1983 valuation had they been stated at cost would have been approximately RM246,000 (2008: RM 273,000).

	Office equipment, furniture and motor vehicles Total	
	2009	**2008**
	RM'000	**RM'000**
Company		
Cost		
At 1 January	5,092	5,315
Additions	117	1,043
Disposals	(41)	(1,264)
Transfers	-	(2)
At 31 December	5,168	5,092
Accumulated Depreciation		
At 1 January	3,905	4,957
Current year charge	340	214
Disposals	(30)	(1,264)
Transfers	-	(2)
At 31 December	4,215	3,905
Net Carrying Amount		
At 31 December	953	1,187

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

11. INVESTMENT PROPERTIES

	Group 2009 RM'000	Group 2008 RM'000
At 1 January	21,545	14,913
Refurbishment costs capitalised	672	4,683
Additions	-	794
Transfer to property, plant and equipment	(53)	-
Depreciation	(399)	(268)
Reclassification	-	1,423
	21,765	21,545
Investment properties, at fair value	22,718	22,766

An investment property with carrying value of RM19,109,000 is pledged as security for bank borrowings as disclosed in Note 27. Investment properties comprise a number of commercial and residential properties which are leased-out for rental income or kept for capital appreciation.

12. PREPAID LEASE PAYMENTS

	Group 2009 RM'000	Group 2008 RM'000
At 1 January	14,716	14,236
Amortisation for the year (Notes 6(a) and 8(a))	(231)	(269)
Exchange differences	93	749
Disposal of subsidiaries	(6,380)	-
At 31 December	8,198	14,716

Leasehold land with an aggregate carrying value of RM3,245,456 (2008: RM3,309,092) are pledged as securities for borrowings.

13. INVESTMENTS IN SUBSIDIARIES

	Company 2009 RM'000	Company 2008 RM'000
At cost:		
Quoted shares in Malaysia	44,729	44,729
Unquoted shares in Malaysia	255,628	255,616
Unquoted shares outside Malaysia	247,827	247,820
	548,184	548,165
Accumulated impairment losses	(149,918)	(149,918)
	398,266	398,247
Market value of quoted shares in Malaysia	16,468	10,754

13. INVESTMENTS IN SUBSIDIARIES (CONTD.)

The Company carried out an annual review of the recoverable amount of its investments based on the fair value of investments and determined at the cash-generating unit ("CGU"). The results of the review did not require any impairment losses to be made for year 2009 (2008: Nil). The fair value for the CGU was based on book values of the investments.

Details of the subsidiaries are set out in Note 40.

Additional investments in subsidiaries

In July 2009, the Company purchased Rosetec Investments Limited, a shelf company incorporated in British Virgin Islands at a consideration of USD1,860 or RM6,713.

The Company has on 14 August 2009 incorporated Mulpha SPV Limited as an offshore company limited by shares in Labuan at a cost of USD2,000 or RM7,060.

14. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
(a) Interest in associates:				
At cost:				
Quoted shares in Malaysia	33,560	33,560	-	-
Unquoted shares in Malaysia	888	888	50	50
Quoted shares outside Malaysia	929,980	688,483	21,963	105,409
Unquoted shares outside Malaysia	1,200	1,301	-	-
Exchange difference	168,885	12,136	-	-
	1,134,513	736,368	22,013	105,459
Share of post-acquisition reserves	(86,964)	(19,769)	-	-
	1,047,549	716,599	22,013	105,459
Accumulated impairment losses	(55)	(55)	-	-
	1,047,494	716,544	22,013	105,459
Market value of quoted shares				
- In Malaysia	434,976	98,898	-	-
- Outside Malaysia	729,433	106,693	23,143	38,365
Share of contingent liabilities (Note 33)	-	-	-	-

The quoted shares of a foreign associate with carrying value of RM341,310,115 are pledged as security for other borrowings as disclosed in Note 31.

Notes to The Financial Statements
31 December 2009

14. INVESTMENTS IN ASSOCIATES (CONTD.)

(b) The summarised financial information of the associates are as follows:-

	Group 2009 RM'000	Group 2008 RM'000
Assets and liabilities		
Curent assets	1,347,593	1,408,486
Non-current assets	11,149,662	8,742,611
Total assets	12,497,255	10,151,097
Curent liabilities	4,483,672	4,905,762
Non-current liabilities	2,981,546	1,817,536
Total liabilities	7,465,218	6,723,298
Results		
Revenue	1,893,386	715,359
Loss for the year	(138,952)	(391,944)

The carrying value of the investment in quoted shares outside Malaysia is higher than its market value. No impairment is required as the recoverable amount of this investment exceeds the carrying value.

The recoverable amount is determined based on value-in-use calculation. The value-in-use is calculated using the discounted net cash projections based on financial budgets approved by management. The discount rate and other assumptions used reflects management's estimate of the time value of money and risk profile of the investment.

The details of the associates are as follows:-

	Country of Incorporation	Principal Activities	Proportion of Ownership Interest and Voting Power 2009 %	Proportion of Ownership Interest and Voting Power 2008 %
Associate of Mulpha International Bhd.				
Mulpha Engineering & Construction Sdn. Bhd.	Malaysia	Contracting	20.0	20.0
Rotol Singapore Ltd.	Singapore	Architectural surface coating and design and fabrication of aluminium curtain wall claddings	38.0	38.0

Notes to The Financial Statements
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14. INVESTMENTS IN ASSOCIATES (CONTD.)

	Country of Incorporation	Principal Activities	Proportion of Ownership Interest and Voting Power 2009 %	2008 %
Associate of Mulpha Capital Partners Sdn. Bhd.				
Sama Wira Mulpha Industries Sdn. Bhd.	Malaysia	Manufacture and sale of wire mesh	30.0	30.0
Associate of Mulpha Infrastructure Holdings Sdn. Bhd.				
Mudajaya Group Berhad	Malaysia	Building contractor and civil engineering	23.5	23.5
Associates of Greenfield Chemical Holdings Limited				
^ Chemfield Trading Company Limited	Hong Kong	Inactive	-	15.6
^ CMW Holding Limited	Hong Kong	Investment holding	-	14.3
^ CMW Coatings (Guangzhou) Limited	People's Republic of China	Manufacturing and trading in paints and related products	-	14.3
^ CMW Coatings (Hong Kong) Limited	Hong Kong	Trading in paints and related products	-	14.3
^ CMW Coatings (Wuxi) Limited	People's Republic of China	Manufacturing and trading in paints and related products	-	14.3
Associates of Mulpha Australia Limited				
Real Estate Capital Partners Pty Limited	Australia	Investment	50.0	50.0
# FKP Property Group ("FKP")	Australia	Ownership and management of retirement villages and property development	4.85	22.8

NOTES TO THE FINANCIAL STATEMENTS
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14. INVESTMENTS IN ASSOCIATES (CONTD.)

	Country of Incorporation	Principal Activities	Proportion of Ownership Interest and Voting Power 2009 %	2008 %
Associate of Rosetec Investments Limited				
# FKP	Australia	Ownership and management of retirement villages and property development	20.22	-

^ Associates, under Greenfield Chemical Holdings Limited, disposed off during the financial year (Note 8).

In July 2009, the Group has subscribed fully to its entitlement of the FKP rights issue of 184,273,935 new FKP securities and sub-underwritten 26,824,619 new FKP securities, resulting in the Group holding a total of 291,217,656 FKP securites, representing 25.08% interest in the enlarged FKP total issued securities. As at 31 December 2009, the Group interest in FKP has reduced to 25.07% pursuant to a dividend-reinvestment plan by FKP in October 2009.

15. INVESTMENTS IN JOINTLY-CONTROLLED ENTITIES

	Group 2009 RM'000	2008 RM'000
Unquoted shares at cost	125,723	125,723
Share of post-acquisition profit	59,557	82,698
Exchange differences	20,220	(31,121)
	205,500	177,300

Name of Jointly-Controlled Entities	Country of Incorporation	Principal Activities	Proportion of Ownership Interest 2009	2008
Mulpha FKP Pty Limited	Australia	Property development	50.1%	50.1%

Mulpha FKP Pty Limited holds 100% equity interest in Norwest Real Estate Pty Limited, an inactive company incorporated in Australia.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

15. INVESTMENTS IN JOINTLY-CONTROLLED ENTITIES (CONTD.)

The Group's aggregate share of the assets, liabilities, income and expenses of the jointly-controlled entities are as follows:

	2009 RM'000	2008 RM'000
Assets and liabilities		
Current assets	105,123	186,264
Non-current assets	242,392	146,050
Current liabilities	(140,765)	(152,806)
Non-current liabilities	(1,249)	(2,208)
Net assets	205,500	177,300
Results		
Revenue	92,252	106,532
Expenses, including finance costs and taxation	(81,622)	(80,256)
Share of profit	10,630	26,276

There are no contingencies relating to the Group's interest in the jointly-controlled entities.

16. OTHER RECEIVABLES

	Group	
	2009 RM'000	2008 RM'000
Loan receivable	-	71,337
Other receivable	788	449
	788	71,786

17. AVAILABLE FOR SALE FINANCIAL ASSETS

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Foreign quoted shares	1,406	507	-	-
Unquoted shares				
- Malaysian	1,000	1,000	1,000	1,000
- Foreign	1,133	1,210	43	43
	3,539	2,717	1,043	1,043
Accumulated impairment losses	(323)	(323)	(323)	(323)
	3,216	2,394	720	720
Market value of foreign quoted shares	1,406	507	-	-

Notes to the Financial Statements
31 December 2009

18. OTHER INVESTMENTS

	Group and Company 2009 RM'000	2008 RM'000
Other investments	1,160	1,160

Other investments comprise golf club memberships acquired for own use.

19. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

(a) Land Held for Property Development

	Freehold Land RM'000	Leasehold Land RM'000	Total RM'000
Group			
At 31 December 2009:			
Cost:			
At 1 January 2009	365,483	279,791	645,274
Additions	45,502	1,091	46,593
Transfer from property, plant and equipment	37,228	-	37,228
Transfer from property development costs	73,851	-	73,851
Exchange differences	32,872	-	32,872
At 31 December 2009	554,936	280,882	835,818
Accumulated Impairment Losses			
At 1 January/31 December	-	(48,721)	(48,721)
Transfer from property, plant and equipment	(4,606)	-	(4,606)
At 31 December 2009	(4,606)	(48,721)	(53,327)
Carrying Amount at 31 December 2009	550,330	232,161	782,491
At 31 December 2008:			
Cost:			
At 1 January 2008	262,595	278,669	541,264
Additions	23,000	1,122	24,122
Acquisition of a subsidiary during the year	33,324	-	33,324
Transfer from property, plant and equipment	60,000	-	60,000
Transfer to property development costs	(5,014)	-	(5,014)
Exchange differences	(8,422)	-	(8,422)
At 31 December 2008	365,483	279,791	645,274
Accumulated Impairment Losses			
At 1 January/31 December	-	(48,721)	(48,721)
Carrying Amount at 31 December 2008	365,483	231,070	596,553

19. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONTD.)

(b) Property Development Costs

	2009 RM'000	2008 RM'000
Group		
Cumulative property development costs		
At 1 January		
Freehold land	542,094	657,902
Leasehold land	16,537	16,537
Development costs	501,629	510,209
Costs incurred during the year	54,805	93,012
Transfer (to)/from land held for property development	(73,851)	5,014
Transfer from/(to) inventories	2,558	(12,943)
Reversal of completed projects	(20,078)	(96,790)
Exchange differences	161,744	(112,681)
At 31 December	1,185,438	1,060,260
Cumulative costs recognised in income statement		
At 1 January	(826,924)	(919,760)
Recognised during the year	(47,227)	(96,276)
Reversal of completed projects	20,078	96,790
Exchange differences	(123,366)	92,322
At 31 December	(977,439)	(826,924)
Property development costs at 31 December	207,999	233,336

Certain development properties amounting to RM597,627,000 (2008: RM408,427,000) are pledged to financial institutions as security for banking facilities granted as disclosed in Note 27.

NOTES TO THE FINANCIAL STATEMENTS
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20. GOODWILL

Group	Purchased Goodwill RM'000	Goodwill on Consolidation RM'000	Total RM'000
At 1 January 2008	5,682	7,012	12,694
Additions	-	1,891	1,891
Exchange differences	(996)	-	(996)
At 31 December 2008 and 1 January 2009	4,686	8,903	13,589
Additions	-	18	18
Exchange differences	1,308	-	1,308
At 31 December 2009	5,994	8,921	14,915

Purchased goodwill mainly arose from the acquisition of property management rights and real estate franchise in Australia.

(a) Impairment loss recognised

Impairment loss on purchased goodwill

The management of an Australian subsidiary, included within the property and hospitality segments, undertook a review of the recoverable amount of its Security, Boat Show and Realty businesses as part of its annual review process. The outcome of the review indicated no impairment was required in the current year and prior year. The recoverable amount was based on the higher of fair value and value-in-use and was determined at the cash-generating unit ("CGU"). In determining the fair value for the CGU, reasonable sale methodologies are used supported by independent valuations where practicable. In determining the value-in-use for the CGU, the cash flows were discounted at a rate of 7.0% (2008: 7.0%).

Impairment loss on goodwill on consolidation

The management carried out an annual review on the recoverable amount of its investments based on the higher of fair value and value-in-use and determined at the CGU. There was no impairment of goodwill required. The fair value for the CGU was based on quoted market price for the investment, where applicable. The value-in-use for the CGU was based on discounted cash flows using rates which reflect the management's estimate of the time value of money and risk profile of the investment.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

20. GOODWILL (CONTD.)

(b) Impairment tests for goodwill

Allocation of goodwill

Goodwill has been allocated to the Group's CGUs identified according to country of operation and business segment as follows:

	Malaysia RM'000	Australia RM'000	Total RM'000
At 31 December 2009			
Boat show	-	207	207
Realty business	-	5,787	5,787
Investment business	2,512	-	2,512
Property development	6,409	-	6,409
	8,921	5,994	14,915
At 31 December 2008			
Boat show	-	162	162
Realty business	-	4,524	4,524
Investment business	2,494	-	2,494
Property development	6,409	-	6,409
	8,903	4,686	13,589

Key assumptions used

The recoverable amount of a CGU is determined based on the higher of fair value and value-in-use. The value-in-use is calculated using the discounted net cash projections based on financial budgets approved by management. The discount rates ranging from 5% to 7% are based on management's estimate of the time value of money and risk profile of the investment.

The fair value of the investment business is based on the observable market price of the securities held, less costs to sell. Where there are no observable market price for unquoted investments, fair value is determined based on book value of the investments.

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use and fair value, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying values of the CGUs to materially exceed their recoverable amounts.

Notes to The Financial Statements
31 December 2009

21. INVENTORIES

	Group	
	2009	2008
	RM'000	RM'000
At net realisable value:		
Finished goods	23,874	41,413
Completed properties	6,779	12,793
Other consumables	2,787	2,730
	33,440	56,936
At cost:		
Work-in-progress	2,741	5,492
Completed properties	11,883	13,880
Raw materials	7,032	10,492
Golf memberships	4,390	4,390
	26,046	34,254
	59,486	91,190

22. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Trade receivables	132,447	160,966	-	306
Provision for doubtful debts	(8,744)	(11,024)	-	(52)
	123,703	149,942	-	254
Other receivables	86,960	81,583	228	5,215
Provision for doubtful debts	(1,530)	(10,745)	-	-
	85,430	70,838	228	5,215
Deposits and prepayments	28,526	16,724	1,316	1,047
Amounts due from subsidiaries	-	-	1,158,140	1,001,100
Provision for doubtful debts	-	-	(116,363)	(116,363)
	-	-	1,041,777	884,737
Amounts due from associates	1,754	22,311	384	-
	239,413	259,815	1,043,705	891,253

22. TRADE AND OTHER RECEIVABLES (CONTD.)

(a) Credit Risk

The Group's normal credit terms range from 14 to 60 days. The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to group of debtors.

(b) Other receivables

Included in other receivables are secured convertible notes amounting to AUD3.65 million (RM11.20 million) (2008: RM10.9 million). These notes entitle the Group to receive interest payment from the issuer and the option to convert to ordinary shares at any time before its expiry on 13 May 2010.

(c) Amounts due from subsidiaries

The amounts due from subsidiaries are unsecured, certain amounts bear interest at 4.50% to 7.00% (2008: 5.90% to 8.80%) per annum and repayable on demand.

(d) Amounts due from associates

The amounts due from associates are unsecured, certain amounts bear interest at 6.49% (2008: 6.00% to 7.75%) per annum and repayable on demand.

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group	
	2009 RM'000	2008 RM'000
Quoted shares		
- Malaysian	3,493	2,491
- Foreign	6,024	8,614
Unquoted investment funds	6,463	6,301
	15,980	17,406

All the above investments of the Group with carrying value of RM15,980,000 (2008: RM17,406,000) are pledged to financial institutions for credit facilities granted to subsidiaries.

Notes to The Financial Statements
31 December 2009

24. CASH AND BANK BALANCES

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Cash on hand and at banks	65,037	105,147	25	82
Deposits with licensed banks	103,583	205,685	15,778	31,590
	168,620	310,832	15,803	31,672

Deposits amounting to RM24,561,000 (2008: RM37,174,000) of the Group and RM15,778,000 (2008: RM28,819,000) of the Company are pledged to licensed financial institutions as security for banking facilities granted to certain subsidiaries and the Company as disclosed in Note 27.

Included in the cash at banks of the Group is an amount of RM2,858,000 (2008: RM3,677,000) maintained under the Housing Developers Account pursuant to the Housing Developers (HDA) Regulations 1991, which are restricted from use in other operations.

The weighted average effective interest rates and maturities of deposits are disclosed in Note 37.

25. TRADE AND OTHER PAYABLES

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Trade payables	49,068	89,227	133	133
Other payables	196,441	194,247	2,447	2,553
Amount due to a Director	1,007	2,208	-	-
Progress billings in respect of property development costs	547	41	-	-
Finance lease and hire purchase payables (Note 32)	15,950	8,744	-	-
Amounts due to associates	-	176	-	-
Amounts due to subsidiaries	-	-	83,603	79,430
	263,013	294,643	86,183	82,116

(a) Trade payables

The normal credit terms granted to the Group range from 30 to 90 days.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

25. TRADE AND OTHER PAYABLES (CONTD.)

(b) Other payables

Included in the other payables is an amount of AUD19 million (RM58 million) (2008: AUD30 million or equivalent to RM72 million) due to a jointly-controlled entity where the amount is unsecured, repayable on demand and subject to interest rate of 5.92% (2008: 5.95%) per annum.

(c) Amount due to a Director

The amount due to a Director of the Company is unsecured, interest free and repayable on demand.

(d) Amounts due to associates

The amounts due to associates are unsecured, interest free and repayable on demand.

(e) Amounts due to subsidiaries

The amounts due to subsidiaries are unsecured, interest free and repayable on demand.

26. PROVISION FOR LIABILITIES

	Group	
	2009 RM'000	2008 RM'000
Provision for Staff Benefits		
At 1 January	13,244	15,170
Exchange adjustments	4,977	(4,944)
Provision for the year	11,842	14,146
Payments during the year	(15,749)	(11,128)
At 31 December	14,314	13,244
Analysed as:		
Current	10,591	9,811
Non-current	3,723	3,433
	14,314	13,244

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

27. BANK BORROWINGS

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Short Term Bank Borrowings				
Secured:				
Bank overdrafts	1,710	2,163	-	-
Bills payable	900,723	1,975	-	-
Revolving credit	46,200	37,691	46,200	35,000
Term loans	59,266	101,960	-	-
Islamic Debt Securities				
- Commercial Papers	50,000	45,000	50,000	45,000
- Medium Term Notes	20,000	15,000	20,000	15,000
	1,077,899	203,789	116,200	95,000
Unsecured:				
Bank overdrafts	1,472	3,667	1,472	3,597
Term loans	53	54	-	-
	1,525	3,721	1,472	3,597
	1,079,424	207,510	117,672	98,597
Long Term Bank Borrowings				
Secured:				
Bills payable	-	701,748	-	-
Term loans	52,825	82,134	-	-
Islamic Debt Securities				
- Medium Term Notes	-	20,000	-	20,000
	52,825	803,882	-	20,000
Total Bank Borrowings				
Bank overdrafts	3,182	5,830	1,472	3,597
Bills payable	900,723	703,723	-	-
Revolving credit	46,200	37,691	46,200	35,000
Term loans	112,144	184,148	-	-
Islamic Debt Securities				
- Commercial Papers	50,000	45,000	50,000	45,000
- Medium Term Notes	20,000	35,000	20,000	35,000
	1,132,249	1,011,392	117,672	118,597
Maturity of bank borrowings:				
Not later than one year	1,079,424	207,510	117,672	98,597
Later than one year but not later than five years	43,603	803,882	-	20,000
Later than five years	9,222	-	-	-
	1,132,249	1,011,392	117,672	118,597

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

27. BANK BORROWINGS (CONTD.)

(a) The bank borrowings, except for the Islamic Debt Securities, are secured by the following:

(i) corporate guarantees by the Company and its subsidiaries;

(ii) pledge of land and buildings of certain subsidiaries, as disclosed in Note 10 and Note 12;

(iii) pledge of machinery of certain subsidiaries as disclosed in Note 10;

(iv) pledge of an investment property as disclosed in Note 11;

(v) pledge of land held for development of certain subsidiaries as disclosed in Note 19;

(vi) lien on fixed deposits of the Company and certain subsidiaries, as disclosed in Note 24; and

(vii) floating charge over assets of certain subsidiaries.

(b) The Islamic Debt Securities comprise the issuance of Commercial Papers and Medium Term Notes based on the Syariah principle of Murabahah.

The Islamic Debt Securities are secured by the following:

(i) third party first fixed charge over development land of certain subsidiaries as disclosed in Note 19;

(ii) assignment of net residual proceeds of Housing Developers Accounts of certain subsidiaries;

(iii) assignment of the sales and rental proceeds of the non-residential units in respect of certain subsidiaries;

(iV) first charge over designated bank accounts of certain subsidiaries; and

(v) Kafalah (bank guarantee).

(c) Other information on financial risks of borrowings are disclosed in Note 37.

NOTES TO THE FINANCIAL STATEMENTS
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28. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

	Number of Ordinary Shares of RM0.50 each		<------------------ Amount ------------------>			
	Share Capital (Issued and Fully Paid) '000	Treasury Shares '000	Share Capital (Issued and Fully Paid) RM'000	Share Premium RM'000	Total Share Capital And Share Premium RM'000	Treasury Shares RM'000
At 1 January 2008	1,254,972	(36,568)	627,485	797,104	1,424,589	(54,641)
Purchase of Treasury shares	-	(40,415)	-	-	-	(43,358)
At 31 December 2008 and 1 January 2009	1,254,972	(76,983)	627,485	797,104	1,424,589	(97,999)
Purchase of Treasury shares	-	(32)	-	-	-	(14)
Cancellation of Treasury shares	(77,015)	77,015	(38,507)	(98,013)	(136,520)	98,013
At 31 December 2009	1,177,957	-	588,978	699,091	1,288,069	-

	Number of Ordinary Shares of RM0.50 each		Amount	
	2009 '000	2008 '000	2009 RM'000	2008 RM'000
(a) Authorised share capital:				
At 1 January	2,000,000	2,000,000	1,000,000	1,000,000
Created during the year	2,000,000	-	1,000,000	-
At 31 December	4,000,000	2,000,000	2,000,000	1,000,000

(b) Warrants

A total of 348,603,195 warrants were issued by the Company in conjunction with a rights issue exercise completed in year 2000. Each warrant is convertible into one new ordinary share of RM0.50 each at the exercise price of RM1.50 per share. The warrants are valid for a period of ten years and shall expire on 25 July 2010. Pursuant to the completion of a rights issue exercise on 25 March 2010 (as disclosed in Note 35), an additional 57,790,946 warrants were issued to warrant holders and the exercise price of the said warrants was adjusted to RM1.29 per share with no revision in the above expiry date. To date, none of the warrants has been exercised.

(c) Treasury shares

Under the Company's current share buyback scheme approved by its shareholders, the Company proposed to purchase up to a maximum of 125,497,158 ordinary shares of RM0.50 each representing ten percent of its issued and paid-up share capital. The purpose of the scheme is to allow the Company to buyback its shares when the market does not fully reflect the value of the shares.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

28. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES (CONTD.)

As at 31 December 2009, the details of the Company's share purchase, resale transactions and share cancellation were as follows:-

Year		Number of shares purchased/(resold)	Total consideration RM'000	Average price RM
2005	Purchased	33,956,100	19,919	0.59
2006	Purchased	38,711,900	31,356	0.81
2007	Purchased	39,632,600	59,818	1.51
2007	Resold	(75,733,000)	(56,452)	
2008	Purchased	40,415,400	43,358	1.07
		76,983,000	97,999	
2009	Purchased	32,000	14	0.45
		77,015,000	98,013	
2009	Cancelled	(77,015,000)		
		-		

During the year, the Company purchased 32,000 shares from the open market as follows:-

Month	Number of shares purchased	Total consideration RM'000	Highest price RM	Lowest price RM	Average price RM
January	32,000	14	0.47	0.42	0.45

The purchases of shares were funded by internal funds. On 22 May 2009, the Board of Directors resolved to cancel all the treasury shares of the Company comprising 77,015,000 ordinary shares of RM0.50 each. As at 31 December 2009, the number of outstanding ordinary shares in issue after the shares cancellation is 1,177,956,579 (2008: 1,177,988,579) ordinary shares of RM0.50 each.

29. RESERVES

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Non-Distributable				
Revaluation reserve	2,062	1,355	-	-
Exchange reserve	290,358	(11,504)	-	-
Capital reserve	110,205	74,200	108,228	69,721
Other reserve	66,178	67,625	-	-
	468,803	131,676	108,228	69,721

The movements in reserves are shown in the statements of changes in equity.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

29. RESERVES (CONTD.)

The nature and purpose of each category of reserve are as follows:

(a) Revaluation Reserve

This reserve includes the cumulative net change, net of deferred tax effects, arising from the revaluation of properties above their cost.

(b) Exchange Reserve

The exchange reserve represents foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries as well as from the translation of foreign currency loans used to hedge the investments in foreign subsidiaries.

(c) Capital Reserve

This reserve includes:

(i) the contributed surplus of a subsidiary, representing the difference between the aggregate net assets of group companies acquired pursuant to a group reorganisation over the nominal value of the subsidiary's share capital issued for the acquisition; and

(ii) reserve arising from the cancellation of treasury shares representing the nominal value of the shares repurchased and cancelled.

(d) Other Reserve

This reserve includes the equity component of convertible bonds issued by a subsidiary (Note 31(b)) and the fair value adjustments on investments classified as Available-for-sale financial assets.

30. DEFERRED TAX LIABILITIES

	Group	
	2009 RM'000	2008 RM'000
At 1 January	112,932	174,125
Recognised in income statement (Note 7)	(22,266)	(16,261)
Recognised in equity	132	(23,041)
Disposal of subsidiary	(87)	-
Exchange differences	19,079	(21,891)
At 31 December	109,790	112,932

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

30. DEFERRED TAX LIABILITIES (CONTD.)

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

Deferred Tax Liabilities of the Group:

	Accelerated Capital Allowances RM'000	Revaluation of Land RM'000	Receivables and Others RM'000	Total RM'000
At 1 January 2009	43,465	40,017	62,791	146,273
Recognised in income statement	5,944	(439)	12,587	18,092
Recognised in equity	-	-	132	132
Disposal of subsidiaries	-	-	(138)	(138)
Exchange differences	4,352	-	27,407	31,759
At 31 December 2009	53,761	39,578	102,779	196,118
At 1 January 2008	37,113	41,106	108,067	186,286
Recognised in income statement	8,860	(1,067)	3,173	10,966
Recognised in equity	-	(22)	(23,019)	(23,041)
Exchange differences	(2,508)	-	(25,430)	(27,938)
At 31 December 2008	43,465	40,017	62,791	146,273

Deferred Tax Assets of the Group:

	Provision for Liabilities and Other Payables RM'000	Unabsorbed Capital Allowances RM'000	Tax Losses RM'000	Total RM'000
At 1 January 2009	(25,887)	(71)	(7,383)	(33,341)
Recognised in the income statement	(23,010)	69	(17,417)	(40,358)
Disposal of subsidiaries	55	-	(4)	51
Exchange differences	(9,192)	2	(3,490)	(12,680)
At 31 December 2009	(58,034)	-	(28,294)	(86,328)
At 1 January 2008	(5,650)	(905)	(5,606)	(12,161)
Recognised in the income statement	(24,911)	863	(3,179)	(27,227)
Exchange differences	4,674	(29)	1,402	6,047
At 31 December 2008	(25,887)	(71)	(7,383)	(33,341)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

30. DEFERRED TAX LIABILITIES (CONTD.)

Deferred Tax Assets of the Group (Contd.):

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

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Unutilised tax losses	171,705	164,420	335	-
Unabsorbed capital allowances	20,494	20,367	3,657	3,548

The unutilised tax losses and unabsorbed capital allowances are available for offset against future taxable profits, subject to and in accordance with the relevant tax legislation of the countries where the Group operates. Deferred tax assets have not been recognised as it is not probable that taxable profits will be available in the foreseeable future to utilise the tax benefits.

31. OTHER BORROWINGS

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Short Term Other Borrowings				
Secured: Bonds	2,564	1,769	-	-
Unsecured: Convertible Notes	44,556	-	-	-
Secured: Revolving Loan	119,421	-	-	-
Unsecured: Term Loan	68,600	-	68,600	-
	235,141	1,769	68,600	-
Long Term Other Borrowings				
Secured: Bonds	114,963	91,283	-	-
Unsecured: Convertible Notes	-	26,323	-	-
	114,963	117,606	-	-
	350,104	119,375	68,600	-

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

31. OTHER BORROWINGS (CONTD.)

(a) Bonds

	Group	
	2009	**2008**
	RM'000	**RM'000**
Analysis of the Bonds payable:		
Not later than one year	2,564	1,769
Later than one year but not later than two years	2,813	1,769
Later than two years but not later than five years	8,712	5,308
Later than five years	103,438	84,206
	117,527	93,052

The effective interest rate for the Bonds is 8.2% (2008: 7.40%) per annum and is payable quarterly in arrears. The Bonds are secured against the freehold property of a subsidiary as disclosed in Note 10(i).

(b) Convertible Notes

A subsidiary issued Convertible Notes to fund the redevelopment program of a golf club. The salient terms of the Convertible Notes are as follows:

(i) Principal Amount

The face value, redemption amount and principal amount of the Convertible Notes ("Principal Amount") equal the issue price of the Convertible Notes.

The Principal Amount of the Convertible Notes issued are as follows:

- Existing club members – AUD6,000 per Convertible Note plus the relevant amount of the entry fee previously paid by the applicant;

- General public – between AUD23,000 and AUD37,000 per Convertible Note.

(ii) Maturity Date – 30 November 2010

(iii) Interest – No interest is payable on the Convertible Notes

(iv) Redemption – Unless converted to a share by Noteholder or the subsidiary, a Convertible Note will be redeemed for its Principal Amount at the Maturity Date or upon specific occurrences as detailed in the trust deed.

(v) Conversion Rights

The subsidiary may require the Convertible Notes to be converted into shares at any time prior to the Maturity Date or redemption of the Convertible Notes (whichever is the later).

Noteholders may convert the Convertible Notes into shares by providing notice in accordance with the trust deed on the last day of each month during the period beginning on 31 January 2010 and ending on the Maturity Date.

(vi) Conversion rate – Upon conversion, one Convertible Note converts into one fully paid share.

(vii) Security – The Convertible Notes are unsecured.

The Principal Amount of the Convertible Notes have been split between the liability component and the equity component, representing the fair value of the conversion option.

Notes to The Financial Statements
31 December 2009

31. OTHER BORROWINGS (CONTD.)

(c) Revolving loan

The revolving loan is secured by a first floating charge over all the undertakings, properties and assets of a foreign subsidiary inclusive of shares in an associate company as disclosed in Note 14. The loan is bearing interest at 12% per annum.

(d) Term Loan

The term loan is unsecured and bear interest at 9% per annum.

32. FINANCE LEASE AND HIRE PURCHASE PAYABLES

The Group purchases plant and equipment under finance lease and hire purchase arrangements. Future minimum lease payments under these agreements together with the present value of the net minimum lease payments are as follows:

	Group	
	2009 RM'000	2008 RM'000
Future minimum lease payments:-		
Not later than one year	18,857	9,951
Later than one year but not later than five years	34,544	16,612
	53,401	26,563
Deferred finance charges	(6,514)	(2,615)
	46,887	23,948
Present value		
Not later than one year (Note 25)	15,950	8,744
Later than one year but not later than five years	30,937	15,204
	46,887	23,948

The finance lease and hire purchase payables bear interests at between 4.38% to 9.60% (2008: 4.38% to 9.30%) per annum.

33. CONTINGENT LIABILITIES

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Unsecured				
Guarantees given to financial institutions in respect of facilities granted to subsidiaries	-	-	55,541	53,426
Guarantees given to third parties	26,221	22,482	-	-
	26,221	22,482	55,541	53,426

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

34. COMMITMENTS

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
(i) Capital expenditure				
Authorised and contracted for	6,556	39,943	-	-
(ii) Inventories				
Repurchase of machineries previously sold	3,179	3,788	-	-
(iii) Investments				
Authorised and contracted for - unquoted investments outside Malaysia	7,983	7,870	-	-
(iv) Land held for property development				
Authorised and contracted for	32,735	-	-	-

(v) Non-Cancellable Operating Lease Commitments - Group as Lessee

	Group 2009 RM'000	Group 2008 RM'000
Future minimum rentals payable:		
Not later than one year	6,294	6,228
Later than one year but not later than five years	14,006	11,872
Later than five years	98,068	82,246
	118,368	100,346

(iv) Non-Cancellable Operating Lease Commitments - Group as Lessor

	Group 2009 RM'000	Group 2008 RM'000
Future minimum rentals receivable:		
Not later than one year	24,887	25,524
Later than one year but not later than five years	42,826	23
Later than five years	71,070	-
	138,783	25,547

Notes to the Financial Statements
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34. COMMITMENTS (CONTD.)

(vii) Other Commitment

Mulpha Sepang Land Sdn Bhd ("MSL") holds a 65% interest in Mulpha PPNS Sdn Bhd ("MPPNS") via Spanstead Sdn Bhd while the other 35% is held by Pertubuhan Peladang Negeri Selangor ("PPNS"). An agreement entered into between Sunrise Holdings Sdn Bhd and PPNS on 15 June 1994 was novated to MSL on 8 August 1997. The agreement provides for MSL to pay PPNS up to RM120 million less amount received and to be received by PPNS, if the development of Bandar Seri Ehsan ("BSE") is not completed by November 2019, or having been completed earlier than November 2019, the amount received by PPNS is less than the amount stipulated in the agreement and PPNS will transfer its 35% shareholding in MPPNS to MSL. The agreement also provides for MSL to pay PPNS a sum of RM35 million less amount received and to be received by PPNS, at a date not earlier than November 2014.

The development of BSE commenced in November 1999 and as at 31 December 2009, an amount of RM22.5 million has been received by PPNS pursuant to the agreement.

The Directors are of the opinion that no events have materialised during the financial year which render MSL liable to pay the amount(s) to PPNS provided for under the agreement.

35. SIGNIFICANT EVENTS

(A) Increase holding in FKP Property Group ("FKP") Securities

Prior to the FKP rights issue of 2.3 new FKP securities for every one exisitng FKP security held at AUD0.40 per security, the Mulpha International Bhd ("Mulpha") Group held 80,119,102 FKP securities equivalent to a 22.74% interest in FKP. In July 2009, the Mulpha Group has subscribed fully to its entitlement of the FKP rights issue of 184,273,935 new FKP securities and sub-underwritten 26,824,619 new FKP securities, resulting in the Mulpha Group holding a total of 291,217,656 FKP securities, representing 25.08% interest in the enlarged FKP total issued securities.

The Mulpha Group interest of 25.08% in FKP exceeds the trigger point of 20% for a mandatory general offer ("MGO") as provided for under the Australian Corporations Act 2001. Approval has been obtained from the relevant authorities for Mulpha Group to hold the 25.08% interest without undertaking a MGO.

(B) Renounceable two-call rights issue

On 17 August 2009, Mulpha International Bhd ("Mulpha") announced that it is proposing to undertake a renounceable two-call rights issue of up to 1,526,559,774 new ordinary shares of RM0.50 each ("Shares") in Mulpha ("Rights Shares") at an indicative issue price of RM0.50 per Rights Share on the basis of one Rights Share for every one existing Share held in Mulpha at an entitlement date to be determined later ("Rights Issue"). The issue price of RM0.50 per Right Share will be payable in two calls, being the first call of RM0.30 per Rights Share payable in full on application in cash and the second call of RM0.20 per Rights Share which will be capitalised from the Company's share premium account.

On 5 November 2009, the Board of Directors of Mulpha decided to fix the cash call and the capitalization of share premium account at a ratio of 80:20 ("Fixed Ratio") over the final issue price. The final issue price for the Rights Share shall be determined and announced after obtaining the approval of shareholders of Mulpha but before the entitlement for the Rights Issue.

NOTES TO THE FINANCIAL STATEMENTS
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35. SIGNIFICANT EVENTS (CONTD.)

(B) Renounceable two-call rights issue (Contd.)

The Rights Issue are conditional upon the following being obtained:-

(a) the approval of the Securities Commission ("SC") for the proposed exemption to Magic Unicorn Limited ("MUL"), Mount Glory Investments Limited ("MGIL"), Yong Pit Chin ("YPC") and persons acting in concert ("PACs") with them from the obligation to extend a mandatory take-over offer for the remaining shares in Mulpha not already owned by them after the Rights Issue ("Proposed Exemption").

The approval from the SC was obtained on 7 December 2009;

(b) the approval from Bursa Securities Malaysia Berhad ("Bursa Securities") for the listing of and quotation for the Rights Shares on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities");

(c) the approval of the shareholders of Mulpha at an extraordinary general meeting ("EGM") to be convened on 2 December 2009 for:-

(i) Rights Issue;

(ii) Proposed Exemption;

(iii) the proposed increase in the Company's auhorised share capital from RM1,000,000,000 comprising 2,000,000,000 Shares to RM2,000,000,000 comprising 4,000,000,000 Shares in order to accommodate the issuance of the Rights Share as well as the new Shares arising from the exercise of the Company's outstanding Warrants 2000/2010 and/or future corporate exercises of the Company; and

(iv) the proposed amendments to the memorandum and articles of association of the Company for the proposed increase in authorised share capital.

The shareholders of Mulpha have approved the above resolutions in the said EGM.

The Company has on 29 January 2010 announced that the issue price of the Rights Share has been fixed at RM0.50 per Rights Share. Accordingly, the rights issue price will be payable in two calls, the first call of RM0.40 per Rights Share payable in full on application in cash and the second call of RM0.10 per Rights Share will be capitalised from the Company's share premium account. The Rights Issue was completed on 25 March 2010 with the listing of 1,177,956,579 Rights Shares on the Main Market of Bursa Securities. The number of outstanding ordinary shares in issue after the completion of the Rights Issue is therefore 2,355,913,158 ordinary shares of RM0.50 each.

The Rights Issue, based on 1,177,956,579 Rights Shares, has raised gross proceeds of RM471.183 million, which shall be utilised in the following manner:-

	RM'000
Repayment of bank borrowings of the Group	193,000
Working capital of the Group	277,183
Defray estimated expenses relating to the Rights Issue	1,000
	471,183

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

36. SUBSEQUENT EVENT

On 9 April 2010, the Company ("Mulpha") announced that it has applied to The Stock Exchange Of Hong Kong Limited ("SEHK") to list the following group of companies on the Main Board of SEHK:-

(a) Manta Engineering And Equipment Company Limited ("Manta Engineering"), Manta Equipment Rental Company Limited ("Manta Rental") and Manta Equipment Services Limited ("Manta Services"). These companies are currently approximately 88% owned by Manta Far East Sdn Bhd ("Manta Far East"), approximately 12% owned by Pan Ocean International Limited ("Pan Ocean") and one (1) share owned by Mulpha Trading Sdn Bhd ("Mulpha Trading"). Manta Far East is a wholly-owned subsidiary of Mulpha Trading, which in turn is a wholly-owned subsidiary of Mulpha; and

(b) Manta Equipment (S) Pte Ltd ("Manta Singapore"). Manta Singapore is currently 88% owned by Mulpha Trading and 12% owned by Pan Ocean.

An indirect wholly-owned subsidiary of Mulpha, Manta Holdings Company Limited ("MHCL"), will be the listed investment holding company to hold the shares in the above subsidiaries.

In conjunction with the proposed listing, MHCL will undertake a public issue of 50,000,000 new MHCL shares ("Issue Shares"), representing 25% of the enlarged issued and paid-up share capital of MHCL. 5,000,000 Issue Shares will be made available for application by the public in Hong Kong through a balloting process and 45,000,000 Issue Shares will be by way of placement to professional, institutional and other investors ("Proposed Public Issue").

The number of Issue Shares for application by the public in Hong Kong through a balloting process and by way of placement to professional, institutional and other investors is indicative at this juncture and together with the issue price will be determined at a later date after the receipt of the approvals from the relevant authorities for the proposed listing and closer to the date of the prospectus launch, after taking into consideration, inter-alia, the equity market conditions prevailing at that time.

Upon completion of the Proposed Public Issue, MHCL will seek the listing of and quotation for its entire enlarged issued and paid-up share capital of HKD2,000,000 comprising of 200,000,000 MHCL Shares on the Main Board of SEHK.

37. FINANCIAL INSTRUMENTS

Financial Risk Management Objectives and Policies

The Group's financial risk management objective seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risks (both fair value and cash flow), foreign currency risk, liquidity risk and credit risk.

37. FINANCIAL INSTRUMENTS (CONTD.)

Financial Risk Management Objectives and Policies (Contd.)

(a) Interest Rate Risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits or in short term commercial papers.

The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

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

	WAEIR %	Within 1 Year RM'000	1 - 5 Years RM'000	Total RM'000
At 31 December 2009				
Group				
Cash and bank balances	1.0	168,620	-	168,620
Bank overdrafts	7.3	3,182	-	3,182
Bills payable	4.4	900,723	-	900,723
Revolving credit	4.1	46,200	-	46,200
Revolving loan	12.0	119,421	-	119,421
Bonds	8.2	2,564	114,963	117,527
Term loans	6.6	127,919	52,825*	180,744
Islamic Debt Securities				
- Commercial Papers	3.3	50,000	-	50,000
- Medium Term Notes	6.1	20,000	-	20,000
Finance lease and hire purchase payables	7.1	15,950	30,937	46,887

* Inclusive of an amount of RM9,222,000 which is due later than five years (Note 27).

NOTES TO THE FINANCIAL STATEMENTS
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37. FINANCIAL INSTRUMENTS (CONTD.)

(a) Interest Rate Risk (Contd.)

	WAEIR %	Within 1 Year RM'000	1 - 5 Years RM'000	Total RM'000
Company				
Cash and bank balances	2.1	15,803	-	15,803
Bank overdrafts	7.5	1,472	-	1,472
Revolving credit	4.1	46,200	-	46,200
Islamic Debt Securities				
- Commercial Papers	3.3	50,000	-	50,000
- Medium Term Notes	6.1	20,000	-	20,000
Term Loan	9.0	68,600	-	68,600
At 31 December 2008				
Group				
Cash and bank balances	4.2	310,832	-	310,832
Bank overdrafts	8.3	5,830	-	5,830
Bills payable	5.7	1,975	701,748	703,723
Revolving credit	5.5	37,691	-	37,691
Bonds	7.4	1,769	91,283	93,052
Term loans	4.2	102,014	82,134	184,148
Islamic Debt Securities				
- Commercial Papers	5.6	45,000	-	45,000
- Medium Term Notes	5.9	15,000	20,000	35,000
Finance lease and hire purchase payables	5.1	8,744	15,204	23,948
Company				
Cash and bank balances	4.2	31,672	-	31,672
Bank overdrafts	8.5	3,597	-	3,597
Revolving credit	5.5	35,000	-	35,000
Islamic Debt Securities				
- Commercial Papers	5.6	45,000	-	45,000
- Medium Term Notes	5.9	15,000	20,000	35,000

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

37. FINANCIAL INSTRUMENTS (CONTD.)

(b) Foreign Currency Risk

The Group is exposed to transactional currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

The net unhedged financial assets and financial liabilities of the Group that are not denominated in their functional currencies are as follows:-

At 31 December 2009

	Euro Dollar RM'000	Australian Dollar RM'000	Hong Kong Dollar RM'000	US Dollar RM'000	Singapore Dollar RM'000	Vietnamese Dong RM'000	Pound Sterling RM'000	Chinese Renminbi RM'000	Total RM'000
Functional currency of Group companies									
Trade receivables									
Hong Kong Dollar	4	-	-	374	-	136	-	-	514
Trade payables									
Hong Kong Dollar	461	-	-	43	-	-	2	-	506
Singapore Dollar	-	-	1,820	2,414	-	-	-	-	4,234
	461	-	1,820	2,457	-	-	2	-	4,740
Other payables									
Hong Kong Dollar	-	-	-	159	-	-	-	-	159
Bank borrowings									
Hong Kong Dollar	-	41,041	-	13,720	-	-	8,830	-	63,591
Other borrowings									
Australian Dollar	-	-	119,421	-	-	-	-	-	119,421
Ringgit Malaysia	-	-	-	68,600	-	-	-	-	68,600
	-	-	119,421	68,600	-	-	-	-	188,021
Fixed deposits									
Hong Kong Dollar	9	-	-	12,148	-	113	-	11	12,281
Vietnamese Dong	-	-	-	1,472	-	-	-	-	1,472
	9	-	-	13,620	-	113	-	11	13,753

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31 December 2009

37. FINANCIAL INSTRUMENTS (CONTD.)

(b) Foreign Currency Risk (Contd.)

At 31 December 2008

	Euro Dollar RM'000	Australian Dollar RM'000	Hong Kong Dollar RM'000	US Dollar RM'000	Singapore Dollar RM'000	Vietnamese Dong RM'000	Pound Sterling RM'000	Japanese Yen RM'000	Total RM'000
Functional currency of Group companies									
Trade receivables									
Hong Kong Dollar	3	-	-	245	-	342	-	-	590
Singapore Dollar	-	-	-	513	-	-	-	-	513
	3	-	-	758	-	342	-	-	1,103
Trade payables									
Hong Kong Dollar	262	-	-	2	-	30	2	-	296
Singapore Dollar	1,361	-	283	16,734	-	-	-	-	18,378
	1,623	-	283	16,736	-	30	2	-	18,674
Other payables									
Hong Kong Dollar	428	-	-	6,291	-	274	-	-	6,993
Bank borrowings									
Hong Kong Dollar	-	-	-	-	-	-	10,593	3,363	13,956
Fixed deposits									
Ringgit Malaysia	-	667	499	-	-	-	-	-	1,166
Hong Kong Dollar	-	99,995	-	25,449	2,752	-	-	-	128,196
Vietnamese Dong	-	-	-	1,479	-	-	-	-	1,479
	-	100,662	499	26,928	2,752	-	-	-	130,841

The net unhedged financial assets of the Company that are not denominated in the functional currency of the Company are as follows:

	Singapore Dollar RM'000	Australian Dollar RM'000	Hong Kong Dollar RM'000
Functional currency of the Company - Ringgit Malaysia			
At 31 December 2009			
Amount due from subsidiaries	16,901	42,723	184,693
At 31 December 2008			
Short-term deposits	-	667	499
Amount due from subsidiaries	15,973	30,285	93,910

37. FINANCIAL INSTRUMENTS (CONTD.)

(c) Liquidity Risk

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position.

(d) Credit Risk

Credit risks, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Trade receivables are monitored on an ongoing basis via the Group management reporting procedures.

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

(e) Fair Values

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Financial instruments carried at fair value

The Group and Company have carried all investment securities that are classified as held for trading or available-for-sale financial assets, and all derivative financial instruments, at their fair value as required by FRS 139.

Financial instruments whose carrying amounts approximate fair values

Management has determined that the carrying amounts of cash and short term deposits, current trade and other receivables, bank overdrafts, current trade and other payables and current bank and other borrowings, based on their notional amounts, reasonably approximate their fair values because these are mostly short term in nature or are repriced frequently.

Financial instruments carried at other than fair value

Set out below is a comparison by category of carrying amounts and fair values of all of the Group and of the Company's financial instruments that are carried in the financial statements at other than fair values as at 31 December.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

37. FINANCIAL INSTRUMENTS (CONTD.)

(e) Fair Values (Contd.)

	Group		Company	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
At 31 December 2009:				
Investments in subsidiaries	-	-	398,266	811,026
Investments in associates	1,047,494	1,611,428	22,013	23,143
Other investment	1,160	*	1,160	*
At 31 December 2008:				
Investments in subsidiaries	-	-	398,247	1,264,677
Investments in associates	716,544	809,339	105,459	220,079
Other receivables (non-current)	71,786	**	-	-
Other investment	1,160	*	1,160	*

* It is not practical to estimate the fair value of the Group's other receivables and other investment as there are no close comparison to determine their fair values. However, the Directors are of the opinion that the carrying amounts represent the recoverable values.

** Included in other receivables of the previous financial year was an amount of RM71,337,000 relating to a right to convert the debt owing to a subsidiary into equity shares of a debtor. The debt owing including the conversion right was stated at cost less any impairment. The Directors were of the opinion that the fair value of the conversion right cannot be reliably measured and the range of reasonable fair value estimates of the conversion right was so significant that it precluded it from obtaining a reliable estimate.

Methods and assumptions used to determine fair values

The methods and assumptions used by management to determine fair values of financial instruments other than those whose carrying amounts reasonably approximately their fair values as mentioned earlier are as follows:

Financial assets and liabilities	*Methods and assumptions*
- Investments in subsidiaries and associates	Fair value is determined using discounted estimated cash flows and recoverable values of the investments.

38. SEGMENT INFORMATION

(a) Reporting format

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(b) Business segments

The Group is organised into three main business segments in the Asia Pacific region as follows:

Property	-	property development and investments.
Hospitality	-	hotels and service apartments ownership and operation.
General Trading	-	trading and rental of construction equipments.

Other operations of the Group mainly comprise investments in securities. None of the other operations are of sufficient size to be reported separately.

(c) Geographical segments

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of the business segments. The Group operates in five main geographical areas in the Asia Pacific region:

Australia	-	mainly property development and investments and hotels.
Hong Kong and China	-	trading and rental of construction equipments and investments in securities.
Malaysia	-	property development and investments.
Singapore	-	trading and rental of construction equipments.
Vietnam	-	service apartments ownership and operation.

(d) Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

38. SEGMENT INFORMATION (CONTD.)

Primary reporting format - business segment

2009	<---------------------- Continuing operations				---------------------->	Discontinued operations	
	Property RM'000	Hospitality RM'000	General Trading RM'000	Investment and others RM'000	Total RM'000	Manufacturing RM'000	Group RM'000
Revenue							
External sales	160,880	431,302	79,571	121	671,874	80,692	752,566
Intersegment sales	-	-	-	-	-	-	-
Total revenue	160,880	431,302	79,571	121	671,874	80,692	752,566
Results							
Segment results	30,677	20,803	20,020	(11,923)	59,577	14,189	73,766
Unallocated expenses					(1,449)	-	(1,449)
Profit from operations					58,128	14,189	72,317
Finance costs					(81,749)	-	(81,749)
Share of results of associates					(31,485)	11,700	(19,785)
Share of results of jointly controlled entities					10,630	-	10,630
Profit on disposal					-	12,172	12,172
(Loss)/profit before tax					(44,476)	38,061	(6,415)
Income tax benefit/(expense)					19,103	(2,225)	16,878
Net (loss)/profit for the year					(25,373)	35,836	10,463
Assets							
Segment assets	1,349,941	1,270,958	123,610	72,495	2,817,004	-	2,817,004
Investments in associates and jointly-controlled entities	1,139,786	-	-	113,208	1,252,994	-	1,252,994
Unallocated assets							142,875
Tax assets							2,294
Total assets							4,215,167
Liabilities							
Segment liabilities	54,735	248,606	57,558	59,666	420,565	-	420,565
Unallocated liabilities							1,370,052
Tax liabilities							118,565
Total liabilities							1,909,182
Other Information							
Capital expenditure on property, plant and equipment	64,995	72,624	21,174	125	158,918	753	159,671
Depreciation and amortisation	13,437	33,998	9,794	1,902	59,131	3,477	62,608
Non-cash expenses other than depreciation and amortisation	1,571	8,310	868	8,395	19,144	-	19,144

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

38. SEGMENT INFORMATION (CONTD.)

Primary reporting format - business segment

2008	Continuing operations					Discontinued operations	
	Property RM'000	Hospitality RM'000	General Trading RM'000	Investment and others RM'000	Total RM'000	Manufacturing RM'000	Group RM'000
Revenue							
External sales	300,586	451,007	111,710	2,903	866,206	141,396	1,007,602
Intersegment sales	-	-	-	-	-	-	-
Total revenue	300,586	451,007	111,710	2,903	866,206	141,396	1,007,602
Results							
Segment results	47,140	(8,347)	14,017	(108,441)	(55,631)	87	(55,544)
Unallocated expenses					(16,124)	-	(16,124)
(Loss)/profit from operations					(71,755)	87	(71,668)
Finance costs					(82,982)	(95)	(83,077)
Share of results of associates					(9,654)	7,863	(1,791)
Share of results of jointly-controlled entities					26,276	-	26,276
(Loss)/profit from operations					(138,115)	7,855	(130,260)
Income tax benefit/(expense)					20,549	(1,638)	18,911
Net (loss)/profit for the year					(117,566)	6,217	(111,349)
Assets							
Segment assets	1,199,518	929,048	119,105	115,372	2,363,043	220,755	2,583,798
Investments in associates and jointly-controlled entities	781,129	-	-	95,828	876,957	16,887	893,844
Unallocated assets							218,184
Tax assets							5,903
Total assets							3,701,729
Liabilities							
Segment liabilities	43,974	223,912	70,302	72,567	410,755	27,166	437,921
Unallocated liabilities							1,015,937
Tax liabilities							120,665
Total liabilities							1,574,523
Other Information							
Capital expenditure on property, plant and equipment	33,716	57,351	21,793	1,043	113,903	3,145	117,048
Depreciation and amortisation	14,810	31,976	9,268	217	56,271	4,995	61,266
Non-cash expenses other than depreciation and amortisation	18,279	50,225	196	25,147	93,847	763	94,610

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

38. SEGMENT INFORMATION (CONTD.)

Secondary reporting format - geographical segment

	<------ Continuing operations				------>	Discontinued operations	
2009	**Australia RM'000**	**Hong Kong and China RM'000**	**Malaysia RM'000**	**Singapore RM'000**	**Vietnam RM'000**	**Hong Kong and China RM'000**	**Group RM'000**
Revenue	506,683	21,781	76,787	57,791	8,832	80,692	752,566
Segment results	10,400	9,259	17,804	14,568	7,546	14,189	73,766
Segment assets	1,857,515	102,369	747,169	84,912	25,039	-	2,817,004
Capital expenditure	132,697	3,581	4,829	17,600	211	753	159,671
2008							
Revenue	671,012	39,360	75,482	72,351	8,001	141,396	1,007,602
Segment results	31,277	(82,005)	(15,503)	7,143	2,939	605	(55,544)
Segment assets	1,374,750	149,346	735,982	76,165	26,800	220,755	2,583,798
Capital expenditure	88,757	10,904	3,196	10,889	157	3,145	117,048

39. RELATED PARTY DISCLOSURES

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

	Group		Company	
	2009 RM'000	**2008 RM'000**	**2009 RM'000**	**2008 RM'000**
Continuing operations				
Subsidiaries:				
- Rendering of services	-	-	276	276
- Interest income	-	-	7,148	7,472
Jointly-controlled entity:				
- Advances/(Repayment)	(33,770)	72,000	-	-
- Interest expense	4,128	210	-	-
Associates:				
- Rental income	383	297	-	-
- Dividend income	3,050	3,586	-	-
- Subcontracting expense	-	452	-	-

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

39. RELATED PARTY DISCLOSURES (CONTD.)

(a) The Group and the Company had the following transactions with related parties during the financial year: (Contd)

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Discontinued operations				
Associates:				
- Rendering of services	1,877	2,758	-	-
- Sale of products	7,929	16,510	-	-
- Purchase of products	-	6,110	-	-
- Dividend income	-	1,917	-	-
- Interest income	184	465	-	-
- Royalty fee received	1,759	1,802	-	-

The Directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are mutually agreed.

(b) Transactions with other related parties

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

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Continuing operations				
Short-term employee salaries and benefits	16,520	17,224	2,298	2,416
Post-employment benefits: Defined contribution plan	1,511	1,298	276	285
Termination benefits	-	51	-	-
	18,031	18,573	2,574	2,701
Discontinued operations				
Short-term employee salaries and benefits	479	719	-	-
Post-employment benefits: Defined contribution plan	-	10	-	-
	479	729	-	-

Remunerations of Executive Directors included in the key management personnel are disclosed in Notes 6(b) and 8(a).

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

40. DETAILS OF SUBSIDIARIES

The subsidiaries are as follows:-

	Country of Incorporation	Principal Activities	Proportion of Ownership Interest 2009 %	2008 %
Subsidiaries of Mulpha International Bhd				
+ Asian Fame Development Limited	Hong Kong	Investment holding	100.0	100.0
+ AF Investments Limited	Hong Kong	Investment holding	100.0	100.0
Ekspo Melaka Sdn Bhd	Malaysia	Property ownership and development	70.0	70.0
Leisure Farm Corporation Sdn Bhd	Malaysia	Property ownership and development	100.0	100.0
Menara Mulpha Sdn Bhd	Malaysia	Property ownership and development	100.0	100.0
Mulpha Land & Property Sdn Bhd	Malaysia	Project management and ownership, development and marketing of property	100.0	100.0
Mulpha Sepang Land Sdn Bhd	Malaysia	Investment holding	100.0	100.0
+ Mulpha Australia Limited	Australia	Investment holding	100.0	100.0
Mulpha Land Berhad	Malaysia	Investment holding, property investment and development	55.6	55.6
Mulpha Ventures Sdn Bhd	Malaysia	Trading in securities	100.0	100.0
Mulpha Capital Holdings Sdn Bhd	Malaysia	Investment holding	100.0	100.0
Mulpha Hotels (Vietnam) Sdn Bhd	Malaysia	Investment holding	100.0	100.0
Mulpha Trading Sdn Bhd	Malaysia	Investment holding	100.0	100.0
Mulpha Far East Sdn Bhd	Malaysia	Management services	100.0	100.0
Mulpha Infrastructure Holdings Sdn Bhd	Malaysia	Investment holding	100.0	100.0

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

40. DETAILS OF SUBSIDIARIES (CONTD.)

The subsidiaries are as follows:-

	Country of Incorporation	Principal Activities	Proportion of Ownership Interest 2009 %	2008 %
Subsidiaries of Mulpha International Bhd (Contd.)				
Trans Pelita Sdn Bhd	Malaysia	Investment holding	100.0	100.0
Abad Teknik Sdn Bhd	Malaysia	Inactive	100.0	100.0
Bukit Punchor Holdings Sdn Bhd	Malaysia	Inactive	100.0	100.0
Mulpha Global Trade Sdn Bhd	Malaysia	Inactive	100.0	100.0
^ Rosetec Investments Limited	British Virgin Islands	Investment holding	100.0	-
^ Mulpha SPV Limited	Malaysia (Labuan)	Issuance of medium term notes	100.0	-
Subsidiary of AF Investments Limited				
* Indochine Park Tower	Vietnam	Owner and operator of service apartments	70.0	70.0
Subsidiaries of Leisure Farm Corporation Sdn Bhd				
Leisure Farm Horticulture Services Sdn Bhd	Malaysia	Maintenance and upkeep of landscape environment services	100.0	100.0
Evergreen Homestead Sdn Bhd	Malaysia	Inactive	100.0	100.0
Leisure Farm Equestrian Sdn Bhd	Malaysia	Inactive	100.0	100.0
Leisure Farm Polo Club Berhad	Malaysia	Dormant	100.0	100.0

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

40. DETAILS OF SUBSIDIARIES (CONTD.)

The subsidiaries are as follows:-

	Country of Incorporation	Principal Activities	Proportion of Ownership Interest 2009 %	2008 %
Subsidiaries of Mulpha Australia Limited				
+ Bimbadgen Estate Pty Limited	Australia	Winery & vineyard	100.0	100.0
+ Mulpha Aviation Australia Pty Ltd	Australia	Dormant	100.0	100.0
+ Mulpha Hotel (Sydney) Pty Limited	Australia	Property ownership	100.0	100.0
+ Mulpha Hotel (Melbourne) Pty Limited	Australia	Property ownership	100.0	100.0
+ Caldisc Pty Limited	Australia	Administration	100.0	100.0
+ Enacon Parking Pty Limited	Australia	Car park operator	100.0	100.0
+ HD Diesels Pty Limited	Australia	Investment holding	100.0	100.0
+ HD (Qld) Pty Limited	Australia	Investment holding	100.0	100.0
+ Mulpha Investments Pty Limited	Australia	Investment holding	100.0	100.0
+ Mulpha Sanctuary Cove Pty Limited	Australia	Investment holding	100.0	100.0
+ Mulpha Hotel Investments (Australia) Pty Limited	Australia	Investment holding	100.0	100.0
+ Mulpha Transport House Pty Limited	Australia	Property ownership	100.0	100.0
+ Mulpha Hotel Sydney Trust	Australia	Property ownership	100.0	100.0
+ Mulpha Hotel Melbourne Trust	Australia	Property ownership	100.0	100.0

NOTES TO THE FINANCIAL STATEMENTS
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40. DETAILS OF SUBSIDIARIES (CONTD.)

The subsidiaries are as follows:-

	Country of Incorporation	Principal Activities	Proportion of Ownership Interest 2009 %	2008 %
Subsidiary of Mulpha Investments Pty Limited				
+ Mulpha (SPV1) Pty Limited	Australia	Investment holding	100.0	100.0
Subsidiaries of Mulpha Sanctuary Cove Pty Limited				
+ Mulpha Sanctuary Cove (Developments) Pty Limited	Australia	Property ownership and development	100.0	100.0
+ Mulpha Sanctuary Cove (Management) Pty Limited	Australia	Property management	100.0	100.0
+ Sanctuary Cove (Real Estate) Pty Ltd	Australia	Real estate	100.0	100.0
+ Sanctuary Cove Golf and Country Club Holdings Limited	Australia	Investment holding and property ownership	100.0	100.0
+ SC No. 3 Holdings Pty Limited	Australia	Dormant	100.0	100.0
+ SC No. 4 Holdings Pty Limited	Australia	Dormant	100.0	100.0
+ SC No. 5 Holdings Pty Limited	Australia	Dormant	100.0	100.0
+ SC No. 6 Holdings Pty Limited	Australia	Dormant	100.0	100.0
+ Mulpha Hotel Management Pty Limited	Australia	Investment holding	100.0	100.0
Subsidiary of Sanctuary Cove Golf and Country Club Holdings Limited				
+ Sanctuary Cove Golf and Country Club Pty Limited	Australia	Operation of a club	100.0	100.0

Notes to The Financial Statements
31 December 2009

40. DETAILS OF SUBSIDIARIES (CONTD.)

The subsidiaries are as follows:-

	Country of Incorporation	Principal Activities	Proportion of Ownership Interest 2009 %	2008 %
Subsidiary of HD (Qld) Pty Limited				
+ HDFI Pty Limited	Australia	Finance company and investment holding	100.0	100.0
+ Tank Stream Brewing Company Pty Limited	Australia	Investment holding	100.0	100.0
Subsidiary of HD Diesels Pty Limited				
+ Salzburg Apartments (Perisher Valley) Pty Limited	Australia	Investment holding	100.0	100.0
Subsidiary of Tank Stream Brewing Company Pty Limited				
+ Real Ale Brewers Holdings Pty Limited	Australia	Investment holding	100.0	100.0
Subsidiaries of HDFI Pty Limited				
+ CapInvest Pty Limited	Australia	Investment holding	100.0	100.0
+ HDFI Nominees Pty Limited	Australia	Nominee services	100.0	100.0
Subsidiary of Real Ale Brewers Holdings Pty Limited				
+ Tank Stream Group Pty Limited	Australia	Investment holding	100.0	100.0

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

40. DETAILS OF SUBSIDIARIES (CONTD.)

The subsidiaries are as follows:-

	Country of Incorporation	Principal Activities	Proportion of Ownership Interest 2009 %	2008 %
Subsidiary of Tank Stream Group Pty Limited				
+ Tank Stream (Darling Harbour) Pty Limited	Australia	Inactive	100.0	100.0
Subsidiaries of Mulpha Hotel Investments (Australia) Pty Limited				
+ Mulpha Hotels Holdings Trust	Australia	Investment holding	100.0	100.0
+ Mulpha Hotels Holdings Pty Ltd	Australia	Trustee	100.0	100.0
Subsidiary of Mulpha Hotels Holdings Pty Ltd				
+ Mulpha Hotels Australia Pty Ltd	Australia	Investment holding	100.0	100.0
Subsidiary of Mulpha Hotels Holdings Trust				
+ Mulpha Hotels Australia Trust	Australia	Investment holding	100.0	100.0
Subsidiaries of Mulpha Hotels Australia Trust				
+ Mulpha Hotel Pty Limited	Australia	Hotelier	100.0	100.0
+ Mulpha Hotels Trust	Australia	Property ownership	100.0	100.0
Subsidiaries of Mulpha Hotels Trust				
+ Hotel Land Trust	Australia	Land ownership	100.0	100.0
+ Mulpha Hotel Bonds (Holdings) Pty Limited	Australia	Investment holding	100.0	100.0
+ Bistrita Pty Ltd	Australia	Trustee	100.0	100.0

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

40. DETAILS OF SUBSIDIARIES (CONTD.)

The subsidiaries are as follows:-

	Country of Incorporation	Principal Activities	Proportion of Ownership Interest 2009 %	2008 %
Subsidiary of Mulpha Hotel Bonds (Holdings) Pty Limited				
+ Mulpha Hotel Bonds Pty Limited	Australia	Bond holder	100.0	100.0
Subsidiaries of Mulpha Capital Holdings Sdn Bhd				
Mulpha Capital Markets Sdn Bhd	Malaysia	Provision of financial services	100.0	100.0
Mulpha Capital Partners Sdn Bhd	Malaysia	Investment holding	100.0	100.0
Mulpha Capital Asset Management Sdn Bhd	Malaysia	Dormant	70.0	70.0
Subsidiary of Mulpha Capital Markets Sdn Bhd				
Mulpha Credit Sdn Bhd	Malaysia	Licensed money lender	100.0	100.0
Subsidiaries of Mulpha Trading Sdn Bhd				
+ Mulpha Strategic Limited	British Virgin Islands	Investment holding and funds management	100.0	100.0
Mulpha Properties (M) Sdn Bhd	Malaysia	Property ownership and management	100.0	100.0
* Manta Equipment (S) Pte Ltd	Singapore	Trading and rental of construction machinery	88.0	88.0
Manta Far East Sdn Bhd	Malaysia	Investment holding	100.0	100.0
* MIB Pte Ltd	Singapore	Marketing of property	100.0	100.0

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

40. DETAILS OF SUBSIDIARIES (CONTD.)

The subsidiaries are as follows:-

	Country of Incorporation	Principal Activities	Proportion of Ownership Interest 2009 %	2008 %
Subsidiaries of Mulpha Strategic Limited				
@+ Pacific Orchid Investments Limited	British Virgin Islands	Investment holding	-	100.0
+ Jumbo Hill Group Limited	British Virgin Islands	Investment holding	100.0	100.0
Subsidiaries of Pacific Orchid Investments Limited				
@+ Greenfield Chemical Holdings Limited	Cayman Islands	Investment holding	-	62.5
@+ Springfield Coatings Company Limited	Hong Kong	Investment holding	-	100.0
Subsidiary of Greenfield Chemical Holdings Limited				
@+ Rookwood Investments Limited	British Virgin Islands	Investment holding	-	31.9
@+ Upflow Limited	Hong Kong	Management services	-	62.5
@+ Smart Million Limited	British Virgin Islands	Investment holding	-	62.5
@+ Victoryline Limited	British Virgin Islands	Inactive	-	62.5
Subsidiary of Rookwood Investments Limited				
@+ Manfield Coatings Company Limited	Hong Kong	Investment holding and trading in paints	-	31.9

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

40. DETAILS OF SUBSIDIARIES (CONTD.)

The subsidiaries are as follows:-

	Country of Incorporation	Principal Activities	Proportion of Ownership Interest 2009 %	2008 %
Subsidiaries of Manfield Coatings Company Limited				
@+ Champion Chemical (Guangzhou) Company Limited	People's Republic of China	Manufacturing of paints and trading in petrochemical products	-	31.9
@+ Manfield Chemical Limited	Hong Kong	Investment holding	-	31.9
@+ Shenzhen Pinefield Chemical Enterprises Company Limited	People's Republic of China	Manufacturing of paints and trading in petrochemical products	-	31.9
Subsidiary of Manfield Chemical Limited				
@+ Manfield Chemical (Changzhou) Limited	People's Republic of China	Manufacturing of paints and trading in petrochemical products	-	25.5
Subsidiary of Shenzhen Pinefield Chemical Enterprises Company Limited				
@+ Changzhou Manfield Transportation Limited	People's Republic of China	Transportation	-	31.9
Subsidiaries of Manta Far East Sdn Bhd				
+ Manta Engineering & Equipment Company Limited	Hong Kong	Trading in construction machinery and spare parts	88.0	88.0
+ Manta Equipment Rental Company Limited	Hong Kong	Rental of construction machinery	88.0	88.0
+ Manta Equipment Services Limited	Hong Kong	Servicing of construction machinery	88.0	88.0
Manta Equipment (Malaysia) Sdn Bhd	Malaysia	Inactive	70.0	70.0

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

40. DETAILS OF SUBSIDIARIES (CONTD.)

The subsidiaries are as follows:-

	Country of Incorporation	Principal Activities	Proportion of Ownership Interest 2009 %	2008 %
Subsidiaries of Manta Equipment Rental Company Limited				
+ Manta - Vietnam Construction Equipment Leasing Joint Venture Company	Vietnam	Leasing of construction equipment	59.0	59.0
+ Manta Engineering & Equipment (Macau) Company Limited	Macau	Rental of construction equipment	88.0	88.0
Subsidiary of Mulpha Sepang Land Sdn Bhd				
Spanstead Sdn Bhd	Malaysia	Investment holding	100.0	100.0
Subsidiary of Spanstead Sdn Bhd				
# Mulpha PPNS Sdn Bhd	Malaysia	Property development	65.0	65.0
Subsidiary of Mulpha Hotels (Vietnam) Sdn Bhd				
Hotel Indochine (Hanoi)	Vietnam	Inactive	70.0	70.0
Subsidiaries of Manta Equipment (S) Pte Ltd				
* Manta Services (S) Pte Ltd	Singapore	Provision of engineering services	88.0	88.0
* Manta Engineering Pte Ltd	Singapore	Dormant	88.0	88.0

Notes to The Financial Statements
31 December 2009

40. DETAILS OF SUBSIDIARIES (CONTD.)

The subsidiaries are as follows:-

	Country of Incorporation	Principal Activities	Proportion of Ownership Interest 2009 %	2008 %
Subsidiaries of Mulpha Land Berhad				
Bukit Punchor Development Sdn Bhd	Malaysia	Property ownership and development	38.9	38.9
Dynamic Unity Sdn Bhd	Malaysia	Investment holding	55.6	55.6
Indahview Sdn Bhd	Malaysia	Investment holding and property investment	55.6	55.6
MLB Quarry Sdn Bhd	Malaysia	Operation of quarry plant	33.3	33.3
Mulpha Argyle Property Sdn Bhd	Malaysia	Property development	28.3	28.3
Asas Struktur Sdn Bhd	Malaysia	Inactive	28.3	28.3
Pintar Citra Sdn Bhd	Malaysia	Inactive	55.6	55.6
Prudent Gain Sdn Bhd	Malaysia	Inactive	28.3	28.3
Prudent Design Sdn Bhd	Malaysia	Inactive	28.3	28.3
Mega Pascal EC Sdn Bhd	Malaysia	Dormant	55.6	55.6
Subsidiary of Dynamic Unity Sdn Bhd				
Golden Cignet Sdn Bhd	Malaysia	Property development	55.6	55.6

40. DETAILS OF SUBSIDIARIES (CONTD.)

* Subsidiaries audited by a member of Ernst & Young Global

\+ Subsidiaries not audited by Ernst & Young

^ Subsidiaries incorporated/acquired during the financial year

@ Subsidiaries disposed off during the financial year

\# The name of Mulpha PPNS Sdn Bhd has been changed to Seri Ehsan (Sepang) Sdn Bhd after the financial year end

Analysis of Shareholdings
As at 19 April 2010

Authorised share capital	: 4,000,000,000 ordinary shares of 50 sen each
Issued and fully paid-up share capital	: 2,355,913,158 ordinary shares of 50 sen each
Voting right	: One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	Number of Shareholders	% of Shareholders	Number of Shares held	% of Issued Capital
1 – 99	702	2.10	22,693	-
100 – 1,000	5,583	16.71	5,267,872	0.22
1,001 – 10,000	18,755	56.14	90,127,956	3.83
10,001 – 100,000	7,501	22.45	226,282,424	9.60
100,001 – 117,795,656*	863	2.59	986,613,564	41.88
117,795,657 and above#	4	0.01	1,047,598,649	44.47
	33,408	100.00	2,355,913,158	100.00

* Less than 5% of issued holdings
\# 5% and above of issued holdings

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name of Shareholders	Shareholding	Percentage
1.	HSBC Nominees (Asing) Sdn Bhd Nautical Investments Limited	477,380,000	20.26
2.	AIBB Nominees (Asing) Sdn Bhd Sun Hung Kai Investment Services Limited for Honest Opportunity Limited	225,602,500	9.58
3.	Magic Unicorn Limited	183,899,949	7.81
4.	HSBC Nominees (Asing) Sdn Bhd Exempt An for The Bank of New York Mellon (Mellon)	160,716,200	6.82
5.	Cartaban Nominees (Asing) Sdn Bhd Sun Hung Kai Investment Services Limited for Top Champ Assets Limited	95,871,000	4.07
6.	Citigroup Nominees (Asing) Sdn Bhd Goldman Sachs International	91,817,800	3.90
7.	Klang Enterprise Sendirian Berhad	64,906,600	2.76
8.	AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Vista Power Sdn Bhd	64,638,333	2.74
9.	CIMSEC Nominees (Tempatan) Sdn Bhd Klang Enterprise Sdn Bhd for Yong Pit Chin	47,992,000	2.04
10.	Citigroup Nominees (Asing) Sdn Bhd CBNY for Dimensional Emerging Markets Value Fund	33,546,200	1.42
11.	Nautical Investments Limited	26,000,000	1.10
12.	Vista Power Sdn Bhd	25,363,700	1.08
13.	HSBC Nominees (Asing) Sdn Bhd Exempt An for JPMorgan Chase Bank, National Association (U.K.)	17,618,000	0.75
14.	Nautical Investments Limited	17,448,000	0.74
15.	DB (Malaysia) Nominee (Asing) Sdn Bhd Deutsche Bank AG London for Tiedemann Global Emerging Markets QP L.P.	17,200,000	0.73
16.	Citigroup Nominees (Asing) Sdn Bhd Exempt An for OCBC Securities Private Limited	16,823,740	0.71

Analysis of Shareholdings
As at 19 April 2010

No.	Name of Shareholders	Shareholding	Percentage
17.	HDM Nominees (Asing) Sdn Bhd Exempt An for UOB Kay Hian (Hong Kong) Limited	12,292,500	0.52
18.	AIBB Nominees (Asing) Sdn Bhd Sun Hung Kai Investment Services Limited for Katong Assets Limited	9,800,000	0.42
19.	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teh Siew Wah	8,200,000	0.35
20.	Alliance Group Nominees (Tempatan) Sdn Bhd Pheim Asset Management Sdn Bhd for Employees Provident Fund	7,670,000	0.33
21.	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chay Yew Meng	7,500,000	0.32
22.	Citigroup Nominees (Asing) Sdn Bhd Exempt An for Merril Lynch Pierce Fenner & Smith Incorporated	7,143,666	0.30
23.	AIBB Nominees (Asing) Sdn Bhd Sun Hung Kai Investment Services Limited for Vogue Investments Ltd	6,997,100	0.30
24.	Liem Kock Keng	6,945,200	0.29
25.	HSBC Nominees (Asing) Sdn Bhd Exempt An for JPMorgan Chase Bank, National Association	6,754,800	0.29
26.	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Gaik Bway @ Lim Chiew Ah	6,100,000	0.26
27.	AMSEC Nominees (Asing) Sdn Bhd Sun Hung Kai Investment Services Limited for Honest Opportunity Limited	6,090,000	0.26
28.	CIMSEC Nominees (Asing) Sdn Bhd Exempt An for CIMB-GK Securities Pte Ltd	5,681,729	0.24
29.	OSK Nominees (Asing) Sdn Bhd Pledged Securities Account for Lee Sui Hee	5,306,400	0.23
30.	HDM Nominees (Asing) Sdn Bhd UOB Kay Hian Pte Ltd for Tecity Management Pte Ltd	5,000,000	0.21
		1,668,305,417	70.81

SUBSTANTIAL SHAREHOLDERS

	< Direct	>	< Indirect	>
Name of shareholders	**Shareholding**	**Percentage**	**Shareholding**	**Percentage**
Nautical Investments Limited	520,828,000	22.11	-	-
Magic Unicorn Limited	183,899,949	7.81	-	-
Mountbatten Corporation	-	-	520,828,000	22.11
Mount Glory Investments Limited	-	-	704,727,949	29.91
Yong Pit Chin	48,153,000	2.05	771,634,549	32.75
Lee Seng Huang	-	-	819,787,549	34.80
Honest Opportunity Limited	231,692,500	9.83	-	-
Mackenzie Cundill Investment Management Ltd	160,716,200	6.82	-	-

SHAREHOLDING OF DIRECTORS

	< Direct	>	< Indirect	>
Name of Director	**Shareholding**	**Percentage**	**Shareholding**	**Percentage**
Lee Seng Huang	-	-	819,787,549	34.80
Chew Hoy Ping	300,000	0.01	-	-
Dato' Robert Chan Woot Khoon	50,000	-	-	-

Analysis of Warrantholdings
As at 19 April 2010

Number of outstanding Warrants	: 406,394,141
Exercise period	: 26 July 2000 to 25 July 2010
Exercise price	: RM1.29
Warrant entitlement	: Each warrant entitles the holder during the exercise period to subscribe for one new ordinary share of 50 sen each at the exercise price.

DISTRIBUTION OF WARRANTHOLDINGS

Size of Holdings	Number of Holders	% of Holders	Number of Warrants held	% of Total Warrants
1 – 99	627	6.42	31,632	0.01
100 – 1,000	386	3.95	208,295	0.05
1,001 – 10,000	5,333	54.64	16,716,791	4.11
10,001 – 100,000	2,615	26.79	80,081,338	19.71
100,001 – 20,319,706*	799	8.19	284,874,327	70.10
20,319,707 and above#	1	0.01	24,481,758	6.02
	9,761	100.00	406,394,141	100.00

* Less than 5% of total Warrants
\# 5% and above of total Warrants

THIRTY (30) LARGEST WARRANTHOLDERS

No.	Name of Warrantholders	Warrants Held	Percentage
1.	Nautical Investments Limited	24,481,758	6.02
2.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Yeo Chu Hui	11,053,408	2.72
3.	Kenanga Nominees (Asing) Sdn Bhd Pledged Securities Account for Kiu King Tiong	6,411,889	1.58
4.	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund 2Rep for Dubai Ventures Group Limited	6,178,729	1.52
5.	Goh Hiok Eng	3,332,638	0.82
6.	Phoon Yoke Que	3,132,638	0.77
7.	HLG Nominee (Tempatan) Sdn Bhd Hong Leong Bank Bhd for Ong Kok Tian	3,115,058	0.77
8.	Beh Eng Par	2,937,810	0.72
9.	Citigroup Nominees (Asing) Sdn Bhd Exempt An for Citibank NA, Singapore	2,860,052	0.70
10.	Manjeet Singh A/L Santokh Singh	2,339,100	0.58

Analysis of Warrantholdings
As at 19 April 2010

No.	Name of Warrantholders	Warrants Held	Percentage
11.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Solai Velayudham	2,235,745	0.55
12.	Foo Kuek Hua	2,206,855	0.54
13.	Yap Kheng Keong	2,098,436	0.52
14.	Public Invest Nominees (Asing) Sdn Bhd Exempt An for Phillip Securities Pte Ltd	1,897,336	0.47
15.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Chay Chee Wah	1,815,147	0.45
16.	Wong Kai Chien	1,800,000	0.44
17.	Lee Yie Chong	1,782,377	0.44
18.	Ng Thor Kiok	1,748,697	0.43
19.	Terry Goh Teck Soon	1,734,584	0.43
20.	DB (Malaysia) Nominee (Asing) Sdn Bhd Deutsche Bank AG London for RAB-Northwest Warrant Fund Limited	1,515,537	0.37
21.	Davinder Kaur A/P Gurcharan Singh	1,346,613	0.33
22.	Chia Guan Seng	1,327,600	0.33
23.	James Thomas Pugh	1,294,035	0.32
24.	Liau Hou Lu	1,282,377	0.32
25.	Mayban Nominees (Asing) Sdn Bhd Madhu Sudhana Rao Parlapalli	1,249,700	0.31
26.	Chong Mei Siang	1,219,374	0.30
27.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lai Yung Fong @ Lai Yan Pang	1,207,508	0.30
28.	Tey Soon Kuang	1,200,000	0.30
29.	Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yong Yin Chong	1,195,875	0.29
30.	Lim Ah Lian	1,185,620	0.29
		97,186,496	23.91

WARRANTHOLDING OF DIRECTORS

	< Direct	>	< Indirect	>
Name of Director	Warrantholding	Percentage	Warrantholding	Percentage
Lee Seng Huang	-	-	24,495,715	6.03

PROPERTIES OF THE GROUP
AS AT 31 DECEMBER 2009

	Location	Year of Acquisition	Tenure	Year Lease Expiring	Age of Building	Land Area/ Built Up Area	Description	Net Book Value RM'000
1.	17, Jalan Semangat, 46100 Petaling Jaya, Selangor Darul Ehsan	1983*	Leasehold	2060	48 years	8,072.96 sq m	Industrial land with office, warehouse and workshop	6,558
2.	Lot 679, 7, 8, 1141 and 1514, Mukim of Pulai and Tanjung Kupang, Johor	1991	Freehold	_	_	402.28 hectares	Land being used for a resort and recreation commercial development	308,882
3.	Mukim 7, Daerah Seberang Perai Selatan, Nibong Tebal, Pulau Pinang	1993 and 1994	Freehold	_	_	4.92 hectares	Land being used for residential, commercial and industrial development	20,565
4.	Lot 904, Jalan Damansara, Section 16, Petaling Jaya, Selangor	1995	Freehold	_	_	2.02 hectares	Land to be used for commercial development	50,681
5.	Lot 1182 and 1183 Jalan Sultan Ismail, Section 57, Kuala Lumpur	1995	Freehold	_	_	3,353.35 sq m	Land to be used for office building	37,558
6.	Lots No. PT5529, PT5527, PT4350 and PT2454, District of Melaka Tengah, Melaka	1996	Leasehold	2095	_	32.79 hectares	Land to be used for tourist/ commercial development	30,500
7.	Lot 1524 HS(D), 3059/95 Padang Meha, Kulim, Kedah	1996	Freehold	_	_	46.88 hectares	Land being used for residential and commercial development	30,443
8.	H.S.(D) 4614 No. P.T. 7019, Mukim of Tanjong Duabelas, District of Kuala Langat, State of Selangor	1997	Leasehold	2092	_	444.52 hectares	Land being used for residential and commercial development	90,538
9.	B1005 & B1003 Pusat Dagangan Phileo Damansara II, No. 15, Jln 16/11, Off Jalan Damansara, 46350 Petaling Jaya	1999	Freehold	_	10 years	465.6 sq m	Office lot	1,049
10.	Unit No. B045/C/1-2, 1st Floor, Block C, Sri Damansara Business Park, Bandar Sri Damansara, 52200 Kuala Lumpur	2001	Freehold	_	10 years	120 sq m	Office lot	340

PROPERTIES OF THE GROUP
AS AT 31 DECEMBER 2009

	Location	Year of Acquisition	Tenure	Year Lease Expiring	Age of Building	Land Area/ Built Up Area	Description	Net Book Value RM'000
11.	Geran No. 10561, Lot 11279, Mukim Ampang, Wilayah Persekutuan	2001	Freehold	_	19 years	3,635 sq m	5 storey apartment	19,108
12.	Geran No. 116886/116887, Lot No. 42983/42984, Mukim Kapar, Klang	2001	Freehold	_	_	5.166 hectares	Land to be used for residential development	4,216
13.	PTD 86864 to 86867, Mukim Pulai, District of Johor Bahru Johor	2005	Freehold	_	_	5.106 acres	Vacant Land	4,755
14.	HSD 7707-7710, Lots 40494-40497, Mukim Kuala Lumpur, Jalan Medang Tanduk, Bukit Bandaraya, 59100 Kuala Lumpur	2006	Freehold	_	_	1.54 acres	Land to be used for residential development	19,440
15.	Geran 23567, Lot No. 351/ Geran 12881, Lot No. 9992, Bandar dan Daerah Kuala Lumpur	2007	Freehold	_	_	3,977.82 sq m	Land to be used for residential development	15,470
16.	Geran 23566, Lot No. 350, Bandar dan Daerah, Kuala Lumpur	2007	Freehold	_	_	6,242 sq m	Land to be used for residential development	21,393
17.	2 Units of Apartments, Garden Court Village Home, Jalan Pendas 4, Gelang Patah, Johor Bahru	2007	_	_	_	3,288 sq ft	Apartment	460
18.	PT 59273, HS(D) 194925, Mukim Pulai, District of Johor Bahru	2008	_	_	_	5,171.80 sq m	Vacant land	794
19.	PTD 86863, HS(D) 308232, Mukim Pulai, District of Johor Bahru	2008	Freehold	_	_	1.558 acres	Vacant land	2,375
20.	No. 1 Le Quy Don, District 3, Ho Chi Minh City, Vietnam	1993	Leasehold	2024	11 1/4 years	9,517 sq m	Service apartment	22,195

PROPERTIES OF THE GROUP
AS AT 31 DECEMBER 2009

	Location	Year of Acquisition	Tenure	Year Lease Expiring	Age of Building	Land Area/ Built Up Area	Description	Net Book Value RM'000
21.	Unit H, 9th Floor, Valiant Industrial Centre, 2-12 Au Pui Wan Street, Fo Tan, Shatin, New Territories Hong Kong	1994	Crown lease	2047	27 years	252 sq m	Warehouse	1,084
22.	McDonalds Road, Palmers Lane, Pokolbin, Lower Hunter Valley, NSW, Australia	1996	Freehold	_	33 years	40.48 hectares	Winery and Vineyard	22,069
23.	Perisher Valley, Snowy Mountains, NSW, Australia	1999*	Leasehold	2035	18 years	3,929 sq m	Apartments for rental	7,483
24.	Cathedral Street Car Park, Cook & Phillip Parks, Sydney, NSW, Australia	1999	Leasehold	2025	10 years	2,700 sq m	Parking station	10,020
25.	Sanctuary Cove, Gold Coast, Brisbane, Queensland, Australia	2002	Freehold	_	_	312.9 hectares	Integrated resort with hotel, golf courses, clubs, marina and residential developments	447,094
26.	99-113, Macquire Street, Sydney, NSW, Australia	2004	Freehold	_	71 years	1,600 sq m	Commercial property	128,055
27.	117, Macquire Street, Sydney, NSW, Australia	2004	Freehold	_	24 years	3,909 sq m	5 star hotel (509 rooms)	605,642
28.	Hayman Island, Great Barrier Reef, Queensland, Australia	2004	Leasehold	Perpetuity	21 years	292.48 hectares	5 star island resort (244 rooms)	215,690
29.	Melbourne Airport, Tullamarine, Victoria, Australia	2004	Leasehold	2047	8 years	6,630 sq m	5 star hotel (276 rooms)	98,630
30.	10 Tuas Drive 2, Singapore	2004	Leasehold	2037	28 years	5,699.7 sq m	Building used for office and workshop	2,024

*Year of last revaluation

Mulpha International Bhd (19764-T)
Incorporated in Malaysia

PROXY FORM

No. of shares held	
CDS Account No.	

I/We ____

of ____

being a member/members of the abovenamed Company, hereby appoint ____

____

of ____

or failing him ____

of ____

as my/our proxy to vote on my/our behalf at the Annual General Meeting of the Company to be held on Friday, 18 June 2010 at 10.00 am and at any adjournment thereof at Holiday Villa, 9, Jalan SS12/1, Subang Jaya, 47500 Petaling Jaya, Selangor Darul Ehsan.

Resolutions	***For**	***Against**
(1) To adopt the audited financial statements		
To re-elect or re-appoint the following Directors: (2) Mr Lee Seng Huang (3) Mr Chew Hoy Ping (4) YB Dato' Robert Chan Woot Khoon		
(5) To approve the payment of Directors' fees		
(6) To re-appoint Auditors		
(7) Authority for Directors to issue shares pursuant to Section 132D of the Companies Act 1965		
(8) Proposed renewal of authority for the purchases by the Company of its own shares		

*Please indicate with (x) in the spaces provided how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion.

As witness my/our hand(s) this ______________ day of ___________ 2010.

____

Signature(s) of shareholder/
joint shareholder

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.
2. The Instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation under its common seal or the hand of its attorney.
3. The Form of Proxy must be deposited at the Company's Registered Office at No 17, Jalan Semangat, 46100 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time set for holding the Meeting or any adjournment thereof.

Fold this flap to seal

2nd fold here

Affix 50 cents
stamp here

The Company Secretary
MULPHA INTERNATIONAL BHD (19764-T)
Bangunan Mulpha, 17, Jalan Semangat,
46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

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MULPHA INTERNATIONAL BHD (19764-T)

Bangunan Mulpha, 17, Jalan Semangat,
46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
Tel: (603) 7957 2233 **Fax:** (603) 7957 2234
www.mulpha.com.my