2009

Menang Corporation (M) Berhad

(Company No : 5383-K)

Annual Report

Contents

Corporate Information

BOARD OF DIRECTORS

Group Executive Chairman
YBhg Dato' Abdul Mokhtar Ahmad

Group Managing Director/
Group Chief Executive Officer
YBhg Dato' Shun Leong Kwong

Non-Executive Group Deputy Chairman
YBhg Datin Mariam Eusoff

Non-Independent, Non-Executive Director
Dr. Christopher Shun Kong Leng, CFP®, RFP™

Independent Non-Executive Directors
Mr Chiam Tau Meng
Mr Too Kok Leng

SECRETARY

Mr Ng Ah Wah
(MIA No. 10366)

REGISTERED OFFICE

8th Storey South Block
Wisma Selangor Dredging
142-A Jalan Ampang
50450 Kuala Lumpur
Tel: (603) 2161 3366
Fax: (603) 2161 3393

REGISTRAR

Tenaga Koperat Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel: (603) 2264 3883
Fax: (603) 2282 1886

AUDITORS

BDO
Chartered Accountants
12th Floor, Menara Uni.Asia
1008, Jalan Sultan Ismail
50250 Kuala Lumpur

PRINCIPAL BANKERS

AmBank (M) Berhad
Bank Islam Malaysia Berhad
Malayan Banking Berhad
United Overseas Bank (Malaysia) Bhd

SOLICITORS

Cheah Teh & Su
L-3-1, No. 2
Jalan Solaris
Solaris Mont' Kiara
50480 Kuala Lumpur

A.J. Ariffin, Yeo & Harpal
3rd Floor, Wisma Cheong Hin
116-118, Jalan Pudu
55100 Kuala Lumpur

Rahman Too & Co
5, Jalan Wolff
70000 Seremban
Negeri Sembilan Darul Khusus

STOCK EXCHANGE LISTING

Main Market of the
Bursa Malaysia Securities Berhad

WEBSITE

www.menangcorporation.com

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Forty Sixth (46th) Annual General Meeting ("AGM") of the Company will be held at the Meeting Room, Kelab Sultan Sulaiman, Jalan Dewan Sultan Sulaiman, 50300 Kuala Lumpur on Wednesday, 30 June 2010 at 10.00 a.m. for the transaction of the following businesses:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Report, Audited Financial Statements and the Auditors' Report for the financial year ended 31 December 2009. ***(Ordinary Resolution 1)***

2. To approve the payment of Directors' fees of RM30,000.00 for the financial year ended 31 December 2009. ***(Ordinary Resolution 2)***

3. To re-elect the following Directors who retire by rotation in accordance with Article 112 of the Articles of Association of the Company and being eligible, offer themselves for re-election:

   (a) Datin Mariam Eusoff ***(Ordinary Resolution 3)***
   (b) Dr. Christopher Shun Kong Leng, CFP®, RFP™ ***(Ordinary Resolution 4)***

4. To re-appoint the following Directors who retire pursuant to Section 129(6) of the Companies Act, 1965 and to hold office until the next Annual General Meeting:

   (a) Dato' Abdul Mokhtar Ahmad ***(Ordinary Resolution 5)***
   (b) Dato' Shun Leong Kwong ***(Ordinary Resolution 6)***

5. To re-appoint Messrs BDO, Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration. ***(Ordinary Resolution 7)***

SPECIAL BUSINESS

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

6. **Authority to issue shares pursuant to Section 132D of the Companies Act, 1965** ***(Ordinary Resolution 8)***

   "THAT pursuant to Section 132D of the Companies Act, 1965 and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby authorised to issue shares in the Company at any time until the conclusion of the next AGM and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the 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 and quotation of the additional shares so issued on the Bursa Malaysia Securities Berhad."

7. **Proposed Renewal of General Mandate for Substantial Property Transactions Involving Directors pursuant to Section 132E of the Companies Act, 1965** ***(Ordinary Resolution 9)***

   "THAT pursuant to Section 132E of the Companies Act, 1965, authority be and is hereby given to the Company or its related corporations to enter into arrangements or transactions with the Directors of the Company or any person connected with such Directors (within the meaning of Section 122A, Companies Act, 1965) whereby the Company or its related corporations may acquire from or dispose to such Directors or connected persons non-cash assets including but not limited to services, land, development properties, capital equipment and machineries and/or any other assets or products of the Company or its related corporations provided that such acquisitions or disposals are on commercial terms and in the ordinary course of business, such authority will continue to be in force until conclusion of the next Annual General Meeting."

8. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965 and the Articles of Association of the Company.

Notice Of Annual General Meeting (Cont'd)

NOTICE IS ALSO HEREBY GIVEN THAT a Depositor shall be eligible to attend this meeting only in respect of:

(a) Shares deposited into the Depositor's Securities Account before 12.30 p.m. on 23 June 2010 (in respect of shares which are exempted from mandatory deposit);

(b) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 23 June 2010 (in respect of ordinary transfers);

(c) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board

Ng Ah Wah (MIA No. 10366)
Company Secretary

Kuala Lumpur
8 June 2010

NOTES:

1. *A member of the Company entitled to attend and vote at the abovementioned 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 Proxy form must be signed by the appointer or his/her attorney duly authorised in writing or in the case of a corporate member, the instrument appointing a proxy shall be under its Common Seal or under the hand of a duly authorised officer or attorney.*

3. *Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.*

4. *Any alteration to the instrument appointing a proxy must be initialed. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 8th Storey, South Block, Wisma Selangor Dredging, 142-A Jalan Ampang, 50450 Kuala Lumpur not less than 48 hours before the time fixed for the meeting or any adjournment thereof.*

5. *Explanatory Notes on Special Business:*

   (i) ***Ordinary Resolution 8 – Authority to Allot and Issue Shares***

   The proposed Ordinary Resolution 8, if passed, will empower the Directors to issue shares in the capital of the Company up to an aggregate amount not exceeding 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority unless revoked or varied by the Company at a general meeting will expire at the next Annual General Meeting.

   (ii) ***Ordinary Resolution 9 –Proposed Renewal of General Mandate for Substantial Property Transactions involving Directors pursuant to Section 132E of the Companies Act, 1965***

   Section 132E of the Companies Act, 1965 prohibits a company or its subsidiaries from entering into any arrangement or transaction with its directors or persons connected with such directors in respect of the acquisition from or disposal to such directors or connected persons any non-cash assets of the "requisite value" without prior approval of the Company in general meeting. According to the Act, a non-cash asset is considered to be of the "requisite value" if, at the time of the arrangement or transaction for the acquisition or disposal of the asset, its value is greater than Ringgit Malaysia Two Hundred and Fifty Thousand (RM250,000.00) or ten per centum (10%) of the net assets of the Company, subject to minimum of Ringgit Malaysia Ten Thousand (RM10,000.00).

   The proposed Ordinary Resolution 9, if passed, will authorise the Company or its related corporations to acquire from or dispose to such Directors or connected persons non-cash assets including but not limited to services, land, development properties, capital equipment and machineries and/or any other assets or products of the Company or its related corporations which may fall within the definition of "requisite value", provided that such acquisitions or disposals are on commercial terms and in the ordinary course of business.

Statement Accompanying Notice Of Annual General Meeting

Pursuant to Paragraph 8.27 (2) of the Listing Requirements of Bursa Malaysia Securities Berhad

1. The Directors who are standing for re-election pursuant to the Article 112 of the Articles of Association at the Forty Sixth Annual General Meeting of the Company are as follows:

   (a) Datin Mariam Eusoff; and
   (b) Dr. Christopher Shun Kong Leng, CFP®, RFP™

2. The Director who is standing for re-appointment pursuant to Section 129 (6) of the Companies Act, 1965 at the Forty Sixth Annual General Meeting of the Company are as follows:

   (a) Dato' Abdul Mokhtar Ahmad; and
   (b) Dato' Shun Leong Kwong.

   The details of the Directors standing for re-election and re-appointment at the forthcoming Forty Sixth Annual General Meeting are set out in the Directors' Profile on pages 6 to 8 of the Annual Report.

Directors' Profile

Dato' Abdul Mokhtar Ahmad, a Malaysian and a Bumiputra entrepreneur, aged 70, was appointed to the Board of Menang on 23 May 1989. He has been the Group Executive Chairman of Menang Corporation (M) Berhad since the last 16 years. He leads the company using his vast experience in Construction & Property Development from the later part of the 70's. His previous company was one of KL's premier construction companies that has built residential developments and several landmark buildings dotting the City including 34 storey Menara Bank Bumiputra (now-known as Bank Muamalat), 22 storey Bank Rakyat, 25 storey Sri Mara and 24 storey Angkasa Raya.

Later, through his own outfit i.e. Maztri Padu Sdn Bhd he managed to secure a privatization contract over a 40-acre prime commercial lot known as Kelana Jaya Urban Centre from the Selangor Economic Development Corporation (SEDC) which was subsequently injected into Menang Corporation (M) Berhad and thereafter jointly developed with Hicom Properties Bhd (a member of DRB HICOM GROUP) under the outfit of Hicom Menang Properties Sdn Bhd.

Today, in tandem to the changing landscape of property development in Malaysia, he has responded to the Government clarion call for the Public Private Partnership (PPP) as the engine of growth and has primarily been actively involved in identifying and driving opportunities to utilize the Group's land bank for potential PPP projects.

This has culminated in two Private Finance Initiative (PFI) projects with Letter of Intent (LOI) from the Government under the Economic Stimulus Package and the 10th Malaysian Plan. It is expected that these imminent PFI projects under his leadership will set a benchmark for future PPP opportunities and be the impetus to create economic growth and values to the Groups Strategic land banks.

Dato' Shun Leong Kwong, a Malaysian, aged 71, was appointed to the Board of Menang on 29 June 1989. After graduation from the University he joined the banking industry. He was first with Citibank Malaysia where he distinguished himself being the first local executive to be made Vice-President of the Bank supervising all the 8 divisions of corporate banking operations. He then joined Overseas Chinese Banking Corporation Malaysia. He served in senior positions and left as Deputy Chief Executive Officer of Overseas Chinese Banking Corporation Malaysia in 1982 to go into private enterprise. Combining the skills and exposures acquired from the banking experience, he expanded rapidly in his private enterprise, concentrating on real estate. He holds a B.A. Econs. (Hons) from the University of Malaya.

Currently, Dato' Shun is the Group Managing Director/Group Chief Executive Officer of Menang Group of Companies (Non-Independent Director). He is actively involved in monitoring the implementation of the strategy and overseeing the operations of the Group.

Dato' Shun is the father of Non-Executive Director, Dr. Christopher Shun Kong Leng, CFP®, RFP™.

Datin Mariam Eusoff, a Malaysian, aged 64, started her career as a lecturer at the Institut Teknologi Mara in 1969 before she joined Citibank NA, Malaysia in 1973 where she was Manager in the Public Sector Lending Division. In 1977, she was recruited by Bank Bumiputra Malaysia Berhad to head the International Banking Department covering foreign currency lending, overseas branch operations as well as correspondent banking. She was appointed on 1 July 1989 as Managing Director of Maztri Padu Sdn Bhd, the privatised developer for Kelana Jaya Urban Centre. She holds a B.A. (Hons) from the University of Malaya and a Master degree in Communications from the University of Washington, U.S.A.

Datin Mariam was appointed to the Board of Menang on 25 February 1991 and was subsequently appointed as Group Executive Director of Menang on 1 January 1992 (Non-Independent Director) and later became the Non-Executive Group Deputy Chairman on 1 July 2005. She was the alternate chairperson of the Group Management Committee in the absence of the Group Executive Chairman. As Non-Executive Group Deputy Chairman, she supervises legal, corporate and public communications of the Group. One of her principal responsibilities is in strategic planning and implementation of new property projects besides providing general administration of Group operations.

She is also a member of the Audit Committee of the Company.

Directors' Profile (Cont'd)

Dr. Christopher Shun Kong Leng, **CFP®, RFP™**, a Malaysian, aged 44, graduated from Boston University with a Bachelor of Science in Business Administration with Summa Cum Laude and Bachelor of Arts in Economics with Magna Cum Laude in May 1987. He pursued a Merchant Banking career with Hill Samuel Bank, London from 1987 to 1989. In 1991, he obtained his Master of Science in Management from the MIT Sloan School of Management, U.S.A. He subsequently joined Bankers Trust London as a Merger and Acquisition Associate. He was awarded the Advanced Postgraduate Diploma in Management Consultancy (Adv.Dip.C) from Henley Management College, United Kingdom in April 2000. He secured the Certified Financial Planner (CFP®) qualification by examination in February 2003. He was awarded the designation Registered Financial Planner (RFP™) on 18 July 2006.

He completed his Doctor of Business Administration (D.B.A) from Henley Management College, Brunel University, United Kingdom in 2004 wherein his Doctoral Dissertation secured the prestigious 7th placing in the European Doctoral Association for Management and Business Administration (EDAMBA) whose membership includes the top 60 Universities in Europe. Subsequently, Dr. Christopher Shun had been invited to undertake practitioner research at the Wharton School of Finance at the University of Pennsylvania, U.S.A.

Dr. Christopher Shun is the only Malaysian Public Company Director to have obtained an approval from the Securities Commission as a qualified licensed Financial Planner on 16 August 2005.

Dr. Christopher Shun was appointed in 2007 onto the National Property Research Economic Council (NAPREC) think tank under the oversight of the Ministry of Finance (MOF). Together with other illustrious personalities, they advise the Government of Malaysia (GOM) on all matters pertaining to Real Estate policies and Macroeconomic impacts on the Malaysian economy.

Dr. Christopher Shun was appointed to the Board of Menang on 25 February 1991 and was made Executive Director on 1 April 1991 (Non-Independent Director). Subsequently, he was appointed as Group Executive Director on 1 January 1992 and he was promoted to Deputy Group Managing Director on 1 July 2005. On 31 December 2007, Dr. Christopher Shun was re-designated as Non-Executive Director. He is also a member of the Remuneration Committee of the Company.

Dr. Christopher Shun is the son of Dato' Shun Leong Kwong.

Mr Chiam Tau Meng, a Malaysian, aged 56, graduated with a Bachelor of Commerce Degree majoring in Accountancy from University of Otago, Dunedin, New Zealand in 1976. He was admitted as an Associate Chartered Accountant of the Institute of Chartered Accountants of New Zealand in 1980. He is also a Chartered Accountant of the Malaysian Institute of Accountants.

He started his career in 1976 as a Finance Manager of Tolley Industries Ltd (New Zealand) and in 1979, he joined Malaysian Containers (1974) Berhad as a Finance Manager cum Company Secretary. In 1984, he joined Menang Corporation (M) Berhad as a General Manager of Corporate Services.

In 1989, he joined Bee Hin Holdings Sdn Bhd as General Manager-Corporate Finance in charge of the reconstruction scheme under Section 176 of the Companies Act, 1965 on Kuala Lumpur Industries Berhad.

In 1992, he joined the management consultancy practice of an international accounting organisation and in 1994, he set up his own consulting practice namely CTM Consulting.

He was appointed as an Independent Non-Executive Director of Menang on 21 October 2005. He is the Chairman of the Audit Committee and the Nominating Committee and a Member of the Remuneration Committee of Menang. He also sits on the Board of the following companies listed on the Bursa Malaysia Securities Berhad :-

Comintel Corporation Berhad	(Independent & Non-Executive)
Success Transformer Corporation Berhad	(Independent & Non-Executive)
KYM Holdings Berhad	(Independent & Non-Executive)
Seremban Engineering Berhad	(Independent & Non-Executive)

Directors' Profile (Cont'd)

Mr Too Kok Leng, a Malaysian, aged 51, holds a B.A (Hons) in Law and was admitted to the Malaysian Bar in 1983. He started his own practice in 1988 and was practising under the name and style of Rahman, Too & Co. in Seremban and Kuala Lumpur. He specialised in the corporate and banking fields rendering legal advice to several banks and public listed companies. He has since ventured into his own private business in property and other related activities.

Mr Too was appointed as an Independent Non-Executive Director of Menang on 1 August 1995. He is also the Chairman of the Remuneration Committee and member of the Audit Committee and Nominating Committee of the Company.

He also sits on the Board of Ramunia Holdings Berhad listed on the Bursa Malaysia Securities Berhad as an Independent Non-Executive Director.

Notes:

1. ***Family relationship with Director and/or major shareholder***

   Save as hereinabove disclosed, none of the Directors has any family relationship with the other directors and/or major shareholders of Menang Corporation (M) Berhad.

2. ***Conflict of Interest***

   None of the Directors has any conflict of interest in the Company except for those transactions disclosed in Note 33 to the financial statements.

3. ***Conviction for Offence***

   None of the Directors has been convicted of any offence within the past ten (10) years.

4. ***Other Directorship of Public Companies***

   None of the Directors hold any directorship in any public listed company except for Mr Chiam Tau Meng and Mr Too Kok Leng.

   Mr Chiam Tau Meng was appointed as Directors of Comintel Corporation Berhad, Success Transformer Corporation Berhad, KYM Holdings Berhad and Seremban Engineering Berhad on 28 December 2006, 15 August 2008, 27 April 2009 and 10 May 2010 respectively while Mr Too Kok Leng was appointed as Director of Ramunia Holdings Berhad on 28 January 2008.

5. ***Securities Holdings in the Company***

   Details of the Directors' securities holdings in the Company, and its subsidiaries are set out on pages 104 to 110 of the Annual Report.

Chairman's Statement

On behalf of the Board of Directors, I am pleased to present the Annual Report of Menang Corporation and Audited Financial Statements of the Group and the Company for the financial year ended 31 December 2009.

FINANCIAL REVIEW

Financials for 2009 continued to be dismal. We had another tough year. Global financial uncertainties and economic crisis in year 2008/2009 continued to impact negatively the already slow and sluggish property market in Seremban. The Group delayed new launches where margins were very tight. Revenue decreased to RM14.653 million compared to that RM17.139 million of the preceding year. Our joint-venture with OSK Properties (Seremban) Sdn Bhd faced low levels of consumer sentiments and barely broke-even.

For the financial year ended 31 December 2009, the Group however registered a profit after tax of RM3.550 million compared to the previous financial year of a loss after tax of RM17.213 million. The profits were attributed to the write back of deferred liabilities charges in respect of a Al Bai Bithaman Ajil Facility. This was treated as an adjusting event subsequent to the balance sheet date. The write back was in accordance with FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors.

SEREMBAN 3 - Proposed UiTM Campus

CORPORATE DEVELOPMENTS

Since pure housing was tough and would continue to be tough in our Seremban environment, we had to redirect our attention and focus on some big catalytic items. We are pleased to confirm that on 4 May 2010, our 71% subsidiary, Inovatif Mewah Sdn Bhd ("IMSB") entered into a Concession Agreement with the Ministry of Higher Education Malaysia and Universiti Teknologi MARA to undertake the Proposed UiTM Campus ["the Campus"] at Seremban 3 on a Private Finance Initiative basis.

The construction cost of the Campus is estimated at Ringgit Malaysia Three Hundred Million (RM300,000,000) spread over 3 years. IMSB will be receiving availability charges and maintenance charges from UiTM over the lease period of 20 years after completion/acceptance of the construction of the Facilities & Infrastructure.

In the near term, the Government will acquire from us 50 acres of land in Seremban 3, designated for the Campus, in accordance with the Land Acquisition Act 1960 under a Certificate of Urgency. The cash receipt from the sale of the Land will be utilized to partially reduce our indebtedness and overdue charges, support the working capital of the Menang Group and increase the paid up capital of IMSB.

The Group is optimistic that during the 3 years construction period the project will provide multiplier effects of several folds of economic activities in our Seremban 3 Township covering residential, commercial, construction and services sectors.

Chairman's Statement (Cont'd)

I would like to highlight that after completion of the construction of the Campus (over 3 years) there would be two major streams of stable cash flow for Menang Group for the next 20 years to cater for our continuing working capital needs as well as providing resources and stamina for us to engage in other strategic big ticket items. We are now focused on sourcing joint-venture partners to participate in big ticket items on our land bank to unlock the value of our assets more effectively and quickly. We are hopeful of some measure of success in the second half of 2010 / first half of 2011.

APPRECIATION

On behalf of the Board, I wish to offer my heartfelt thanks to my fellow members on the Board, management team and staff of the Group for their continuous dedication and contributions.

I would also like to extent the Board's appreciation to our shareholders, the various governmental and regulatory authorities, bankers and customers for their continuous support.

Dato' Abdul Mokhtar Ahmad
Executive Chairman

19 May 2010
Kuala Lumpur

Audit Committee Report

CHAIRMAN	:	**Mr Chiam Tau Meng** *(Independent Non-Executive Director)*
MEMBERS	:	**Mr Too Kok Leng** *(Independent Non-Executive Director)*
		YBhg Datin Mariam Eusoff *(Non-Executive Group Deputy Chairman)*

TERMS OF REFERENCE

Constitution

The Audit Committee of the Company comprising all non-executive directors, a majority of who are independent, has been established since 22 March 1994.

Objective

The primary objectives of the Audit Committee are:

1. to assist in the fiduciary duties of the Board in matters pertaining to business ethics, policies, financial management, internal controls, accounting policies and financial reporting of the Company and its subsidiaries;

2. to maintain and enhance a line of communication and independence between the Group and the external auditors;

3. to ensure a system of internal controls which will mitigate the likelihood of fraud or error.

The appointment of a properly constituted Audit Committee is an important step to assist the Board of Directors in raising the standard of Corporate Governance and observance of good Corporate Governance practices.

Composition

1. The Audit Committee shall be appointed by the directors from amongst themselves and this fulfils the following requirements:

   (a) the Audit Committee shall comprise of no fewer than three (3) members;

   (b) all the Audit Committee must be non-executive directors, with a majority of them being independent directors;

   (c) the Chairman of the Audit Committee shall be an independent director; and

   (d) at least one (1) member of the Audit Committee:

      (i) must be a member of the Malaysian Institute of Accountants ("MIA");

      or

      (ii) if he is not a member of the MIA, he must have at least three (3) years' working experience and:

         (aa) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or

         (bb) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.

Audit Committee Report (Cont'd)

(iii) fulfils such other requirements as prescribed or approved by the Exchange.

2. No alternate director shall be appointed as a member of the Audit Committee.

3. In the event of any vacancy in the Audit Committee resulting in the non-compliance of subparagraph 15.09(1) of the Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements, the Company must fill the vacancy within three (3) months.

4. The Board of Directors of the Company must review the term of office and performance of an Audit Committee and each of its members at least once every three (3) years to determine whether such audit committee and members have carried out their duties in accordance with their terms of reference.

Secretary to the Audit Committee

The Company Secretary shall be the Secretary to the Audit Committee.

Meetings

1. The Audit Committee shall meet at least four (4) times a year or more frequently as circumstances require with due notice of issues to be discussed and shall record its conclusions in discharging its duties and responsibilities.

2. The majority of members present must be independent directors to form a quorum.

3. The Group Accountant or the Finance Director and representative of external auditors shall normally attend the meeting.

4. The Committee may ask members of management or others to attend the meetings and provide pertinent information as necessary.

5. The Company must ensure that other directors and employees attend any particular Audit Committee meeting only at the audit committee's invitation, specific to the relevant meeting.

6. The Committee shall meet with the external auditors without the executive Board at least twice a year.

7. The Committee actions shall be reported to the Board of Directors with such recommendations, as the Committee deemed appropriate.

Procedure of Audit Committee

The Audit Committee may regulate its own procedure, in particular:

(a) the calling of meetings;

(b) the notice to be given of such meetings;

(c) the voting and proceedings of such meetings;

(d) the keeping of minutes; and

(e) the custody, production and inspection of such minutes.

Audit Committee Report (Cont'd)

Authority

The Audit Committee was appointed under Chapter 15, Part C, paragraph 15.09 of the Bursa Securities Listing Requirements. The Committee is given the authority to investigate any matter of the Company and its subsidiaries within its terms of reference, the resources which are required to perform its duties, the authority to have full and unrestricted access to any information of the Company and the authority to have direct communication channels with the external auditors and person(s) carrying out the internal audit function. The Committee shall obtain independent/external professional advice and to be able to convene meetings with the external auditors, internal auditors or both excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

Functions and Duties

The functions of the Audit Committee are as follows:

1. To consider the appointment of the external auditors, the audit fee and any questions of resignation or dismissal and on whether there is reason (supported by grounds) to believe that the Company's external auditors are not suitable for re-appointment;

2. To discuss with the external auditors before the audit commences, the nature and scope of the audit and ensure co-ordination where more than one audit firm is involved;

3. To review:

   (a) with the external auditors, their audit plan;

   (b) with the external auditors, the overall scope of the external audit and discuss the results of their examination and their evaluation of the internal control system;

   (c) with the external auditors, the audit report;

   (d) the assistance given by the employees of the Company to the external auditors;

   (e) the quarterly results and year end financial statements of the Company, prior to the approval by the board of directors, focusing particularly on :

      (i) any changes in or implementation of major accounting policies and practices;

      (ii) significant adjustments arising from the audit and unusual events;

      (iii) the going concern assumption;

      (iv) compliance with accounting standards, other statutory and legal requirements;

   (f) any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of control that raises questions of management integrity;

   (g) the external and internal auditor's management letter and management's response; and

   (h) any letter of resignation from the external auditors of the Company.

4. To recommend the nomination of a person or persons as external auditors;

5. To discuss problems and reservations arising from the interim and final audits and any other matters the auditors may wish to discuss;

Audit Committee Report (Cont'd)

6. To do the following where an internal audit function exists:

    (a) 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 on its work;

    (b) to review the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;

    (c) to review any appraisal or assessments of the performance of members of the internal audit function;

    (d) to approve any appointments or terminations of senior staff members of the internal audit function;

    (e) to inform itself of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his/her reasons for resignation;

7. To consider the major findings of internal investigations and management's response;

8. To report promptly such matter to the Bursa Securities where the audit committee is of the view that a matter reported by it to the Board of Directors of the Company has not been satisfactorily resolved resulting in a breach of the Listing Requirements; and

9. To consider other topics as defined by the Board.

NUMBER OF MEETINGS AND DETAILS OF ATTENDANCE

Five (5) Audit Committee meetings were held on 20 February 2009, 9 April 2009, 7 May 2009, 7 August 2009 and 25 November 2009 during the financial year ended 31 December 2009. The attendance record of each member during the financial year is as follows:

Audit Committee Members	Date of Meetings Held/Attended					Total Meetings Attended
	20.02.2009	9.04.2009	7.05.2009	7.08.2009	25.11.2009	
Mr Chiam Tau Meng	√	√	√	√	√	5/5
Mr Too Kok Leng	√	√	√	√	√	5/5
Y Bhg Datin Mariam Eusoff	X	√	√	√	√	4/5

During the year, the external auditors have attended three (3) meetings, i.e. on 20 February 2009, 9 April 2009 and 25 November 2009.

ACTIVITIES

During the financial year under review, a summary of the activities undertaken by the Audit Committee in discharging their duties and responsibilities were as follows:

(i) Reviewed the external auditors' scope of work and their audit plan for the year;

(ii) Reviewed with the external auditors the results of their audit, the audit report, the management letter, including management's response and internal control recommendations in respect of control weaknesses noted in the course of their audit;

(iii) Reviewed the audited financial statements before recommending it for Board's approval;

Audit Committee Report (Cont'd)

(iv) Reviewed and recommended the audit fees payable to the external auditors for the Board's approval;

(v) Reviewed the Company's compliance with the Listing Requirements of the Bursa Securities, applicable approved accounting standards issued by the Malaysian Accounting Standards Board ("MASB") and other relevant legal and regulatory requirements;

(vi) Reviewed the quarterly unaudited financial results, announcements and audited financial statements of the Company prior to submission for the Board's consideration and approval to ensure that the audited financial statements are drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards approved by the MASB;

(vii) Reviewed the internal audit function and risk management needs, programme and plan for the financial year under review and annual assessment of the internal audit function and risk management performance;

(viii) Reviewed the audit reports presented by internal audit function and risk management on findings and recommendations with regard to system and controls weaknesses noted in the course of their audit and management's responses thereto and ensuring material findings are adequately addressed by management;

(ix) Reviewed the Company's status of compliance with the provisions set out under the Malaysian Code on Corporate Governance for the purpose of preparing the Corporate Governance Statement pursuant to the requirement of paragraph 15.25 of the Bursa Malaysia Securities Berhad Revamped Listing Requirements before recommending them to the Board action plans and the prescribed corporate governance principles and best practices under the Code; and

(x) Reviewed and verified the allocation of Employees Share Option Scheme ("ESOS") made in the financial year ended 31 December 2009 and confirmed that the allocation complied with the allocation criteria determined by the ESOS Committee and in accordance with the ESOS Bye-Laws.

(xi) Reviewed the Audit Committee Report, Corporate Governance Statement and Statement on Internal Control and its recommendation to the Board for inclusion in the Annual Report.

(xii) Reviewed related party transactions that may arise within the Group.

INTERNAL AUDIT FUNCTION

The Company had outsourced the internal audit function to CGRM Infocomm Sdn Bhd ("CGRM"). The principal role of CGRM is to undertake independent regular and systematic reviews of the system of internal controls so as to provide reasonable assurance that such systems continued to operate satisfactorily and effectively. It is the responsibility of CGRM to provide the Audit Committee with independent and objective reports on the extent of compliance of the various operating units within the Group's established policies and procedures as well as relevant statutory requirements.

The total costs incurred for internal audit function of the Group in respect of the financial year ended 31 December 2009 amounted to RM27,887.60.

Further details of the activities of Internal Audit Function are set out in the Statement on Internal Control on page 22 of the Annual Report.

STATEMENT BY THE AUDIT COMMITTEE IN RELATION TO ESOS ALLOCATION

The Audit Committee confirms that the criteria of allocation of ESOS have been made in accordance with the Company's ESOS Bye-Laws.

Corporate Governance Statement

INTRODUCTION

The Board of Directors ("the Board") of Menang Corporation (M) Berhad ("Menang" or "the Company") fully subscribes to the principles and recommendations embodied in the Malaysian Code on Corporate Governance ("the Code") and appreciates the importance of adopting high standards of corporate governance within the Group. Hence, the Board strives to adopt the substance behind corporate governance prescriptions and not merely the form. The Board is thus fully committed to maintain a high standard of corporate governance by ensuring full application of all the principles and best practices set out in Parts 1 and 2 of the Code.

The Board is pleased to report that various affirmation steps and the outlines of how the Group has applied the principles laid down in the Code. Except of matters specifically identified, the Board has complied with the best practices set out in the Code throughout the financial year ended 31 December 2009.

A. DIRECTORS

A1. The Board

Board Responsibilities / Principle Duties

The Board takes full responsibility for the overall performance of the Company and the Menang Group by setting the vision and objectives, establishing goals for management and monitoring its achievement, directing the policies, strategic action plans and ultimately the enhancement of long term shareholders value. The Board focuses mainly on the following specific areas:

- The strategic action plans for the Group
- Evaluation of Company's business performance
- Identifying and management of principal risks
- Succession planning for senior management
- Developing and implementing an investor relations programme and shareholder communications policy
- Reviewing adequacy and integrity of Company's internal control systems and management information systems

Composition of the Board

The Board is made up of six (6) members, comprising the Group Executive Chairman, the Group Managing Director/Group Chief Executive Officer, Non-Executive Group Deputy Chairman, Non-Independent Non-Executive Director and two (2) Independent Non-Executive Directors.

Board Committee

The Board of Directors delegates certain responsibilities to the Board Committees in order to enhance business and operational efficiency. Currently, the Company has three (3) committees namely Audit, Nomination and Remuneration Committees to assist the Board in the execution of its duties. These three (3) committees consist of members from the Board. All the committees have their own written terms of reference and operating procedures. They report directly to the Board, the outcome of the Committee meetings as well as their recommendations.

Meeting

The Board meets at least four (4) times a year at quarterly intervals with additional meetings for particular matter convened as and when necessary. Five (5) Board meetings were held during the financial year to deliberate upon and considered a variety of matters including Group's financial results, issues of strategy, performance and resources, strategic decisions, business plan and direction of the Group.

The attendance record of each Director is as follows:

	No. of Meetings Attended/Held
Executive Directors	
Dato' Abdul Mokhtar Ahmad	5/5
Dato' Shun Leong Kwong	5/5
Non-Executive Directors:	
Datin Mariam Eusoff	4/5
Dr. Christopher Shun Kong Leng, CFP®, RFP™	5/5
Mr Chiam Tau Meng	5/5
Mr Too Kok Leng	5/5

A2. Board Balance

The current Board composition of two (2) Executive Directors, two(2) Non-Independent Non-Executive Directors and two (2) Independent Non-Executive Directors complies with Para 15.02 of the Bursa Malaysia Securities Berhad Listing Requirements which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, are independent directors.

The Directors, with their different backgrounds and specializations, equipped with a wide range of knowledge and experience and with the support of the management team is responsible for implementing the policies and decisions of the Board, overseeing the operations and managing the Group's business and resources.

There is a balance in the Board membership with the presence of the Independent Non-Executive Directors who are credible individuals with vast and varied experience. Both the Independent Non-Executive Directors are independent of management and free of any relationship, which could interfere with the exercise of independent judgment or the ability to act in the best interest of the Company.

The Independent Non-Executive Directors are actively involved in various Board committees. They bring to bear objective and independent assessment and opinion to the decision making of the Board and provide a capable check and balance to the executive directors. Together with the executive directors who have intimate knowledge of the business, they provide an effective blend of entrepreneurship, business and professional expertise in general management and areas of the industries the Group is involved in.

The role of the Group Executive Chairman and the Group Managing Director/Group Chief Executive Officer are separate and each has a clearly accepted division of responsibilities to ensure that there is a balance of power and authority. The Board has identified Mr. Chiam Tau Meng as the Senior Independent Non-Executive Director of the Board to whom concerns may be conveyed. The specific areas of responsibilities of each director is shown in the Directors' profile on pages 6 to 8 of the Annual Report.

Representatives of a significant shareholder are also members of the Board.

The Board is satisfied that the current composition fairly reflects the investment of minority shareholders in the Company through the representation of the two (2) Independent Non-Executive Directors.

Corporate Governance Statement (Cont'd)

A3. Supply of Information

All the Board members have full and timely access to all information within the Group. Board papers are distributed prior to the Board Meeting to enable the Directors to obtain relevant information and have sufficient time to deliberate on the issues to be raised at the meeting so as to discharge their duties diligently.

The Board papers which include the agenda and reports covering amongst others, areas of strategic, financial, operational, regulatory compliance matters that require the Board's approval.

Detailed periodic briefings on industry outlook, company performance and previews are also conducted for the Directors to ensure that the Board is well informed on the latest market and industry trends and development.

The Board or the individual director has unfettered access to the advice and services of the Company Secretary who ensure effective functioning of the Board and compliance of applicable rules and regulations. In the event that the Company Secretary fails to fulfill his/her duties effectively, the terms of appointment permits his/her removal and appointment of a successor by the Board as a whole.

The Board of Directors, whether as a full board or in their individual capacities, is entitled to obtain independent professional advice or opinion where necessary and in appropriate circumstances, in furtherance of their duties at the Group's expense.

A4. Appointment to the Board

The Nomination Committee of the Company comprises exclusively of Independent Non-Executive Directors with the responsibility of recommending a suitable candidate with the necessary skills, experience and competences to be filled in the Board and Board Committees. Any new nomination received is put to the full Board for assessment and endorsement on an ongoing basis. The Company Secretary will ensure that all appointments are properly made and that all necessary information is obtained, as well as legal and regulatory obligations are met.

The Nomination Committee had a process to assess the performance and contribution of each Director and effectiveness of the Board as a whole and at the same time had reviewed the required mix of skills and experience of the Board. The Committee also keeps under review the Board structure, size and composition as well as considering the Board's succession planning.

There is a formal training programme for new directors as it is the Company's policy to appoint to the Board individuals of sufficient caliber and experience to carry out the necessary duties of a director. The Board is mindful of the code of best practice in this regard and will review the necessity for formal training from time to time.

All the Directors have successfully completed the Mandatory Accreditation Programme prescribed by the Bursa Malaysia Securities Berhad ("Bursa Securities"). The Directors will continue to undergo relevant courses and seminars accredited by Bursa Securities under the Continuing Education Programme for directors of public listed companies to keep abreast with industry, regulatory and compliance issues, trends and best practices.

Trainings and seminars attended by Directors in 2009 comprised the following: -

- Risk Management and Performance Management
- Financial Instruments: Recognition, Measurements and Disclosures FRS 139 and IFRS 7
- Tax Briefings on GST

A5. Re-election

In accordance with the Company's Articles of Association, all the Directors who are appointed by the Board are subject to retirement and are eligible for re-election by the shareholders at the next Annual General Meeting ("AGM") held following their appointments. There was no new appointment made during the financial year.

The articles also provide that at least one-third (1/3) of the Directors shall retire from the office at each AGM and shall be eligible to offer themselves for re-election provided always that all Directors including the Managing Director shall retire from office and stand for re-election at least once every three(3) years.

B. DIRECTORS' REMUNERATION

The Remuneration Committee of the Company comprises the following Directors:

Mr Too Kok Leng	-	Independent Non-Executive Director *(Chairman)*
Mr Chiam Tau Meng	-	Independent Non-Executive Director
Dr. Christopher Shun Kong Leng, CFP®, RFP™	-	Non Independent Non-Executive Director

The Remuneration Committee responsible for recommending the remuneration packages of the Executive Directors in accordance with the Company's policy and with reference to external benchmark reports to the full Board for consideration and approval. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by them. The Board as a whole determines the remuneration of the Non-Executive Directors with the individual director affected abstaining from discussion and determination of his/her own remuneration package.

The remuneration package is necessary to attract, retain and motivate Directors of the quality required to manage the business of the Company and to align the interest of the Directors with those of the shareholders.

The details of the remuneration for Directors received / receivable from the Company during the financial year are as follows:

(a) aggregate remuneration of Directors categorised into appropriate components:

	Fees RM'000	Bonus & Salaries RM'000	Incentives RM'000	Benefits -in-Kind RM'000	Others RM'000	Total RM'000
Executive Directors	10.000	24.000	–	74.59	–	108.590
Non-Executive Directors	20.000	252.00	–	–	–	272.000

(b) The number of Directors whose total remuneration falls within the following bands:

Range of remuneration (RM)	Number of Directors Executive	Non-Executive
Not more than 50,000	1	–
50,001 to 100,000	1	4

Corporate Governance Statement (Cont'd)

C. SHAREHOLDERS

The Company recognizes the importance of accountability to its shareholders through an effective and constructive communication policy that enables both the board and management to communicate effectively with its shareholders, stakeholders and the public generally about performance, corporate governance and other matters affecting shareholders' interest. The Company reaches out to its shareholders through its distribution of the annual reports and other explanatory circulars. Each year, the Company strives to produce a comprehensive annual report, which is not only informative with facts and figures but also reader-friendly. Timely announcement are made to the public with regards to the Company's corporate proposal, financial results and other required announcements.

All shareholders are encouraged to attend the Company's Annual General Meeting and to participate in the proceedings. Shareholders' suggestions received during the Annual General Meetings are reviewed and considered for implementation wherever possible. The shareholders are given every opportunity to enquire, raise questions and seek clarification on the business and performance of the Group. These would give investors a better appreciation of the Company's objectives, its potential problems, the quality of its management, enhance better understanding of corporate strategies while also making the Company aware of the expectations and concerns of the shareholders. This process helps to create a more stable shareholders base.

D. ACCOUNTABILITY AND AUDIT

D1. Financial Reporting

The Board aims to present a balanced, clear and meaningful assessment of the Group's financial positions and prospects in all their reports to the shareholders, investors and regulatory authorities. This assessment is primarily provided in the Annual Report through the Chairman's Statement and the Statement by Directors to enhance shareholders' understanding of the business operations of the Group.

The quarterly results announcements on these results also reflect the Board's commitment to give regular updated assessments on the Group's performances.

D2. Internal Control

The information on the Group's internal control is presented in the Statement on Internal Control on pages 21 to 23 of the Annual Report.

D3. Relationship with the Auditors

The Board through its Audit Committee maintains a formal and transparent arrangement with the Company's external auditors. A summary of activities of the Audit Committee during the financial year are included in the Audit Committee Report as detailed on pages 11 to 15 of the Annual Report.

Statement On Internal Control

1. INTRODUCTION

The Malaysian Code on Corporate Governance stipulated that the listed companies should maintain a sound system of internal controls to safeguard shareholder's investments and the Group's assets. This Statement on Internal Control is made in accordance with the Malaysian Code on Corporate Governance and paragraph 15.26 (b) of the Bursa Malaysia Securities Berhad ("Bursa Malaysia") Listing Requirements that requires the Board of Directors to include a statement about the state of internal control, as a group, in its annual reports.

The Board of Directors of Menang Corporation (M) Berhad ("the Board") is taking appropriate initiatives to maintain and further strengthen the transparency, accountability and efficiency of the Group operations. The Board believes the practice of good corporate governance is an important continuous process and not just a matter to be covered as compliance in its Annual Report. Hence, the Board endeavours to maintain an adequate system of internal control that is designed to manage, rather than eliminate risk, and to improve the governance process of the Group.

2. RESPONSIBILITY FOR RISK AND INTERNAL CONTROLS

The Board and the senior management places importance on, and is aware and committed its overall responsibility to maintain a sound system of internal control and had established processes for identifying, evaluating and managing the significant risks faced by the Group.

Therefore, the Group's system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives. It follows, that the system of internal control can only provide reasonable but not absolute assurance against material misstatement or loss.

The Group has in place an on-going process of identifying, evaluating, monitoring and managing the key risks affecting the achievement of its business objectives throughout the year. The Board has regularly reviewed this process. The Board also, throughout the current financial year, has identified, evaluated and managed the significant risks faced by the Group through monitoring of the Group's operational efficiency and profitability at its Board Meetings.

However, material joint venture has not been dealt with as part of the Group for purposes of applying the above guidance as the joint venture company has their own systems of internal controls in place. Nevertheless, the Board convenes regular Board and operations meetings with the joint venture company to monitor our investments.

3. RISK MANAGEMENT FRAMEWORK

The Group is still maintaining its risk management policy and framework to continually update and identify the various factors that could have a potential significant impact on the Group's mid to long term business objectives.

The risk management policy and framework incorporates the following activities:

- Identify the various risk factors (financial and non-financial) that can potentially have a significant impact on the Group's success and continuity.
- Establish a risk coverage policy and rank of these risks according to its relative weight.
- Assess each of these risks (using the risk factors and relative weight) on the Group's main business line i.e., property development.
- Establish an overall risk profile in order of priority.
- Establish an overall audit plan that covers all risk areas.
- Conduct reviews of control activities on high-risk areas.
- Evaluate the control activities and give an opinion on the systems of internal controls.
- Monitor changes in business conditions and operating style.
- Evaluate changes against risks identified earlier and internal control systems.

Statement On Internal Control (Cont'd)

4. INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to CGRM Infocomm Sdn Bhd ("CGRM"). CGRM, an independent professional firm, was appointed to support the Audit Committee, and by extension, the Board, by providing an independent assurance on the effectiveness of the Group's system of internal control.

In particular, CGRM appraises and contributes towards improving the Group's risk assessment and control systems and reports to the Audit Committee on a periodic basis. In assessing the adequacy and effectiveness of the system of internal control and financial control procedures of the Group, the Audit Committee reports to the Board on its activities, significant audit results or findings and the necessary recommendations or actions needed to be taken by management to rectify those issues.

The internal audit work plan is risk-based and reflects the Group's major business activities identified by management through the risk assessment process. This plan is reviewed and approved by the Audit Committee. The scope of CGRM's function covered the audit and review of governance, risk assessment, compliance, operational and financial control of major business units and operations except those of the joint venture.

The internal audit reviews were conducted with reference to the Guidelines on the Internal Audit Function issued by The Institute of Internal Auditors Malaysia in July 2002 as well as the Standards for the Professional Practice of Internal Auditing (SPPIA) issued by The Institute of Internal Auditors and the principles of the COSO (Committee of the Sponsoring Organizations of the Treadway Commission) framework, a globally accepted internal control and governance model.

5. INTERNAL CONTROL SYSTEM

A system of internal control that reflects the Group's control environment which encompasses its organisational structure was designed to facilitate achievement of the Group's business objectives. It comprises the underlying control environment, risk assessment, control activities, information and communication as well as monitoring systems.

The organisational structure has a positive tone and good leadership as well as clear defined lines of responsibility, delegation of authority and segregation of duties across its business units. The Group has in place a comprehensive budgeting process for all operating units.

Pertinent information and reports are identified, captured and utilised at all levels of the Group. These are distributed in a form with time frame that supports the achievement of financial reporting objectives.

On-going processes embedded within the Group's overall business operations and addressed by the Management, Audit Committee and Internal Auditors which monitor the effective application of the policies, processes and activities related to internal control and risk management.

Statement On Internal Control (Cont'd)

6. OTHER KEY ELEMENTS OF INTERNAL CONTROL

The followings are other key elements of the Group's internal control systems:

- Clear Group vision, mission, corporate philosophy and strategic direction which are communicated to employees at all levels.
- An effective Board which retains control over the Group with appropriate management reporting mechanisms which enable the Board to review the Group's progress.
- The management approved annual budgets prepared by each operating subsidiary and consolidated by the Group Finance function.
- Relevant Committees such as Audit Committee and Tender Committee with formal terms of references, which outlining their functions and duties delegated by the Board.
- Periodic management meetings involving discussion on operational issues at the respective subsidiary levels.
- Standard operating procedures that provide guidelines on, and authority limits over various operating, financial and human resources matters.

All these functions provide their respective degree of assurance to the operations and existence of the system of the internal control.

7. CONCLUSION

The relevant internal control weaknesses identified during the financial year ended 31 December 2009, have been and are being, addressed to ensure the integrity of internal controls are maintained. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require mention in the Group's annual report.

The Management of the Group continues to take measures to strengthen the internal control environment. The development of the system of internal control is an ongoing process and the Board maintains an ongoing commitment to strengthen the Group's internal control environment and processes.

This statement was made in accordance with a resolution of the Board dated 26 May 2010.

Other Compliance Statements

1. UTILISATION OF PROCEEDS

There were no proceeds raised from any proposal during the financial year.

2. SHARE BUY-BACKS

There were no Share Buy-Backs during the financial year.

3. OPTIONS OR CONVERTIBLE SECURITIES

There were no Warrants or Employee Share Option Scheme exercised during the financial year.

4. DEPOSITORY RECEIPT PROGRAMME

There were no depository receipt programme sponsored by the Company during the financial year.

5. SANCTIONS AND/OR PENALTIES

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

6. NON-AUDIT FEES

There were no non-audit fees paid to external auditors during the financial year.

7. VARIATION IN RESULTS

There were variances of more than 10% in the unaudited fourth quarterly report ended 31 December 2009 announced on 25 February 2010 as compared to the audited Financial Statements for the year ended 31 December 2009.

Reconciliation of the Profit/(Loss) after tax of the unaudited 4th quarter results and the audited financial statements for the financial year ended 31 December 2009 is as follow:-

	RM'000
Loss after tax as per unaudited 4th quarter results	(14,534)
Write back of deferred liabilities charges in respect of Al-Bai Bithaman Ajil Facility due to Bank Islam Malaysia Berhad ("the Bank"). The total amount owing to the Bank has been ascertained based on the redemption statement and undertaking issued by the Bank dated 6 April 2010 after the fourth quarterly results had been made on 25 February 2010.This has been considered and treated as adjusting events subsequent to the balance sheet date and the write back is a change in accounting estimates in accordance with FRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors.*	18,084
Profit after tax as per audited financial statement for the financial year ended 31 December 2009	**3,550**

Other Compliance Statements (Cont'd)

8. PROFIT GUARANTEE

There was no profit guarantee given by the Company during the financial year.

9. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries which involved directors' and major shareholders' interest either still subsisting at the end of the financial year ended 31 December 2009 or entered into since the end of the previous financial year.

10. REVALUATION POLICY ON LANDED PROPERTIES

The Company revalues its landed properties every five (5) years and shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value.

11. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE NATURE

There were no recurrent related party transactions of a revenue nature during the financial year.

12. CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The Group did not undertake any corporate social responsibility activities during the financial year ended 31 December 2009.

Statement Of Directors' Responsibilities
In Respect Of The Audited Financial Statements

The Directors are required to ensure that financial statements for each financial year are properly drawn up in accordance with the provisions of the Companies Act, 1965 and approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs and results of the Group and the Company for the financial year then ended.

In preparing the financial statements, the Directors have:

- adopted suitable accounting policies and then apply them consistently;
- made judgments and estimates that are prudent and reasonable in the circumstances; and
- ensured all applicable accounting standards have been followed.

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

The Directors have a general responsibility for taking such reasonable steps as are reasonably open to them: -

(a) to safeguard the assets of the Group and the Company; and

(b) to prevent and detect fraud and other irregularities.

This statement is made in accordance with a resolution of the Board of Directors dated 26 May 2010.

Financial Statements

Directors' Report

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

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding, letting out of properties and the provision of management services. The principal activities of the subsidiaries are set out in Note 10 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit/(Loss) for the financial year, attributable to equity holders of the Company	3,550	(1,525)

DIVIDEND

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

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

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

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issue of warrants and options pursuant to the Employees' Share Option Scheme.

Warrants 2006/2011

Pursuant to a deed poll dated 17 May 2001 ("Deed Poll"), the Company had renounceable rights of 40,070,400 warrants 2001/2006 issued on a renounceable basis to the Minority Shareholders of the Company upon the Completion of the Capital Reconstruction. The registered holders are entitle to subscribe for one (1) new ordinary share of RM1.00 each in the Company at a price of RM1.00 per ordinary share for every warrant held. The conversion ratio is subject to the aforesaid Deed Poll and can be exercised at any time during the initial five-year subscription period which expired on 15 October 2006. On 30 June 2006, pursuant to the Extraordinary General Meeting and the Meeting of the Warrant holders in relation to the Warrants Extension, the Warrants have been extended by an additional five (5) years, from 16 October 2006 up to and including 15 October 2011. The other terms and conditions of the original deed poll dated 17 May 2001 shall remain unchanged. As at the date of the Report, none of the warrants has been exercised.

OPTIONS GRANTED OVER UNISSUED SHARES (continued)

Employees' Share Option Scheme ("ESOS")

At an Extraordinary General Meeting held on 15 January 2002, the Company's shareholders approved the establishment of an Employees' Share Option Scheme to eligible Executive Directors and employees of the Group whereby:

(i) not more than fifty per cent (50%) of the ordinary shares available under the ESOS should be allocated, in aggregate, to Executive Directors and senior management; and

(ii) not more than ten per cent (10%) of the ordinary shares available under the ESOS should be allocated to any individual Executive Director or Eligible Employee, who either singly or collectively through his/her associates hold twenty per cent (20%) or more of the issued and paid-up share capital of the Company.

The options offered under ESOS to take up unissued ordinary shares of RM1.00 each and the subscription prices are as follows:

		-Number of options over ordinary shares of RM1.00 each -			
Exercise period	**Subscription price RM**	**Balance as at 1.1.2009**	**Granted**	**Lapsed**	**Balance as at 31.12.2009**
25.1.2002 - 23.1.2012	1.00	8,633,000	–	–	8,633,000
2.5.2002 - 23.1.2012	1.00	10,000	–	–	10,000
10.1.2003 - 23.1.2012	1.00	146,000	–	–	146,000
25.2.2004 - 23.1.2012	1.00	478,000	–	–	478,000
7.1.2005 - 23.1.2012	1.00	710,000	–	–	710,000
21.2.2005 - 23.1.2012	1.00	92,000	–	–	92,000
		10,069,000	–	–	10,069,000

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the list of employees and their option holdings which is less than 1,000,000 ordinary shares of RM1.00 each.

The salient features of the ESOS are as follows:

(i) the maximum number of ordinary shares to be issued and allotted by the Company under the ESOS as approved by the Securities Commission shall not exceed ten percent (10%) of the total issued and paid-up share capital of the Company at any point in time during the duration of the ESOS;

(ii) Executive Directors and eligible employees are those who have been confirmed in writing as employees of the Group on or prior to the date of the offer;

(iii) the option is personal to the grantee and shall not be transferred, assigned or disposed of by the grantee save and except in the event of the death of the grantee as provided under Bye-Law 14.6;

(iv) no offer shall be made to any Executive Director of the Company unless such offer and the related allotment of shares have previously been approved by the shareholders of the Company in general meeting;

(v) the subscription price at which the employees are offered to take up shares under the ESOS is either at a discount of not more than ten percent (10%) from the weighted average market price of the shares as shown in the daily official list issued by Bursa Malaysia Securities Berhad for five (5) market days immediately preceding the date of offer or at par value of the shares of the Company of RM1.00, whichever is higher;

Directors' Report (Cont'd)

OPTIONS GRANTED OVER UNISSUED SHARES (continued)

(vi) the options granted may be exercised at any time within the option period and the option may be fully exercised after the acceptance under Bye-Law 10.1; and

(vii) the options granted may be exercised in full or in lesser number of ordinary shares provided that the number shall be in multiples of 1,000 shares.

The persons to whom the options have been granted have no right to participate by virtue of the options in any share issue of any other company within the Group.

On 26 December 2006, the Company has extended its existing ESOS which is expiring on 23 January 2007 for another five (5) years effective from 24 January 2007 up to and including 23 January 2012 in accordance with the provision of the Company's ESOS Bye-Law.

DIRECTORS

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

Y. Bhg. Dato' Abdul Mokhtar Ahmad
Y. Bhg. Dato' Shun Leong Kwong
Y. Bhg. Datin Mariam Eusoff
Dr. Christopher Shun Kong Leng, CFP®, RFP™
Too Kok Leng
Chiam Tau Meng

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2009 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 were as follows:

	-- Number of ordinary shares of RM1.00 each --			
Shares in the Company	**Balance as at 1.1.2009**	**Bought**	**Sold**	**Balance as at 31.12.2009**
Direct interests:				
- Y. Bhg. Dato' Shun Leong Kwong	9,400	–	–	9,400
- Y. Bhg. Datin Mariam Eusoff	4,200	–	–	4,200
- Dr. Christopher Shun Kong Leng, CFP®, RFP™	3,000	–	(3,000)	–
Indirect interests:				
- Y. Bhg. Dato' Abdul Mokhtar Ahmad	95,945,130	–	–	95,945,130
- Y. Bhg. Dato' Shun Leong Kwong	95,945,130	–	–	95,945,130
- Y. Bhg. Datin Mariam Eusoff	95,945,130	–	–	95,945,130

DIRECTORS' INTERESTS (continued)

	--- Number of options over ordinary shares of RM1.00 each---			
	Balance as at 1.1.2009	Offered and accepted	Exercised	Balance as at 31.12.2009
ESOS in the Company				
Y. Bhg. Dato' Abdul Mokhtar Ahmad	1,000,000	–	–	1,000,000
Y. Bhg. Dato' Shun Leong Kwong	1,000,000	–	–	1,000,000
Y. Bhg. Datin Mariam Eusoff	1,000,000	–	–	1,000,000
Dr. Christopher Shun Kong Leng, CFP®, RFP™	1,000,000	–	–	1,000,000

By virtue of their interests in the ordinary shares of the Company, Y. Bhg. Dato' Abdul Mokhtar Ahmad, Y. Bhg. Dato' Shun Leong Kwong, Y. Bhg. Datin Mariam Eusoff and Dr. Christopher Shun Kong Leng, CFP®, RFP™, are also deemed to be interested in the ordinary shares of the subsidiaries to the extent the Company has an interest.

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

None of the Directors holding office at the end of the financial year held any interest in the warrants of the Company during the financial year.

DIRECTORS' BENEFITS

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

(a) remuneration received by certain Directors as directors/executives of certain companies in the Group;

(b) purchase of certain properties by certain Directors as disclosed in Note 33; and

(c) rental and interest payable to certain Directors as disclosed in Note 33.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate apart from the Directors' entitlement to subscribe for new ordinary shares in the Company under ESOS of the Company.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

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

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

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

Directors' Report (Cont'd)

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (continued)

(I) AS AT THE END OF THE FINANCIAL YEAR (continued)

(b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature except for the effect arising from:

(i) the impairment losses on non-current assets classified as held for sale resulting in a decrease in the Group's profit for the financial year by RM3,636,000 as disclosed in Note 9 to the financial statements; and

(ii) the write back of deferred liabilities charges in respect of Al-Bai Bithaman Ajil Facility resulting in an increase in the Group's profit for the financial year by RM17,671,000 as disclosed in Note 21.1 to the financial statements.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

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

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

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

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

(d) In the opinion of the Directors:

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

(ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

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

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

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

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(i) On 11 March 2009, the Board of Directors of the Company announced to Bursa Malaysia Securities Berhad on the default in payment in respect Al-Bai Bithaman Ajil Facility ("Islamic Facility") granted by Bank Islam Malaysia Berhad ("Bank Islam") to its wholly owned subsidiary, Menang Development (M) Sdn. Bhd. ("MDSB") pursuant to Practice Note 1/2001 of Bursa Malaysia Securities Berhad Listing Requirements. MDSB has been served with an Originating Summons with an Affidavit in Support ("Summons") on 10 March 2009 by Bank Islam claiming an indebtedness amount of RM26,395,674.

On 9 February 1996, MDSB entered into facility agreements with Bank Islam to accept the Islamic Facility of RM25,000,000 secured by a First Legal Charge on 7 pieces of land held under Geran 27973 to 27974 Lot No. 2596 to 2597 and Geran 27917 Lot No. 48, Mukim Bukit Raja, Daerah Klang, Selangor and Geran 27975 to 27976 Lot No. 2615 to 2616 and H.S. (D) 97332 PT 25008, Mukim Kapar, Daerah Klang, Selangor and H.S. (D) 97333 PT 50718, Mukim Klang, Selangor ("the said Land").

On 19 March 2010, a hearing had been fixed to determine what is the true amount outstanding where Bank Islam had applied for a summary judgment for the amount of RM26,395,674.

On 26 March 2010, a Consortium Agreement is signed between the Company and third parties ("Consortium") for the purpose of joint venture development on the said Land. The Consortium agrees to proceed with the redemption of the said Land on the basis of the redemption statement and undertaking issued by Bank Islam on 6 April 2010. The redemption statement and undertaking has stated that the redemption sum payable to Bank Islam is RM26,267,132 to be paid on or before 15 June 2010.

(ii) On 13 May 2009, the Company acquired the entire issued and paid-up ordinary share capital of Protokol Elegan Sdn. Bhd., a company incorporated in Malaysia, for a total cash consideration of RM2; and

(iii) On 13 May 2009, the Company acquired the entire issued and paid-up ordinary share capital of Inovatif Mewah Sdn. Bhd., a company incorporated in Malaysia, for a total cash consideration of RM2. Subsequently, on 11 December 2009, the Company has disposed off its entire equity interest in Inovatif Mewah Sdn. Bhd. for a cash consideration of RM2 to one of its wholly owned subsidiary, Menang Development (M) Sdn. Bhd..

AUDITORS

The auditors, BDO, have expressed their willingness to continue in office.

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

Y. Bhg. Dato' Abdul Mokhtar Ahmad	**Y. Bhg. Dato' Shun Leong Kwong**
Director	Director

Kuala Lumpur
26 April 2010

Statement By Directors

In the opinion of the Directors, the financial statements set out on pages 37 to 101 have been drawn up in accordance with the applicable approved Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2009 and of the results of the operations of the Group and of the Company and of the cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Y. Bhg. Dato' Abdul Mokhtar Ahmad
Director

Y. Bhg. Dato' Shun Leong Kwong
Director

Kuala Lumpur
26 April 2010

Statutory Declaration

I, Ng Kim Fong, being the officer primarily responsible for the financial management of Menang Corporation (M) Berhad, do solemnly and sincerely declare that the financial statements set out on pages 37 to 101 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the abovenamed at)
Kuala Lumpur this)
26 April 2010)

Ng Kim Fong

Before me:

MOHAMMAD ROSLAN BIN MUSTAFA (No. W562)
Commissioner for Oaths
H-1-10, Plaza Damas
Jalan Sri Hartamas 1
50480 Kuala Lumpur

Independent Auditors' Report

To The Members Of Menang Corporation (M) Berhad

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Menang Corporation (M) Berhad, which comprise the balance sheets as at 31 December 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 37 to 101.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

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

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

OPINION

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

EMPHASIS OF MATTER

Without qualifying our opinion, we draw attention to Note 4.1 to the financial statements, which disclose the premise upon which the Group has prepared its financial statements by applying the going concern assumption, notwithstanding that the Group had net current liabilities of RM40,397,000 as at 31 December 2009 and have defaulted in payments to its borrowings from financial institutions and to former holder of Redeemable Convertible Secured Loan Stocks. These indicate the existence of a material uncertainty, which may cast significant doubt about the Group's ability to continue as a going concern.

Independent Auditors' Report (Cont'd)

To The Members Of Menang Corporation (M) Berhad

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 10 to the financial statements.

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

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

OTHER MATTERS

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

BDO
AF: 0206
Chartered Accountants

Tan Lye Chong
1972/08/11 (J)
Chartered Accountant

Kuala Lumpur
26 April 2010

Balance Statements
As At 31 December 2009

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	7	829	977	43	104
Investment properties	8	51,851	52,500	11,790	12,439
Land held for property development	9	145,781	155,765	–	–
Investments in subsidiaries	10	–	–	85,165	85,266
Other investments	11	2	2	–	–
		198,463	209,244	96,998	97,809
Current assets					
Property development costs	12	57,189	59,731	–	–
Inventories	13	6,632	6,593	–	–
Trade and other receivables	14	2,040	2,118	141,567	140,520
Current tax assets		–	37	–	37
Cash and cash equivalents	15	3,591	953	15	377
		69,452	69,432	141,582	140,934
Non-current assets classified as held for sale	16	5,092	–	–	–
TOTAL ASSETS		273,007	278,676	238,580	238,743

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

Balance Statements (Cont'd)

As At 31 December 2009

	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	17	267,107	267,107	267,107	267,107
Reserves	18	(110,529)	(114,079)	(45,928)	(44,403)
TOTAL EQUITY		156,578	153,028	221,179	222,704
LIABILITIES					
Non-current liabilities					
Deferred tax liabilities	19	1,488	2,732	–	–
Current liabilities					
Trade and other payables	20	26,066	22,593	10,275	9,815
Borrowings	21	85,124	96,882	3,601	2,783
Amount due to former holder of Redeemable Convertible Secured Loan Stocks	23	3,441	3,441	3,441	3,441
Tax liabilities		84	–	84	–
		114,715	122,916	17,401	16,039
Liability attributed to non-current assets classified as held for sale	16	226	–	–	–
TOTAL LIABILITIES		116,429	125,648	17,401	16,039
TOTAL EQUITY AND LIABILITIES		273,007	278,676	238,580	238,743

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

Income Statements

For The Financial Year Ended 31 December 2009

		Group		Company	
	Note	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Revenue	24	14,653	17,139	18	18
Cost of sales	25	(13,042)	(16,895)	–	–
Gross profit		1,611	244	18	18
Other operating income		18,898	430	1,970	1,576
Administrative expenses		(6,929)	(8,759)	(1,497)	(1,938)
Other operating expenses		(4,821)	(655)	(1,244)	(901)
Finance costs	26	(6,061)	(8,473)	(606)	(554)
Profit/(Loss) before tax	27	2,698	(17,213)	(1,359)	(1,799)
Tax income/(expense)	28	852	–	(166)	–
Profit/(Loss) for the financial year		3,550	(17,213)	(1,525)	(1,799)
Attributable to:					
Equity holders of the Company		3,550	(17,213)	(1,525)	(1,799)
Earnings/(Loss) per share attributable to equity holders of the Company (sen)	29	1.33	(6.44)		

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

Statement Of Changes In Equity
For The Financial Year Ended 31 December 2009

Group	**Share capital RM'000**	**Capital reserve RM'000**	**Accumulated losses RM'000**	**Total RM'000**
Balance as at 31 December 2007	267,107	960	(97,826)	170,241
Loss for the financial year, representing total recognised income and expense for the financial year	–	–	(17,213)	(17,213)
Balance as at 31 December 2008	267,107	960	(115,039)	153,028
Profit for the financial year, representing total recognised income and expense for the financial year	–	–	3,550	3,550
Balance as at 31 December 2009	267,107	960	(111,489)	156,578
Company				
Balance as at 31 December 2007	267,107	960	(43,564)	224,503
Loss for the financial year, representing total recognised income and expense for the financial year	–	–	(1,799)	(1,799)
Balance as at 31 December 2008	267,107	960	(45,363)	222,704
Loss for the financial year, representing total recognised income and expense for the financial year	–	–	(1,525)	(1,525)
Balance as at 31 December 2009	267,107	960	(46,888)	221,179

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

Cash Flow Statements

For The Financial Year Ended 31 December 2009

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before tax		2,698	(17,213)	(1,359)	(1,799)
Adjustments for:					
Allowance for doubtful debts		–	–	415	754
Bad debts written off		2	–	–	–
Deferred liability charges in respect of Al-Bai Bithaman Ajil Facility		–	2,485	–	–
Depreciation of investment properties	8	649	–	649	–
Depreciation of property, plant and equipment:					
- the Group/Company	7	266	303	62	82
- joint venture		13	13	–	–
Impairment loss on non-current assets classified as held for sale	9	3,636	–	–	–
Forfeited income		(3)	–	–	–
Impairment loss on investments in subsidiaries	10	–	–	101	65
Interest expenses		6,061	5,988	606	554
Interest income		(21)	(172)	(623)	(642)
Inventories written off	13	–	156	–	–
(Gain)/Loss on disposal of property, plant and equipment		(31)	(73)	–	4
Gain on disposal of land held for property development		(238)	–	–	–
Gain on disposal of property development		(977)	(1,033)	–	–
Property, plant and equipment written off	7	18	–	–	–
Provision for loss of deposit	14	–	400	–	–
Write back of deferred liabilities charges in respect of Al-Bai Bithaman Ajil Facility	21.1	(17,671)	–	–	–
Operating loss before working capital changes		(5,598)	(9,146)	(149)	(982)
Decrease in inventories		(39)	(559)	–	–
(Increase)/Decrease in trade and other receivables		(2)	345	(2)	246
(Increase)/Decrease in amounts owing by joint venture projects		(291)	4,128	–	–
Increase/(Decrease) in trade and other payables		1,684	533	75	(425)
Decrease in amounts owing to corporate shareholders		(35)	(391)	–	–
Increase/(Decrease) in amounts owing to Directors		1,230	(562)	135	(508)
Cash (used in)/from operations		(3,051)	(5,652)	59	(1,669)
Tax (paid)/refunded		(45)	2,639	(45)	2,639
Interest received		7	55	–	13
Net cash (used in)/from operating activities		(3,089)	(2,958)	14	983

Cash Flow Statements (Cont'd)

For The Financial Year Ended 31 December 2009

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Additions in property development	12	(3,662)	(1,778)	–	–
Additions in non-current assets held for sales	16	(2,245)	–	–	–
Proceed from previous disposal of an associate		371	947	–	–
Proceeds from disposal of land held for property development		3,739	–	–	–
Proceeds from disposal of property development		7,181	4,544	–	–
Proceeds from disposal of property, plant and equipment		31	106	–	8
Purchase of property, plant and equipment	7	(136)	(378)	(1)	(1)
Repayments by subsidiaries		–	–	(837)	(379)
Net cash from/(used in) investing activities		5,279	3,441	(838)	(372)
CASH FLOWS FROM FINANCING ACTIVITIES					
Payments of deferred liability charges in respect of Al-Bai Bithaman Ajil Facility		–	(50)	–	–
Drawdown of term loan		490	205	490	–
Interest paid		(9)	(30)	(1)	(12)
Repayments of hire-purchase		(33)	(82)	(2)	(8)
Repayments to subsidiaries		–	–	(25)	(20)
Net cash from/(used in) financing activities		448	43	462	(40)
Net increase/(decrease) in cash and cash equivalents		2,638	526	(362)	571
Cash and cash equivalents at beginning of financial year		953	427	377	(194)
Cash and cash equivalents at end of financial year	15	3,591	953	15	377

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

Notes To The Financial Statements
31 December 2009

1. CORPORATE INFORMATION

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

The registered office and principal place of business of the Company are located at 8th Storey, South Block, Wisma Selangor Dredging, 142-A, Jalan Ampang, 50450 Kuala Lumpur.

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

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

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding, letting out of properties and the provision of management services. The principal activities of the subsidiaries are set out in Note 10 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

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

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements and on the basis of accounting principles applicable to a going concern.

As at 31 December 2009, the Group had net current liabilities of RM40,397,000 and has defaulted in payments to its borrowings from financial institutions and the former holder of Redeemable Convertible Secured Loan Stocks ("RCLS"). The short term borrowings are secured by long term assets amounting to RM99,672,000. These indicate the existence of a material uncertainty, which may cast significant doubt about the Group's ability to continue as a going concern.

The continuation of the Group as a going concern is dependent upon the successful disposal of the assets of the Group in order to repay its borrowings and to repay the amount due to former holder of RCLS, and to have adequate working capital to finance its development activities so as to generate future profits and cash inflows.

The Directors are of the opinion that, barring any unforeseen circumstances, the Group will be able to implement the assets disposal programme and to revive the development activities to generate future profits and cash inflows to enable the Group to continue as a going concern. The assets disposal programme involves the disposal of land for the settlement of amount owing to former holder of RCLS and Term Loan III as mentioned in Note 16 and 21.2 to the financial statements respectively. A financial institution which granted Term Loan I and II has also given indulgence of time till 31 December 2010 for the Group to formulate a settlement plan. On 26 March 2010, a Consortium agrees to proceed with the redemption of properties charged to Bank Islam Malaysia Berhad ("Bank Islam") on or before 15 June 2010 to settle the Al-Bai Bithaman Ajil Facility ("Islamic Facility") with amount outstanding of RM27,567,132 as mentioned in Note 21.1 to the financial statements. The assets charged to the financial institutions are adequate to cover the outstanding loans as at 31 December 2009.

Notes To The Financial Statements (Cont'd)

31 December 2009

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.1 Basis of accounting (continued)

In addition, the Directors are confident that the Group will be able to secure the UiTM project for which a letter of award has been secured. The Company is at the stage of finalising the concession agreement with the authority.

In view of the foregoing, the Directors consider that it is appropriate to prepare the financial statements of the Group and of the Company on a going concern basis. Should the going concern basis of preparing the financial statements of the Group be inappropriate, adjustments will have to be made to reclassify non-current assets and non-current liabilities as current assets and current liabilities to restate the carrying value of the assets to their recoverable amounts and to provide for further liabilities, which may arise.

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

4.2 Basis of consolidation

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

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

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

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

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

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Basis of consolidation (continued)

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

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

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

Minority interest is presented in the consolidated balance sheet within equity and is presented in the consolidated statement of changes in equity separately from equity attributable to equity holders of the Company.

Minority interest in the results of the Group is presented in the consolidated income statement as an allocation of the total profit or loss for the financial year between minority interest and equity holders of the Company.

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

4.3 Property, plant and equipment and depreciation

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

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

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

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

Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal depreciation rates are as follows:

Buildings	2%
Plant and machinery	10% - 25%
Motor vehicles	20%
Furniture, fittings and equipment	10% - 25%
Site office, renovations and signboards	10% - 20%

Notes To The Financial Statements (Cont'd)

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 Property, plant and equipment and depreciation (continued)

Freehold land has unlimited useful life and is not depreciated.

At each balance sheet date, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 4.8 to the financial statements on impairment of assets).

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

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss and the revaluation surplus related to those assets, if any, is transferred directly to retained earnings.

4.4 Leases and hire purchase

(a) Finance leases and hire purchase

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

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

(b) Operating leases

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

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

(c) Lease of land and building

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 Leases and hire purchase (continued)

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

The buildings element is classified as a finance or operating lease in accordance with Note 4.4(a) or Note 4.4(b) to the financial statements.

If the lease payments cannot be allocated reliably between these two elements, the entire lease is classified as a finance lease, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease.

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

4.5 Investment properties

Investment properties comprise freehold land and building are held to earn rental yields or for capital appreciation or for both and are not occupied by the Group. Investment properties are initially measured at cost, which includes transactions costs. After the initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

For buildings, depreciation is charged to the income statements on a straight line basis over the estimated useful lives of 50 years. Freehold land is not depreciated.

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

4.6 Property development activities

(a) Land held for property development

Land held for property development is stated at cost less impairment losses, if any. Such land is classified as non-current asset when no significant development work has been carried out or where development activities are not expected to be completed within the normal operating cycle.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

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.

Notes To The Financial Statements (Cont'd)

31 December 2009

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 Property development activities (continued)

(b) Property development costs

Property development costs comprise all cost that are directly attributable to the development activities or that can be allocated on a reasonable basis to such activities. They comprise the cost of land under development, construction costs and other related development costs common to the whole project including professional fees, stamp duties, commissions, conversion fees and other relevant levies as well as borrowing costs.

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

When revenue recognised in the profit or loss exceeds progress billings to purchasers, the balance is classified as accrued billings under current assets. When progress billings exceed revenue recognised in the profit or loss, the balance is classified as progress billings under current liabilities.

4.7 Investments

(a) Subsidiaries

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

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

(b) Joint venture

A joint venture is a contracted agreement whereby the Group and other parties have control over an economic activity.

In respect of their interest in jointly controlled assets, the Group and the Company recognise in their financial statements their share of the jointly controlled assets, classified according to the nature of the assets, any liabilities which they have incurred, their share of any liabilities incurred jointly with the other venturers in relation to the joint venture, any income from the sale or use of their share of the output of the joint venture together with their share of any expenses incurred by the joint venture, and any expenses which they have incurred in respect of their interest in the joint venture.

Unrealised profits or losses arising from transactions between the Group and its joint venturers are recognised only to the extent of that portion of the gain or loss which is attributable to the interests of the other venturers. Unrealised losses are recognised in full when the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

The Group's interest in jointly controlled assets and liabilities arising from its joint venture arrangement has been accounted for in the financial statements using the line-by-line reporting format for proportionate consolidation.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 Investments (continued)

(c) Other investments

Non-current investments, other than investments in subsidiaries, associate and jointly controlled entities and investment properties, are stated at cost less allowance for diminution in value, if any is made. Where there has been a decline other than temporary in the value of an investment, such a decline is recognised as an expense in the period in which the decline is identified.

All current investments are carried at the lower of cost and market value, determined on an aggregate portfolio basis by category of investments.

Upon disposal of such investment, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

4.8 Impairment of assets

The carrying amounts of the assets, except for financial assets (excluding investments in subsidiaries, associate and jointly controlled entities), inventories and property development costs, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

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

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

In estimating the value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in the profit or loss when the carrying amount of the asset or the CGU, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated, first, to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU.

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

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

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

Notes To The Financial Statements (Cont'd)
31 December 2009

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9 Inventories

(a) Completed properties

Completed properties held for sale are stated at the lower of cost and net realisable value.

The cost of completed properties held for sale comprises cost associated with the acquisition of land, direct costs and appropriate proportions of common costs.

(b) Other inventories

Cost of other inventories is stated at the lower of cost and net realisable value. Cost is determined on weighted average cost basis.

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

4.10 Financial instruments

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

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

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

4.10.1 Financial instruments recognised on the balance sheets

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

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

(a) Receivables

Trade receivables and other receivables, including amounts owing by subsidiaries and related parties, are carried at anticipated realisable value. Known bad debts are written off and specific allowance is made for debts considered to be doubtful of collection.

Receivables are not held for trading purposes.

(b) Cash and cash equivalents

Cash and cash equivalents include cash and bank balances, bank overdrafts, deposits and other short term, highly liquid investments with original maturities of three (3) months or less, which are readily convertible to cash and are subject to insignificant risk of changes in value.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments (continued)

4.10.1 Financial instruments recognised on the balance sheets (continued)

(c) Payables

Liabilities for trade and other amounts payable, including amounts owing to related parties are recognised at fair value of the consideration to be paid in the future for goods and advances received.

(d) Loan stock

8% Redeemable Convertible Secured Loan Stocks 2002/2007 ("RCLS")

The Company is required to redeem the loan stocks at the maturity date unless converted by the holders. As such, these loan stocks are classified as financial liability. The RCLS have expired on 13 March 2007 and have been treated as amount due to former holder of RCLS.

(e) Interest bearing loans and borrowings

All loans and borrowings are recognised at the fair value of the consideration received less directly attributable transaction costs.

(f) Equity instruments

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

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

4.10.2 Financial instruments not recognised on the balance sheets

There are no financial instruments not recognised on the balance sheets.

4.11 Borrowing costs

Borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expense is charged to the profit or loss. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowing during the period less any investment income on the temporary investment of the borrowing.

All other borrowings cost are recognised in profit or loss in the period in which they are incurred.

Notes To The Financial Statements (Cont'd)
31 December 2009

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.12 Income taxes

Income taxes include all domestic taxes on taxable profit. Income taxes also include other taxes, which are payable by jointly controlled entity on distributions to the Group and the Company, and real property gains taxes payable on disposal of properties.

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

(a) Current tax

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

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

(b) Deferred tax

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

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

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

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

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

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

4.13 Provisions

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.13 Provisions (continued)

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

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

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

4.14 Contingent liabilities and contingent assets

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

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but disclose its existence where inflows of economic benefits are probable, but not virtually certain.

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

4.15 Employee benefits

4.15.1 Short term employee benefits

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

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

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

4.15.2 Defined contribution plan

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

Notes To The Financial Statements (Cont'd)

31 December 2009

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.15 Employee benefits (continued)

4.15.3 Share-based payments

The Group operates an equity-settled share-based compensation plan, allowing the employees of the Group to acquire ordinary shares of the Company at predetermined prices. The total fair value of share options granted to employees is recognised as an expense with a corresponding increase in the share options reserve within equity over the vesting period and taking into account the probability that the options will vest.

The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date. Where there is modification to the term of the share option, the incremental fair value of the share options will be recognised in the income statement with the corresponding adjustment to equity.

At each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in profit or loss, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share options reserve until the options are exercised, upon which it will be transferred to share premium, or until the options expires, upon which it will be transferred directly to retained earnings.

The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

In accordance with the transitional provision of FRS 2 *Share-based Payment*, options granted prior to 31 December 2004 and those granted after 1 January 2005 but vested before 1 January 2006, no fair value of the share options granted is recognised as an expense with the corresponding increase in the share options reserve.

4.16 Revenue recognition

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

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

(a) Property development

Property development revenue is recognised in respect of all development units that have been sold. Revenue recognition commences when the sale of the development unit is effected, upon the commencement of development and construction activities and when the financial outcome can be reliably estimated.

The attributable portion of property development cost is recognised as an expense in the period in which the related revenue is recognised. The amount of such revenue and expenses recognised is determined by reference to the stage of completion of development activity at the balance sheet date. The stage of completion is measured by reference to the proportion that property development costs incurred for work performed to date bear to the estimated total property development cost.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.16 R evenue recognition (continued)

(a) Property development (continued)

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

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

(b) Sale of properties

Revenue from sale of properties is recognised upon signing of the sale and purchase agreement, and completion of the agreement.

(c) Recreational facilities

Revenue from recreational facilities consists of the following:

(i) Registration fees

Revenue from registration fees are recognised upon registration and cash receipts.

(ii) Food and beverages and tournament fees

Revenue from food and beverages and tournament fees received are recognised upon the sale of goods and services rendered.

(d) Dividend income

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

(e) Management fees

Management fee is recognised on an accrual basis.

(f) Rental income

Revenue from property investment is recognised based on rental received and receivable from letting of properties.

(g) Interest income

Interest income is recognised on accrual basis.

Notes To The Financial Statements (Cont'd)

31 December 2009

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.17 Non-current assets classified as held for sale

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

Immediately before the initial classification as held for sale, the carrying amounts of the non-current assets are measured in accordance with applicable FRSs. On initial classification as held for sale, non-current assets, are measured at the lower of carrying amount before the initial classification as held for sale and fair value less costs to sell. The differences, if any, are recognised in profit or loss as impairment loss.

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

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

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

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

4.18 Segment reporting

Segment reporting is presented for enhanced assessment of the Group's risks and returns. Business segments provide products or services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environments.

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

5. ADOPTION OF NEW FRSs, AMENDMENTS TO FRSs AND IC INTREPRETATIONS

5.1 Early adoption of new FRS

During the financial year, the Group early adopted FRS 4 *Insurance Contracts* in accordance with the transitional provisions in paragraphs 41 to 45 of FRS 4. These transitional provisions require the following:

(a) Simultaneous adoption of *Financial Guarantee Contracts* (Amendments to IAS 39 and IFRS 4) issued by the International Accounting Standards Board ('IASB') in August 2005. This pronouncement permits the accounting policy choice of scoping financial guarantee contracts in accordance with FRS 139 *Financial Instruments: Recognition and Measurement*, or as insurance contracts in accordance with FRS 4; and

5. ADOPTION OF NEW FRSs, AMENDMENTS TO FRSs AND IC INTREPRETATIONS (continued)

5.1 Early adoption of new FRS (continued)

(b) The disclosure requirements in FRS 4 need not apply to comparative information that relates to annual periods beginning before 1 January 2010.

Consequentially, the Group designates corporate guarantees, if any, given to banks for credit facilities as insurance contracts as defined in FRS 4. The Group recognises these insurance contracts as recognised insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

At every reporting date, the Group shall assess whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If this assessment shows that the carrying amount of the insurance liabilities is inadequate, the entire deficiency shall be recognised in profit or loss.

Recognised insurance liabilities shall only be removed from the balance sheet when, and only when, it is extinguished via a discharge, cancellation or expiration.

The early adoption of FRS 4 does not result in any adjustment to recognised items of assets, liabilities, income and expenses of the Group in both, the current year and prior years.

5.2 New FRSs not adopted

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

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

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

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

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

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

This Standard applies to all risks arising from a wide array of financial instruments and requires the disclosure of the significance of financial instruments for an entity's financial position and performance. By virtue of the exemption provided under paragraph 44 AB of FRS 7, the impact of applying FRS 7 on the consolidated financial statements upon first adoption of the FRS as required by paragraph 30(b) of FRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors* is not disclosed.

Notes To The Financial Statements (Cont'd)

31 December 2009

5. ADOPTION OF NEW FRSs, AMENDMENTS TO FRSs AND IC INTREPRETATIONS (continued)

5.2 New FRSs not adopted (continued)

(c) FRS 123 *Borrowing Costs* and the consequential amendments resulting from FRS 123 are mandatory for annual financial periods beginning on or after 1 January 2010.

This Standard removes the option of immediately recognising as an expense borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. However, capitalisation of borrowing costs is not required for assets measured at fair value, and inventories that are manufactured or produced in large quantities on a repetitive basis, even if they take a substantial period of time to get ready for use or sale.

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

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

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

(e) Amendments to FRS 2 *Share-based Payment: Vesting Conditions and Cancellations* are mandatory for annual financial periods beginning on or after 1 January 2010.

These amendments clarify that vesting conditions comprise service conditions and performance conditions only. Cancellations by parties other than the Group are accounted for in the same manner as cancellations by the Group itself and features of a share-based payment that are non-vesting conditions are included in the grant date fair value of the share-based payment.

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

(f) Amendment s 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* is mandatory for annual periods beginning on or after 1 January 2010.

These amendments allow first-time adopters to use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements. The cost method of accounting for an investment has also been removed pursuant to these amendments.

The Group does not expect any impact on the consolidated financial statements arising from the adoption of these amendments.

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

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

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

5. ADOPTION OF NEW FRSs, AMENDMENTS TO FRSs AND IC INTREPRETATIONS (continued)

5.2 New FRSs not adopted (continued)

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

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

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

(i) IC Interpretation 11 FRS 2 - *Group Treasury Share Transactions* is mandatory for annual periods beginning on or after 1 January 2010.

This Interpretation requires share-based payment transactions in which the Company receives services from employees as consideration for its own equity instruments to be accounted for as equity-settled, regardless of the manner of satisfying the obligations to the employees.

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

(j) IC Interpretation 13 *Customer Loyalty Programmes* is mandatory for annual periods beginning on or after 1 January 2010.

This Interpretation requires the separation of award credits as a separately identifiable component of sales transactions involving the award of free or discounted goods or services in the future. The fair value of the consideration received or receivable from the initial sale shall be allocated between the award credits and the other components of the sale.

This Interpretation is not relevant to the Group's operations.

(k) IC Interpretation 14 FRS 119 - *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* is mandatory for annual periods beginning on or after 1 January 2010.

This Interpretation applies to all post-employment defined benefits and other long-term employee defined benefits. This Interpretation clarifies that an economic benefit is available if the Group can realise it at some point during the life of the plan or when the plan liabilities are settled, and that it does not depend on how the Group intends to use the surplus.

A right to refund is available to the Group in stipulated circumstances and the economic benefit available shall be measured as the amount of the surplus at the balance sheet date less any associated costs. If there are no minimum funding requirements, the economic benefit available shall be determined as a reduction in future contributions as the lower of the surplus in the plan and the present value of the future service cost to the Group. If there is a minimum funding requirement for contributions relating to the future accrual of benefits, the economic benefit available shall be determined as a reduction in future contributions at the present value of the estimated future service cost less the estimated minimum funding required in each financial year.

This Interpretation is not relevant to the Group's operations.

Notes To The Financial Statements (Cont'd)

31 December 2009

5. ADOPTION OF NEW FRSs, AMENDMENTS TO FRSs AND IC INTREPRETATIONS (continued)

5.2 New FRSs not adopted (continued)

(l) FRS 101 *Presentation of Financial Statements* is mandatory for annual periods beginning on or after 1 January 2010.

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

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

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

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

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

Apart from the new presentation and disclosure requirements as described, the Group does not expect any other impact on the consolidated financial statements arising from the adoption of this Standard.

(m) Amendments to FRS 139, FRS 7 and IC Interpretation 9 are mandatory for annual periods beginning on or after 1 January 2010.

These amendments permit reclassifications of non-derivative financial assets (other than those designated at fair value through profit or loss upon initial recognition) out of the fair value through profit or loss category in rare circumstances. Reclassifications from the available-for-sale category to the loans and receivables category are also permitted provided there is intention and ability to hold that financial asset for the foreseeable future. All of these reclassifications shall be subjected to subsequent reassessments of embedded derivatives.

These amendments also clarifies the designation of one-sided risk in eligible hedged items and streamlines the terms used throughout the Standards in accordance with the changes resulting from FRS 101.

By virtue of the exemptions provided under paragraphs 103AB of FRS 139 and 44AB of FRS 7, the impact of applying these amendments on the consolidated financial statements upon first adoption of the FRS 139 and FRS 7 respectively as required by paragraph 30(b) of FRS 108 are not disclosed. However, the Group does not expect any impact on the consolidated financial statements arising from the adoption of the amendment to IC Interpretation 9.

5. ADOPTION OF NEW FRSs, AMENDMENTS TO FRSs AND IC INTREPRETATIONS (continued)

5.2 New FRSs not adopted (continued)

(n) Amendments to FRS 132 *Financial Instruments: Presentation* is mandatory for annual periods beginning on or after 1 January 2010.

These amendments requires certain puttable financial instruments, and financial instruments that impose an obligation to deliver to counterparties a pro rate share of the net assets of the entity only on liquidation to be classified as equity.

Puttable financial instruments are defined as financial instruments that give the holder the right to put the instrument back to the issuer for cash, or another financial asset, or are automatically put back to the issuer upon occurrence of an uncertain future event or the death or retirement of the instrument holder.

Presently, the Group does not expect any impact on the consolidated financial statements arising from the adoption of this Standard. However, the Group is in the process of assessing the impact of this Standard in conjunction with the implementation of FRS 139 and would only be able to provide further information in the interim financial statements followed by the next annual financial statements.

(o) *Improvements to FRSs (2009)* are mandatory for annual periods beginning on or after 1 January 2010.

Amendment to FRS 5 *Non-current Assets Held for Sale and Discontinued Operations* clarifies that the disclosure requirements of this FRS specifically apply to non-current assets (or disposal groups) classified as held for sale or discontinued operations. The Group does not expect any impact on the consolidated financial statements arising from the adoption of this amendment.

Amendment to FRS 8 clarifies the consistency of disclosure requirement for information about profit or loss, assets and liabilities. The Group does not expect any impact on the consolidated financial statements arising from the adoption of this amendment.

Amendment to FRS 107 *Statement of Cash Flows* clarifies the classification of cash flows arising from operating activities and investing activities. Cash payments to manufacture or acquire assets held for rental to others and subsequently held for sale, and the related cash receipts, shall be classified as cash flows from operating activities. Expenditures that result in a recognised asset in the statement of financial position are eligible for classification as cash flows from investing activities. The Group does not expect any impact on the consolidated financial statements arising from the adoption of this amendment.

Amendment to FRS 108 clarifies that only Implementation Guidance issued by the MASB that are integral parts of FRSs is mandatory. The Group does not expect any impact on the consolidated financial statements arising from the adoption of this amendment.

Amendment to FRS 110 *Events after the Reporting Period* clarifies the rationale for not recognising dividends declared after the reporting date but before the financial statements are authorised for issue. The Group does not expect any impact on the consolidated financial statements arising from the adoption of this amendment.

Amendment to FRS 116 *Property, Plant and Equipment* removes the definition pertaining to the applicability of this Standard to property that is being constructed or developed for future use as investment property but do not yet satisfy the definition of 'investment property' in FRS 140 *Investment Property*. This amendment also replaces the term 'net selling price' with 'fair value less costs to sell', and clarifies that proceeds arising from routine sale of items of property, plant and equipment shall be recognised as revenue in accordance with FRS 118 *Revenue* rather than FRS 5. The Group does not expect any impact on the consolidated financial statements arising from the adoption of this amendment.

Notes To The Financial Statements (Cont'd)

31 December 2009

5. ADOPTION OF NEW FRSs, AMENDMENTS TO FRSs AND IC INTREPRETATIONS (continued)

5.2 New FRSs not adopted (continued)

(o) *Improvements to FRSs (2009)* are mandatory for annual periods beginning on or after 1 January 2010. (continued)

Amendment to FRS 117 *Leases* removes the classification of leases of land and of buildings, and instead, requires assessment of classification based on the risks and rewards of the lease itself. The reassessment of land elements of unexpired leases shall be made prospectively in accordance with FRS 108. This Amendment is not relevant to the Group's operations.

Amendment to FRS 118 clarifies reference made on the term 'transaction costs' to the definition in FRS 139. The Group does not expect any impact on the consolidated financial statements arising from the adoption of this amendment.

Amendment to FRS 119 *Employee Benefits* clarifies the definitions in the Standard by consistently applying settlement dates within twelve (12) months in the distinction between short-term employee benefits and other long-term employee benefits. This amendment also provides additional explanations on negative past service cost and curtailments. The Group does not expect any impact on the consolidated financial statements arising from the adoption of this amendment.

Amendment to FRS 120 *Accounting for Government Grants and Disclosure of Government Assistance* streamlines the terms used in the Standard in accordance with the new terms used in FRS 101. This Amendment is not relevant to the Group's operations.

Amendment to FRS 123 clarifies that interest expense calculated using the effective interest rate method described in FRS 139 qualifies for recognition as borrowing costs. The Group does not expect any impact on the consolidated financial statements arising from the adoption of this amendment.

Amendment to FRS 127 *Consolidated and Separate Financial Statements* clarifies that investments measured at cost shall be accounted for in accordance with FRS 5 when they are held for sale in accordance with FRS 5. The Group does not expect any impact on the consolidated financial statements arising from the adoption of this amendment.

Amendment to FRS 128 *Investments in Associates* clarifies that investments in associates held by venture capital organisations, or mutual funds, unit trusts and similar entities shall make disclosures on the nature and extent of any significant restrictions on the ability of associates to transfer funds to the investor in the form of cash dividends, or repayment of loans or advances. This amendment also clarifies that impairment loss recognised in accordance with FRS 136 *Impairment of Assets* shall not be allocated to any asset, including goodwill, that forms the carrying amount of the investment. Accordingly, any reversal of that impairment loss shall be recognised in accordance with FRS 136. This Amendment is not relevant to the Group's operations.

Amendment to FRS 129 *Financial Reporting in Hyperinflationary Economies* streamlines the terms used in the Standard in accordance with the new terms used in FRS 101. This amendment also clarifies that assets and liabilities that are measured at fair value are exempted from the requirement to apply historical cost basis of accounting. This Amendment is not relevant to the Group's operations.

Amendment to FRS 131 *Interests in Joint Ventures* clarifies that venturers' interests in jointly controlled entities held by venture capital organisations, or mutual funds, unit trusts and similar entities shall make disclosures on related capital commitments. This amendment also clarifies that a listing and description of interests in significant joint ventures and the proportion of ownership interest held in jointly controlled entities shall be made. The Group does not expect any impact on the consolidated financial statements arising from the adoption of this Interpretation.

5. ADOPTION OF NEW FRSs, AMENDMENTS TO FRSs AND IC INTREPRETATIONS (continued)

5.2 New FRSs not adopted (continued)

(o) *Improvements to FRSs (2009)* are mandatory for annual periods beginning on or after 1 January 2010. (continued)

Amendment to FRS 134 *Interim Financial Reporting* clarifies the need to present basic and diluted earnings per share for an interim period when the entity is within the scope of FRS 133 *Earnings Per Share*. The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this amendment.

Amendment to FRS 136 clarifies the determination of allocation of goodwill to each cash-generating unit whereby each unit shall not be larger than an operating segment as defined in FRS 8 before aggregation. This amendment also requires additional disclosures if the fair value less costs to sell is determined using discounted cash flow projections. This Amendment is not relevant to the Group's operations.

Amendment to FRS 138 *Intangible Assets* clarifies the examples provided in the Standard in measuring the fair value of an intangible asset acquired in a business combination. This amendment also removes the statement on the rarity of situations whereby the application of the amortisation method for intangible assets results in a lower amount of accumulated amortisation than under the straight line method. This Amendment is not relevant to the Group's operations.

Amendment to FRS 140 clarifies that properties that are being constructed or developed for future use as investment property are within the definition of 'investment property'. This amendment further clarifies that if the fair value of such properties cannot be reliably determinable but it is expected that the fair value would be readily determinable when construction is complete, the properties shall be measured at cost until either its fair value becomes reliably determinable or construction is completed, whichever is earlier. The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this amendment.

(p) FRS 1 *First-time Adoption of Financial Reporting Standards* is mandatory for annual periods beginning on or after 1 July 2010.

This Standard supersedes the existing FRS 1 and shall be applied when the Group adopts FRSs for the first time via explicit and unreserved statement of compliance with FRSs. An opening FRS statement of financial position shall be prepared and presented at the date of transition to FRS, whereby:

(i) All assets and liabilities shall be recognised in accordance with FRSs;
(ii) Items of assets and liabilities shall not be recognised if FRSs do not permit such recognition;
(iii) Items recognised in accordance with previous GAAP shall be reclassified in accordance with FRSs; and
(iv) All recognised assets and liabilities shall be measured in accordance with FRSs.

All resulting adjustments shall therefore be recognised directly in retained earnings at the date of transition to FRSs.

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

(q) FRS 3 *Business Combinations* is mandatory for annual periods beginning on or after 1 July 2010.

This Standard supersedes the existing FRS 3 and now includes business combinations involving mutual entities and those achieved by way of contract alone. Any non-controlling interest in an acquiree shall be measured at fair value or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

Notes To The Financial Statements (Cont'd)

31 December 2009

5. ADOPTION OF NEW FRSs, AMENDMENTS TO FRSs AND IC INTREPRETATIONS (continued)

5.2 New FRSs not adopted (continued)

(q) FRS 3 *Business Combinations* is mandatory for annual periods beginning on or after 1 July 2010. (continued)

The time limit on the adjustment to goodwill due to the arrivable of new information on the crystallisation of deferred tax benefits shall be restricted to the measurement period resulting from the available of the new information. Contingent liabilities acquired arising from present obligations shall be recognised, regardless of the probability of outflow of economic resources.

Acquisition-related costs shall be accounted for as expenses in the periods in which the costs are incurred and the services are received. Consideration transferred in a business combination, including contingent consideration, shall be measured and recognised at fair value at acquisition date.

In business combinations achieved in stages, the acquirer shall remeasure its previously held equity interest at its acquisition date fair value and recognise the resulting gain or loss in profit or loss.

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

(r) FRS 127 *Consolidated and Separate Financial Statements* is mandatory for annual periods beginning on or after 1 July 2010.

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

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

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

(s) The following Amendments to FRSs are mandatory for annual periods beginning on or after 1 July 2010, except for Amendments to FRS 139 which is mandatory for annual periods beginning on or after 1 January 2010.

Amendments to FRS 2 *Share-based Payment* clarifies that transactions in which the Group acquired goods as part of the net assets acquired in a business combination or contribution of a business on the formation of a joint venture are excluded from the scope of this Standard. The Group does not expect any impact on the consolidated financial statements arising from the adoption of this Standard.

Amendments to FRS 5 clarifies that non-current asset classified as held for distribution to owners acting in their capacity as owners are within the scope of this Standard. The amendment also clarifies that in determining whether a sale is highly probable, the probability of shareholders' approval, if required in the jurisdiction, shall be considered. In a sale plan involving loss of control of a subsidiary, all assets and liabilities of that subsidiary shall be classified as held for sale, regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale. Discontinued operations information shall also be presented. Non-current asset classified as held for distribution to owners shall be measured at the lower of its carrying amount and fair value less costs to distribute. The Group does not expect any impact on the consolidated financial statements arising from the adoption of this amendment.

5. ADOPTION OF NEW FRSs, AMENDMENTS TO FRSs AND IC INTREPRETATIONS (continued)

5.2 New FRSs not adopted (continued)

(s) The following Amendments to FRSs are mandatory for annual periods beginning on or after 1 July 2010, except for Amendments to FRS 139 which is mandatory for annual periods beginning on or after 1 January 2010. (continued)

Amendments to FRS 138 clarifies that the intention of separating an intangible asset is irrelevant in determining the identifiability of the intangible asset. In a separate acquisition and acquisition as part of a business combination, the price paid by the Group reflects the expectations of the Group of an inflow of economic benefits, even if there is uncertainty about the timing or the amount of the inflow. Accordingly, the probability criterion is always considered to be satisfied for separately acquired intangible assets. The useful life of a reacquired right recognised as an intangible asset in a business combination shall be the remaining contractual period of the contract in which the right was granted, and do not include renewal periods. In the case of a reacquired right in a business combination, if the right is subsequently reissued to a third party, the related carrying amount shall be used in determining the gain or loss on reissue. The Group does not expect any impact on the consolidated financial statements arising from the adoption of this amendment.

Amendments to FRS 139 remove the scope exemption on contracts for contingent consideration in a business combination. Accordingly, such contracts shall be recognised and measured in accordance with the requirements of FRS 139. The Group does not expect any impact on the consolidated financial statements arising from the adoption of this amendment.

Amendments to IC Interpretation 9 clarifies that embedded derivatives in contracts acquired in a business combination, combination of entities or business under common controls, or the formation of a joint venture are excluded from this Interpretation. The Group does not expect any impact on the consolidated financial statements arising from the adoption of this amendment.

(t) IC Interpretation 12 *Service Concession Arrangements* is mandatory for annual periods beginning on or after 1 July 2010.

This Interpretation applies to operators for public-to-private service concession arrangements, whereby infrastructure within the scope of this Interpretation shall not be recognised as property, plant and equipment of the operator. The operator shall recognise and measure revenue in accordance with FRS 111 Construction Contracts and FRS 118 for the services performed. The operator shall also account for revenue and costs relating to construction or upgrade services in accordance with FRS 111.

Consideration received or receivable by the operator for the provision of construction or upgrade services shall be recognised at its fair value. If the consideration consists of an unconditional contractual right to receive cash or another financial asset from the grantor, it shall be classified as a financial asset. Conversely, if the consideration consists of a right to charge users of the public service, it shall be classified as an intangible asset.

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

(u) IC Interpretation 15 *Agreements for the Construction of Real Estate* is mandatory for annual periods beginning on or after 1 July 2010.

This Interpretation applies to the accounting for revenue and associated expenses by entities undertaking construction or real estate directly or via subcontractors. Within a single agreement, the Group may contract to deliver goods or services in addition to the construction of real estate. Such an agreement shall therefore, be split into separately identifiable components.

Notes To The Financial Statements (Cont'd)
31 December 2009

5. ADOPTION OF NEW FRSs, AMENDMENTS TO FRSs AND IC INTREPRETATIONS (continued)

5.2 New FRSs not adopted (continued)

(u) IC Interpretation 15 *Agreements for the Construction of Real Estate* is mandatory for annual periods beginning on or after 1 July 2010. (continued)

An agreement for the construction of real estate shall be accounted for in accordance with FRS 111 if the buyer is able to specify the major structural elements of the design of the real estate before construction begins and/or specify major structural changes once construction is in progress. Accordingly, revenue shall be recognised by reference to the stage of completion of the contract.

An agreement for the construction of real estate in which buyers only have limited ability to influence the design of the real estate or to specify only minor variations to the basic designs is an agreement for the sale of goods in accordance with FRS 118. Accordingly, revenue shall be recognised by reference to the criteria in paragraph 14 of FRS 118 (e.g. transfer of significant risks and rewards, no continuing managerial involvement nor effective control, reliable measurement, etc.).

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

(v) IC Interpretation 16 *Hedges of a Net Investment in a Foreign Operation* is mandatory for annual periods beginning on or after 1 July 2010.

This Interpretation applies to hedges undertaken on foreign currency risk arising from net investments in foreign operations and the Group wishes to qualify for hedge accounting in accordance with FRS 139.

Hedge accounting is applicable only to the foreign exchange differences arising between the functional currency of the foreign operation and the functional currency of any parent (immediate, intermediate or ultimate parent) of that foreign operation. An exposure to foreign currency risk arising from a net investment in a foreign operation may qualify for hedge accounting only once in the consolidated financial statements.

Hedging instruments designated in the hedge of a net investment in a foreign operation may be held by any companies within the Group, as long as the designation, documentation and effectiveness requirements of FRS 139 are met.

This Interpretation is not relevant to the Group's operations.

(w) IC Interpretation 17 *Distributions of Non-cash Assets to Owners* is mandatory for annual periods beginning on or after 1 July 2010.

This Interpretation applies to non-reciprocal distributions of non-cash assets by the Group to its owners in their capacity as owners, as well as distributions that give owners a choice of receiving either non-cash assets or a cash alternative. This Interpretation also applies to distributions in which all owners of the same class of equity instruments are treated equally.

The liability to pay a dividend shall be recognised when the dividend is appropriately authorised and is no longer at the discretion of the Group. The liability shall be measured at the fair value of the assets to be distributed. If the Group gives its owners a choice of receiving either a non-cash asset or a cash alternative, the dividend payable shall be estimated by considering the fair value of both alternatives and the associated probability of the owners' selection.

At the end of each reporting period, the carrying amount of the dividend payable shall be remeasured and any changes shall be recognised in equity. At the settlement date, any difference between the carrying amounts of the assets distributed and the carrying amount of the dividend payable shall be recognised in profit or loss. The Group does not expect any impact on the consolidated financial statements arising from the adoption of this Interpretation.

5. ADOPTION OF NEW FRSs, AMENDMENTS TO FRSs AND IC INTREPRETATIONS (continued)

5.2 New FRSs not adopted (continued)

(x) Amendments to FRS 132 is mandatory for annual periods beginning on or after 1 January 2010 and 1 March 2010 in respect of the transitional provisions in accounting for compound financial instruments and classification of rights issues respectively.

These amendments remove the transitional provisions in respect of accounting for compound financial instruments issued before 1 January 2003 pursuant to FRS 132_{2004} *Financial Instruments: Disclosure and Presentation*. Such compound financial instruments shall be classified into its liability and equity components when FRS 139 first applies.

The amendments also clarifies that rights, options or warrants to acquire a fixed number of the Group's own equity instruments for a fixed amount of any currency shall be classified as equity instruments rather than financial liabilities if the Group offers the rights, options or warrants pro rata to all of its own existing owners of the same class of its own non-derivative equity instruments.

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

(y) Amendment to FRS 1 *Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters* is mandatory for annual periods beginning on or after 1 January 2011.

This amendment permits a first-time adopter of FRSs to apply the exemption of not restating comparatives for the disclosures required in Amendments to FRS 7 (see Note 5.2(z)).

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

(z) Amendments to FRS 7 *Improving Disclosures about Financial Instruments* is mandatory for annual periods beginning on or after 1 January 2011.

These amendments require enhanced disclosures of fair value of financial instruments based on the fair value hierarchy, including the disclosure of significant transfers between Level 1 and Level 2 of the fair value hierarchy as well as reconciliations for fair value measurements in Level 3 of the fair value hierarchy.

By virtue of the exemption provided under paragraph 44G of FRS 7, the impact of applying these amendments on the financial statements upon first adoption of FRS 7 as required by paragraph 30(b) of FRS 108 are not disclosed.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

6.1 Critical judgements made in applying accounting policies

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

(a) Classification between investment properties and property, plant and equipment.

The Group has developed certain criteria based on FRS 140 *Investment Property* in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Notes To The Financial Statements (Cont'd)

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6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

6.1 Critical judgements made in applying accounting policies (Continued)

(a) Classification between investment properties and property, plant and equipment. (Continued)

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

The Group has a club house and recreational facilities known as Paradise Valley Golf Resort Clubhouse ("PVGRC"). PVGRC is not treated as property, plant and equipment because it is the Group's intention to hold it for capital appreciation or for rental, and not for use as owner occupied properties. The Group is in the midst of sourcing for external parties to manage PVGRC. As such, the Group has classified it as an investment property.

(b) Write back of deferred liabilities in respect of Al-Bai Bithaman Ajil Facility ("Islamic Facility")

As mentioned in Note 21.1 to the financial statements, on 19 March 2010, a hearing had been fixed to determine what is the true amount outstanding where Bank Islam had applied for a summary judgment for the amount of RM26,395,674.

As the amount due to Bank Islam has been ascertained at RM26,267,132 based on the redemption statement and undertaking issued by Bank Islam on 6 April 2010, the Directors of the Company has decided to write back an amount of RM17,671,000 being deferred liabilities charges (profit accrued) on the Islamic Facility in the income statements of the Group during the financial year. As at 31 December 2009, the net amount outstanding of RM27,567,132 due to Bank Islam represents redemption amount of RM26,397,132 (before deduction of RM180,000 paid on 2 March 2010) and the balance of RM1,170,000 being the estimated incidental costs related to the settlement. This is treated as adjusting event subsequent to the balance sheet date and the write back is a change in accounting estimates in accordance with FRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

(c) Non-current assets classified as held for sale

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

(d) Contingent liabilities

The determination of treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies for matters in the ordinary course of the business.

6.2 Key sources of estimation uncertainty

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

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

6.2 Key sources of estimation uncertainty (Continued)

(a) Impairment test on investments in subsidiaries and allowance for doubtful debts on amounts owing by subsidiaries

The Directors review the material investments in subsidiaries for impairment when there is an indication of impairment and assess the allowance for doubtful debts on amounts owing by subsidiaries when the receivables is long outstanding. The recoverable amounts of the investments in subsidiaries and amounts owing by subsidiaries are assessed by reference to the fair value of the underlying assets as at balance sheet date.

As at 31 December 2009, the carrying amount of investment in Menang Development (M) Sdn. Bhd. ("MDSB") was RM81,000,000 (2008:RM81,000,000) and amount owing by MDSB was approximately RM121,124,000 (2008: RM120,148,000) net of allowance for doubtful debt of RM4,414,000. The recoverable amount of this investment and receivables is largely dependent on the recoverable amount of its underlying assets, comprising mainly of investment properties, land held for property developments and property development. Based on information on the current market value of similar properties in the vicinity, the Directors are of the view that, the recoverable amount of these properties is far in excess of the carrying amount of investment and amount receivables and therefore, there is no additional impairment on the cost of investment in the subsidiary and no additional allowance for doubtful debt is required.

(b) 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.

(c) Impairment on investment properties and land held for property development

The Group determines whether there is any impairment for investment properties ("IP") and land held for property development ("LHPD") as at the balance sheet date. This requires an estimation of the fair value of the IP and LHPD by the Directors based on information of the current market value of similar properties in the vicinity. Where the estimation differ from the actual market value of the IP and LHPD, the difference will impact the carrying amount of the IP and LHPD respectively.

(d) Depreciation useful lives of property, plant and equipment

The cost of property, plant and machinery is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these property, plant and equipment to be within the period as disclosed in Note 4.3 to the financial statements. These are common life expectancies applied in the industry the Group operates. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(e) Adequacy of recognised insurance liabilities

The Group recognises insurance liabilities based on their assessment of the probability of the insurance contracts being exercised and the estimates of future cash flows under its insurance contracts. As at balance sheet date, the management is of the opinion that the insurance contracts will not be exercised by the counterparties due to the fair value of the underlying assets charged are adequate to cover the borrowings.

Notes To The Financial Statements (Cont'd)

31 December 2009

7. PROPERTY, PLANT AND EQUIPMENT

Group **2009**	**Balance as at 1.1.2009 RM'000**	**Additions RM'000**	**Disposals RM'000**	**Written off RM'000**	**Reclassi-fication RM'000**	**Balance as at 31.12.2009 RM'000**
At cost						
Freehold land	10	–	–	–	–	10
Buildings	689	–	–	–	–	689
Plant and machinery	1,473	70	–	–	–	1,543
Motor vehicles	785	–	–	–	63	848
Motor vehicles acquired under hire-purchase	256	–	(193)	–	(63)	–
Furniture, fittings and equipment	2,509	66	–	(64)	–	2,511
Site office and signboards	326	–	–	–	–	326
Renovations	201	–	–	–	–	201
	6,249	136	(193)	(64)	–	6,128

Group **2009**	**Balance as at 1.1.2009 RM'000**	**Charge for the financial year RM'000**	**Disposals RM'000**	**Written off RM'000**	**Reclassi-fication RM'000**	**Balance as at 31.12.2009 RM'000**
Accumulated depreciation						
Buildings	345	14	–	–	–	359
Plant and machinery	1,100	120	–	–	–	1,220
Motor vehicles	765	11	–	–	63	839
Motor vehicles acquired under hire-purchase	256	–	(193)	–	(63)	–
Furniture, fittings and equipment	2,292	117	–	(46)	–	2,363
Site office and signboards	313	4	–	–	–	317
Renovations	201	–	–	–	–	201
	5,272	266	(193)	(46)	–	5,299

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

Group **2008**	**Balance as at 1.1.2008 RM'000**	**Additions RM'000**	**Disposals RM'000**	**Reclassi-fication RM'000**	**Balance as at 31.12.2008 RM'000**
At cost					
Freehold land	10	–	–	–	10
Buildings	689	–	–	–	689
Plant and machinery	1,064	363	–	46	1,473
Plant and machinery acquired under hire-purchase	46	–	–	(46)	–
Motor vehicles	1,114	–	(329)	–	785
Motor vehicles acquired under hire-purchase	393	–	(137)	–	256
Furniture, fittings and equipment	2,504	5	–	–	2,509
Site office and signboards	316	10	–	–	326
Renovations	201	–	–	–	201
	6,337	378	(466)	–	6,249

Group **2008**	**Balance as at 1.1.2008 RM'000**	**Charge for the financial year RM'000**	**Disposals RM'000**	**Reclassi-fication RM'000**	**Balance as at 31.12.2008 RM'000**
Accumulated depreciation					
Buildings	331	14	–	–	345
Plant and machinery	943	130	–	27	1,100
Plant and machinery acquired under hire-purchase	27	–	–	(27)	–
Motor vehicles	1,050	11	(296)	–	765
Motor vehicles acquired under hire-purchase	393	–	(137)	–	256
Furniture, fittings and equipment	2,149	143	–	–	2,292
Site office and signboards	308	5	–	–	313
Renovations	201	–	–	–	201
	5,402	303	(433)	–	5,272

Notes To The Financial Statements (Cont'd)

31 December 2009

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

Company **2009**	**Balance as at 1.1.2009 RM'000**	**Additions RM'000**	**Reclassi-fication RM'000**	**Balance as at 31.12.2009 RM'000**
At cost				
Motor vehicles	120	–	63	183
Motor vehicles acquired under hire-purchase	63	–	(63)	–
Furniture, fittings and equipment	1,026	1	–	1,027
Renovations	27	–	–	27
	1,236	1	–	1,237

Company	**Balance as at 1.1.2009 RM'000**	**Charge for the financial year RM'000**	**Reclassi-fication RM'000**	**Balance as at 31.12.2009 RM'000**
Accumulated depreciation				
Motor vehicles	100	10	63	173
Motor vehicles acquired under hire-purchase	63	–	(63)	–
Furniture, fittings and equipment	942	52	–	994
Renovations	27	–	–	27
	1,132	62	–	1,194

Company **2008**	**Balance as at 1.1.2008 RM'000**	**Additions RM'000**	**Disposal RM'000**	**Balance as at 31.12.2008 RM'000**
At cost				
Motor vehicles	140	–	(20)	120
Motor vehicles acquired under hire-purchase	63	–	–	63
Furniture, fittings and equipment	1,025	1	–	1,026
Renovations	27	–	–	27
	1,255	1	(20)	1,236

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

Company	Balance as at 1.1.2008 RM'000	Charge for the financial year RM'000	Disposal RM'000	Balance as at 31.12.2008 RM'000
Accumulated depreciation				
Motor vehicles	98	10	(8)	100
Motor vehicles acquired under hire-purchase	63	–	–	63
Furniture, fittings and equipment	870	72	–	942
Renovations	27	–	–	27
	1,058	82	(8)	1,132

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Net book value				
Freehold land	10	10	–	–
Buildings	330	344	–	–
Plant and machinery	323	373	–	–
Motor vehicles	9	20	10	20
Furniture, fittings and equipment	148	217	33	84
Site office and signboards	9	13	–	–
	829	977	43	104

Freehold land and buildings of the Group with net book value RM340,000 (2008: RM354,000) have been charged to a bank to secure term loan facilities granted to Group as disclosed in Note 21 to the financial statements.

Notes To The Financial Statements (Cont'd)
31 December 2009

8. INVESTMENT PROPERTIES

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
At cost				
Balance as at 1 January				
- Freehold land	59,942	59,942	4,325	4,325
- Building	8,114	8,114	8,114	8,114
- Development expenditure	6,730	6,730	–	–
Balance as at 31 December	74,786	74,786	12,439	12,439
Less: Accumulated depreciation				
Balance as at 1 January	–	–	–	–
Add: Depreciation charge for the financial year	649	–	649	–
Balance as at 31 December	(649)	–	(649)	–
Less: Accumulated impairment losses				
Balance as at 1 January/ 31 December	(22,286)	(22,286)	–	–
	51,851	52,500	11,790	12,439

This property is classified as investment property so as to reflect the management's intention of holding this property for investment purposes and for capital appreciation. The fair value of the investment properties of the Group and of the Company was derived from Directors' assessment based on current market value of similar properties in the vicinity, and where relevant, adjusted to reflect the different in condition and location of these properties, as at 31 December 2009 amounted to RM55,089,000 (2008: RM55,543,000) and RM11,790,000 (2008: RM12,439,000) respectively.

Certain freehold land of the Group and of the Company amounting to approximately RM11,790,000 (2008: RM12,439,000) have been charged to secure term loans facilities granted to the Group as disclosed in Note 21 to the financial statements.

Direct operating expenses arising from the above investment properties not generating rental income during the financial year are as follows:

	Group	
	2009 RM	2008 RM
Repairs and maintenance	180,217	190,770
Quit rent and assessment	181,569	181,704

9. LAND HELD FOR PROPERTY DEVELOPMENT

		Group	
		2009	2008
	Note	RM'000	RM'000
Freehold land, at cost			
Balance as at 1 January		164,806	164,806
Less: Disposals during the financial year		(3,451)	–
Reclassified to non-current assets classified as held for sale	16	(1,063)	–
Impairments losses on non-current assets classified as held for sale		(3,636)	–
Balance as at 31 December		156,656	164,806
Long term leasehold land, at cost			
Balance as at 1 January/31 December		9,765	9,765
Development expenditure			
Balance as at 1 January		11,231	11,231
Less: Disposals during the financial year		(50)	–
Reclassified to non-current assets classified as held for sale	16	(1,784)	–
Balance as at 31 December		9,397	11,231
		175,818	185,802
Less: Accumulated impairment losses			
Balance as at 1 January/31 December		(30,037)	(30,037)
		145,781	155,765

Certain freehold land amounting to approximately RM81,299,000 (2008: RM84,423,000) are pledged to financial institutions and a third party to secure term loans and Al-Bai Bithaman Ajil Facility granted to the Company and the Group as disclosed in Notes 20 and 21 to the financial statements.

The long term leasehold land consist of parcels of land in Klang, Selangor, Malaysia which are held for long term property development. Certain leasehold land amounting to approximately RM6,242,000 (2008: RM6,242,000) are pledged to secure term loan and Al-Bai Bithaman Ajil facilities granted to the Group as disclosed in Note 21 to the financial statements.

10. INVESTMENTS IN SUBSIDIARIES

	Company	
	2009	2008
	RM'000	RM'000
Unquoted equity shares, at cost	222,034	222,034
Less: Impairment losses	(136,869)	(136,768)
	85,165	85,266

Notes To The Financial Statements (Cont'd)

31 December 2009

10. INVESTMENTS IN SUBSIDIARIES (continued)

Included in the investment in subsidiaries, is the cost of investment in Menang Development (M) Sdn. Bhd. ("MDSB") amounted to RM81,000,000 (2008: RM81,000,000).

The share of net liabilities of the investment in MDSB as at 31 December 2009 and 31 December 2008 amounted to RM11,579,675 and RM1,578,892 respectively. However, the recoverable amount of the investment in MDSB is largely dependent on the recoverable amount of its underlying assets as mentioned in Note 6.2(a) to the financial statements.

The details of the subsidiaries are as follows:

		Interest in equity held by				
		Company		Subsidiaries		
Name of company	**Country of incorporation**	**2009 %**	**2008 %**	**2009 %**	**2008 %**	**Principal activities**
Subsidiaries						
Menang Development (M) Sdn. Bhd.	Malaysia	100	100	–	–	Property development
Menang Leasing and Credit (M) Sdn. Bhd.	Malaysia	100	100	–	–	Leasing and hire-purchase
Menang Management Services (M) Sdn. Bhd.	Malaysia	100	100	–	–	Management services
Menang Properties (M) Sdn. Bhd.	Malaysia	100	100	–	–	Property investment
Menang Aquatics Sdn. Bhd.	Malaysia	100	100	–	–	Investment holding and undertaking of landscaping projects
Menang Construction (M) Sdn. Bhd.	Malaysia	100	100	–	–	Property construction
Equitiplus Sdn. Bhd.	Malaysia	100	100	–	–	Investment holding
Hitung Panjang Sdn. Bhd.*	Malaysia	100	100	–	–	Investment holding
Temeris Holdings Sdn. Bhd.	Malaysia	100	100	–	–	Property investment
Menang Industries (M) Sdn. Bhd.	Malaysia	100	100	–	–	Dormant
Menang Plantations (M) Sdn. Bhd.	Malaysia	100	100	–	–	Dormant
Seremban 3 Paradise Valley Golf Resort Sdn. Bhd.*	Malaysia	100	100	–	–	Operating recreational facilities
Protokol Elegan Sdn. Bhd.	Malaysia	100	–	–	–	Dormant
Subsidiary of Hitung Panjang Sdn. Bhd.						
Maztri Padu Sdn. Bhd.*	Malaysia	50	50	50	50	Property development

10. INVESTMENTS IN SUBSIDIARIES (continued)

Name of company	Country of incorporation	Interest in equity held by Company 2009 %	Company 2008 %	Subsidiaries 2009 %	Subsidiaries 2008 %	Principal activities
Subsidiary of Menang Leasing and Credit (M) Sdn. Bhd.						
Menang Finservices (M) Sdn. Bhd.	Malaysia	–	–	100	100	Licensed money-lender
Subsidiary of Menang Land (M) Sdn. Bhd.						
Menang Saujana Sdn. Bhd.	Malaysia	49.5	49.5	50.5	50.5	Property development
Subsidiary of Menang Aquatics Sdn. Bhd.						
Menang Greens Sdn. Bhd.	Malaysia	–	–	100	100	Landscaping and turf farming
Subsidiaries of Equitiplus Sdn. Bhd.						
Harapan Akuarium (M) Sdn. Bhd.	Malaysia	–	–	100	100	Investment holding and investment trading
Menang Equities (M) Sdn. Bhd.	Malaysia	–	–	100	100	Investment holding and investment trading
Subsidiary of Temeris Holdings Sdn. Bhd.						
Temeris Resorts Development Sdn. Bhd.	Malaysia	–	–	100	100	Property development
Subsidiaries of Menang Development (M) Sdn. Bhd.						
Menang Land (M) Sdn. Bhd.	Malaysia	0.02	0.02	99.98	99.98	Investment holding
Twin Version Sdn. Bhd.*	Malaysia	–	–	100	100	Investment holding
Charisma Cheer Sdn. Bhd.*	Malaysia	–	–	100	100	Investment holding
Inovatif Mewah Sdn. Bhd.	Malaysia	–	–	100	–	Dormant

* Subsidiaries not audited by BDO.

Notes To The Financial Statements (Cont'd)
31 December 2009

10. INVESTMENTS IN SUBSIDIARIES (continued)

An impairment loss on investments in subsidiaries amounting to RM101,000 (2008: RM65,000) has been recognised during the financial year.

During the financial year, the Company has completed the following transactions:

(i) On 13 May 2009, the Company acquired the entire issued and paid-up ordinary share capital of Protokol Elegan Sdn. Bhd., a company incorporated in Malaysia, for a total cash consideration of RM2; and

(ii) On 13 May 2009, the Company acquired the entire issued and paid-up ordinary share capital of Inovatif Mewah Sdn. Bhd., a company incorporated in Malaysia, for a total cash consideration of RM2. Subsequently, on 11 December 2009, the Company has disposed off its entire equity interest in Inovatif Mewah Sdn. Bhd. for a cash consideration of RM2 to one of its wholly owned subsidiary, MDSB.

11. OTHER INVESTMENTS

	Group	
	2009 RM'000	2008 RM'000
Shares quoted in Malaysia, at cost	2	2
Market value of quoted shares	5	3

12. PROPERTY DEVELOPMENT COSTS

	Group	
	2009 RM'000	2008 RM'000
Freehold land, at cost		
Balance as at 1 January	53,823	55,149
Addition during the financial year	3,662	1,409
Less: Disposals during the financial year	(5,969)	(2,735)
Balance as at 31 December	51,516	53,823
Development costs		
Balance as at 1 January	5,908	6,315
Additions during the financial year	–	369
Less: Disposals during the financial year	(235)	(776)
Balance as at 31 December	5,673	5,908
	57,189	59,731

Certain freehold land amounting to approximately RM887,000 (2008: Nil) have been charged to a third party to secure term loan to the Group as disclosed in Note 20(e)(i) to the financial statements.

13. INVENTORIES

	Group 2009 RM'000	Group 2008 RM'000
At cost		
Completed properties	6,622	6,586
Food and beverages	10	7
	6,632	6,593

Certain completed properties amounting to approximately RM1,499,000 (2008: RM1,499,000) have been charged to secure term loan facility granted to the Group.

In the previous financial year, the inventories of the Group is net of inventories written off of RM156,000.

14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Trade Receivables				
Third parties	217	218	–	–
Other receivables, deposits and prepayments				
Amounts owing by subsidiaries	–	–	188,837	187,377
Amounts owing by joint venture projects	1,448	1,155	–	–
Other receivables	43	428	–	–
Deposits	630	628	18	18
Prepayments	102	89	12	10
	2,223	2,300	188,867	187,405
Less: Allowance for doubtful debts - subsidiaries	–	–	(47,300)	(46,885)
Provision for loss of deposit	(400)	(400)	–	–
	(400)	(400)	(47,300)	(46,885)
	2,040	2,118	141,567	140,520

(a) Trade receivables are non-interest bearing and the normal trade credit terms granted by Group range from 30 to 60 days from date of invoice.

(b) The amounts owing by joint venture projects, which represents share of profit for the joint venture project that are unsecured, interest-free and repayable upon completion of the joint venture projects. Included in these amounts is an amount of RM1,200,000 owing by a joint venture party for the cost of land in a joint venture project. This amount of RM1,200,000 has been subsequently settled after the balance sheet date.

Notes To The Financial Statements (Cont'd)

31 December 2009

14. TRADE AND OTHER RECEIVABLES (continued)

(c) In the previous financial year, included in other receivables of the Group was an amount owing by a third party of RM371,000 in respect of the disposal of the entire equity interest in an associate. This amount was settled during the current financial year.

(d) Included in the deposits was a deposit of RM400,000 paid to Tanco Land Sdn. Bhd. in acquiring six pieces of land in Mukim of Rasah, District of Seremban, Negeri Sembilan Darul Khusus. However, the agreement has been terminated and the provision for loss of deposit has been made.

MDSB had filed a suit against TLSB for the return of monies totaling RM400,000 for alleged breach of a series of sale and purchase agreements. The matter has now been fixed for case management on 3 May 2010 (see Note 35(ii) to the financial statements).

(e) The amounts owing by subsidiaries represent advances and payments made on behalf, which are unsecured, interest-free and have no fixed terms of repayment except for amounts of approximately RM125,538,000 (2008: RM124,562,000) which bear interest of 0.5% (2008: 0.5%) per annum.

Information on financial risk of amounts owing by subsidiaries is disclosed in Note 34 to the financial statements.

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2009 RM'000	**2008 RM'000**	**2009 RM'000**	**2008 RM'000**
Cash and bank balances	3,591	953	15	377

Information on financial risks of cash and cash equivalents are disclosed in Note 34 to the financial statements.

16. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

The land held for property development are presented as non-current assets held for sale following the Company's commitment to realise these assets. Effort to sell the non-current assets have commenced and sales are expected to complete within one (1) year from the balance sheet date. The assets and liabilities included in the non-current assets held for sale are as follows:

	Note	**Group 2009 RM'000**
Asset		
Land held for property development	9	2,847
Additions of land during the financial year		2,245
		5,092
Liabilities		
Liabilities attributable to non-current assets classified as held for sale - deferred tax liabilities	19	226

16. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE (continued)

During the financial year, the Company entered into Sale and Purchase Agreement to dispose off forty one (41) pieces of land to a third party for a total consideration of RM5,000,000. The disposal is not completed as at the balance sheet date.

The 38 pieces of land of the Group with net book value of RM2,847,000 has been charged to the former holder of Redeemable Convertible Secured Loan Stock (Note 23).

17. SHARE CAPITAL

	Group and Company			
	2009		2008	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Ordinary shares of RM1.00 each:				
Authorised	1,000,000	1,000,000	1,000,000	1,000,000
Issued and fully paid	267,107	267,107	267,107	267,107

17.1 Pursuant to a deed poll dated 17 May 2001 ("Deed Poll"), the Company had renounceable rights of 40,070,400 warrants 2001/2006 issued on a renounceable basis to the Minority Shareholders of the Company upon the Completion of the Capital Reconstruction. The registered holders are entitle to subscribe for one (1) new ordinary share of RM1.00 each in the Company at a price of RM1.00 per ordinary share for every warrant held. The conversion ratio is subject to the aforesaid Deed Poll and can be exercised at any time during the initial five-year subscription period which expired on 15 October 2006. On 30 June 2006, pursuant to the Extraordinary General Meeting and the Meeting of the Warrant holders in relation to the Warrants Extension, the Warrants have been extended by an additional five (5) years, from 16 October 2006 up to and including 15 October 2011. The other terms and conditions of the original deed poll dated 17 May 2001 shall remain unchanged. As at the date of the Report, none of the warrants has been exercised.

17.2 The Employees' Share Option Scheme ("ESOS") of the Company was approved by the Securities Commission ("SC") on 1 November 2001 and subsequently approved by shareholders at an Extraordinary General Meeting on 15 January 2002. The ESOS shall be in force for a period of 5 years effective from 24 January 2002 to 23 January 2007.

On 26 December 2006, the Company extended its existing ESOS which expired on 23 January 2007 for another five (5) years effective from 24 January 2007 up to and including 23 January 2012.

The details of options granted to subscribe for shares in the Company are as follows:

Exercise period	Subscription price RM	- Number of options over ordinary shares of RM1.00 each- Balance as at 1.1.2009	Granted	Lapsed	Balance as at 31.12.2009
25.1.2002 - 23.1.2012	1.00	8,633,000	–	–	8,633,000
2.5.2002 - 23.1.2012	1.00	10,000	–	–	10,000
10.1.2003 - 23.1.2012	1.00	146,000	–	–	146,000
25.2.2004 - 23.1.2012	1.00	478,000	–	–	478,000
7.1.2005 - 23.1.2012	1.00	710,000	–	–	710,000
21.2.2005 - 23.1.2012	1.00	92,000	–	–	92,000
		10,069,000	–	–	10,069,000

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31 December 2009

17. SHARE CAPITAL (continued)

17.2 The consideration is payable in full on application.

The salient features of the ESOS are as follows:

(i) the maximum number of ordinary shares to be issued and allotted by the Company under the ESOS as approved by the SC shall not exceed ten percent (10%) of the total issued and paid-up share capital of the Company at any point in time during the duration of the ESOS;

(ii) Executive Directors and eligible employees are those who have been confirmed in writing as employees of the Group on or prior to the date of the offer;

(iii) the option is personal to the grantee and shall not be transferred, assigned or disposed of by the grantee save and except in the event of the death of the grantee as provided under Bye-Law 14.6;

(iv) no offer shall be made to any executive director of the Company unless such offer and the related allotment of shares have previously been approved by the shareholders of the Company in general meeting;

(v) the subscription price at which the employees are offered to take up shares under the ESOS is either at a discount of not more than ten percent (10%) from the weighted average market price of the shares as shown in the daily official list issued by Bursa Malaysia Securities Berhad for five (5) market days immediately preceding the date of offer or at par value of the shares of the Company of RM1.00, whichever is higher;

(vi) the options granted may be exercised at any time within the option period and the option may be fully exercised after the acceptance under Bye-Law 10.1; and

(vii) the options granted may be exercised in full or in lesser number of ordinary shares provided that the number shall be in multiples of 1,000 shares.

After taking into account the terms, conditions and extension of the exercise period upon which the options were granted, there was no incremental fair value using the Black Scholes Model. Therefore, no adjustment was made in respect of the options granted.

The incremental fair value of the extended options is estimated as at the date of the modification. The following table list the inputs to the model used:

	24 January 2007
Fair value of share options at the modification date	Nil
Weighted average share price (RM)	0.24
Exercise price (RM)	1.00
Expected volatility (%)	0.1078
Expected life (months)	60
Risk free rate (%)	3.82

18. RESERVES

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Non-distributable:				
Capital reserve arising from warrants issue	960	960	960	960
Accumulated losses	(111,489)	(115,039)	(46,888)	(45,363)
	(110,529)	(114,079)	(45,928)	(44,403)

The capital reserve arising from warrants issue relates to the balance of the amount from the issuance of 40,070,400 new warrants 2006/2011 at an issue price of RM0.10 per warrant under the Restructuring Scheme in previous years.

19. DEFERRED TAX LIABILITIES

(a) The movement of deferred tax liabilities during the financial year are as follows:

		Group	
	Note	2009 RM'000	2008 RM'000
Balance as at 1 January		2,732	2,732
Reclassified as liabilities attributable to non-current asset classified as held for sale		(226)	–
Recognised in income statements	28	(1,018)	–
Balance as at 31 December		1,488	2,732

(b) The components of deferred tax liabilities as at the end of the financial year comprise tax effect of:

	Group	
	2009 RM'000	2008 RM'000
Fair value adjustments on land held for property development	1,488	2,732

Notes To The Financial Statements (Cont'd)
31 December 2009

19. DEFERRED TAX LIABILITIES (continued)

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

	Group		Company	
	2009 RM'000	**2008 RM'000**	**2009 RM'000**	**2008 RM'000**
Property, plant and equipment	(129)	(125)	(24)	(46)
Unutilised tax losses	131,781	139,288	24,120	24,120
Unabsorbed capital allowances	2,160	2,593	384	400
Impairment loss on land held for property development	17,687	17,687	–	–
	151,499	159,443	24,480	24,474

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

20. TRADE AND OTHER PAYABLES

	Group		Company	
	2009 RM'000	**2008 RM'000**	**2009 RM'000**	**2008 RM'000**
Trade payables				
Trade payables	539	539	–	–
Retention sum	136	197	–	–
	675	736	–	–
Other payables and accruals				
Amounts owing to subsidiaries	–	–	8,033	8,057
Amounts owing to corporate shareholders	229	264	–	–
Amounts owing to Directors	2,190	958	467	332
Other payables	6,053	5,759	45	63
Accruals	16,322	14,823	1,730	1,363
Deposits	597	53	–	–
	25,391	21,857	10,275	9,815
	26,066	22,593	10,275	9,815

20. TRADE AND OTHER PAYABLES (continued)

(a) Trade payables are non-interest bearing and payable on demand upon presentation of invoice.

(b) The amounts owing to subsidiaries represent advances and payments made on behalf, which are unsecured, interest-free and payable upon demand.

(c) The amounts owing to corporate shareholders represent advances and payments made on behalf which are unsecured, interest-free and payable upon demand. In year 2008, the advances bear interest at 9.65% per annum.

(d) The amounts owing to Directors represent advances and payments made on behalf which are unsecured, interest-free and payable upon demand. In year 2008, the advances bear interest at 10% per annum.

(e) Included in other payables of the Group:

(i) is a third party loan amounted to RM2,000,000, which is secured against certain landed properties of the Group and bears interest at 18.00% per annum. This loan is repayable within 12 months.

(ii) in the previous financial year:

(a) third parties loans amounted to approximately RM2,106,000, were secured against certain landed property of the Group and borne interest at 10.5% to 31.58% per annum. These third parties loans have been fully settled during the current financial year; and

(b) an investment of RM3,162,000, which borne a profit yield of 31.85% per annum. This investment has been fully settled during the current financial year.

(f) Included in accruals are as follows:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Conversion premium to convert Seremban 3 land from agriculture land to residential and commercial land	7,253	7,253	–	–
Interest payable on amount due to former holder of Redeemable Convertible Secured Loan Stocks	824	549	824	549
Quit rent and assessment due to:				
- Klang Land	2,026	1,342	–	–
- Seremban 3	4,469	3,825	632	632
- RJ Properties and others	442	314	–	–

The conversion premium will be payable when the vacant land is due for development.

Information on financial risk of amounts owing to corporate shareholders, Directors and third parties loan is disclosed in Note 34 to the financial statements.

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21. BORROWINGS

		Group		Company	
		2009	**2008**	**2009**	**2008**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Current liabilities					
Term loans					
- Al-Bai Bithaman Ajil Facility	21.1	27,567	45,238	–	–
- Other term loans	21.2	57,557	51,611	3,601	2,781
		85,124	96,849	3,601	2,781
Hire-purchase creditors	22	–	33	–	2
		85,124	96,882	3,601	2,783

Terms and debt repayment schedule

21.1 The Al-Bai Bithaman Ajil Facility (secured)

The Al-Bai Bithaman Ajil Facility ("Islamic Facility") was granted to Menang Development (M) Sdn. Bhd. ("MDSB"), a subsidiary of the Company, and is repayable within 7 years from drawdown date which was due for repayment in full in 2003. Negotiation to restructure the Facility has been ongoing and offer letters were received from the financial institution dated 30 August 2000, 6 June 2001 and 29 December 2004 respectively.

The total profit of the loan for the whole duration of 7 years is RM11,759,634. Subsequent to 2003, MDSB has continued to accrue profit on the Al-Bai Bithaman Ajil Facility based on a profit equivalent to the yield rate of 9.13% per annum.

The Islamic Facility is secured by way of legal charges over certain land held for property development of the Group and corporate guarantee by the Company.

On 10 March 2009, MDSB has been served with an Originating Summons ("Summons") with an Affidavit in Support in respect of an indebtedness amount of RM26,395,674 owing to Bank Islam Malaysia Berhad ("Bank Islam").

On 11 March 2009, the Board of Directors of the Company announced to Bursa Malaysia Securities Berhad on the default in payment in respect this Islamic Facility granted to MDSB pursuant to Practice Note 1/2001 of Bursa Malaysia Securities Berhad Listing Requirements.

On 19 March 2010, a hearing had been fixed to determine what is the true amount outstanding where Bank Islam had applied for a summary judgment for the amount of RM26,395,674.

A Consortium Agreement dated 26 March 2010 is signed between the Company and third parties ("Consortium") for the purpose of joint venture development on Klang properties. The Consortium agrees to proceed with the redemption of said properties on the basis of the redemption statement and undertaking issued by Bank Islam on 6 April 2010. The redemption statement and undertaking has stated that the redemption sum payable to Bank Islam is RM26,267,132 to be paid on or before 15 June 2010.

As the amount due to Bank Islam has been ascertained at RM26,267,132 based on the said redemption statement and undertaking issued by Bank Islam, the Directors of the Company has decided to write back an amount of RM17,671,000 being deferred liabilities charges (profit accrued) on the Islamic Facility in the income statements of the Group during the financial year. As at 31 December 2009, the net amount outstanding of RM27,567,132 due to Bank Islam represents redemption amount of RM26,397,132 (before deduction of RM180,000 paid on 2 March 2010) and the balance of RM1,170,000 being the estimated incidental costs related to the settlement.

21. BORROWINGS (continued)

Terms and debt repayment schedule (continued)

21.2 The other term loans comprise the following:

	Group		Company	
	2009 RM'000	**2008 RM'000**	**2009 RM'000**	**2008 RM'000**
Secured				
Term loan I	12,060	10,899	–	–
Term loan II	41,896	37,931	–	–
Term loan III	3,080	2,781	3,080	2,781
Unsecured				
Term loan IV	521	–	521	–
	57,557	51,611	3,601	2,781

(a) Term loans I and II were payable in full by 28 April 2006 and bear interest at rate from 9.45% to 9.95% (2008: 10.65% to 11.15%) per annum. Term loans I and II are currently under negotiation with the bank for restructuring arrangement pending disposal of land held for property development and investment properties of the Group being charged to the bank. Term loans I and II are also secured by corporate guarantee of the Company.

On 31 March 2010, the bank has granted the Group a further indulgence of time till 31 December 2010 for the Group to formulate a settlement plan.

(b) Term loan III was payable in full as at 31 December 2006 and bear interest at rate of 9.00% (2008: 9.25%) per annum. Term loan III is currently under negotiation with the bank for settlement arrangement pending disposal of certain freehold land and buildings and land held for property development of the Group being charged to the bank.

On 15 March 2007, the bank through its solicitor has served a writ of summon and statement of claims against the Company to recover term loan III which has been in default.

No expected loss or major operational impact are anticipated from this claim as the Company's underlying securities for term loan III is in excess of the indebtedness amount.

(c) Term loan IV is payable in one lump sum on the date falling twelve (12) months from the date of first drawdown. Term loan IV bear interest at rate of 12.00% per annum.

Information on financial risk of borrowings is disclosed in Note 34 to the financial statements.

Notes To The Financial Statements (Cont'd)

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22. HIRE-PURCHASE CREDITORS

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Minimum hire-purchase payments:				
- not later than one year	–	42	–	3
Less: Future interest charges	–	(9)	–	(1)
Present value of hire-purchase and liabilities	–	33	–	2
Repayable as follows:				
Current liabilities				
- not later than one year	–	33	–	2

Information on financial risk of hire purchase is disclosed in Note 34 to the financial statements.

23. AMOUNT DUE TO FORMER HOLDER OF REDEEMABLE CONVERTIBLE SECURED LOAN STOCKS

	Group and Company	
	2009 RM'000	2008 RM'000
Balance as at 1 January/31 December	3,441	3,441

The Redeemable Convertible Secured Loan Stocks ("RCLS") issued to the Scheme Creditors on 13 March 2002 pursuant to the Schemes of Arrangement of the Restructuring Scheme in 2002 has expired on 13 March 2007.

The RCLS have been treated as amount due to the former holder of RCLS.

On 13 March 2007, the Company has defaulted on its principal and interest obligation to its RCLS holder. On 11 April 2007 settlement has been agreed for revised repayment schedule to be made in 3 tranches of RM1.2 million each on 30 June 2007, 30 September 2007 and 31 December 2007.

On 28 January 2008, the Company wrote to the former holder of RCLS for further extension of time as the Company is in negotiation to sell all the securities pledged to the former holder of RCLS, which the market value of the securities are in excess of the total outstanding due to the former holder of RCLS.

On 28 December 2009, the Group had entered into a Sales and Purchase agreement to dispose part of the securities pledged to the former holder of RCLS for a total cash consideration of RM5 million. The sales proceed will be utilised to pay off the amount due to the former holder of RCLS.

The interest payable to the former holder of RCLS has been accrued and included in accruals as disclosed in Note 20(f) to the financial statements.

Information on financial risk of amount due to former holder of RCLS is disclosed in Note 34 to the financial statements.

24. REVENUE

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Sale of properties	13,438	16,155	–	–
Management fees	112	157	18	18
Income from recreational facilities	1,103	827	–	–
	14,653	17,139	18	18

25. COST OF SALES

	Group 2009 RM'000	Group 2008 RM'000
Cost of properties sold	12,078	16,129
Cost of services	964	766
	13,042	16,895

26. FINANCE COSTS

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Deferred liabilities charges in respect of Al-Bai Bithaman Ajil Facility	–	2,485	–	–
Interest expense on:				
- amount due to former holder of Redeemable Convertible Secured Loan Stocks	275	276	275	276
- term loans	5,456	5,340	330	266
- bank overdrafts	–	9	–	9
- hire-purchase	9	21	1	3
- advance by Directors	2	41	–	–
- other loans	319	301	–	–
	6,061	8,473	606	554

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27. PROFIT/(LOSS) BEFORE TAX

		Group		Company	
	Note	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Profit/(Loss) before tax is arrived at after charging:					
Allowance for doubtful debts		–	–	415	754
Auditors' remuneration					
- current year		79	72	22	20
- prior year		3	–	–	–
Bad debts written off		2	–	–	–
Directors' remuneration					
- fees		30	30	30	30
- emoluments other than fees		893	912	276	276
Depreciation of property, plant and equipment:					
- the Group/Company	7	266	303	62	82
- joint venture		13	13	–	–
Depreciation of investment properties	8	649	–	649	–
Impairment loss on non-current assets classified as held for sale	9	3,636	–	–	–
Deferred liability charges in respect of Al-Bai Bithaman Ajil Facility	21.1	–	2,485	–	–
Interest expenses on:	26				
- Amount due to former holder of Redeemable Convertible Secured Loan Stocks		275	276	275	276
- term loans		5,456	5,340	330	266
- bank overdrafts		-	9	–	9
- hire-purchase		9	21	1	3
- advance by Director		2	41	–	–
- other loans		319	301	–	–
Inventories written off	13	–	156	–	–
Property, plant and equipment written off	7	18	–	–	–
Provision for loss of deposit	14	–	400	–	–
Rental expense payable to:					
- a Directors		25	25	–	–
- others		310	308	–	–
Rental of equipment		7	6	–	–
Impairment loss on investments in subsidiaries	10	–	–	101	65
Loss on disposal of property, plant and equipment		–	–	–	4

27. PROFIT/(LOSS) BEFORE TAX (Continued)

		Group		Company	
	Note	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
And crediting:					
Gain from previous disposal of an associate		976	–	1,347	933
Forfeited income		3	–	–	–
Write back of deferred liabilities charges in respect of Al-Bai Bithaman Ajil Facility	21.1	17,671	–	–	–
Interest income:					
- from a subsidiary		–	–	623	629
- others		21	172	–	13
Management fee receivable from a subsidiary		–	–	18	18
Rental income on buildings		145	119	–	–
Gain on disposal of property development		977	1,033	–	–
Gain on disposal of property, plant and equipment		31	73	–	–
Gain on disposal of land held for property development		238	–	–	–

The estimated monetary value of benefit-in-kind received by the Directors otherwise than in cash from the Group and the Company amounted to RM78,589 and RM74,589 (2008: RM87,500 and RM87,500) respectively.

28. TAX (INCOME)/EXPENSE

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Current tax expense based on profit for the financial year	–	–	–	–
Under provision in prior years	166	–	166	–
	166	–	166	–
Deferred tax (Note 19):				
Relating to origination and reversal of temporary differences	(1,018)	–	–	–
	(852)	–	166	–

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

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28. TAX (INCOME)/EXPENSE (Continued)

The numerical reconciliation between the tax (income)/expense and the product of accounting profit multiplied by the applicable statutory tax rate of the Group and of the Company are as follows:

	Group		Company	
	2009 RM'000	**2008 RM'000**	**2009 RM'000**	**2008 RM'000**
Tax at Malaysian statutory tax rate of 25% (2008: 26%)	675	(4,475)	(340)	(468)
Tax effect in respect of:				
Non-allowable expenses	537	1,276	675	624
Non-taxable income	(244)	(407)	(337)	(164)
Utilisation of previously unrecognised capital allowances and tax losses	(2,092)	–	(4)	–
Deferred tax assets not recognised	106	3,606	6	8
	(1,018)	–	–	–
Under provision in prior years	166	–	166	–
Current year tax (income)/expense	(852)	–	166	–

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

	Group		Company	
	2009 RM'000	**2008 RM'000**	**2009 RM'000**	**2008 RM'000**
Arising from utilisation of previously unrecognised				
- capital allowances	649	–	16	–
- tax losses	7,721	–	–	–
	8,370	–	16	–

29. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per ordinary share

Basic earnings/(loss) per ordinary share of the Group is calculated by dividing the profit/(loss) for the financial year by the number of ordinary shares in issue during the financial year.

	Group	
	2009	**2008**
Profit/(Loss) for the financial year (RM'000)	3,550	(17,213)
Number of ordinary shares in issue ('000)	267,107	267,107
Basic earnings/(loss) per ordinary share (sen)	1.33	(6.44)

29. EARNINGS/(LOSS) PER SHARE (Continued)

(b) Diluted earnings/(loss) per share

The diluted earnings/(loss) per share is not presented as the average fair value of the shares of the Company is lower than the exercise price for assumed conversion of the 40,070,400 warrants issued and the options over shares under Employees' Share Option Scheme. The effect of this would be anti-dilutive to the earnings/(loss) per ordinary share.

30. ACQUISITION OF SUBSIDIARIES

(a) On 13 May 2009, the Group acquired the entire issued and paid-up share capital of Protokol Elegan Sdn. Bhd. ("PESB") and Inovatif Mewah Sdn. Bhd. ("IMSB"), both of companies are incorporated in Malaysia and remained dormant during the financial year for a cash consideration of RM2 each.

(i) Details of the net assets acquired and cash flow arising from the acquisitions of PESB and IMSB are as follows:

	Group RM
Net asset acquired	
- Cash in hand	4
Total purchase consideration discharged by cash	4
Less: Cash and cash equivalents acquired	(4)
Net cash on acquisition, net of cash and cash equivalents acquired	–

(ii) The acquired subsidiaries have contributed the following results to the group during the financial year:

	Group RM
Revenue	–
Operating costs	(6,600)
Loss before tax	(6,600)
Tax expense	–
Increase in Group's loss for the financial year	(6,600)

(ii) If the acquisitions have occurred on 1 January 2009, the Group's results would have been the same as above as the subsidiaries were dormant.

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31. SEGMENT INFORMATION

(a) Reporting format

The primary segment reporting format is determined to be the business segments as the Group's risks and returns are affected predominantly by differences in the products and services it produces. The geographical segment is not presented as the Group operates predominately in Malaysia.

(b) Business segments

The Group's operations comprise the following business segments:

Property development	:	Development of residential and commercial properties.
Project management and investment holding	:	Investment holding, letting out of properties and provision for management services.
Recreation and others	:	Operating recreational facilities and insurance agent.

	Project management and investment holding		Property development		Recreation and others		Eliminations		Consolidation	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Business segments										
Revenue from external customers	112	157	13,438	16,155	1,103	827	–	–	14,653	17,139
Inter-segment revenue	18	18	–	–	–	1	(18)	(19)	–	–
Total revenue	130	175	13,438	16,155	1,103	828	(18)	(19)	14,653	17,139
Segment results	(1,318)	(2,649)	10,454	(5,547)	(398)	(716)	–	–	8,738	(8,912)
Interest expense									(6,061)	(8,473)
Interest income									21	172
Profit/(Loss) before tax									2,698	(17,213)
Tax income									852	–
Net profit/(loss) for the financial year									3,550	(17,213)
Segment assets	16,834	18,371	255,377	259,423	796	882	–	–	273,007	278,676
Total assets									273,007	278,676
Segment liabilities	9,930	8,545	106,333	116,690	166	413	–	–	116,429	125,648
Capital expenditure	1	1	16	–	119	377	–	–	136	378
Depreciation	711	82	41	41	176	193	–	–	928	316
Property, plant and equipment written off	–	–	–	–	18	–	–	–	18	–

32. CONTINGENT LIABILITIES - SECURED

	Company	
	2009	2008
	RM'000	RM'000
Guarantee and contingent liabilities arising from investment property, land held for property development and inventories being charged for credit facilities relating to Al-Bai Bithaman Ajil Facility and other term loans of the subsidiaries	81,524	94,068

The Directors are of the view that the chances of the banks to call upon the corporate guarantees are remote. As at balance sheet date, the Directors are of the opinion that the guarantee will not be exercised by the counterparties due to the fair value of the underlying assets charged are adequate to cover the borrowings. Accordingly, the fair values of the above corporate guarantees provided for banking facilities granted to the subsidiaries are negligible.

33. RELATED PARTIES DISCLOSURE

(a) Identities of related parties

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

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

The relationship between the Group and the related parties, other than those disclosed elsewhere in the financial statements are as follows:

(i) Substantial shareholder of the Company, Titian Hartanah (M) Sdn. Bhd.; and

(ii) Holding company of the substantial shareholder of the Company, Maymerge (M) Sdn. Bhd..

(b) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Advances (by)/to corporate shareholders - Maymerge (M) Sdn. Bhd.	(35)	74	–	–
Interest payable to corporate Shareholders - Maymerge (M) Sdn. Bhd.	–	41	–	–

Notes To The Financial Statements (Cont'd)

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33. RELATED PARTIES DISCLOSURE (continued)

(b) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year (continued):

	Group		Company	
	2009 RM'000	**2008 RM'000**	**2009 RM'000**	**2008 RM'000**
Purchase of certain properties by Directors				
- Dato' Abdul Mokhtar Ahmad	–	849	–	–
- Dato' Shun Leong Kwong	174	917	–	–
- Datin Mariam Eusoff	–	349	–	–
- Too Kok Leng	195	–	–	–
Purchase of certain properties by a Director of a subsidiary				
- Teoh Choo Huang	–	278	–	–
Interest payable to Directors				
- Dato' Abdul Mokhtar Ahmad	–	9	–	–
- Dato' Shun Leong Kwong	2	23	–	–
- Datin Mariam Eusoff	–	9	–	–
Rental payable to a Director				
- Dr. Christopher Shun Kong Leng CFP®, RFP™	25	25	–	–
Subsidiaries				
Management fees receivable from:				
- Seremban 3 Paradise Valley Golf Resort Sdn. Bhd.	–	–	18	18
Interest income from:				
- Menang Development (M) Sdn. Bhd.	–	–	623	629

Balances of the above related party transactions are disclosed in Notes 14 and 20 to the financial statements.

The related party transactions described above were entered into in the normal course of business and are based on negotiated and mutually agreed terms.

33. RELATED PARTIES DISCLOSURE (continued)

(c) Compensation of key management personnel

The remuneration of Directors during the financial year was as follows:

	Group		Company	
	2009 RM'000	**2008 RM'000**	**2009 RM'000**	**2008 RM'000**
Directors' remuneration				
- Fees	30	30	30	30
- Remunerations other than fees	893	912	276	276
	923	942	306	306

34. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

The Board of Directors recognises the importance of financial risk management in the overall management of the Group's businesses. A sound risk management system will not only mitigate financial risk but will also be able to create opportunities if risk elements are properly managed.

The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders while minimising potential adverse effects on the performance of the Group. Financial risk management is carried out through risk reviews, internal control systems and adherence to the Group's financial risk management policies, which are set out as follows:

(i) Liquidity risk

The Group is actively managing its operating cash flow to suit the debt maturity profile so as to ensure all commitments and funding needs are met. As part of the overall liquidity management, it is the Group's policy to ensure continuity in servicing its cash obligations in the future by way of measures and forecasts its cash commitments and to maintain sufficient levels of cash or cash equivalents to meet its working capital requirements. In addition, the Group also maintains credit facilities sufficient to meet its operational needs.

(ii) Credit risk

At balance sheet date, there were no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

In respect of cash and bank balances placed with major financial institutions in Malaysia, the Directors believe that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

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34. FINANCIAL INSTRUMENTS (continued)

(a) Financial risk management objectives and policies (continued)

(iii) Interest rate risk

The Group and the Company have interest bearing financial liabilities, comprising the secured term loans, Al-Bai Bithaman Ajil Facility and amount due to former holder of Redeemable Convertible Secured Loan Stocks and amount owing to corporate shareholders, subsidiary companies and Directors as disclosed in the financial statements.

Interest rates on amount due to former holder of Redeemable Convertible Secured Loan Stocks, Al-Bai Bithaman Ajil Facility, amounts owing to Directors, advances from corporate shareholders and amount owing to third party is fixed. Interest rates for other term loans vary with reference to the base lending rate of the financial institutions.

Interest earning financial assets of the Company is mainly amounts due from subsidiaries that attract interest income. However, the fluctuation in interest rate, if any, is not expected to have a material impact on the results of the Company.

The following tables set out the carrying amounts, the weighted average effective interest rate 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.

Group At 31 December 2009	Note	Weighted average annual effective interest rate %	Total RM'000	Within 1 year RM'000
Fixed rates				
Al-Bai Bithaman Ajil Facility	21.1	9.13	27,567	27,567
Amount owing to a third party	20	18.00	2,000	2,000
Amount due to former holder of Redeemable Convertible Secured Loan Stocks	23	8.00	3,441	3,441
Unsecured term loan IV	21.2	12.00	521	521
Floating rates				
Secured term loans I, II and III	21.2	9.00 – 9.95	57,036	57,036
At 31 December 2008				
Fixed rates				
Al-Bai Bithaman Ajil Facility	21.1	9.13	45,238	45,238
Amounts owing to corporate shareholders	20	9.65	264	264
Amounts owing to Directors	20	10.00	958	958
Amounts owing to third parties	20	10.5 - 31.58	2,106	2,106
Amount due to former holder of Redeemable Convertible Secured Loan Stocks	23	8.00	3,441	3,441
Hire-purchase creditors	22	7.67	33	33
Floating rates				
Secured term loans I, II and III	21.2	9.25 - 11.15	51,611	51,611

34. FINANCIAL INSTRUMENTS (continued)

(a) Financial risk management objectives and policies (continued)

(iii) Interest rate risk (continued)

Company At 31 December 2009	Note	Weighted average annual effective interest rate %	Total RM'000	Within 1 year RM'000
Fixed rates				
Advance to subsidiaries	14(e)	0.50	125,538	125,538
Amount due to former holder of Redeemable Convertible Secured Loan Stocks	23	8.00	3,441	3,441
Unsecured term loan IV	21.2	12.00	521	521
Floating rates				
Secured term loan III	21.2	9.00	3,080	3,080
At 31 December 2008				
Fixed rates				
Advance to subsidiaries	14(e)	0.50	124,562	124,562
Amount due to former holder of Redeemable Convertible Secured Loan Stocks	23	8.00	3,441	3,441
Hire-purchase creditors	22	8.56	2	2
Floating rates				
Secured term loan III	21.2	9.25	2,781	2,781

(b) Fair values

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

		Group	
	Note	Carrying amount RM'000	Fair value RM'000
At 31 December 2009			
Other quoted investments	11	2	5
31 December 2008			
Other quoted investments	11	2	3

The methods and assumptions used to determine the fair value of quoted investments in Malaysia is determined based on quoted market prices at the balance sheet date.

Notes To The Financial Statements (Cont'd)

31 December 2009

35. MATERIAL LITIGATION

(i) On 9 October 2002, Menang Development (M) Sdn. Bhd. ("MDSB") entered into a Sale and Purchase Agreement with Tanco Land Sdn. Bhd. ("TLSB") to dispose eighteen (18) parcels of shoplots in Mukim of Rasah, District of Seremban, Negeri Sembilan Darul Khusus for a total cash consideration of RM6.84 million. A sum of RM50,000 was received on the execution of agreement.

On 9 October 2002, MDSB entered into a Sale and Purchase Agreement with TLSB to acquire three (3) pieces of land in Mukim of Rasah, District of Seremban, Negeri Sembilan Darul Khusus measuring approximately 28.68 acres for a total cash consideration of RM6.84 million. A sum of RM50,000 was paid on the execution of agreement.

On 9 October 2002, Pelangi Citapadu (M) Sdn. Bhd. ("PCSB") entered into a Sale and Purchase Agreement with TLSB to acquire six (6) pieces of land in Mukim of Rasah, District of Seremban, Negeri Sembilan Darul Khusus measuring approximately 40.10 acres for a total cash consideration of RM9.00 million including accrued interest.

The above Sale and Purchase Agreements are inter-conditional and to be completed simultaneously.

However, on 2 June 2005, MDSB entered into a Novation Agreement ("the said Novation Agreement") with TLSB and PCSB to novate the Sales and Purchase Agreement dated 9 October 2002 from PCSB to MDSB.

On 30 December 2005, MDSB entered into a Supplemental Agreement ("the said Supplemental Agreement") with TLSB and PCSB to extend the completion date of the said Novation Agreement for three (3) months commencing from:

(a) the validation order being obtained from the High Court under section 176(10C) of the Companies Act, 1965 for the said Novation Agreement and the said Supplemental Agreement; or

(b) the restraining order granted by High Court under section 176(10) of the Companies Act, 1965 to TLSB lapses;

whichever shall be earlier provided always that the period in which item (a) or (b) occurs shall be within six (6) months from 30 December 2005 that is the date of the said Supplemental Agreement.

On 30 June 2006, the restraining order has lapsed and pursuant to the said Supplemental Agreement, the completion date was 30 September 2007. However, on 9 April 2008, MDSB entered into a Second Supplemental Agreement to extend its completion date from 1 October 2006 to 31 March 2008.

On 18 April 2008, TLSB agreed to extend its completion date from 31 March 2008 to 30 September 2008 pending completion of conditions precedent.

On 16 February 2009, MDSB's solicitors wrote to TLSB's solicitors, that the Novation Agreement be terminated. The Group had provided for the loss of deposit amounting to RM400,000 in year 2008.

MDSB had filed a suit against TLSB for the return of monies totaling RM400,000 for alleged breach of a series of sale and purchase agreements. The matter has now been fixed for case management on 3 May 2010.

(ii) On 25 July 2006, the Group received a writ of summons dated 11 January 2006. The Plaintiff, Pasar Parit Berhad has instituted the legal action against the Company's subsidiary, Maztri Padu Sdn. Bhd. ("Defendant") for the losses sustained due to failure of the Plaintiff in obtaining individual strata title as todate. The case was transferred to the High Court at Shah Alam.

No provision has been made for the above claim of RM105,000 as the Directors are of the opinion that the Group's chance for success in respect of the case is good.

Meanwhile the Group is in the progress of applying for sub-division and the issue of strata titles.

On 4 April 2010, the parties agreed to withdraw their legal actions with no order to costs.

36. EMPLOYEE BENEFITS

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Directors' remuneration other than fees	893	912	276	276
Salaries and wages	2,219	2,205	487	803
Defined contribution plan	215	212	59	68
Other employee benefits	419	209	128	148
	3,746	3,538	950	1,295

Included in the employee benefit of the Group and of the Company are Executive Directors' remuneration amounting to RM641,400 (2008: RM660,400) and RM24,000 (2008: RM24,000) respectively.

37. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(i) On 13 May 2009, the Company acquired the entire issued and paid-up ordinary share capital of Protokol Elegan Sdn. Bhd., a company incorporated in Malaysia, for a total cash consideration of RM2; and

(ii) On 13 May 2009, the Company acquired the entire issued and paid-up ordinary share capital of Inovatif Mewah Sdn. Bhd., a company incorporated in Malaysia, for a total cash consideration of RM2. Subsequently, on 11 December 2009, the Company has disposed off its entire equity interest in Inovatif Mewah Sdn. Bhd. for a cash consideration of RM2 to one of its wholly-owned subsidiary, Menang Development (M) Sdn. Bhd..

38. COMPARATIVE FIGURES

The following comparative figures have been restated to conform with the current financial year's presentation:

Group	As previously reported RM'000	Reclassi-fication RM'000	As restated RM'000
Cash Flow Statements			
Cash flows from operating activities			
Decrease in trade and other receivables	1,292	(947)	345
Cash used in operations	(4,705)	(947)	(5,652)
Net cash used in operating activities	(2,011)	(947)	(2,958)
Cash flows from investing activities			
Proceed from previous disposal of an associate	–	947	947
Net cash from investing activities	2,494	947	3,441
Balance sheets			
Note 21.2 to the financial statements			
Term loan I	12,634	(1,735)	10,899
Term loan II	36,196	1,735	37,931
Term loan III	2,781	–	2,781
	51,611	–	51,611

List Of Properties Held

As At 31 December 2009

Location	Tenure	Area (Approximately)	Existing Usage/ Description	Age of Buildings	Net Book Value RM'000	Year of Acquisition/ Revaluation
Geran No. 27973 Lot No. 2596 Mukim of Bukit Raja Daerah Klang Selangor Darul Ehsan	Freehold Land	53,413 sf	Vacant Industrial Land for Future Development	N/A	461	1998
Geran No. 27974 Lot No. 2597 Mukim of Bukit Raja Daerah Klang Selangor Darul Ehsan	Freehold Land	55,347 sf	Vacant Industrial Land for Future Development	N/A	481	1998
Geran No. 27975 Lot No. 2615 Mukim of Bukit Raja Daerah Klang Selangor Darul Ehsan	Freehold Land	72,473 sf	Vacant Industrial Land for Future Development	N/A	541	1998
Geran No. 27976 Lot No. 2616 Mukim of Bukit Raja Daerah Klang Selangor Darul Ehsan	Freehold Land	63,516 sf	Vacant Industrial Land for Future Development	N/A	521	1998
Geran No. 27917 Lot No. 48 Mukim of Bukit Raja Daerah Klang Selangor Darul Ehsan	Freehold Land	82.90 acres	Vacant Industrial Land for Future Development	N/A	17,515	1998
HSD 97332 PT 25008 Mukim of Klang Daerah Klang Selangor Darul Ehsan	Leasehold 99 Years Expiry date - 2103	27.86 acres	Vacant Industrial Land for Future Development	N/A	2,516	1998
HSD 97333 PT 50718 Mukim of Klang Daerah Klang Selangor Darul Ehsan	Leasehold 99 Years Expiry date - 2103	41.25 acres	Vacant Industrial Land for Future Development	N/A	3,726	1998
Geran No. 21944 Lot No. 20 Mukim of Ulu Bernam Daerah Ulu Selangor Selangor Darul Ehsan	Freehold Land	46.50 acres	Vacant Industrial Land for Future Development	N/A	4,856	1998
Lot No. 663, GM 3689 Mukim of Ulu Bernam Daerah Ulu Selangor Selangor Darul Ehsan	Freehold Land	10.38 acres	Vacant Industrial Land for Future Development	N/A	1,086	1998
Lot No. 889, GM 3690 Mukim of Ulu Bernam Daerah Ulu Selangor Selangor Darul Ehsan	Freehold Land	10.13 acres	Vacant Industrial Land for Future Development	N/A	1,058	1998

List Of Properties Held (Cont'd)

As At 31 December 2009

Location	Tenure	Area (Approximately)	Existing Usage/ Description	Age of Buildings	Net Book Value RM'000	Year of Acquisition/ Revaluation
Lot 237, GM 583 Mukim of Si Rusa Daerah Port Dickson Negeri Sembilan Darul Khusus	Freehold Land	4.20 acres	Vacant Service Apartments Land for Future Development	N/A	5,000	1998
Lot 1279, CT 6441 Mukim of Si Rusa Daerah Port Dickson Negeri Sembilan Darul Khusus	Freehold Land	3.93 acres	Vacant Hotel Resort Land for Future Development	N/A	4,673	1998
665 & 666 Jalan RJ 1/15 Rasah Jaya 70300 Seremban Negeri Sembilan Darul Khusus	Freehold Land	3,600 sf	3 1/2 Storey Office Lots	27 years	340	1998
92 units of Market Stalls Mukim of Rasah, Seremban	Freehold Land	12,511 sf	Vacant Market Stalls	23 years	250	1998
24 units of 3 Storey Office Mukim of Rasah, Seremban	Freehold Land	43,758 sf	Office Lots For Rental	12 years	5,774	1998
Rasah Jaya Mukim of Rasah, Seremban Negeri Sembilan Darul Khusus	Freehold Land	8.01 acres	On Going Mixed Development Land	N/A	11,905	1998
Seremban 3 Various subdivided lots Negeri Sembilan Darul Khusus	Freehold Land	542 acres	On Going Mixed Development Land	N/A	185,175	2001
Lot 868, Geran 17863 Mukim of Rasah, Seremban Negeri Sembilan Darul Khusus	Freehold Land	2.51 acres	Residential Development Land	N/A	753	2002
Lot 1570, Geran 3890 Mukim of Rantau, Seremban Negeri Sembilan Darul Khusus	Freehold Land	64.84 acres	Agricultural Land	N/A	5,101	2004
Lot 776, GM 33 Mukim of Rasah, Seremban Negeri Sembilan Darul Khusus	Freehold Land	11.75 acres	Vacant Commercial Land	N/A	7,601	2004
Lot 9555 & 9556, HS (D) 125699 & 125700 Mukim of Rasah, Seremban Negeri Sembilan Darul Khusus	Freehold Land	9.93 acres	Agricultural Land	N/A	1,729	2005
Lot 661, Geran No 587 Mukim of Si Rusa Daerah Port Dickson Negeri Sembilan Darul Khusus	Freehold Land	44,100 sf	Agricultural Land	N/A	1,129	2004
Lot 996, Geran No 591 Mukim of Si Rusa Daerah Port Dickson Negeri Sembilan Darul Khusus	Freehold Land	87,121 sf	Agricultural Land	N/A	2,230	2004

Shareholders' Information

ANALYSIS OF SHAREHOLDINGS AS AT 7 MAY 2010

SHARE CAPITAL

Authorised Share Capital	:	RM1,000,000,000.00
Issued and Paid-Up Capital	:	RM267,107,000.00
Class of Shares	:	Ordinary Shares of RM1.00 each
Voting Rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDERS

Size of Shareholdings	No. of Holders	%	No. of Shares of RM1.00 each	%
Less than 100	162	0.91	2,185	0.00
100 to 1,000	9,569	53.73	4,891,764	1.83
1,001 to 10,000	6,609	37.11	23,540,121	8.81
10,001 to 100,000	1,270	7.13	41,152,200	15.41
100,001 to 13,355,349	197	1.11	101,598,800	38.04
13,355,350* and above	1	0.01	95,921,930	35.91
	17,808	100.00	267,107,000	100.00

* 5% of issued shares = 13,355,350

SUBSTANTIAL SHAREHOLDERS (Excluding bare trustee)
(As per Register of Substantial Shareholders)

Name	Direct No. of Shares Held		%	Indirect No. of Shares Held		%
Dato' Abdul Mokhtar Ahmad	–		–	95,945,130	*	35.92
Dato' Shun Leong Kwong	9,400		0.00	95,945,130	*	35.92
Datin Mariam Eusoff	4,200		0.00	95,945,130	*	35.92
Maymerge (M) Sdn Bhd	1,200		0.00	95,943,930	+	35.92
Titian Hartanah (M) Sdn Bhd	95,943,930	@	35.92	–		–
Goh Kheng Peow	4,385,000		1.64	15,453,700	#1	5.79
See Thoo Chan	2,474,400		0.93	17,364,300	#2	6.50

* Indirect interest through Maymerge (M) Sdn Bhd (257143-M) and Titian Hartanah (M) Sdn Bhd (271634-U) by virtue of Section 6A(4)(c) of the Companies Act, 1965

\+ Indirect interest through Titian Hartanah (M) Sdn Bhd (271634-U) by virtue of Section 6A (4)(c) of the Companies Act, 1965

@ Included in this figure, 95,921,930 shares held by bare trustee, AMSEC Nominees (Tempatan) Sdn Bhd (102918-T)

#1 Indirect interest through his spouse and Compugates Holdings Berhad (669287H) by virtue of Section 6A of the Companies Act, 1965

#2 Indirect interest through her spouse and Compugates Holdings Berhad (669287H) by virtue of Section 6A of the Companies Act, 1965

Shareholders' Information (Cont'd)

DIRECTORS' SHAREHOLDINGS
(As per Register of Directors' Shareholdings)

Name	Direct No. of Shares Held	%	Indirect No. of Shares Held	%
Dato' Abdul Mokhtar Ahmad in				
The Company	–	–	95,945,130 *	35.92
Maymerge (M) Sdn Bhd	118,977,400	20.00	–	–
Titian Hartanah (M) Sdn Bhd	–	–	1,000,000	100.00
Dato' Shun Leong Kwong in				
The Company	9,400	0.00	95,945,130 *	35.92
Maymerge (M) Sdn Bhd	267,699,150	45.00	–	–
Titian Hartanah (M) Sdn Bhd	–	–	1,000,000	100.00
Datin Mariam Eusoff in				
The Company	4,200	0.00	95,945,130 *	35.92
Maymerge (M) Sdn Bhd	208,210,450	35.00	–	–
Titian Hartanah (M) Sdn Bhd	–	–	1,000,000	100.00
Dr. Christopher Shun Kong Leng, CFP® CFP®, RFP™ in The Company	–	–	–	–
Too Kok Leng	–	–	–	–
Chiam Tau Meng	–	–	–	–

* Indirect interest through Maymerge (M) Sdn Bhd (257143-M) and Titian Hartanah (M) Sdn Bhd (271634-U) by virtue of Section 6A(4)(c) of the Companies Act, 1965

Shareholders' Information (Cont'd)

THIRTY LARGEST SHAREHOLDERS AS AT 7 MAY 2010

	Name	No. of Shares	%
1.	AMSEC Nominees (Tempatan) Sdn Bhd *AmBank (M) Berhad for Titian Hartanah (M) Sdn Bhd*	95,921,930	35.91
2.	Compugates Holdings Berhad	11,979,300	4.48
3.	Tan Shoo Li	5,284,300	1.98
4.	Toh May Fook	5,119,500	1.92
5.	Cimsec Nominees (Tempatan) Sdn Bhd *CIMB Bank for Toh May Fook*	4,761,400	1.78
6.	Lim Seng Chee	3,320,000	1.24
7.	Liew Sook Pin	2,703,500	1.01
8.	RHB Capital Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Goh Kheng Peow*	2,367,000	0.89
9.	RHB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Goh Kheng Peow*	2,277,500	0.85
10.	OSK Nominees (Tempatan) Sdn Berhad *Pledged Securities Account for Foremillion (M) Sdn Bhd*	2,195,500	0.82
11.	Ng Poh Lyn	2,060,800	0.77
12.	Continuum Sanctuary Commercial Sdn Bhd	2,000,000	0.75
13.	Toh May Fook	1,880,000	0.70
14.	Citigroup Nominees (Asing) Sdn Bhd *Exempt An For OCBC Securities Private Limited*	1,778,500	0.67
15.	Mayban Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Kek Lian Lye*	1,237,300	0.46
16.	Tee Chee Chong	1,150,000	0.43
17.	Citigroup Nominees (Asing) Sdn Bhd *UBS AG Hong Kong For Yellow Gold Enterprise Inc*	1,130,000	0.42
18.	Amsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Goh Kheng Peow*	1,000,000	0.37
19.	Malacca Equity Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for See Thoo Chan*	1,000,000	0.37
20.	Tan Yok Chu	1,000,000	0.37
21.	Chua Khin Eng	955,100	0.36

THIRTY LARGEST SHAREHOLDERS AS AT 7 MAY 2010 (Continued)

	Name	**No. of Shares**	**%**
22.	Johan Tung Bin Abdullah	920,400	0.34
23.	Lim Yan Heng	920,000	0.34
24.	Wong Wai Lum	912,800	0.34
25.	AIBB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Wong Kie Yik*	900,000	0.34
26.	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd *Kim Eng Securities Pte Ltd for Quek Yuen Sum*	900,000	0.34
27.	Cimsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Soong Ik Lin*	834,800	0.31
28.	Cimsec Nominees (Asing) Sdn Bhd *Exempt An For CIMB-GK Securities Pte Ltd*	800,100	0.30
29.	Ho Tau Tai	751,000	0.28
30.	Alliancegroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Low Kong Teck*	700,000	0.26
	Total	158,760,730	59.44

Warrant Holders' Information

ANALYSIS OF WARRANT HOLDINGS AS AT 7 MAY 2010

No. of Warrants	:	40,070,400
Exercise Rights	:	Each Warrant entitles the holder to subscribe for one (1) new ordinary share of RM1.00 each in the Company
Exercise Period	:	16 October 2001 to 15 October 2011
Exercise Price	:	The Exercise Price of each Warrant is RM1.00 for one(1) new ordinary share of RM1.00 each in the Company

DISTRIBUTION OF WARRANT HOLDERS

Size of Warrant holdings	No. of Holders	%	No. of Warrants	%
Less than 100	1	0.08	69	0.00
100 to 1,000	414	36.00	358,232	0.89
1,001 to 10,000	507	44.09	2,577,199	6.43
10,001 to 100,000	206	17.91	6,575,800	16.41
100,001 to 2,003,519	21	1.83	5,385,000	13.44
2,003,520 * and above	1	0.09	25,174,100	62.83
	1,150	100.00	40,070,400	100.00

* 5% of Warrants = 2,003,520

DIRECTORS' INTEREST IN WARRANT

Name	Direct No. of Warrants Held	%	Indirect No. of Warrants Held	%
Dato' Abdul Mokhtar Ahmad	–	–	–	–
Dato' Shun Leong Kwong	–	–	–	–
Datin Mariam Eusoff	–	–	–	–
Dr. Christopher Shun Kong Leng, CFP®, RFP™	–	–	–	–
Too Kok Leng	–	–	–	–
Chiam Tau Meng	–	–	–	–

Warrant Holders' Information (Cont'd)

THIRTY LARGEST WARRANT HOLDERS AS AT 7 MAY 2010

	Name	No. of Warrants	%
1.	Pakatan Laksana Commercial Sdn Bhd	25,174,100	62.82
2.	Tang Kee Hiong	1,200,200	3.00
3.	Cimsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Soong Ik Lin*	717,300	1.79
4.	Lim Boon Leong	540,900	1.35
5.	Abdul Aziz Bin Mohd Hassan	221,100	0.55
6.	OSK Nominees (Tempatan) Sdn Berhad *Pledged Securities Account for Chow Chin Kooi*	220,900	0.55
7.	Lee Chin Ling	200,000	0.50
8.	Lee See Sin @ Lim See Sin	199,000	0.50
9.	Perbadanan Kemajuan Negeri Selangor	199,000	0.50
10.	Chai Chun Leong	165,000	0.41
11.	HLG Nominee (Tempatan) Sdn Bhd *Pledged Securities Account for Yap Soon Nam*	164,000	0.41
12.	Suddin Bin Kassim	161,600	0.40
13.	Kwek Meng Huat	156,000	0.39
14.	Perbadanan Kemajuan Negeri Selangor	154,000	0.38
15.	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Chia Hong @ Gan Chia Hong*	150,000	0.37
16.	Perbadanan Kemajuan Negeri Selangor	147,000	0.37
17.	Ooi Chieng Sim	140,000	0.35
18.	Tang Huat Wong	138,000	0.34
19.	Tey Bock Kern	135,000	0.34
20.	Chai Chun Leong	130,000	0.32
21.	Mok Bi Wan	125,000	0.31
22.	Khoo Ghee Hian	121,000	0.30
23.	Foo Sai	100,000	0.25

Warrant Holders' Information (Cont'd)

THIRTY LARGEST WARRANT HOLDERS AS AT 7 MAY 2010 (Continued)

	Name	No. of Warrants	%
24.	Goh Kheng Peow	100,000	0.25
25.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chia Hong @ Gan Chia Hong	100,000	0.25
26.	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Chan Moon Thiam*	100,000	0.25
27.	Tan Su Lam	100,000	0.25
28.	OSK Nominees (Tempatan) Sdn Berhad Pledged Securities Account for Ng Sok Ming @ Ng Shook Ming	99,000	0.25
29.	Ibrahim Bin Mohd	94,800	0.24
30.	EB Nominees (Asing) Sendirian Berhad *Pledged Securities Account for Walter Wurtz*	90,000	0.22
	Total	31,342,900	78.22

Menang Corporation (M) Berhad (5383-K)
Incorporated in Malaysia

CDS Account No.	Number of Shares Held

PROXY FORM

I/We ....
(Full Name in Capital Letters)

NRIC No/ID No/Company No .... of ....

....
(Full Address)

being a member(s) of **MENANG CORPORATION (M) BERHAD** hereby appoint ....

.... NRIC No. ....
(Full Name in Capital Letters)

of ....
(Full Address)

or failing him the Chairman of the Meeting as *my/our proxy to vote for *me/us and on *my/our behalf at the Forty Sixth Annual General Meeting of the Company to be held at the Meeting Room, Kelab Sultan Sulaiman, Jalan Dewan Sultan Sulaiman, 50300 Kuala Lumpur on Wednesday, 30 June 2010 at 10.00 a.m. and at any adjournment thereof.

*My/Our proxy(ies) is/are to vote as indicated below:

Resolutions	**Ordinary Business**	**For**	**Against**
Ordinary Resolution 1	Adoption of Audited Financial Statements and Reports		
Ordinary Resolution 2	Approval of Directors' Fees		
Ordinary Resolution 3	Re-election of Datin Mariam Eusoff as Director pursuant to Article 112		
Ordinary Resolution 4	Re-election of Dr. Christopher Shun Kong Leng, CFP®, RFP™ as Director pursuant to Article 112		
Ordinary Resolution 5	Re-appointment of Dato' Abdul Mokhtar Ahmad as Director pursuant to Section 129(6) of the Companies Act, 1965		
Ordinary Resolution 6	Re-appointment of Dato' Shun Leong Kwong as Director pursuant to Section 129(6) of the Companies Act, 1965		
Ordinary Resolution 7	Re-appointment of Messrs BDO as the Company's Auditors.		
	Special Business		
Ordinary Resolution 8	Authorisation to issue shares pursuant to Section 132D of the Companies Act, 1965		
Ordinary Resolution 9	Proposed renewal of General Mandate for Substantial Property Transactions involving Directors pursuant to Section 132E of the Companies Act, 1965		

Please indicate with (X) 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/her discretion.

Dated this......................................day of..2010

....
[Signature/Common Seal of Shareholder(s)]

(* Delete if not applicable)

NOTES:

(1) A member of the Company entitled to attend and vote at the abovementioned 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 Proxy form must be signed by the appointer or his/her attorney duly authorised in writing or in the case of a corporate member, the instrument appointing a proxy shall be under its Common Seal or under the hand of a duly authorised officer or attorney.

(3) Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.

(4) Any alteration to the instrument appointing a proxy must be initialed. The instrument appointing a proxy must be deposited at the Company's Registered Office at 8th Storey, South Block, Wisma Selangor Dredging, 142-A Jalan Ampang, 50450 Kuala Lumpur not less than 48 hours before the time fixed for the meeting or any adjournment thereof.

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Stamp

The Company Secretary
Menang Corporation (M) Berhad (5383-K)
Box #2, Wisma Selangor Dredging
8th Storey, South Block
142-A Jalan Ampang
50450 Kuala Lumpur

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